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INDEPENDENT COMMISSION AGAINST CORRUPTION

STEPHEN RUSHTON SC
COMMISSIONER

PUBLIC HEARING

OPERATION GALLEY

Reference: Operation E19/0569

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON FRIDAY 1 JULY, 2022

AT 10.00AM

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: Take a seat. Thank you. We'll just have Madam Interpreter sworn in and then we'll also swear in the witness again, too.

<GARMAN (JOANNE) LUM, sworn

[10.23am]

THE COMMISSIONER: Thank you.

MR HOOD: Commissioner, before Counsel commences, can I just raise a matter in the transcript, if I may?

THE COMMISSIONER: Certainly.

10

MR HOOD: At page 672 at the very top.

THE COMMISSIONER: Yep.

MR HOOD: I take it, I don't have an issue with the question that's asked but the line down that commences "All right. What did he change it to?" I think the last letter is incorrect. I don't say I've got an independent recollection of what the witness said - - -

20 THE COMMISSIONER: Sorry. Can you just direct me to the question again?

MR HOOD: Yes. Top of page 672.

THE COMMISSIONER: Yes.

MR HOOD: "Does your son go by Malcolm Hindi professionally?" Answer, "He goes by Malcolm James Hindi and he recently, well what I mean, recently changed his surname." "All right. What did he change it to?" And then says "To" and then it is spelt out.

30

THE COMMISSIONER: Yep.

MR HOOD: But I believe that the last letter should be E rather than A.

THE COMMISSIONER: Yeah, I think you're right. Yes. That's noted. Thank you very much. We'll have that amended.

MR HOOD: It just may have some significance at some other point, that's all.

40

THE COMMISSIONER: Certainly. Thank you. Thanks very much, Mr Hood.

MS HEGER: Could I show the witness, please, volume 1.3, page 1? That's Exhibit 126. Mr Liu, this is the offer to enter into a voluntary planning agreement for the 1-5 Treacy Street development that GR Capital lodged in September 2014, correct?---(NO AUDIBLE REPLY)

10 And I'll show you the next page of the document so that you can see the whole thing. That's the VPA offer that GR Capital Group lodged for the 1-5 Treacy development, correct? 1-5 Treacy Street development, correct? ---*I believe so.*

And at this point the offer included, as you can see at paragraph 18A, to design and construct at its own cost, footpath, landscaping and road upgrade works. Do you see that?---*Yes.*

20 It also included completing the works and dedication of land prior to the issue of an occupation certificate. Do you see that?---*Yes.*

And it also included providing council with the ownership of a strip of land. Do you see that?---*Yes.*

Can I then show you volume 1.3, page 65? GR Capital Group then amended the VPA offer for 1-5 Treacy Street, correct, and this letter sets out that amendment?---*I don't recall reading this letter.*

30 Well, the letter explains that GR Capital Group propose to expand the scope of the original VPA to include the dedication of a ground floor retail tenancy. Do you recall the VPA offer was amended in that way?---*I don't remember very well about it.*

All right. Well, I want you to assume that it was amended in that way for the purposes of my next questions.---*Okay.*

40 I'm now going to show you a transcript. And we'll just wait until I indicate for it to be shown before it's brought up on-screen, please. It's a transcript of your compulsory examination. And, Commissioner, I'm asking you to vary the order that was made under section 112 of the ICAC Act.

THE COMMISSIONER: Just in relation to that page or generally?

MS HEGER: I'm going to identify the page numbers and the line numbers now.

THE COMMISSIONER: Right.

MS HEGER: I ask you to vary the section 112 to permit the publication of the following portions of that transcript. And that is page 870, line 8, to page 871, line 40, and also page 881, line 19, to page 883, line 18.

10

THE COMMISSIONER: That's it?

MS HEGER: That's it.

THE COMMISSIONER: All right. Pursuant to section 112 of the Independent Commission Against Corruption Act, I vary the orders previously made to allow publication of the parts of the transcript just identified by Counsel Assisting.

20

VARIATION OF SUPPRESSION ORDER: PURSUANT TO SECTION 112 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I VARY THE ORDERS PREVIOUSLY MADE TO ALLOW PUBLICATION OF THE PARTS OF THE TRANSCRIPT JUST IDENTIFIED BY COUNSEL ASSISTING.

MS HEGER: I'll show you first page 870 to 871. You recall, well, at your compulsory examination, you were asked, "You recall discussing your work on that development with Philip Sansom around this time, March 2014?" And you said, "Yes, for Railway Parade." That was truthful evidence, wasn't it?---*Philip, Philip, which, which - - -*

30

Sansom.---*I believe so.*

And you were asked, "Mr Sansom understood that you and Philip Uy were working together on that development?" And you answered, "I believe so." That was truthful evidence?---*Yeah.*

40

Then you were asked, "You ultimately lodged the DA for Treacy Street in October 2014. You must have also talked to Mr Sansom sometime prior to

that date about your interest in 1-5 Treacy Street.” And you said, “I don’t, I didn’t talk to them very, I have not mentioned about this project to him.” That was truthful evidence?---*I haven’t talked, mentioned to him what?*

Do you need me to read that portion of the compulsory examination transcript again?---*Yes.*

All right. Can I just ask you this, Mr Liu, you do speak English, don’t you? ---*Basic English, yes.*

10

Are you comfortable reading and understanding transcript yourself or do you need it to be translated for you?---*Best if it is translated.*

All right. I’ll do that again. You were asked, “But you ultimately lodged the DA for Treacy Street in October 2014. You must have also talked to Mr Sansom sometime prior to that date about your interest in 1-5 Treacy Street.” And you said, “I don’t, I didn’t talk to them very, I have not mentioned about this project to him.”---*Yes.*

20 And that was truthful evidence, wasn’t it?---*Yes, I believe.*

And then further down the page you were asked, “Do you know if Philip Uy talked to Philip Sansom about 1-5 Treacy Street before the DA was lodged in October 2014?” and you said, “I believe so.” That was truthful evidence? ---*Yes. Yes.*

30 And then you were asked, “Did he tell you that he’d spoken to Mr Sansom?” and you answered, “He did not directly say so but he, what he said was with his contacts and his resources, he was trying explore better development ideas and in terms of myself I was not, you know, involved in it.” That was truthful evidence?---*That’s right.*

Then you were asked, “So prior to the Treacy Street development application being lodged in October 2014, you understood that Philip Uy knew Philip Sansom. Correct?” and you said “Yes.” And that was truthful evidence?---*Yes.*

40 And you were asked, “You understood that Philip Uy had travelled with Philip Sansom to China a number of times prior to October 2014?” You said, “Yes” and that was truthful evidence?---*Yes.*

If you go to the next page, please. You were asked, “And your evidence is that Philip Uy told you that he’d been talking to people at council about the Treacy Street development prior to October 2014?” You answered, “He did say so,” and that was truthful evidence?---*Yes.*

And then you were asked, “Although he didn’t mention Mr Sansom by name you believed that that included Mr Sansom?” and you said “He did mention that he has resources but I, I said I don’t want to know more about this, but I think that what you said was what he meant.” And that was
10 truthful evidence by you?---*Yes.*

And when you said in answer to that question “I don’t want to know more about this”, you were indicating you said that to Philip Uy, correct?

THE INTERPRETER: Say that again?

MS HEGER: When you said in answer to that question “I said I don’t want to know more about this”, that’s what you said to Philip Uy, isn’t it?
---*Correct.*

20

And by that you meant “I don’t want to know who you’re talking to at council”, is that right?---*He mentioned that there are lots of people in his team, including consultants and many other people, and I was confused so I thought I didn’t know, want to know too much about it.*

Well, no, Philip Uy told you that he’d been talking to people at council about this Treacy Street development, you’ve already confirmed that, haven’t you?---*Correct.*

30 And you understood that to mean that he’d been talking to councillors at Hurstville City Council about the Treacy Street development, didn’t you?
---*Yep. That included them.*

And did you say to Philip Uy “I don’t want to know about your discussions with councillors”?---*I did not mention councillors, I just said that I don’t want to know who he was talking to.*

And why did you say that?---*Because what he has told me was a bit confusing to me. So - - -*

40

Well, you said that to him because you didn’t want to be – I withdraw that.

THE COMMISSIONER: Can I suggest that you said that because you thought that his dealings with the councillors might be improper?
---*Probably, yes.*

Yeah, thank you.

MS HEGER: Further down the page you were asked, “When he said he was going to use his resources at council you understood that to mean he was talking to Philip Sansom about the Treacy Street development around this time, October 2014.” And you said, “I don’t know whether he would be speaking to Philip Sansom particularly and I don’t remember.” That was truthful evidence?---*Correct.*

You were asked, “You understood he could be speaking to Philip Sansom or Vince Badalati about the Treacy Street development at this time.” You said, “Yes.” And that was truthful evidence?---*Did I say yes to this?*

20 You did. And that was truthful evidence?---*Yes.*

You were asked, “What about Constantine Hindi, you understood at this time he was also a councillor at Hurstville City Council?” You answered “Yes.” And that was truthful evidence?---*Yes.*

You were asked, “And you understood by this time, October 2014, that Philip Uy knew Con Hindi.” You answered, “Yes.” And that was truthful evidence?---*Yes.*

30 You were asked, “When Philip Uy said he had resources at council did you understand that might also include Con Hindi?” And you answered, “Yes.” And that was truthful evidence?---*Yes.*

Go to the next page, please. If we go to page 881, sorry. That’s in the next volume. You were asked, “Mr Liu, you mentioned that Mr Uy was doing consulting. What sort of consulting was he doing?” You answered, “He was responsible for lodging DA and for meeting all the reports to council in relation to the traffic, the noise and environmental impact. All those reports he gathered and watched.” And that was truthful evidence by you?---*Yes.*

40 And you were asked, “I think you said to me a little earlier that he told you he had resources.” And you answered, “Yep, that’s included as well.” And that was truthful evidence?---*Yes.*

You were asked, "So it included dealing with councillors such as Badalati, Hindi and Sansom." And you answered, "He did not mention about dealing with councillors but with the government. That is council." And that was truthful evidence?---*Yes.*

And when you said Philip Uy did not mention dealing with councillors, do you mean he didn't mention specific councillors, that is, he told you he was dealing with councillors but didn't name specific ones. Correct?---*Yes.*

10

You were asked, "Did he tell you that Mr Badalati, Mr Hindi and Mr Sansom supported the development at Treacy Street?" And you answered, "He did mention that his designer's team will try to convince council's people to hold the project." That was truthful evidence?---*Yes.*

You were asked, "But did he tell you which way he expected those three councillors to vote?" And you answered, "He did mention that." And that was truthful evidence?---*He did mention that. I don't understand this one.*

20

You were asked, "But did he tell you which way he expected those three councillors to vote?" And you answered, "He did mention that." And by that you meant, didn't you, that Philip Uy told you which way he expected those three councillors to vote on the Treacy Street development. Is that right? ---*To vote? How to vote? I'm not sure if I follow that.*

Well, I'm just asking you, Mr Liu, whether the evidence you gave at your compulsory examination is truthful or not. Do you understand that?---*I understand.*

30

Well, do you need me to read out the question and the answer again?---*My understanding now and my understanding then does, do not seem to match.*

All right. Well, I'll just ask you what your understanding is now then. Did Philip Uy, let's start with the vote in November 2014. You're aware that council voted to accept the VPA offer for Treacy Street in November 2014?---*Yes.*

40

And did Mr Uy tell you before that vote which way he expected Mr Badalati would vote on the Treacy Street VPA offer? That is, did he tell you whether Mr Badalati would vote to support it?---*I, I only recall him telling me that

it would be supported. I don't remember whether that was before or after it.*

So at some point Philip Uy told you the Treacy Street VPA would be supported, is that right?---*I, I do have that recollection but I don't know whether it was the designer who had told me or Mr Uy that had told me.*

THE COMMISSIONER: But you were told by someone that Mr Badalati, Mr Hindi and Mr Sansom would support the VPA?---*Yes. But I don't
10 remember whether it was before or after.*

Thank you.

MS HEGER: Excuse me a moment.

THE COMMISSIONER: Can I ask you this, I mean, if that evidence is truthful, and I'll just mention it again, did he tell you which way he expected those three councillors to vote and you said he did mention that, that had to be before they did vote, correct?---*Usually he would tell me the
20 result of things but my memory, my recollection is a bit confused now.*

But I think I was asking the questions and I asked you did he tell you which way he expected those three councillors to vote and you said he did mention that. And then I said, "So he did?" and you said "Yes." And that was truthful evidence?---*Yes.*

So he told you which way he expected those three councillors to vote before they voted?---*I, I'm just a bit confused and can't remember exactly whether he mentioned it to me about this before or afterwards.*
30

Well, then why did you tell me on 21 June that he did mention?---*He did mention.*

Yeah, and he mentioned which way he expected the three councillors to vote.---*Expected?*

Yes.---*I don't think I understood it as an expectation at that time.*

Well, why did you tell me that you did say that, that you expected the three
40 councillors to vote? Sorry, you told me that he had said to you which way

he expected those three councillors to vote and you ultimately said yes.---*I must have misunderstood it at that time.*

MS HEGER: I think out of fairness, Mr Liu, I should take you to the next page as well. If you go to the next page, please.---*Yep.*

10 First you were asked, “And did he indicate to you that they would vote in favour of the development?” And you answered, “He didn’t say so but he say, he said that they would support it.” That was truthful evidence at the time?---*Yes.*

You were asked, “Did he tell you why they would support it?” You answered, “That’s where I have confused myself with matters relating to Landmark Square. I was required to pay more for VPA and I was asked to provide a free office to council at Treacy Street.” And that was truthful evidence?---*Now having the benefit of this page, I remember at that time I was thinking of the offer of an office and to pay more for the VPA, and I think with that they would be supportive to the application.*

20 And when you talk about the free office, are you talking about the amended VPA offer that I showed you, which included the ground floor retail tenancy?---*I do not know the specifics of it but I remember offering to council a free office and more payment for the application.*

Right. And when you say, “I was asked to provide a free office” you can see that was part of your answer to this question on 21 June? Who asked you to provide that free office to council?---*I think it was the town planner, I think.*

30 All right. And when you said in answer to this question, “That’s where I have confused myself with matters relating to Landmark Square,” did you mean to suggest that Philip Uy had told you that council would support the Landmark Square planning proposal?---*Landmark Square, we were earlier on talking about 1-5 Treacy Street, were we not?*

I know. I’m asking you about Landmark Square now because you mentioned it in answer to this question on 21 June. And my question is did Philip Uy tell you – I withdraw that. You’re aware that council voted in favour of the Landmark Square planning proposal on 20 April, 2016?---*I don’t recall the timing of that one.*

40

Well, I want you to assume that council did vote in favour of the Landmark Square planning proposal on 20 April, 2016. Before that vote, did Philip Uy tell you which way Mr Badalati or Mr Hindi or Mr Sansom would vote on the Landmark Square planning proposal?---*He did mention that. He did not mention names or, but he did say that the government would support it as long as there would be a hotel built there.*

10 THE COMMISSIONER: Well, that can't be right 'cause I'll draw your attention to the question at the top of the page, "And did he indicate to you that they would vote in favour of the development?" And that was the three councillors. And you said, "He didn't say so but he said that they would support it." Now, is that truthful evidence?---*That's correct there.*

Thank you.

MR HOOD: Can I just raise a matter, Mr Commissioner?

20 MS HEGER: I think you're about to raise what I was about to raise but I'll let you do it, Mr Hood.

MR HOOD: There seems to be a degree of confusion in regard to the separate properties and what was transpiring in regard to the discussions of the different aspects of those developments. Now, that's clear from reading, I mean, we've had the advantage of reading the relevant pages, and if you go through the different questions that were asked, it becomes apparent that there is some confusion at that time, and even today, with respect.

30 THE COMMISSIONER: Well, I'm sorry, I can't see anything confusing about the question asked at the top of the page and I can't see anything that's confusing about his answer.

MS HEGER: Could I say this, Commissioner? I think there may be ambiguity around the questions now that are being asked about that first question, because on the previous page the topic was Treacy Street, so I think the witness does need to be asked in respect of that question, was he referring to Landmark Square or Treacy Street.

40 THE COMMISSIONER: Okay. Well, I'll read it again. "And did he", and that's Mr Philip Uy, "indicate to you that they would vote in favour of the development?" and you said, "He didn't say so but he say, he said that they

would support it.” What property do you say that answer related to, Treacy Street or Landmark Square?---*I believe it was Landmark Square.*

So Mr Uy indicated to you that Badalati, Hindi and Sansom would support the development?---*Yes. But the condition to be met was that there had to be a hotel.*

10 Well, I then asked you at line 10, you said to me that you were confused and then I asked you this, “But I understood your evidence to be that you understood from your discussions with Mr Uy that these three councillors would support the Treacy Street development?” And you said “Yes. But I have to provide, have to pay the VPA money and provide an office to them.” And that was truthful evidence?---(NO AUDIBLE REPLY)

MR HOOD: Can I raise, Mr Commissioner, if I may, the next question and answer becomes all-important because it straightens out the ambiguity or the difficulty - - -

20 THE COMMISSIONER: That’s right.

MR HOOD: The next question and answer becomes all-important.

THE COMMISSIONER: Yes, I know. And I’m going to get to that.

MR HOOD: Well, to ask him about that in isolation without putting to him - - -

30 THE COMMISSIONER: I’m not going to ask him in isolation, I’m going to move on. Please sit down.

MR HOOD: All right.

THE COMMISSIONER: And bear in mind that this is all being said in front of the witness, which is most unhelpful. I asked you, “Did he tell you why they would support the Treacy Street development?” and you said “The three of them did not tell me.” And then I asked you, “No, but did Mr Uy?” And you said, “Mr Uy said that a free office must be provided to council and more VPA fees has to be paid before they would approve it.”---*Yeah.*

Can I suggest that what he was saying to you was that provided the VPA fees were increased and provided a free office was provided to council, then the three councillors would approve?---*They would support it.*

Provided that you paid some more money under the VPA and provided you with, provided them with a free office, or council a free office?---*Yes.*

10 And that's why ultimately your solicitors wrote to council and said you would offer, I think it was 82 square metres, and you would pay an increased amount of money?---*That I don't remember.*

You don't remember that, okay. But you do remember that free office space was offered to council?---*Yes.*

And you do remember that you paid an increased amount of money under the VPA?---*Yes.*

20 And having done that, you expected Mr Badalati, Mr Hindi and Mr Sansom to vote in favour of the development?---*Yes.*

Yes, thank you. Thank you very much.

MS HEGER: All right. I tender those portions of the CE transcript.

THE COMMISSIONER: Thank you. They are Exhibit 208, is that correct?

MS HEGER: Yes. We can tender both together as 208, pages 870 to 871, as well as 881 to 883.

30 THE COMMISSIONER: Thank you.

#EXH-208 – CE TRANSCRIPT PAGES 870 TO 871 AND 881 TO 883

40 MS HEGER: If I move to another topic, Mr Liu, I'm going to show you the statement of Nigel Dickson. Paragraph 75. You know Nigel Dickson of course was the planner engaged by The One Capital Group for the Landmark Square planning proposal?---*Yes.*

Mr Dickson says in his statement here that he recalls a further meeting with Philip Ly, and I want you to assume that's a reference to Philip Uy. And he says, "There was a further meeting with Philip Uy, Mr Liu and Councillors Hindi and Badalati." And I want you to assume that's a reference to yourself, not China Liu. And Mr Dickson says, "From memory, I believe this was held on a Saturday morning in the Novotel Brighton-Le-Sands sometime in February 2016." He says, "The meeting was exceptional in that it was held in a courtyard atrium of the hotel." Now, I'll ask you, Mr Liu, you attended a meeting with Councillors Hindi and Badalati at the
10 Novotel Brighton-Le-Sands in February 2016. Correct?---*I forgot about it but there was certainly a meeting, there was such a meeting but I don't recall the location nor the time.*

Well, I want you to do your best to remember, Mr Liu. Have you ever been to the Novotel at Brighton-Le-Sands?---*I have been there many times.*

Right. And have you been there on an occasion when Councillors Hindi and Badalati were there?---*I really can't remember about that hotel. I remember there was a meeting somewhere but I can't remember where.*
20

I want you to assume again that council voted in favour of the Landmark Square planning proposal on 20 April, 2016, for the purposes of my next question.

THE INTERPRETER: Landmark Square, right?

MS HEGER: Yes. Did you have a meeting with Councillors Hindi and Badalati about Landmark Square before 20 April, 2016?---*Was Nigel there at the same time?*

Yes, well, on this occasion that Mr Dickson is talking about in February 2016, he says it was him, yourself, Mr Liu, Philip Uy and Councillors Hindi and Badalati.---*Well, if there was such a meeting, I think it would have happened in 2014 or 2015 where Nigel and Philip were there at the hotel and they introduced the idea to promote the idea to the councillors I think.*

THE COMMISSIONER: But Mr Hindi and Mr Badalati were present?---*I believe so, yes.*

40 Thank you.

MS HEGER: All right. Can I go back to the dinner in Chinatown on 18 March, 2016? You said yesterday – I withdraw that. Can I show you volume 2.26, page 4? I can tell you, this is a photograph of the dinner in Chinatown on 18 March, 2016. Can you tell me who the lady is on the right?---*The daughter of Wang Yang Ping, Yang Ping Wang, who introduced me to China Liu.*

You said someone by the name of Wang had introduced you to China Liu, correct, and this lady is his daughter, is that right?---*Correct.*

10

And what's her name?---*I don't remember.*

All right. You've mentioned in your evidence Huinan Zhao. That's not Huinan Zhao, is it?

THE INTERPRETER: H-u-i-n-a-n Z-h-a-o?

MS HEGER: Correct.---*Not this, not the same person.*

20 No. But you said yesterday that Huinan Zhao had invited you to this dinner, correct?---*Yes.*

She didn't attend the 18 March dinner, did she?---*I can't remember.*

Do you have any recollection of Huinan Zhao being in Australia in March 2016?---*I can't remember, I can't remember very well about that. I believe she was.*

THE INTERPRETER: I'm just clarifying the gender of Huinan Zhao.

30

THE WITNESS: *I believe she was there.*

MS HEGER: All right. You believe she was, but do you have an actual recollection of seeing her in Australia in March 2016?---*No. China Liu came every time with her so I expect her to be there at the, I think she was there at that time.*

40 All right. So you're just – is your evidence you don't actually recall her being there but you believe she was based on China Liu's previous habits of travelling together with her, is that right?---*Correct.*

All right. Was it mentioned at that dinner at all that Yuqing Liu had agreed to invest in Treacy Street?---*Yes. About the overall, about his overall investment but not specifically mentioning this particular project.*

Was it mentioned that he'd agreed to invest in Landmark Square?---*I don't remember clearly about that either but I think there was mention of his overall investment, the overall amount.*

10 And was it mentioned that the investment was for projects in Australia?
---*Yes.*

Was it mentioned that it for projects or it included projects in Hurstville?
---*That I don't remember.*

All right. Can I show you the - - -

THE COMMISSIONER: Just before you do, it looks as though somebody's proposed a toast. They all have their glasses lifted.---*Yes.*

20 Were they celebrating or toasting the fact that an agreement had been signed?---*From what I could see on the table, it looks like it was just the beginning of it. I don't think there was food on the table yet.*

Well, that might be but as far as I can see everyone's standing there with a glass in their hand, do you agree?---*I can't remember. I mean, they were probably welcoming China Liu.*

All right. Okay, thank you.

30 MS HEGER: I'll tender that photograph, Exhibit 209.

THE COMMISSIONER: Thank you.

#EXH-209 – PHOTO AT VOLUME 2.26 PAGE 4

40 MS HEGER: I'll show you another photograph in volume 2.26, at page 27. No, sorry, not page 27, page 2. You can see there's food on the table in that photograph?---*Yes.*

Was China Liu and Mr Badalati toasting the signing of the agreement?---*I remember the signing was after it was all finished and it was signed at the table.*

All right. You mean after you'd finished eating, is that right?---*Yeah, right before we finished.*

10 All right. And so was this a toast to something else?---*I don't know. I mean, they don't speak a common language. He doesn't speak English and the other person doesn't speak Chinese so I don't know what they were celebrating.*

But there was a translator for China Liu there on this occasion, wasn't there?---*I think so. Maybe the, the daughter of Wang was acting as an interpreter that time, maybe.*

All right. I'll tender that photograph. Exhibit 210.

20 THE COMMISSIONER: Thank you.

#EXH-210 – PAGE AT VOLUME 2.26 PAGE 2

30 MS HEGER: Can I just show you the transcript of your evidence from yesterday afternoon, page 844? I just wanted to clarify one of the answers that you gave. It will come up on-screen in a moment. Commissioner, it might take a moment to bring that up, I'm told, so perhaps we should take the morning tea adjournment at this point?

THE COMMISSIONER: All right. 15 minutes?

MS HEGER: Yes.

THE COMMISSIONER: Thank you.

SHORT ADJOURNMENT

[11.37am]

40

THE COMMISSIONER: Take a seat.

MR HOOD: Before we resume, Commissioner, could I just raise a matter about Exhibit 209, the photograph of the separate ladies toasting in the – I’m just wondering if that exhibit can be dealt with in such a way that the person central in that photograph with the white top can have her face blacked out? That person has no role to play, as I understand it, here in any of the dealings, if I can use that expression in inverted commas

THE COMMISSIONER: Yeah. Just bear with me for a sec.

10

MR HOOD: Certainly.

MS HEGER: Commissioner, could we just come back to this issue after lunch perhaps? I understand it’s not going to be put on the website before the end of today in any event. It won’t be. So do you mind if I come back to that issue after the break?

THE COMMISSIONER: No, no, of course not.

20 MS HEGER: Mr Liu, on 8 April, 2016 you travelled to China for the signing ceremony in Tangshan, correct?---*Yes.*

And that was to sign the same agreement that had been signed in Chinatown with some minor changes, is that right?---*Correct.*

Can I show you volume 2.30, page 13, and in particular message 116? That’s a message from yourself to Philip Uy, correct?---*Which one, again?*

30 116.---*Yes.*

It’s dated 29 March, 2016 at 9.37am and it says, I’ll read it out in English and can you tell me whether this is an accurate translation? First it says, “Brother Faye, one, have received the deposit of \$1 million Australian from Mr Liu.” Is that what the message says?---*Yes.*

And Mr Liu was a reference to China Liu, correct?---*Correct.*

40 And was that a deposit China Liu was paying for 1-5 Treacy Street?---*I think it was for Landmark Square, I think.*

Okay. "Number 2, arrange for Chubby, Middle East, to come to Beijing on the 10th to attend the formal signature ceremony." Is that what the message says?---*Yes.*

Is "Chubby" a reference to Vince Badalati?---*Correct.*

Is "Middle East" a reference to Constantine Hindi?---*Correct.*

10 Is that how you referred to Mr Badalati and Mr Hindi generally?
---*Correct.*

And did Philip Uy refer to them in that way as well?---*Yes.*

And that message rather suggests that it was your idea that they, that is Mr Badalati and Mr Hindi, attend the signing ceremony in Tangshan, doesn't it?---*China Liu asked to make this arrangement, such arrangement.*

20 China Liu said to you, "Can you make arrangements for Mr Badalati and Mr Hindi to come to China." Is that right?---*Correct.*

Did he say to you anything about Mr Badalati's and Mr Hindi's expenses for this trip and who should pay for them?---*Do you mean China Liu?*

Yes.---*He did say that - - -*

THE INTERPRETER: He is missing a subject there. Can I get him to clarify who he was referring to?

30 MS HEGER: Mmm.---*He did say that he would be responsible but I don't, I can't remember whether it was for this trip or another trip.*

All right. And when he said he'd be responsible, did you understand him to mean he'd pay for travel expenses?---*I believe so.*

And when you referred to the other trip, are you referring to the trip in June 2016 to Tangshan?---*Correct.*

40 And that was a trip that Mr and Mrs Hindi attended but not Mr Badalati. Correct?---*Correct.*

And your evidence is you can't remember whether this indication from China Liu that he'd be responsible was about this trip or the June trip. Is that right?---*Yeah. I am not too sure now. Could have, it could be either.*

Okay. Did China Liu invite Mr Badalati and Mr Hindi on this trip at that dinner in Chinatown? Did you see him do that?---*I think he, I think the invitation happened.*

10 Did you actually see China Liu make that invitation to Mr Badalati and Mr Hindi at that dinner at Chinatown?---*I forgot whether it was on that particular occasion but I also remember there was an invitation for them to visit the waste plant.*

Well, do you have a recollection of actually witnessing China Liu on any occasion inviting Mr Badalati and Mr Hindi on this trip to China in April? ---*The one in June?*

20 No, the one in April.---*I do remember about that but I can't remember where that was.*

All right. And on your understanding, why was China Liu inviting them on this April trip?---*My understanding was it was to assist China Liu with the business of China Liu.*

Well, what do you mean by that exactly?---*That included meeting with the local officials, government officials and bankers and to help seek their approval for the investment in this project.*

30 THE COMMISSIONER: And was it also, as you understand it, they were invited so that China Liu and you could maintain a good relationship with them?---*Yes.*

And I suppose it's important to maintain a good relationship with them because they would be voting as councillors in respect of Landmark Square and Treacy Street?---*In fact, for them the most appealing project would be the waste-energy project because that was the largest project of all.*

40 But I don't think the agreement that was signed covered any waste project, did it?---*To my recollection it refers to five or six projects there and one of them was the waste project.*

No, I don't think it was. I'll ask the question again. Was one of the reasons why it was important to maintain a good relationship with Mr Hindi and Mr Badalati because they ultimately would be voting on Landmark Square and Treacy Street?---*I believe after all there would, there was a hope that they would vote, they would support it.*

Yes. And if you maintained a good relationship with them, then it was more likely that they would vote in favour. Do you agree?---*At the beginning they were trying to push forward the hotel project to which I had opposed
10 to. I think it was hope that they would ultimately support it.*

Yeah. And when you say "support it", that's support approval of Treacy Street and Landmark Square?---*At the beginning it was mainly about Landmark Square.*

Thank you.

MS HEGER: And just for clarification, when you talk about the hotel project, that's part of the Landmark Square planning proposal, correct?
20 ---*Correct.*

I'll just take you back to the agreement that was signed, Mr Liu, because you mentioned you thought it included a waste-to-energy project, correct?
---*Yes.*

Can I just show you volume 1.4, page 108 and I'll take you to the next page. It lists there the six projects, which includes the 1 Treacy, Landmark Plaza, Good Cubic, Hurstville Number 1 Parking Project, Hurstville Municipal Building Project and Sydney Fish Market.---*Correct.*
30

And I'll just show you the Chinese version as well, in fairness, which is at page 115. Do you see the six projects listed there in Chinese?---*Yes.*

And none of those was a waste-to-energy project, was it?---*Yeah. It might be another, perhaps the first agreement or some other agreement. I remember seeing reference to the waste project. It may not be directly related to me but at the beginning with Hindi and Philip, there, there was conversation about the waste project.*

And there was ultimately a separate agreement signed by China Liu and Constantine Hindi regarding a waste-to-energy project, correct?
---*Correct.*

All right.

THE COMMISSIONER: I think that was later, wasn't it?

MS HEGER: That was in May 2016, does that accord with your
10 recollection, Mr Liu?---*It was before the trip in June, yes. It was before that.*

All right. Can I show you another document, volume 1.4, page 245? It's part of Exhibit 127. This is an itinerary for the trip in April 2016. Have you seen this document before?

THE COMMISSIONER: Is that an itinerary, is it?

MS HEGER: Yes. Well, this is the last page of the itinerary. I'll show you
20 the first few pages as well, if we flick back. Previous page, this is where the document starts. Can you see it says "Host plan of the Mayor of Hurstville City in Australia and his party to visit Xinfeng Group"? You've seen this document before?---*Yes.*

And on your understanding, it was prepared by Xinfeng. Correct?---*I believe so.*

Right. Can we go back to page 245? It says there that Philip Uy was the
30 General Manager of Australian The One Capital Group. Chris Yan gave evidence at this public inquiry and he said that Philip Uy did not, in fact, hold that position at this time. So I want to ask you did Philip Uy, in fact, hold the position of General Manager of The One Capital Group at this time, April 2016?---*No.*

But on your understanding, he was represented this way on this trip.
Correct?---*That is, yeah.*

And was that your decision that he should be represented as the General
40 Manager of The One Capital Group?---*I think it was China Liu's company. You know, they have from their side invited a lot of people, while here we only have two. So in order to look better, that's, that was filled in.*

Yes. But it was your decision that he should be represented as general manager. Is that right?---*I didn't think so. A lot of people's name was filled in at a later stage, were filled in at a later stage. I can't remember whose suggestion that was.*

Well, do you recall that you and Chris Yan exchanged text messages that included these details, that is, the names of these people and their positions?---*I believe there were messages.*

10

Yes. I'm just going to try to find them to show you, Mr Liu. Volume 2.6. And if we go through to message number 24. It's MFI 16 that I'm referring to, volume 2.6.

THE COMMISSIONER: Can that be blown up a little bit?

MS HEGER: I'm sorry, Commissioner?

THE COMMISSIONER: Can it be blown up a little bit?

20

MS HEGER: Can we make that a little bit larger, please? This is a message from, message number 24 is a message from Chris Yan to yourself, correct?---*Yes.*

And in the body of the message it lists the name Zhuo Hua Huang and under that is says "Designation general manager". That's a reference to Philip Uy, isn't it?---*Yes.*

30 And on your understanding was Chris Yan providing these details to you for your approval?---*Chris Yan was working on this with the staff of China Liu so I think he was just telling me for my information.*

And which staff of China Liu are you referring to?---*Probably by the name Yu, the one by the name Yu."

Are you referring to Gensheng Yu?---*Correct.*

40 All right. Well you say Mr Yan was providing it to you for your information but you didn't write back and say those details were incorrect, did you?---*No, I didn't.*

All right. So you were comfortable with Philip Uy being represented to be the General Manager of The One Capital Group, correct?---*Yes.*

It also includes a reference to Rongdi Shao about halfway down, do you see that?---(NO AUDIBLE REPLY)

And it includes a designation for him as Project and Development Manager for The One Capital Group, correct?---(NO AUDIBLE REPLY)

10 Did Mr Shao in fact hold that position at this time?---*No.*

But again, you were comfortable with him being represented in that way on this trip?---*That was only for the purpose of showing to the people from China Liu's side. These people didn't actually hold those positions.*

Right. Did Mr Shao do any work on the Landmark Square planning proposal?---*No.*

20 It also – I withdraw that. If we go back - - -

MR PATTERSON: Commissioner, could I just interpose. Patterson for Mr Uy. I can't see his name on that list. Unless there is evidence to establish that he is one and the same as the Zhuo Hua Huang, I'm not aware of that evidence.

30 THE COMMISSIONER: I think you can assume he is and if need be we'll get him to say that when he come in, because I understand it that's his name but I take your point, if there's no evidence, there's no evidence, but when your client is called - - -

MR PATTERSON: I have never heard him referred to by that name, but I hear what you say, Commissioner.

MS HEGER: Mr Liu, you understand Zhuo Hua Huang to be a reference to Philip Uy, do you?

THE INTERPRETER: Zhuo Hua Huang, right?

40 THE WITNESS: *Yes.*

MS HEGER: Right. And if we go back to volume 1.4, page 254, 245, I'm sorry, you see it records next to the name "Zhuo Hua Huang (Philip Uy)" Do you see that?---*Yes.*

And can I ask you does that also appear in the Chinese version if we scroll through? The Chinese version starts at page 245, no, 246. And if we scroll through, can you tell me when it gets to the list of names, Mr Liu? Did you see a list of names there?---*Yes.*

10 As you can see, even the Chinese version records Philip Uy in English. Do you see that?---*Yes.*

All right. If we go back to the list of names on page 245, please? You see there's a reference to Qinghe Huang?--- *Yes.*

Is he also known to you as Tommy Wong?---*I don't know.*

Is he also known to you as Wong Ching Ho? Wong Ching Ho?---*I, I don't know.*

20

All right. Is Qinghe Huang Philip Uy's brother, as far as you know? ---*Possible, they look quite alike.*

All right. And what is Qinghe Huang's role in The One Capital Group? You'll see there it records him as General Manager of Sales Department of Australian The One Capital Group Hong Kong branch? Did he actually hold that role?---*I don't think so.*

30

Right. Did he have any role at The One Capital Group?---*No.*

Did he do any work on the Landmark Square planning proposal?---*I don't think so.*

So why was he there on this trip, on your understanding?---*Well, we have too few people from our side, so we got whoever could come in as organised by Philip Uy.*

40

All right. So Philip Uy organised for Qinghe Huang to attend, is that your understanding?---*I believe so.*

And what's that understanding based on, Philip Uy telling you he'd organised his attendance?---*I believe he had told me but I can't remember very clearly. I remember there were quite a few of them that had come from Hong Kong side.*

THE COMMISSIONER: Did The One Capital Group actually have an office in Hong Kong?---*No.*

Thank you.

10

MS HEGER: All right. Could we go to page 242 of the same volume, please? You'll see it refers there at point 1, under 11 April, that "Staff of Tangshan Xinfeng Thermoelectric Group will pick up the merchants at Beijing Capital International Airport".---*Yes.*

Did you actually meet Mr Badalati and Mr and Mrs Hindi at Beijing airport that day?---*I can't remember.*

20 All right. But were you picked up by Xinfeng staff from Beijing Airport that day?---*Yes.*

All right. And you then travelled to the Tangshan Xinfeng Jiangmai Industrial Park?---*Xinfeng building I think it was.*

All right. You went to the Xinfeng building, is that right?---*Correct.*

And you also went to see China Liu's waste-to-energy plant, is that right? ---*I think so.*

30 Is that very close to the Xinfeng building?---*I can't remember now.*

All right. And when you went to the Xinfeng building, Mr Badalati and Mr and Mrs Hindi were there?---*I can't remember now.*

All right. Can I show you volume 2.27, page 7, which is Exhibit 200? I can tell you this image was found on your mobile phone. You obviously saw this sign at the Xinfeng building, correct?---*I think that was at the front of China Liu's office.*

40 In the Xinfeng building, is that right?---*Yes.*

And you'll see it refers to Landmark Plaza.---*Yes.*

Was there any discussion with Mr Badalati about this sign at the time?

THE INTERPRETER: This sign?

MS HEGER: Yes.---*Judging from the, the back, I think it was inside of his building. I don't think from the main entrance area they were able to read it from that angle.*

10

But Mr Badalati took a tour of the Xinfeng building, didn't he?---*Mainly in the foyer area and the, and the restaurant area.*

All right. And where were these signs located exactly?---*I think near China Liu's office, I believe.*

So where was the office located relative to the foyer? Did you have to take a lift to get up to the office?---*Yes.*

20

Okay. You then attended a signing ceremony on 12 April, correct? ---*Yes.*

And can I show you volume 2.8, page 18, Exhibit 177? Can we make that a little bit larger, please? This is a photograph from the signing ceremony in Tangshan, correct?---*Correct.*

And that's you on stage, third from the right?---*Yes.*

And that's Philip Uy second from the left?---*Yes.*

30

China Liu next to him and Vince Badalati next to him?---*Correct.*

Mr Badalati made a speech on this occasion, correct?---*Yes.*

Who asked him to make that speech?---*China Liu maybe.*

Well, did you actually see China Liu ask him to make the speech?---*That's my guess.*

40

That's your guess based on the fact that China Liu was hosting this ceremony at Xinfeng building, is that right?---*As a matter of courtesy

when Tangshan's mayor gave a speech, then perhaps he had to give a speech as well.*

All right. And in that speech, Mr Badalati talked about Hurstville, correct?
---*Yes.*

And did he say something about the agreement between yourself and China Liu?---*I don't remember.*

10 Did he mention that you and China Liu were working on some projects in Australia?---*I don't think so. He has only introduced about the, about Hurstville.*

Well, are you denying that he mentioned any projects in Australia or are you not sure?---*I only remember that he had introduced about the circumstance of Hurstville. I don't remember him referring to any particular details. Likewise, the Tangshan Mayor introduced about Tangshan as well and that he introduced Hurstville as a place where a lot of Chinese people lived in.*

20 Right. Is it possible he mentioned projects in Australia and you've just forgotten?---*I don't remember.*

All right. Can I show you the next page, page 19, which is Exhibit 178. You see on the screen behind you in this photograph there's a picture of Yuqing Liu, correct?---*Yes.*

As well as Mr Badalati and Mr Hindi?---*Yes.*

30 And that's from the dinner in Chinatown on 18 March, correct?---*I believe so.*

Who arranged to provide those photographs to be displayed on the screen?
---*I think the company of China Liu did.*

But do you know who gave it to his company?---*I don't know.*

40 All right. And on your understanding, why were these photographs being displayed at this ceremony?---*I, I haven't paid a lot of attention to the back. It was like a TV that kept showing different things, and I was putting my attention to the front.*

But you can see the photographs now and I'm asking you did you have an understanding as to why they were being displayed?---*Because the agreement has also been signed in Australia.*

But you understood they were being displayed to show that the agreement had the support of Mr Badalati and Mr Hindi, correct? Or I should say, even if you didn't understand that at the time, you understand that now, correct?---*I think they were witnesses to the signing of the agreement.*

10 And the reason the photo was being displayed was to show that they supported the agreement, wasn't it?---*If that was the design of China Liu, then yes.*

All right. Can I show you volume 2.8, page 25, the same volume, page 25? And just before we get there, there were other speeches made at the signing ceremony, correct?---*Yeah, a few people gave speeches at the ceremony.*

Did the Mayor of Tangshan give a speech?---*Yes.*

20 And did that speech refer to Landmark Square or Treacy Street?---*I don't think so.*

Did it refer to projects in Hurstville?---*I, I don't remember. I think I, I haven't been paying a lot of attention to what they said but I think they were just, you know, just official, you know, languages.*

Sorry, what was that about official languages?---*Well, it's like they were, it's very hard to explain to you.*

30 You can't remember what the speech was about that the mayor gave, of Tangshan, is that right?---*Correct.*

Okay. Did anybody else give a speech at the signing ceremony?---*There were a few people but I don't recall who they were.*

Well, do you know whether they were from the government, the government in China?---*Yes, yes.*

40 From the Tangshan Government?---*Some from Tangshan, some from the local municipality, but I don't remember like for sure.*

Did anyone from a bank give a speech?---*They have attended but I don't remember whether they actually gave a speech.*

All right. This photograph at page 25, you recognise yourself in this photograph in the blue shirt, correct?---*Yes.*

And this is a meeting that took place on that trip to Tangshan in April, correct?---*Correct.*

10 And what was this meeting about?---*Mainly to introduce about the waste-energy business and plant. It wasn't in that building there, it was in another location of the waste plant.*

It wasn't in the Xinfeng building, is that what you're saying?---*Correct.*

It was at the waste-to-energy plant?---*Yeah, in their office.*

All right. What did you have to do with the waste-to-energy project?
---*They just invited me to, you know, attend and, you know, listen in.*

20

Were you doing any work on the waste-to-energy project?---*No.*

And you're talking about the waste-to-energy project that Mr Hindi and China Liu were discussing. Is that right?---*Yes.*

And you said they were introducing the project. Who were they introducing it to?---*To all our attendees at the meeting.*

30 Well, who was attending the meeting other than Mr Badalati, Mr and Mrs Hindi and yourself?---*There were people from Hong Kong. The purpose was to display their strength in the area.*

Well, were these potential investors from Hong Kong, that is, potential investors in the waste-to-energy project as you understood it?---*No, no.*

Well, what were they interested in, were they proposing to invest in anything, these people you've referred to from Hong Kong?---*They were investors for Philip.*

40 Investors for Philip Uy?---*Yes, and Landmark Square, investors for Landmark Square.*

All right. So this meeting concerned Landmark Square as well, did it?
---*Not, there were people related to Landmark Square there but this meeting was not for the purpose of Landmark Square.*

Well, I don't understand, Mr Liu. You've said that some of the people here were investors in Landmark Square. Is that right?---*Yes. Some, yeah. Some or one of them was.*

10 All right. So, on your understanding, why were they there to discuss the waste-to-energy project?---*That was part of the itinerary.*

All right. Was Landmark Square mentioned by anyone at this meeting?---*I don't think so because the booklets that was, you know, that was held by them related to the waste-to-energy project.*

Are you referring to the booklets we can see on the table?---*Yes. Each of them had, have one.*

20 And the investors in Landmark Square you refer to, can you identify them by name?---*The one with glasses there who looked a bit older, he's Xian Yuan.*

That's the gentleman on the right of the photograph next to you?

THE INTERPRETER: Yuan spelt, yeah, Y-u-a-n.

THE WITNESS: *Correct.*

30 MS HEGER: Right. Were there any other investors in Landmark Square at this meeting?---*That, no, I don't think so. That, no-one else.*

All right. Had Xian Yuan actually invested money in Landmark Square at this point or was he just proposing to invest?---*It was Philip Uy who arranged for those moneys. I did not know at that time whether that had been paid or not.*

All right. Who is the person sitting next to Mr Badalati?---*Rongdi Shao.*

40 All right. He was listed on that itinerary that we went to earlier, correct?
---*Correct.*

And the gentleman sitting behind you, who's that?---*The brother, the older brother of Philip Uy.*

And that's the person who was referred to on the itinerary as Qinghe Huang?---*Yes.*

And he didn't have any involvement in the waste-to-energy project, did he? ---*I don't know. I don't believe so.*

10

All right. I will tender that photograph. It will be Exhibit 211.

#EXH-211 – PHOTO AT VOLUME 2.8 PAGE 25

THE COMMISSIONER: Can I ask that a copy of that be emailed to me?

MS HEGER: Certainly.

20

THE COMMISSIONER: Thanks.

MS HEGER: Is that an appropriate time for a break, Commissioner?

THE COMMISSIONER: Yeah, it is. All right. We'll adjourn until 2 o'clock.

LUNCHEON ADJOURNMENT

[1.02pm]

30