

GALLEYPUB00814  
30/06/2022

GALLEY  
pp 00814-00848

PUBLIC  
HEARING

COPYRIGHT

INDEPENDENT COMMISSION AGAINST CORRUPTION

STEPHEN RUSHTON SC  
COMMISSIONER

PUBLIC HEARING

OPERATION GALLEY

Reference: Operation E19/0569

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 30 JUNE, 2022

AT 1.45PM

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: I'll have the interpreter sworn first and then have the witness.

<SERENA LU TANG, sworn

[1.46pm]

THE COMMISSIONER: Thank you. We'll have the witness sworn in too.

10

THE COMMISSIONER: Mr Hood?

MR HOOD: Good afternoon, Commissioner. Can I just inform you that, as usual, he takes his objection, may it be noted.

THE COMMISSIONER: So you're after a section 38 declaration?

10

MR HOOD: Yes, please. Thank you.

THE COMMISSIONER: All right. Sir, let me just explain to you your obligations as a witness before this Commission. As a witness you must answer all questions truthfully and you must produce any item that I require you to produce during the course of your evidence. Your counsel has asked me to make a section 38 declaration. The effect of that declaration is that although you must still answer the question or produce any item I require you to produce, your answer and any item that you do produce cannot be used against you in any civil proceedings or, subject to one exception, in any criminal proceedings. The exception to the protection provided by a section 38 declaration is that your evidence can be used against you in a prosecution for an offence under the ICAC Act, most importantly the offence of giving false or misleading evidence. If you give false or misleading evidence, you will commit a very, very serious criminal offence and the penalty can be imprisonment for up to five years. I'll make that declaration now.

20

Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by him during the course of his evidence at this public inquiry are to be regarded as having been given or produced on objection, and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

30

**DIRECTION TO OBJECTIONS BY WITNESS: PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS PRODUCED BY HIM DURING THE COURSE OF HIS EVIDENCE**

40

**AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION, AND THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.**

THE COMMISSIONER: Thank you.

10 MS HEGER: Mr Liu, can you please state your full name?---\*Wensheng Liu.\*

And from 2013, you were a director of a company called GR Capital Group. Correct?---\*Yes.\*

That went into administration in 2018, that company. Correct?---\*Yes.\*

GR Capital Group was the applicant for the development at 1-5 Treacy Street, Hurstville. Correct?---\*Yes.\*

20

And that application was lodged in October 2014. Correct?---\*Yes.\*

And from 2014, you were a director of The One Capital Group. Correct? ---\*Yes.\*

And that also went into administration in October 2018?---\*Yes.\*

And The One Capital Group was the applicant for the Landmark Square planning proposal. Correct?

30

THE INTERPRETER: Sorry? Which project?

MS HEGER: The Landmark Square planning proposal.---\*Yes.\*

And Chris Yan did work for both GR Capital Group and The One Capital Group from time to time?---\*Correct.\*

He managed the accounts for both GR Capital and The One Capital Group. Correct?---\*Yes.\*

40

Elaine Tang also did some work for The One Capital Group. Correct?  
---\*Yes.\*

She started that work sometime in 2015. Is that right?---\*Should be.\*

And Chris Yan started his work for GR Capital Group in about 2014. Is that  
right?---\*Should be.\*

10 And he also started his work for The One Capital Group in about 2014.  
Correct?---\*Yes.\*

Both Chris and Elaine paid invoices issued to The One Capital Group from  
time to time. Is that your understanding?---\*Yes.\*

But it was Chris Yan's responsibility to input The One Capital Group's  
income and expenses into the accounting software. Correct?---\*Yes.\*

20 And for GR Capital Group, it was Chris who dealt with invoices. Is that  
right?---\*Yes.\*

And he was also responsible for putting income and expenses into the  
accounts. Correct?---\*Yes.\*

Right. You also know Philip Uy. Correct?---\*Yes.\*

You also refer to him as "Brother Faye". Is that right?---\*Yes.\*

You met him in about 2011?---\*Roughly.\*

30 Did you meet him through ping-pong?---\*Through the ping-pong coach.\*

Who's the ping-pong coach?---\*Johnny Joe.\*

Johnny Joe?---Mmm.

Okay. And you worked with Philip Uy on the development at 1-5 Treacy  
Street. Correct?---\*Yes.\*

40 You arranged the finance for that development.---\*At the beginning, yes.\*

And his company Gencorp was the builder for that development.

THE INTERPRETER: Sorry, who is the builder?

MS HEGER: Gencorp. Philip Uy's company Gencorp was the builder for that development.---\*Yes.\*

And Mr Uy managed that project 1-5 Treacy Street on a day-to-day basis. Is that right?---\*Every day, yes.\*

10 But he would consult you on important decisions. Correct?---\*Some of them, yes.\*

Mr Uy is also an investor in the 1-5 Treacy Street development. Correct? ---\*Yes.\*

He invested about \$8 million in that development. Correct?---\*Roughly that much.\*

20 You also worked with Philip Uy on the planning proposal for Landmark Square. Correct?

THE INTERPRETER: Sorry, can I have the question again.

MS HEGER: You also worked with Philip Uy on the planning proposal for Landmark Square.---\*It's mainly him.\*

But you worked with him, didn't you?---\*Yes.\*

30 But he managed that project on a day-to-day basis. Is that right?---\*Yes.\*

But again consulted you on significant decisions.---\*Sometimes I had to listen to his advice.\*

All right. But he consulted you on significant decisions. Is that right or not?---\*Some of them.\*

40 All right. So, for example, you left it to Philip Uy to brief the planners that One Capital engaged, that is Dickson Rothschild?---\*I don't quite understand that.\*

Was it Philip Uy's responsibility to brief Dickson Rothschild regarding the Landmark Square planning proposal and to meet with them?

THE INTERPRETER: Sorry, brief who?

MS HEGER: Brief Dickson Rothschild, R-o-t-h-s-c-h-i-l-d.---\*You mean Philip speaks to that person, Rothschild?\*

10 It was Philip's responsibility to meet with Nigel Dickson. Is that right?  
---\*Yes.\*

You met with Nigel Dickson only occasionally. Is that right?---\*Yes.\*

In about August 2014 One Capital Group entered the options for the Landmark Square property. Correct?---\*Yes.\*

And you also arranged the finance for that development. Is that right?---\*At the very beginning, yes.\*

20 All right. And your understanding was that if the Landmark Square development proceeded and was built, Philip Uy's company would build it, is that right?---\*Yes.\*

And Philip Uy also invested some money in Landmark Square, correct?---\*Yes.\*

That was about \$1.5 million?---\*It hasn't been finalised yet.\*

30 But it was at least \$1.5 million, is that right?---\*Yes.\*

You also know Yuqing Liu, correct?

THE INTERPRETER: Sorry, who?

MS HEGER: Yuqing, Y-u-k-i-n-g [sic] Liu.---\*China Liu?\*

Would it be easier if I call him "China Liu"?---(NO AUDIBLE REPLY)

40 I'll do that. You were introduced to China Liu by a mutual friend, is that right?---\*Yes.\*

And when was that?---\*'15 or '16.\*

And when did you first meet him, where was that?---\*First time, playing ping-pong together.\*

All right. And then in early 2016 you had another meeting with China Liu at your office at Forest Road, is that right?---\*Yes.\*

10 And is that where you told him about the developments at 1.5 Treacy Street and Landmark Square?---\*He was aware of that before that time.\*

And how was he aware of it before then?---\*I've already given the information to a middle person and the middle person give it to him prior.\*

And when was that?---\*Should be New Year in 2016.\*

All right. And this meeting at Forest Road took place just before the dinner in Chinatown on 18 March, 2016, is that right?---\*Yes.\*

20 And at that meeting at Forest Road did you also discuss the waste-to-energy project?---\*He mentioned this energy project.\*

Did he mention that he was interested in building a waste-to-energy plant in Australia?---\*He did.\*

All right. But that's not something that you had any involvement in, building a waste-to-energy, or the plan to build a waste-to-energy project in Australia, is that right?---\*Correct.\*

30 You also know Vince Badalati, correct?---\*Yes.\*

And where did you meet Mr Badalati?---\*Hurstville.\*

Was that another ping-pong event?---\*It's at an award ceremony.\*

For ping-pong. Is that right?---\*Yes.\*

Is that the one where he presented an award to Chris Yan?---\*Yes.\*

40 And what year was that?---\*Can't remember.\*

It was before 2013. Is that right?---\*Can't remember.\*

Right. Can I show you volume 11.1, which is Exhibit 140, page 1 of that volume? You see this is an email from Malcolm Gunning to yourself and Mr Badalati. Correct?---\*Yes.\*

It's dated 21 November, 2013. You accept you had met Mr Badalati prior to that time?---\*Yes.\*

10 And what discussions had you had with Mr Badalati about this site, Hurstville Business Park, before this email?---\*Can you say that again?\*

Had you had any discussions with Mr Badalati about Hurstville Business Park prior to this email?---\*Prior to this?\*

Yes.---\*Regarding this project?\*

Yes.---\*He introduced it.\*

20 And how did that happen?---\*Philip Uy was supposed to introduce all the projects but at that time, Philip Uy wasn't present so he arranged for Vince to come to the office to discuss - remember he was in Hong Kong.\*

Are you saying there was a meeting at your office at Forest Road attended by Vince Badalati?---\*Yes.\*

About Hurstville Business Park. Is that right?---\*Yes.\*

And that meeting was arranged by Philip Uy. Is that right?---\*Should be.\*

30 And, on your understanding, why had Philip Uy asked for Mr Badalati to come to that meeting?---\*I can't remember very clearly.\*

What did you discuss at that meeting?---\*Gunning give a brief introduction of the project, including the total area.\*

Did you understand that Vince Badalati had suggested Mr Gunning get in contact with you?---\*Yes.\*

40 And what further involvement did Mr Badalati have with Hurstville Business Park after this email?---\*After that Gunning contacted me directly via email.\*

Can I show you volume 11.2 which is Exhibit 141. This is another email from Mr Gunning to yourself and Mr Badalati dated 31 January, 2014. Why on your understanding was Mr Badalati still being copied into these emails?---\*I don't know.\*

So apart from that initial meeting at your office with Mr Badalati and Mr Gunning you had no further discussions with Mr Badalati about Hurstville Business Park. Is that right?---\*Yes.\*

He wasn't involved in any negotiations regarding Hurstville Business Park. ---\*To my recollection, yes.\*

Oh, he was?

10 THE INTERPRETER: By "yes" he means that's the case.

MS HEGER: Oh, okay. What involvement did Mr Badalati have in the negotiations?

THE INTERPRETER: Sorry, he, he, by "yes" he agrees to what you said, like he has no - - -

MR PARARAJASINGHAM: Commissioner, I wonder whether the question can be re-put, Commissioner.

20

MS HEGER: Yeah, I'll put the question again. Sorry, that might be my misunderstanding. Mr Badalati didn't have any further involvement in the negotiations?---(NO AUDIBLE REPLY)

I'll put it this way. Did Mr Badalati have any further involvement in the negotiations for Hurstville Business Park?---\*No.\*

All right. That was my fault. Thank you for clarifying.

30 THE INTERPRETER: No worries.

MS HEGER: Okay. Mr Badalati has given evidence in this public inquiry that before this email was, before November 2013 you had shown him a letter of credit which was for about \$40 million.

THE INTERPRETER: 40 million?

MS HEGER: 40 million. Is that what happened?---\*No.\*

40 You deny ever showing him a letter of credit.---\*Can you say that again?\*

You deny that you ever showed Mr Badalati, well, that you showed Mr Badalati a letter of credit around this time, 2013.---\*Correct.\*

Did you show Mr Badalati a letter of credit at some later time?---\*No.\*

Okay. Mr Badalati also says that around this time, 2013, you explained you were interested in developing 1-5 Treacy Street. Is that what happened? ---\*No.\*

10 Well, at some point you explained to Mr Badalati you were interested in developing 1-5 Treacy Street. Correct?---\*I don't remember having said that to him.\*

All right. You took a trip to China in January 2014 with Mr Badalati. Correct?---\*Yes.\*

And the purpose of that trip from your perspective was to meet with a potential purchaser of 1-5 Treacy Street. Correct?---\*Yes.\*

20 And you explained that to Mr Badalati, didn't you, that you were meeting a potential purchaser of 1-5 Treacy Street?---\*During that trip, yes.\*

Yes. And you explained that if the purchase didn't go through, you were considering developing 1-5 Treacy Street, didn't you?---\*If that project is purchased and then it is not certain, I would be involved.\*

No, but if you didn't sell 1-5 Treacy Street to anyone, then you were considering developing it yourself, weren't you?---\*At that time, a final decision was not made yet.\*

30 Right. But a final decision was made by October 2014 because that's when GR Capital Group lodged the application. Correct?---\*Yes.\*

And you explained to Mr Badalati prior to lodging that application that you were interested in developing 1-5 Treacy Street, didn't you?---\*Before what time?\*

40 Before the development application for Treacy Street was lodged in October 2014.---\*I don't remember if I met him again. The settlement of the block occurred in 2015, I think.\*

I'll ask the question again. Did you explain to Mr Badalati prior to October 2014 that you were interested in developing 1-5 Treacy Street?---\*I can't remember.\*

Right. You may have? You just recall? Is that right?---\*Possible.\*

Okay. On that trip to China in January 2014, you didn't pay for Mr Badalati's flights, did you?

10 THE INTERPRETER: You didn't?

MS HEGER: Didn't.---\*No.\*

And Philip Uy suggested to you that you shouldn't. That's right, isn't it? ---\*Correct.\*

And did he explain why you shouldn't?---\*He said it's not right for me to pay for his flight ticket.\*

20 And did he explain why?---\*As a developer, as in my position, I shouldn't have that kind of relationship with him.\*

All right. And you knew that Mr Badalati was a councillor at Hurstville City Council at the time of this trip. Correct?---\*Yes.\*

And you knew that if you did lodge a development application for 1-5 Treacy Street, he would be involved in considering it and making a decision. Correct?---\*Should be.\*

30 And on that basis, you understood it would be improper for you to pay for Mr Badalati's flight, correct?---\*Correct.\*

Did Philip Uy pay for Mr Badalati's flights on that trip?---\*I have no idea.\*

Can I show you volume 11.12, which is Exhibit 174. This is from Mr Gunning to yourself, no, to Mr Badalati, I'm sorry, dated 27 October, 2014 and it says "Vince", then in the third paragraph "I called to advise that I spoke to Liu about a hotel development opportunity in Alexandria." And the email continues "He is interested. Liu wants to investigate this matter  
40 when Philip is back from Hong Kong." Do you recall speaking to Mr

Gunning about this opportunity?---\*Might be Philip who spoke to me about it.\*

Well, Mr Gunning says that he spoke to you about it. Did you speak to Mr Gunning?---\*I, I remember Philip talked to me about this hotel development because everything has to go through him first.\*

You're referring to Philip Uy, of course?---(NO AUDIBLE REPLY)

- 10 And what do you mean by everything has to go through Philip first?---  
\*Because he is like a consulting company to me. So all the projects were sourced by him.\*

All right. And what involvement did Mr Badalati have in this potential project?---\*I have no idea.\*

Did you have any discussions with Mr Badalati about this opportunity?---\*I can't remember having done that.\*

- 20 Do you know if Philip Uy had any discussions with Mr Badalati about this opportunity?---\*He doesn't tell me who he talks to.\*

Do you have any idea why this email was sent to Mr Badalati?---\*No.\*

Did you ever pay Mr Badalati any money for his assistance in sourcing development opportunities for you?---\*Can you say that again?\*

Did you ever pay Mr Badalati any money for the assistance he gave in identifying potential development opportunities?---\*No.\*

30

By August 2014 One Capital Group had acquired the options for Landmark Square. Correct?---\*Should be.\*

Did you have any discussions with Mr Badalati about this around that time?---\*Separately. No.\*

Well, just any discussions with Mr Badalati whether they involved anyone else or not.---\*No.\*

- 40 You never mentioned to Mr Badalati that you'd acquired the options for Landmark Square?---\*No.\*

You also know Philip Sansom. Correct?---\*Yes.\*

And you've known him since at least 2013.---\*Should be.\*

And how did you meet him?---\*Through Philip Uy.\*

And how did that introduction occur?---\*Can't remember very clearly.\*

10 Where did it occur?---\*In Hurstville.\*

Where in Hurstville?---\*Can't remember.\*

All right. And you've met up with Philip Sansom in China before.  
Correct?---\*You mean before we met?\*

No, not before you met. I'll put it this way. You spent some time with  
Mr Sansom in China in March 2014. Correct?---\*For some time, not for  
some time. And for a long period of time?\*

20

For any period of time.---\*Yes, a couple of days.\*

Yes. And what was the purpose of that trip? What was your purpose?  
---\*Which month in 2014?\*

March 2014. And if it assists, you and Mr Sansom flew on the same flight  
on 12 March, 2014. The same flight to Shanghai.---\*Yes. Yes.\*

30 Yes. And what was the purpose of that trip?---\*It was arranged by Philip  
Uy. One purpose is for Sansom to meet his girlfriend and the other purpose  
is to see Chinese developers.\*

Why was Mr Sansom meeting with Chinese developers?

THE INTERPRETER: Sorry? Sorry, can I have that again?

MS HEGER: Why was Mr Sansom meeting with Chinese developers?  
---\*Previously there was a project about a government car park.\*

40 In Hurstville?---\*Yes.\*

And Mr Sansom was meeting with Chinese developers who were interested in that development. Is that right?---\*Yes, they were involved before.\*

And were you also interested in that development?---\*I was at that time the general manager at the development company.\*

Was that GR Capital?---\*Yes.\*

10 Which is a different company from GR Capital Group. Correct?---  
\*Correct.\*

Are you referring to the council car park at Gloucester Road and Carrington Street in Hurstville?---\*Sorry, yes.\*

Well, by 2014, hadn't council withdrawn the sale of that car park?---\*That's right.\*

20 So why were you still meeting with developers about that car park in 2014?  
---\*Because there is some discrepancy between the plans and what we  
said.\*

Which plans are you referring to?---\*We presented tender and there is a difference between that and the information we received.\*

GR Capital lodged a tender for the Gloucester Road car park. Correct?  
---\*Yes.\*

That was in 2012. Correct?---\*Roughly.\*

30 And that tender was rejected?---\*We became aware of that long time after,  
not at that time.\*

You weren't notified by council that you'd been unsuccessful in 2012?---\*I  
can't remember.\*

All right. Well, we'll come back to the Gloucester Road car park later. But  
was anybody else on this trip? Philip Uy was on this trip, as well. Correct?  
---\*Maybe. Can't remember clearly.\*

40 Right. Was anyone else from council on this trip in March 2014?---\*I don't  
know.\*

Can I show you volume 3.21, page 1? No. Take that down. Sorry. Have I given you the wrong number? Yeah. 3.21. The email address at the top that starts with l-i-u, that's your email address. Correct?---\*Yes.\*

And this is an email from you to Philip Sansom on 14 March, 2014. Correct?---\*Yes.\*

10 And if you go over to the next page it says "To whom it may concern, Philip Rolleston Sansom has been appointed as a consultant to this company to assist our expanding investment in Australia. Mr Sansom will be required to travel to China frequently to visit the headquarters of the company and report to the managing director (CEO) and the major shareholders. We request that Mr Sansom be granted a business visa for China to facilitate his position as a consultant to this company." Is that the name of the company in Chinese letters at the top?---\*Yes.\*

20 What's the name do the company?---\*(Speaks Mandarin) Real Estate Property Development Pty Ltd.\*

All right. And that's not your company?---\*No.\*

What was your role – well, did you arrange this letter for Mr Sansom?---\*I think it's possible it was me who arranged for this for his visa.\*

Did you approach the company and ask them for this letter?---\*Yes.\*

And you did that at Philip Sansom's request?---\*Possible.\*

30 Well, can you do your best to remember, did Philip Sansom request you to approach the company or not?---\*Philip Uy tried to arrange a visa for him and he needed such information.\*

Is that what he explained to you?---\*Yes.\*

And so why did you approach this particular company to arrange this letter?---\*Because this is one of the investors for the car park.\*

40 Oh, this company was proposing to invest in the Gloucester Road car park development, is that right?---\*Yes.\*

Did you explain to this company or its representative about the Gloucester Road car park development?---\*Not to this company but to a person inside that company because that person holds multiple companies.\*

Okay. And did you explain to that person that council had already withdrawn that property from sale?---\*At that time, no.\*

Well, at what point did you have a discussion with this person about the Gloucester Road car park? What, what point in time?---\*After that.\*

10

After when, after March 2014 or after the sale was withdrawn?---\*I can't remember when.\*

And why did you help Philip Sansom in this way?---\*Philip asked me to do so that would facilitate him to travel to China.\*

Philip Sansom asked you to do so you mean?---\*No, Philip Uy.\*

Philip Uy asked you to arrange this letter for Philip Sansom. Is that right?  
---\*Yes.\*

20

Okay. And on this trip in March 2014 did you explain to Philip Sansom that you had an interest in 1-5 Treacy Street?---\*Not at that time.\*

You didn't mention 1-5 Treacy Street at all on this trip?---\*I remember no.\*

And to be clear, I'm not suggesting they were detailed discussions of any kind. I'm simply asking did you mention to Mr Sansom at any point that you had an involvement in 1-5 Treacy Street?

30

MR HOOD: Commissioner, is that on this, on the trip is that?

MS HEGER: Yes. I'm asking about on that trip in March 2014. Well, I'll ask the question again.

MR HOOD: Thank you.

MS HEGER: At any point on this trip in March 2014 did you mention to Mr Sansom that you were involved in 1-5 Treacy Street, even if they weren't detailed discussions?---\*I can't remember.\*

40

THE COMMISSIONER: Was it your understanding that this company was seeking to invest in Australia?---\*Not this particular company. It is one particular shareholder from the company.\*

Okay. Who was that?---\*It's this person Xi Oh Guo's husband.\*

Can you repeat that, please.

THE INTERPRETER: "It's Xi Oh Guo's husband."

10

THE COMMISSIONER: And what's his name?---\*Li Xi Guo, Xi Guo Li.\*

Thank you. And did you understand that Mr Sansom was giving – sorry, was consulting with this man, providing consulting services?

THE INTERPRETER: To?

THE COMMISSIONER: To the man he just identified. His name I can't pronounce.---\*No.\*

20

MS HEGER: Can you just spell that person's name for me, please.

THE COMMISSIONER: Was it your understanding that Mr Sansom was going to meet with this person?---\*With that husband, yes.\*

Thank you.

THE WITNESS: Xi, X-I, G-u-o, last name L-i.

30 THE COMMISSIONER: Were you present at any such meeting?---\*I was.\*

And what was discussed at that meeting?---\*Sansom explained why the car park project was not successful.\*

Thank you.

40 MS HEGER: Before the development application for Treacy Street was lodged in October 2014, did you mention to Mr Sansom that you were the developer or that your company was the developer?---\*No.\*

And, again, I'm not asking for detailed discussions but simply if you even mentioned that your company was going to submit a development application for 1-5 Treacy Street?---\*I don't remember so because from that time, I had never met him again.\*

You've never met him again since March 2014. Is that right?---\*To my recollection, yes.\*

10 But on that trip, you discuss other developments that you'd been involved in. Correct?---\*Yes.\*

You discuss the development at 1-5 Railway Parade. Is that right?---\*Yes.\*

And so if you discussed other developments, why didn't you mention 1-5 Treacy Street?---\*Because he asked me what I was doing at that time, so I said "Railway Parade project". At that time, whether Treacy Street project will be sold or not, it was not determined yet.\*

20 So at that point, you were still working out whether you would sell the Treacy Street land to somebody else. Is that right?---\*Yes.\*

Did you just have options for Treacy Street at that point or did you own the land?---\*I didn't own.\*

You had options. Is that right?---\*Should be.\*

Did you mention anything on this trip to Mr Sansom about the Landmark Square property?---\*No.\*

30 Which company of yours was the developer for Railway Parade?---\*WDL.\*

Did you mention to Mr Sansom that you had a company called GR Capital Group?---\*I can't remember.\*

You also know Con Hindi. Correct?---\*Yes.\*

Can I tender 3.21, which will be Exhibit 206?

40 THE COMMISSIONER: 206. Are you sure it's not 205?

MS HEGER: We're sure.

THE COMMISSIONER: It is?

MS HEGER: I'm told, it's 206, I'm told, Commissioner.

THE COMMISSIONER: Thanks.

**#EXH-206 – VOLUME 3.21**

10

MS HEGER: Just to ask one more question on this letter. As far as you're aware, and I'm sorry, this might have been asked already, but Mr Sansom didn't perform any consulting work for this company as far as you know. Is that right?---\*Yes.\*

Yes. And as far as you know, Mr Sansom hadn't even been appointed as a consultant for this company, correct?---\*Correct.\*

20 So as far as you know, this letter was false in what it said, is that right?---  
\*That is for the purpose of a visa application only.\*

All right.

THE COMMISSIONER: When you had this meeting with Mr Sansom and that other person you mentioned a while ago, I think you said Treacy Street was discussed.---\*I don't think so.\*

Oh, okay.

30

MS HEGER: Railway Parade.

THE COMMISSIONER: Sorry, I'm talking about the earlier meeting with the representative of that company.

MR HOOD: I think that was another property, I think, Commissioner. I don't want to say it in front of the witness but - - -

MS HEGER: That was the Gloucester Road car park.

40

THE COMMISSIONER: Oh, sorry. Gloucester Road car park. Do you know whether during that meeting Landmark Square was mentioned?---  
\*No.\*

Thank you.

MS HEGER: You also know Con Hindi, correct?---\*Yes.\*

And when did you meet Mr Hindi?---\*First time at the election.\*

10

You saw him on the street campaigning for the election, is that right?---  
\*Yes.\*

Were those the elections in 2012?---\*Can't remember.\*

Well, there were council elections in 2012 and then again in 2016.---  
\*Should be '12.\*

All right. And did you talk to Mr Hindi on that occasion?---\*No.\*

20

All right. So when is the first time that you actually had a conversation with Mr Hindi?---\*Philip Uy introduced us. I can't remember where.\*

When was that?---\*Can't remember.\*

Can you say whether it was sometime in 2012 or 2013?---\*Can't remember. Met too many people around that time.\*

All right. You also know Mireille Hindi, correct?---\*Yes.\*

30

And you ultimately entered an agreement with her real estate agency, Sydney Realty, correct?

THE INTERPRETER: Sorry, can I have that again?

MS HEGER: You entered an agreement with her real estate agency, Sydney Realty?---\*Yes.\*

40 And can you tell me how that came about?---\*I remember Philip give me that agreement, said "It is an agency agreement."\*

Did you meet with Mrs Hindi at all about this agreement?---\*Regarding the project, yes, he introduced it.\*

But before – well, I’ll show you the agency agreement, which is volume 3.22, Exhibit 196, page 6 of that volume. Do you recognise this as the agreement you had with Sydney Realty?---\*ICAC give this to me a while ago but prior to that time I didn’t have too much impression of this.\*

10 Okay. Can we go through to the signature page. It’s not the next page, the page after. The next page, please. That’s your signature there, isn’t it, the first one?---\*Yes.\*

All right. So did you have a meeting with Mrs Hindi before this agreement was signed on 24 July, 2014?---I can’t remember the time but, yes, we met.\*

And Philip Uy was [there as well?---\*Yes.\*

20 And what did Mrs Hindi say at that meeting?---\*Philip told me before and he just introduced to me the brief condition of that land.\*

He told you the brief condition of that land. Is that what you said?---\*Yes.\*

And he explained to you that the land was available for sale. Correct? ---\*There was a, a chance, yes.\*

There was a chance. Is that what you said?---\*Yes.\*

Okay.

30 THE COMMISSIONER: Was anyone else present at the meeting?---\*I can’t remember.\*

Okay.

MS HEGER: All right. So at that meeting the agreement wasn’t signed, rather Philip showed it to you at some point later. Is that right?---\*I can’t quite remember but I remember Philip presented it to me and asked me to sign.\*

40 And had the details already been filled out in the agreement when Philip Uy presented it to you?---\*Possible.\*

If you go back to the first page of the agreement, page 6 of the volume, you see the agent's name is Malcolm James.---(Speaks Mandarin)

Did you have any dealings with Malcolm James?---\*No.\*

You understood that you were entering an agreement with Mireille Hindi. Correct?---\*With an agency, like a proxy company. I don't know this was signed with him.\*

10

But you understood you were entering an agreement with Sydney Realty. Is that right?---\*I can't quite remember the company name.\*

Well, the company name is written there. It says "Malcolm James trading as Sydney Realty". Do you see that?---\*Yes.\*

You understood you were entering an agreement with Sydney Realty. Correct?---\*Yes.\*

20 And so did you ask Philip Uy who is Malcolm James, why is that name on there?---\*No.\*

You just signed the agreement that Philip Uy presented to you. Is that right? ---\*He said, "This is the agency agreement" so I signed.\*

And on the second page, if we move over to the next page, the fee for the agent if the sale went through was \$500,000 plus GST. You see that?---\*Yes.\*

30 How did you come up with that figure?---\*Philip told me this figure.\*

Did you ask how he calculated it?---\*I didn't.\*

All right. But you understood if the sale went through, The One Capital Group would pay Sydney Realty \$500,000. Correct?---\*Yes.\*

And did The One Capital Group ever end up paying money to Sydney Realty?---\*I can't quite remember.\*

40 THE COMMISSIONER: That's a lot of money, \$500,000. You're telling me you can't remember?---\*At that time, it was vendors market, so this

money, many, in many cases, this type of money was only paid after a settlement.\*

Thank you.

THE INTERPRETER: Excuse me. Can we have a break?

THE COMMISSIONER: Sure.

10 THE INTERPRETER: Thank you.

THE COMMISSIONER: 15 minutes. Is that - - -

THE INTERPRETER: Thank you.

#### **SHORT ADJOURNMENT**

**[3.02pm]**

20 THE COMMISSIONER: Take a seat.

MS HEGER: Can I take you to volume 2.6, which is MFI16, message number 85? Message number 85, Mr Yan, in his evidence, confirmed it was a message from him to yourself, Mr Liu. It's on 25 July, 2016, and the translation here says, "Is there any proof for the agency fee of 500K?" Is that an accurate translation?

THE INTERPRETER: Sorry? What's the "Is there any proof for the agency" did you say, "Is there any proof for the agency fee of 500K?"

30

MS HEGER: I was just reading out the text there.

THE INTERPRETER: Yeah.

MS HEGER: "Is there any proof for the agency fee of 500K?" And then I'm asking Mr Liu is that English written there an accurate translation of the Chinese text?---\*Yes.\*

40 And what, on your understanding, was Mr Yan referring to there by the "agency fee of 500K"?---\*Should be.\*

Well, I'm asking you did you understand that to be a reference to the \$500,000 fee payable to Sydney Realty under the agreement I just showed you?---\*I can't quite remember.\*

Well, can you think of anything else it might be referring to?---\*Because we just saw the agency agreement, so this one should be it.\*

10 Well, you signed the agency agreement two years earlier in July 2014. You understand that? And this message is dated July 2016. But you understand the period of the agency agreement was July 2014 to July 2016. This must be a reference, as far as you understood it, to the \$500,000 payable under that agency agreement with Sydney Realty. Correct?---\*Should be.\*

And you respond, "Yes" in message number 86. Do you see that?---\*Well, the Chinese character means there is.\*

Okay. So you thought there was proof of the agency fee. Correct?---\*Yes.\*

20 And what was that proof?---\*Because there was an agreement.\*

All right. And why did you understand Mr Yan was asking this question? ---\*Maybe asking for a payment.\*

You mean a payment to Sydney Realty?---\*I only knew there was an agency company.\*

Okay. You don't know whether a payment was made to Sydney Realty or not, is that right?---\*Correct.\*

30 All right. Going back to the Treacy Street development application. When it was lodged in October 2014, how much were you hoping to make by way of profit on that development?---\*How many levels was that?\*

At that time it was proposed to be 11 storeys, 75 apartments.---\*It's roughly 20 million.\*

All right. And was the plan that Philip Uy would get a portion of that 20 million?---\*Yes.\*

40 How much was he going to get?---\*Apart from the construction cost, he's going to charge some management fee, roughly 10 per cent.\*

Ten per cent of the 20 million, is that right?---\*That's before the expenses.  
So should be 10 per cent of net profit.\*

All right. So you take away expenses from the \$20 million and then he gets  
10 per cent, is that right?---\*Roughly.\*

But he was also going to be paid for the costs of building, was that  
separate?---\*Yes.\*

10

And how much was he ultimately paid for those costs of building?

THE INTERPRETER: Sorry, just let me clarify.

THE WITNESS: \*Apart from the building cost, he would add five to 10 per  
cent as his profit.\*

MS HEGER: Five to 10 per cent on what?---\*Five to 10 per cent of the  
building cost.\*

20

All right. And I'm asking you, what was he paid by way of building costs?  
---\*Until when?\*

Well, total, what was he paid total for building costs?---\*Over 20 million for  
building cost.\*

And then he got five to 10 per cent on top of the 20 million, is that right?---  
\*Yes.\*

30

And then he also was supposed to get 10 per cent of the \$20 million in  
profit, is that right?---\*Yes.\*

And was he paid that 10 per cent?---\*No.\*

Why was that?---\*Because the project was taken over by the finance  
company, like a brokerage company.\*

Okay. Was Mr Uy also paid a consultancy fee?---\*What consulting fee?\*

40

I'm asking you, was he also paid a separate consultancy fee?---\*Yes.\*

Okay. And how much did you pay him as a consultancy fee?---\*I can't remember.\*

Were those fees for his role in preparing and lodging the development application?---\*Yes.\*

All right. And from time to time Philip Uy incurred expenses regarding the Treacy Street development, is that right?---\*Yes.\*

10 And when he incurred expenses for Treacy Street, did he pay them from his own money and then claim reimbursement from you? Or did you give him money in advance for such expenses?---\*Pretty much it's he spends the money first and then I reimburse him.\*

All right. And presumably, before you reimbursed him, he had to provide some proof of his expenses, is that right?---\*Chris Yan wrote down in the account for the expenses, so some of them have proof, some not.\*

20 All right. And when you reimbursed Mr Uy, was that by way of EFT or cheque or cash?---\*EFT.\*

Did you ever give Mr Uy cash?---\*Rare. Very rare. Yes.\*

And when you did, how much did you give him in one hit? Was it \$5,000, \$10,000 or lesser amounts?---\*Sometimes 3,000, sometimes 5,000.\*

You never gave him as much as, say, 10 or \$20,000?---\*Not to my recollection.\*

30 When the Treacy Street development application was lodged in October 2014, you understood, didn't you, that Philip Uy knew Mr Sansom, Mr Badalati and Mr Hindi?

THE INTERPRETER: Sorry Uy knows these people?

MS HEGER: Philip Uy knows those three people.

THE INTERPRETER: So Badalati, Simpson and - - -

40 MS HEGER: Sansom, Badalati and Hindi.

THE WITNESS: \*Yes.\*

MS HEGER: And did Philip Uy tell you that he'd spoken to them about the Treacy Street development around this time, October 2014?---\*Possibly, yes.\*

Well, but I'm asking you for your recollection. Did Philip Uy tell you – I'll ask this question. Did Philip Uy tell you that he was speaking to anyone at council about the Treacy Street development around this time?

10 ---\*He only told me he mentioned this to his consulting company but he didn't mention particularly which person.\*

You say he mentioned this to his consulting company. What do you mean by that?---\*For example, his consulting company include planners, architects, people like that.\*

You're saying Philip Uy told you he discussed Treacy Street with the planners and the architects, is that right?---\*Yes.\*

20 But did Philip Uy tell you he spoke to any councillors at Hurstville City Council?---\*He mentioned he wanted to get some advice from them so he asked them about relevant information.\*

Get advice from who, councillors?---\*Yes.\*

Did he mention specific councillors?---\*No.\*

Who did you understand him to be referring to?---\*I don't quite know who.\*

30

Well, at this time, October 2014, were you aware that Mr Uy knew any councillors other than Sansom, Badalati and Hindi?---\*Yes.\*

So you must have understood him to be saying that he was having discussions with, or seeking advice from at least, well, one or more of those three, correct?---\*Should be.\*

You recall that council voted on the voluntary planning agreement offer for Treacy Street in November 2014?

40

THE INTERPRETER: Sorry, what vote is that?

MS HEGER: A vote on the voluntary planning agreement offer?---\*I don't quite remember.\*

Well, you remember that at some point council voted on the VPA offer for Treacy Street, correct?---\*Yes.\*

10 And I'm talking about the first VPA offer that GR Capital Group made in 2014. Did Philip Uy tell you before that vote which way he thought the councillors would vote?---\*I can't remember.\*

Did he give you any indication as to whether Mr Badalati supported the Treacy Street project?---\*I can't remember.\*

Did he give you any indication that Philip Sansom supported the Treacy Street project?---\*I remember Philip Sansom had already left council.\*

20 No, he hadn't left by this point. I'm talking about November 2014. He was still on council.---\*I can't remember.\*

Did he give you any indication as to whether Mr Hindi supported the Treacy Street project around this time, November 2014?---\*Can't remember.\*

You're aware that the Joint Regional Planning Panel voted in favour of the Treacy Street DA in April 2015?---\*Can't quite remember. There were many things going on at that time.\*

30 Just bear with me a moment. Can I ask you now about Landmark Square. I'll come back to Treacy Street in a moment. And by Landmark Square, I'm referring to the property bounded by Forest Road, Durham Street and Roberts Lane, you understand that, in Hurstville?---\*Yes.\*

You didn't need to translate that?---\*You, the address is at the location of Landmark Square.\*

Yes. And that's what I'm referring, it's that property I'm referring to when I say "Landmark Square". You understand that?---\*Yes.\*

40 Now, around the time that The One Capital Group entered the options for Landmark Square in August 2014, did Philip Uy indicate whether he'd discussed Landmark Square with Mr Badalati?---\*Yes.\*

And what did he say about those discussions with Mr Badalati?---\*He said Hindi supports to have a hotel built on that block of land.\*

Who said that?---\*Philip told me.\*

Well, I was first asking you about the discussions that Philip had had with Mr Badalati, Vince Badalati, you understand that?. What did Philip Uy tell you about his discussions with Vince Badalati regarding Landmark Square?  
10 ---\*The same. He said they support to have a hotel built on that block of land.\*

Philip Uy told you that Vince Badalati supported a hotel on that block, correct?---\*Yes.\*

And Philip Uy told you that Mr Hindi supported a hotel on that block, correct?---\*Yes.\*

And what about Philip Sansom? Did Philip Uy tell you anything about his  
20 views?---\*No. No.\*

Excuse me for a moment. Okay. Could I show you volume 2.8, page 14. Do you recognise this image?---\*Yes.\*

And whose handwriting is that?---\*Elaine maybe.\*

All right. And these represent some calculations of the potential profit for Landmark Square, correct?---\*Yes.\*

30 And the image is dated 19 April, 2016, which is just before council voted on the Landmark Square planning proposal. Do you understand that?---\*No, this was done in 2016.\*

Yes, that's what I said. It was 19 April, 2016.---\*This was going to be put into the contract with Xinfeng, China Liu.\*

All right. And you were obviously present when this note was made on the whiteboard, correct?---\*Yes.\*

40 And what it shows at the top is the land area, 8,546 square metres, correct? ---\*Yes.\*

And you times that by 3.5 FSR to get the total permissible floor space, correct?---\*Yes.\*

Which gives you the 29,911 figure, correct?---\*Yes.\*

And then you divide that figure by 75, which is the number of apartments, is that right? I'm sorry. It should be the floor area for each apartment, is that right?---\*Yes.\*

10

And that tells you how many units you could build, being 398, is that right? ---\*Yes.\*

And then you calculate the cost to build each apartment as 480,000.---\*Yes.\*

And then you times that by 398 to get the 191 million figure, correct?---\*Yes.\*

20

And then you take away that 191 figure from the total sales, which is the \$378 million figure, correct?---\*Yes.\*

Which produces the profit of \$187 million approximately?---\*That is the gross profit.\*

Yes. And then 75 per cent of that was to go to Xinfeng, correct?---\*Yes.\*

And 25 per cent of that was to go to The One Capital Group, correct?---\*Yes.\*

30

And that was what was provided for under that agreement signed in Chinatown in March 2016, correct?---\*Yes.\*

And then under the heading Completion at the bottom, it has about 120 million for Xinfeng, correct?---\*Yes.\*

So that was the anticipated profit for Xinfeng at this time, correct?---\*Yes.\*

40

And the anticipated profit for The One Capital Group was about 66 million?---(Speaks Mandarin)

All right. Can I take you to the topic of that signing ceremony in March 2016? I'll just tender that image, volume 2.8, page 14, as Exhibit 207.

THE COMMISSIONER: Thank you.

**#EXH-207 – PHOTO AT VOLUME 2.8 PAGE 14**

10 MS HEGER: All right. You attended a dinner in Chinatown on 18 March, 2016, correct?---Yes,

And did you organise that dinner?---\*No.\*

Who organised it?---\*I remember it was arranged by the agent.\*

By who, I'm sorry, by the agent?---\*The middle person.\*

Who are you referring to?---\*Surname Wang.\*

20

And was that person connected to China Liu?---\*Yes.\*

Were they working for China Liu?---\*He introduced us.\*

Okay. So who invited you to the dinner?---\*China Liu's girlfriend.\*

That's Huinan Zhao?---\*Yes.\*

30 All right. But you asked Chris Yan to book the restaurant, is that right?---  
\*Possible.\*

And you asked Chris Yan to hang the sign in the room, correct?---\*Yes.\*

And the sign was your idea, is that right?

THE INTERPRETER: Sorry?

MS HEGER: The sign was your idea?---\*No.\*

40 Whose idea was it?---\*China Liu.\*

And you and China Liu attended that dinner along with Mr Badalati and Mr Hindi, correct?---\*Yes.\*

And there you signed an agreement concerning Treacy Street and Landmark Square, correct?---\*Yes.\*

Who invited Mr Badalati?---\*Might be China Liu.\*

10 Well, do you know whether it was or are you just guessing?---\*He invited them when he went to the council.\*

You understand that China Liu had a meeting with Vince Badalati at his office at Hurstville City Council, is that right?---\*Yes.\*

Did you organise that meeting with Mayor Badalati?---\*No.\*

Well, did you suggest to China Liu that he meet with Mr Badalati?---\*No.\*

20 Did you attend that meeting with Mayor Badalati at his office?---\*No.\*

All right. Mr and Mrs Hindi also attended this dinner. Who invited them? ---\*I can't remember.\*

You didn't invite them?---\*No.\*

All right. And Mr Hindi and Mr Badalati obviously saw you sign this agreement at the dinner, correct?---\*Yes.\*

30 And by that time the planning proposal for Landmark Square had been lodged with Hurstville City Council, hadn't it?---\*Should be.\*

And also GR Capital at this time had lodged an application to modify the Treacy Street development consent, hadn't it?---\*Yes.\*

That was to add an extra five storeys to the building, correct?---\*Should be.\*

40 All right. And so when you saw Mr Badalati and Mr Hindi at this meeting, you must have mentioned to them that you had those applications on foot before council.---\*I didn't mention.\*

Again, I'm not suggesting there was any detailed discussion, but you must have mentioned to them at some point, given you were signing an agreement concerning those same two developments that you had those applications on foot.---\*I can't remember I mentioned about this.\*

THE COMMISSIONER: It's likely, though, isn't it? It's likely?  
---\*Because the consulting company and Philip were involved in these applications, so I was not actively involved.\*

10 But surely at a signing ceremony dealing with these developments, the developments would have been discussed?---\*I only mentioned China Liu. I had some working underway with China Liu but I didn't particularly mention those two projects.\*

MS HEGER: Did anyone mention those two projects at this dinner?---\*I'm not sure.\*

THE COMMISSIONER: Was it your understanding that Mr Hindi and Mr Badalati were at this dinner so that you and China Liu could maintain a  
20 good relationship with them?---\*Yes.\*

Thank you.

MS HEGER: Who paid for the dinner?---\*I can't remember.\*

Well, did you pay?---\*No.\*

China Liu paid for the dinner, didn't he?---\*I can't remember who did.\*

30 THE COMMISSIONER: Well, Mr Badalati and Mr Hindi were guests, weren't they?---\*Yes.\*

Yes. So it's unlikely they would have paid, isn't it?---\*No.\*

You say "no"? You're saying "no"? I'll ask it again. It's my fault. It's not yours. Because they were guests of China Liu, it's unlikely, isn't it, that Mr Badalati and Mr Hindi would have paid for the dinner?---\*They won't pay.\*

They won't pay?--- \*They will not pay.\*

40

Yeah. He's agreeing with me, is he?

THE INTERPRETER: He's agreeing with you.

THE COMMISSIONER: Okay. thank you.

MS HEGER: You didn't see them leave any cash on the table at this dinner, Mr Hindi, Mrs Hindi or Mr Badalati?---\*No.\*

10 Did Mr Badalati and Mr and Mrs Hindi leave the dinner before you?--- \*It's possible that I left first.\*

You can't remember one way or the other?---\*I can't remember.\*

Okay. Is that an appropriate time, Commissioner?

THE COMMISSIONER: Yeah, it is an appropriate time. Thank you very much. And we'll adjourn until tomorrow morning.

20 **THE WITNESS STOOD DOWN** **[4.03pm]**

**AT 4.03PM THE MATTER WAS ADJOURNED ACCORDINGLY**  
**[4.03pm]**