

Clear the Air says:

Well, we had Lexusgate, now it's Basementgate. The common denominator being Principal HK Government officials, supposedly of the highest integrity, were apparently caught cheating and hence unfit to hold such, or future public positions.

We wonder how the York Road premises owners managed to avoid paying the additional land premium for the luxury basement (2400 x \$5000 = HK\$12 million+ ?) and whether they notified the Rating and Valuation department of the additional basement area or just kept paying the old rates?

The house was built with deep piles so the intention to expand the basement seems apparent to the man in the street.

Who signed the cheque for the basement design, which architect designed it in the full knowledge it was an illegal structure and who signed their cheque, who signed the cheque for the contractors to build it and the furniture and fittings?

Tang is an acknowledged wine buff and the newspaper allegations are that there is a wine cellar and wine tasting room among other structures there. We presume

that these substantial sums used to buy the houses were duly recorded with the Inland Revenue Department ?

Tang's reply to date is disingenuous and lacks full disclosure - and he wants to be the Chief Executive? It appears he has dug his dungeon or his political grave.

Is it any wonder that in Hong Kong the Government and its principal officials deem themselves above the Law which applies to the plebs and not to them? This is why in Hong Kong, NGO's must seek to embarrass Government into environmental policy action or changes since they are non-negotiable, or we must sue them by Judicial Review. There is no middle ground.

The health of the public suffers in the meantime as a result of their blinkered arrogant apathy.

Storeroom or basement palace?

Tang admits illegal work done on house he owned with his wife, but says he's not sure he saw floor plan showing lavish 2,400 sq ft underground complex

SCMP Staff Reporters
Feb 16, 2012

Henry Tang Ying-yen, whose campaign for chief executive is embroiled in a furore over illegal structures at his Kowloon Tong properties, last night said he was not sure if he had even seen the floor plan for what is being dubbed his "underground palace".

Tang's answers at a press conference yesterday appeared to be evasive - a political ally called them "hardly convincing" - and some of his backers were reconsidering their support for him.

One election committee member - a Tang supporter in the business sector who was considering withdrawing his backing last night - confirmed the existence of the underground compound and said reports that it contained a wine cellar and a Japanese bath were true.

However, Tang said: "I have no impression that I have seen the floor plan before. [The basement] is now mainly used

for storage."

He said work on illegal structures at 7 York Road, now owned solely by his wife (Tang owns the house next door), began after the house was completed and issued with an occupation permit in 2007. Tang admitted on Monday that they had undertaken excavation work in the car park and said the underground space was used to store groceries.

The disclosures are having an impact on Tang's ambition to take the top post in the city. The Liberal Party, of which Tang was once a member, said it was reconsidering its support for his candidacy. It called on him to explain the matter fully.

Party chairwoman Miriam Lau Kin-yee said last night: "If nothing had happened, chances are high that we will vote for Tang. But given what has happened, we will have a review of [our support], after taking into account his explanation. His explanation so far seems hardly convincing."

She urged him to open up his property to the media for inspection. "Our concern now is the extent of the illegal structures and what he will do to remedy it," she said.

Another supporter on the committee, Thomas Woo Chu, vowed to rethink his backing despite having already handed in his nomination.

"We are so-called friends as both of us have the heart to serve Hong Kong," said Woo, who led a 17-member team that won all the seats in the catering subsector in the Election Committee poll in December.

"We need to observe him further. Nomination and support in the vote are two separate matters."

Lau and Woo spoke hours after a Chinese-language tabloid, *Sharp Daily*, published a floor plan that, it claimed, showed the illegal basement had a total floor size of 2,400 sq ft - larger than the 2,217 sq ft footprint of the house itself.

The plan, said to have been drawn up in 2003, shows a 430 sq ft wine cellar, wine-tasting room, home theatre, Japanese bath, gym, changing room, toilet and storeroom. The newspaper said Tang's wife, Lisa Kuo Yu-chin, was responsible for overseeing the construction work.

Tang said the house had taken about 10 years to build, and relatives had helped him oversee the construction. He called the description of the basement facilities inaccurate.

The Buildings Department said last night that it would be inspecting Tang and Kuo's properties today.

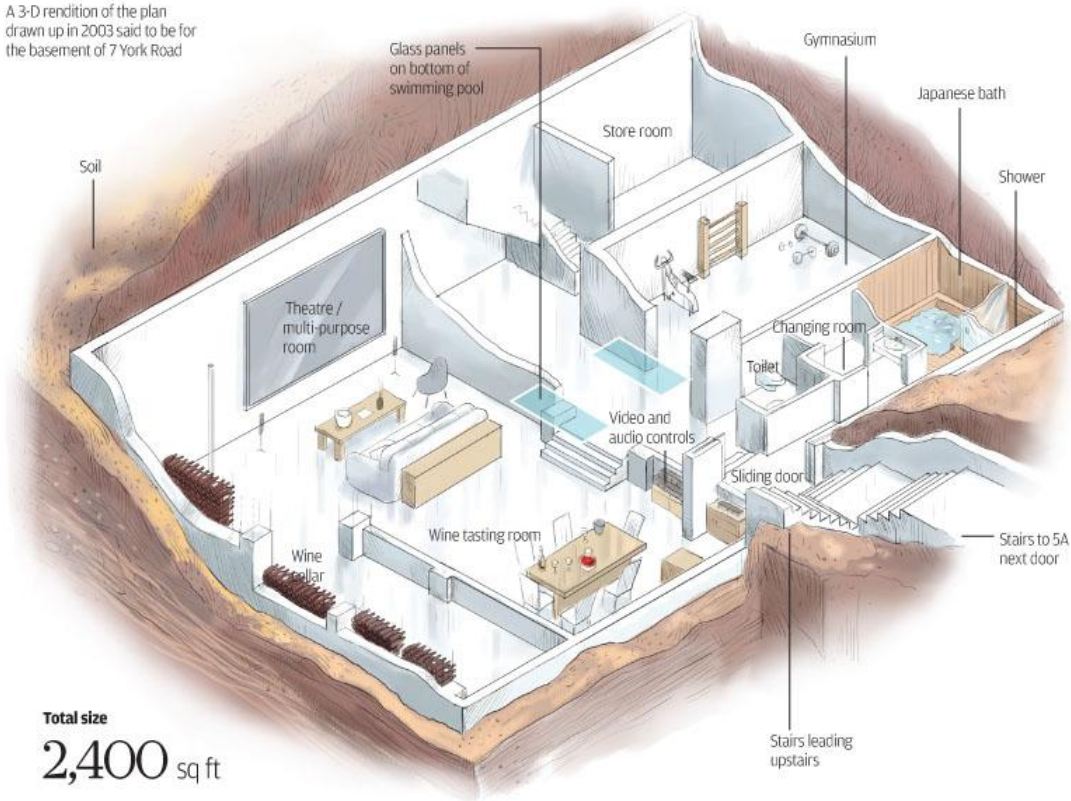
It said its officers inspected 7 York Road on January 24, 2007, and found no unauthorised structures. It issued an occupation permit nine days later.

Tang has said he and his wife once shared ownership of the 7 York Road house, but it is now solely owned by his wife through a private company.

His election rival, pan-democrat Albert Ho Chun-yan, said Tang had lost all credibility. He also urged him to open the house to the media. "It is a lot more than a storeroom - it is a palace indeed," he said.

But legislator Jeffrey Lam Kin-fung, another Tang supporter, said the row was no more serious than the one about Leung Chun-ying's alleged conflict of interest in an architectural design contest. "Leung's involves public interest, while Tang's is only a personal one," he said.

A 3-D rendition of the plan drawn up in 2003 said to be for the basement of 7 York Road



Tang responds to publication of floor plan

SCMP Danny Mok
9:00pm, Feb 15, 2012

A local newspaper on Wednesday published a floor plan of what it said was a 2,400 square foot illegal basement in a property in Kowloon Tong owned by Henry Tang Ying-yen and his wife.

The chief executive contender has been dogged all week by a controversy dealing with an illegal underground structure on his property.

The site in question is at 7 York Road in Kowloon Tong next to 5A York Road where the Tang family lives.

The floor plan published in the late edition of *Sharp Daily* is said to show a floor area larger than that of the house and **include a store room, wine cellar, a wine tasting room, theatre, gym and Japanese bath.**

The source of the floor plan was not disclosed in the report,

Tang had earlier said the block was just a storage area for miscellaneous items.

On Wednesday evening in response to the publication of the floor plan, Tang reiterated that the underground structure was a storage area and said that he had no recollection of ever seeing this floor plan.

Tang's wife liable for illegal works

Cheung Chi-fai
SCMP Feb 15, 2012

Although Henry Tang Ying-yen has taken the flak for illegal structures at a Kowloon Tong property, his wife is accountable under the law.

The Buildings Department says in a mandatory removal order or prosecution for such breaches, it is the property owner listed in the land registry who will be held responsible.

On Monday, Tang admitted a storage area had been built under the swimming pool at 7 York Road. Illegal additions, including a car park canopy, had also been made at another Tang property at 5A.

"Upon ... confirming the illegal structures, we will issue notices to the concerned owner listed in the land registry," a department spokeswoman said.

According to the land registry, Tang's wife, Lisa Kuo Yu-chin, owns 7 York Road via On-Power, a company registered in the British Virgin Islands. Past declarations of interest show Tang transferred his shareholding in the company to Kuo around 2010, making her sole owner of the house. Tang owns 5A via another firm, Bluehouse Investments.

If Kuo fails to fix the breaches, she faces a maximum fine of HK\$200,000 and one year in jail.

However, Kuo, who was in the spotlight last year after Tang admitted having an affair, is not likely to face charges other than illegal building works.

Greg Wong Chak-yan, former vice-chairman of the Town Planning Board, said media concerns about a possible violation of the town planning ordinance or the land lease for excessive floor space generated from the illegal works did not seem valid.

Wong said the property's outline zoning plan for maximum floor space could not be enforced because the property existed before the plan was enacted, while the old land lease, dating to 1930, did not specify how much floor space was allowed.

"There remains only one law capable [of] holding the property owner responsible. That's through enforcement on unauthorised building works under the Buildings Ordinance," he said.

Legislator Cyd Ho Sau-lan said the Buildings Department should not let Kuo walk away after fixing the building irregularities. "Given the seriousness of the illegal works, a direct prosecution should be seriously considered," she said.

HOME DRAMA

May 2002

On-Power Limited - a company registered in the British Virgin Islands with Henry Tang and his wife Lisa Kuo listed as directors - buys 7 York Road, Kowloon Tong.

Nov 2002

Henry Ho Chung-yi, architect for Tang, submits building plan for redevelopment.

2006/2007

Redevelopment completed and occupation permit issued by Buildings Department.

June 2010

Tang transfers stake in On-Power to his wife, making her sole owner of the company, land lot and house.

May 2011

Chief Executive Donald Tsang Yam-kuen asks senior officials to check properties for illegal structures.

May to end 2011

Tang says he hired consultant to inspect No 5A and 7 York Road for unapproved work. But he was not required to report back to Tsang.

October 2011

Ming Pao files questions to Tang about illegal structures; Tang denies existence of wine cellar in No 5A.

February 13, 2012

Tang admits illegal structures in his properties, saying basement garage was extended to store groceries.

February 14

Buildings officers try in vain to enter properties for inspection.

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Tang fails to clear doubts on illegal home structures

Chief executive hopeful refuses to give full account of controversy until demolition work is completed

Cheung Chi-fai
Feb 15, 2012

Embattled chief executive candidate Henry Tang Ying-yen said yesterday he had appointed an "authorised person" to act on his and his wife's behalf in dealing with illegal structures at their home. **But he refused to respond to many of the unanswered questions fuelling the row.**

"Once the demolition is completed, I will give a full account to the public," Tang said at a briefing on his election platform.

He ignored questions about an illegal storage space in his basement **as he read out a statement** highlighting his "undeniable responsibility" and "negligence".

He also declared that there was absolutely no question of "submitting false building plans" - as had been suggested by some reports in the Chinese-language media - to cover up the illegal works.

Since the illegal works were exposed on Monday, Tang has been unable to offer a clear timeline on their construction, including whether it was his wife, Lisa Kuo Yu-chin, who had commissioned them.

He was also unclear on when he had hired a consultant to inspect his properties for unapproved works after senior officials were told in May last year to check their properties amid a crackdown to enforce building regulations.

Tang ignored a request to open up his properties for inspection by the media, saying only that his representatives would deal with the Buildings Department directly on his behalf.

Building inspectors who wanted to inspect the neighbouring properties in Kowloon Tong owned by Tang and his wife - 5A and 7 York Road - were refused entry as the couple were not at home. The inspectors gave domestic staff at the properties a note with their contact details.

Tang's architect for the property at 7 York Road, which includes a basement structure not included in the building plan, has also come forward to clarify his role in the row.

Henry Ho Chung-yi said there was no illegal structure of any type when he transferred the property to Tang after completion.

"There was nothing illegal and we handed over our job after we obtained the occupation permit ... if there had been anything dubious, how could we get the permit?"

Ho said building and fire inspectors were satisfied with the construction after a visit. His remarks suggest the illegal structures were added around 2006 or after construction work had been completed.

Tang's main rival for the chief executive's job, Leung Chun-ying, said yesterday he did not know that a reporter from *Ming Pao*, which first reported on the illegal structures at Tang's home, was a distant relative of his. The newspaper said its reporting team knew of the relationship but did not think it affected the investigation.

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Tang admits having illegal structures

Chief executive candidate denies cover-up in row over two properties in upmarket Kowloon Tong



CARTOON

Chief executive candidate Henry Tang Ying-yen says he will remove illegal structures from two properties owned by members of his family in upmarket Kowloon Tong, amid claims the issue has raised questions about his integrity.

Tang denied there was a cover-up involving the illegal structures linked to his home, and blamed any confusion on a "misunderstanding" in handling media inquiries on the matter in October.

Admitting they were illegal structures, Tang pledged to take responsibility for having them removed. They include an excavated area on an unoccupied property adjoining his home, a construction which one newspaper said was a wine cellar.

Tang said they also included a canopy covering a car park at his home at 5A York Road that was allegedly left by the previous owner more than a decade ago and a skylight window on the roof of No 7, an adjoining property that is unoccupied at the moment. Tang confirmed that his family owned both properties. Tang gave no deadline for having the structures removed.

"As a man, one needs to have shoulders and as a public officer, one needs to have backbone," Tang said at a briefing yesterday morning.

Last night Tang apologised during a radio broadcast and in a statement for causing public concern after the Chinese-language newspaper *Ming Pao* reported that a wine cellar was allegedly being built at 7 York Road.

Tang denied that the excavated area at the site, which was connected to the base of a swimming pool, was used as a wine cellar, as reported by *Ming Pao*.

Despite his denial, a lawmaker whose party is backing a rival candidate in the race for the city's next chief executive, called on Tang to come clean on the issue.

"There is clearly a question of integrity. It indicates Tang, who was then chief secretary for administration [until

resigning late last year to contest the race to be the next chief executive], might have wanted to lie to his bosses and public," said Lee Wing-tat, a member of the Democratic Party, which is backing the candidacy of Albert Ho Chun-yan.

Ming Pao quoted contractors who once worked inside 7 York Road as saying the wine cellar was secretly built with a hidden entrance somewhere in the house. A plan of the property kept by the Buildings Department since 2002 does not show a structure under the house.

A spokesman for the department said they would arrange a site inspection as soon as possible.

Asked by the newspaper last October if such a structure existed, Tang denied it. That denial, Tang said yesterday, was based on a misunderstanding. "The misunderstanding arose from a question asked. The two properties belong to my family and I was using only No 5. The question asked was whether there was a wine cellar at No 5," he said, adding that there was no wine cellar at his home. The latest revelation comes just days after Tang's arch rival, Leung Chun-ying, was embroiled in a controversy relating to his alleged conflict of interest as an adjudicator over a tender for the West Kowloon arts hub project. Leung said last night he believed Tang would handle the matter well.

Last May, Chief Executive Donald Tsang Yam-kuen asked his senior officials to check whether their properties contained any illegal structures after a string of public figures and officials were named as contravening building regulations.

Yesterday's exposure raised questions in the media about whether Tsang knew about the illegal work at Tang's home.

A spokesman for the Chief Executive's Office said Tsang had asked senior officials only to inspect their properties and **had not asked them to report back to him on the results.**

The two properties are registered under overseas-based companies based in the British Virgin Islands. Bluehouse Investments bought No 5A for HK\$46.5 million in 1996 and On-Power bought No 7 for HK\$36 million in 2002.

It is worth noting that someone provided information to the press regarding CY Leung's company involvement with a tenderer for the West Kowloon project ten years ago – Henry Tang used to be the Chairman of the West Kowloon project. Both Tang and CY Leung were members of Exco but nothing was raised about this matter until recently. We wonder who was the source of the attempted muck throwing ?

Is this the first time Tang's integrity was questioned ?, well, not really

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Harbourfest case

Tang was involved in the Harbour Fest controversy as Chairman of the Economic Relaunch Strategy Group responsible for pushing ahead with the plan to spend \$100 million to revive the economy after SARS, and said that he should be held responsible. Tang had said that although Mike Rowse, a senior civil servant, had actually signed the contract, Rowse as such was not required to be held politically responsible.^[7] (Wikipedia) However, during a Working Group meeting on 31 October, 2003 and during an independent inquiry in May 2004, Tang allegedly said Rowse had not acted improperly and that there had been no irregularity in the implementation of the event.^[8] Tang had also said that all parties had under-estimated the complexity of the event and may have been too ambitious in organising it in such a short timespan. He later withdrew the remark: just before a government inquiry opened on November 2004, **Tang requested the ERWG minutes be deleted.**^[8] Internal governmental disciplinary process fined Rowse for misconduct, but a High Court judge quashed the government ruling on 4 July 2008. Political commentator Frank Ching pointed to the huge credibility gap of the government. **He noted that the attempt of Tang to shift political responsibility from himself, as the minister responsible, to a senior civil servant, was a travesty of justice for Rowse, and went against the Accountability System.**^[9] (Wikipedia)

Extra-marital affair

On 4 October 2011, in the midst of rumours about his extra-marital affair, Henry Tang issued a statement, in which he admitted that he had made a mistake in his romantic life in the past and he deeply regretted it. He specifically did not elaborate on the sex of the person he had an admitted affair with. He said that his wife had forgiven him. His wife said in the statement that there had been difficult times in their relationship and that he has faults, but that she also appreciated his strengths. She acknowledged him as her 'best partner'.^[17] National People's Congress Standing Committee member Rita Fan said on 7 October 2011 that she didn't know about Mr Tang's now widely publicised infidelity when she offered her support and she refused to rule herself out of standing in the following year's Chief Executive election, though she did not in fact stand.^[18] Wikipedia