



Chow Tai Fook Enterprises and Associates

INDEPENDENT REVIEW

19 December 2023





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19 December 2023

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Report: Chow Tai Fook Enterprises and Associates – Independent Review

Dear [REDACTED],

Thank you for choosing PKF Integrity Services (BMNS) Pty Ltd ("PKF Integrity", "PKF" or "we") to undertake investigative services ("the Services") for the Department of Justice and Attorney General ("Department" or "you") to undertake an investigation in relation to allegations regarding Chow Tai Fook Enterprises ("CTFE") and associates.

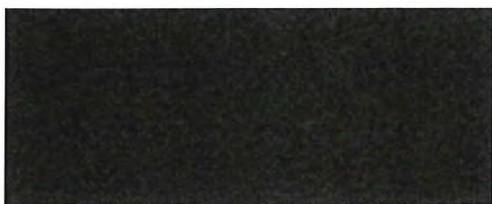
Pursuant to our engagement agreement, dated 25 November 2022, I am pleased to provide you with our final investigation report, dated 19 December 2023. In compiling this report, we have relied on certain information provided to us by HWL Ebsworth Lawyers ("HWLE") acting act on behalf of CTFE, including in response to an information requirement issued under section 30C of the *Casino Control Act 1982 (Qld)*. [REDACTED]
[REDACTED]
[REDACTED]

The contents of this report are confidential, and the report is provided to the Department of Justice and Attorney-General solely for the purposes set out in the terms of reference dated 25 November 2022. We have outlined further particulars on the disclosure of our report in Section 12 of this report.

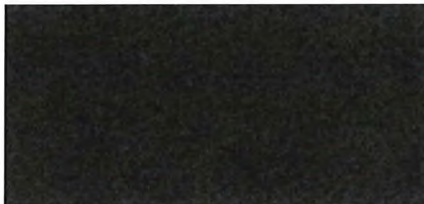


If you have any questions about this report or this engagement more broadly, please contact David Morgan on [REDACTED].

Yours sincerely,



David Morgan
Partner
PKF Integrity



Julia Patterson
Principal
PKF Integrity



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1. Executive Summary

1.1 Background

Introduction

- 1.1.1 This summary provides a high-level overview of relevant background, our review methodology and a summary of findings, whilst further detailed discussion of the issues considered in our review and our detailed findings are provided in the body of the report.
- 1.1.2 A glossary of abbreviations and defined terms adopted throughout the report is provided at Appendix 1.

Queens Wharf Brisbane

- 1.1.3 On 14 October 2013, the Queensland Government announced an expression of interest for the redevelopment of the Queens Wharf Brisbane precinct in the Brisbane central business district, including the development of a casino and resort ("QWB").
- 1.1.4 The Destination Brisbane Consortium ("DBC"), comprising Far East Consortium (Australia) Pty Ltd, Chow Tai Fook Enterprises ("CTFE") and Echo Entertainment Group Limited (subsequently known as The Star Entertainment Group Limited), submitted a bid to develop the QWB site, including development of a casino facility.

Review of suitability and granting of casino licence

- 1.1.5 As the liquor and gambling regulator for Queensland, the Office of Liquor and Gaming Regulation ("OLGR") undertook an investigation pursuant to section 20 of the Casino Control Act 1982 ("the Act") to satisfy the Governor in Council that such casino licensee and such persons as aforesaid are suitable to hold a casino licence ("Initial Suitability Review"). The findings of the OLGR's investigation were published in its "Probity Report", dated 20 April 2015.
- 1.1.6 On 20 July 2015, the Queensland Government announced it had selected DBC as its preferred proponent for the QWB development. The Queensland Government granted a casino licence in respect of the QWB development to DBC on 14 October 2016.
- 1.1.7 The suitability of CTFE and its associates' connection to the QWB casino has been the subject of considerable media attention and allegations. On 29 September 2022, the Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence, the Honorable Shannon Fentiman, approved an investigation of the ongoing suitability of CTFE to be associated with the ownership and operation of a casino within Queensland, pursuant to section 30 of the Act.



1.2 Scope

- 1.2.1 On 25 November 2022, PKF was engaged by the Department of Justice and Attorney General ("DJAG") to:
- a. Undertake a review of the unresolved media allegations attached to the terms of reference of our investigation to determine if they impact the suitability of CTFE, in terms of business associations or undesirable financial sources.
 - b. Undertake a review of matters relevant to the reputé of CTFE and associates, for the purposes of section 20(1)(a) of the Act, in order to assist the Minister in their determination of suitability under section 30 of the Act.
 - c. Undertake a review of matters relevant to whether CTFE or its associates have business associations with persons not of good reputé or have undesirable financial sources, for the purposes of section 20(1)(f) of the Act, in order to assist the Minister in their determination of suitability under section 30 of the Act.¹
 - d. Recommend mitigations (where applicable) for any risks identified.
 - e. Undertake an assessment of the sufficiency of the Initial Suitability Review and OLGR's ongoing suitability monitoring activities.
- 1.2.2 A copy of the terms of reference of our investigation is provided at Appendix 2.

1.3 Allegations

- 1.3.1 The media allegations attached to the investigation terms of reference include allegations that:
- a. The CTF Group has a concealed relationship with a person not of good reputé, Mr. Alvin Chau, through an ongoing interest in the Hoi Ana Casino Resort in Vietnam (referred to herein as the "Vietnam Project") ("Media Allegation 1").
 - b. CTF Group subsidiary, "New World", is frequently the venue of meetings involving triad figures and is a front for money laundering ("Media Allegation 2").
 - c. CTF Group's interest in Sociedad de Turismo e Diversoes de Macao ("STDM") has resulted in a partnership between Dr. Cheng Yu Tung and a person not of good reputé, Mr. Yip Hon; and, that another person not of good reputé, "Broken Tooth" Koi, held an \$8 million interest in a VIP room owned by Dr. Cheng Yu Tung and Mr. Stanley Ho ("Media Allegation 3").

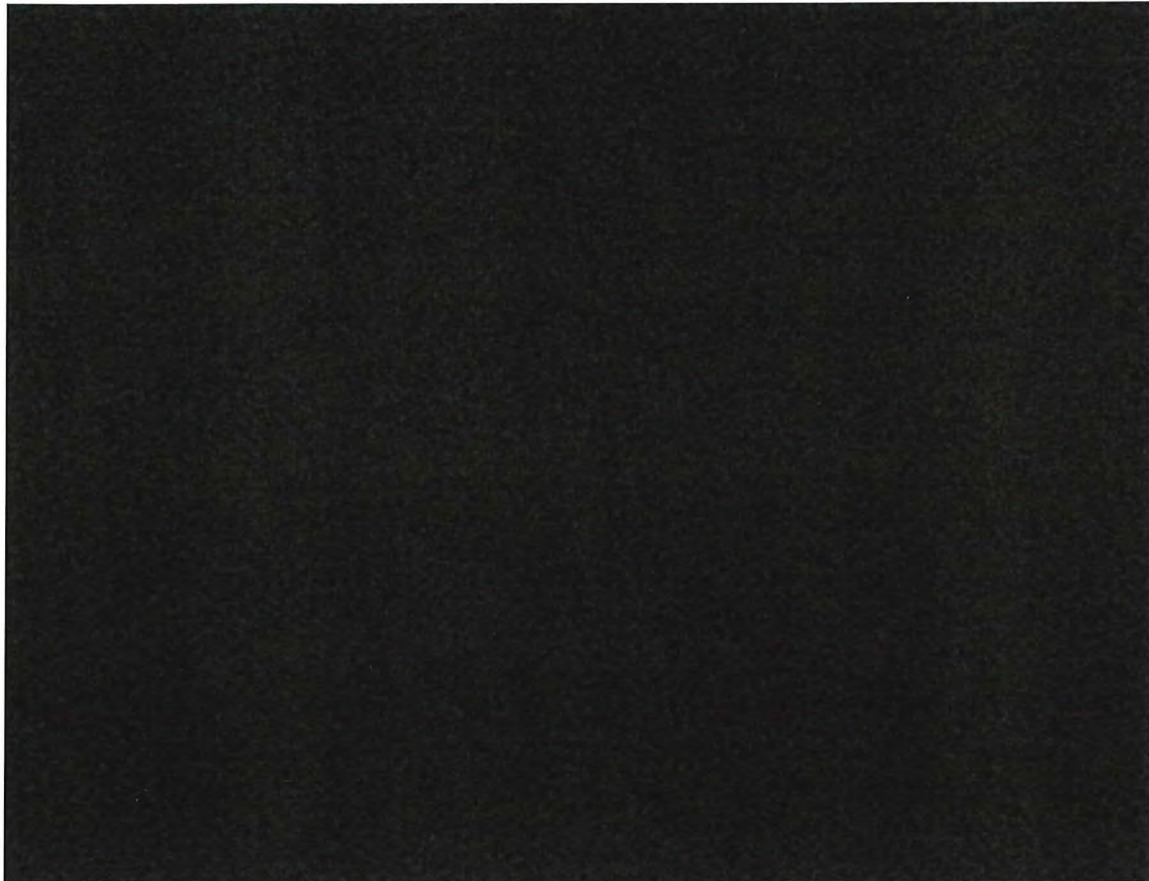
¹ Our review was to be conducted in accordance with section 30 of the Act and examine those matters, as they relate to CTFE and its identified associates as set out under section 20(1)(a) and (f) of the Act.



- 1.3.2 A compilation of the media reports attached to the investigation terms of reference is provided at Appendix 3.

1.4 Methodology

1.4.1



- 1.4.2 The standard of proof applied in this investigation and in the preparation of this report and its findings has been on the balance of probabilities. Allegations were found to be substantiated where they were supported by direct evidence; or, unsubstantiated where they were not supported by direct evidence.
- 1.4.3 Further discussion of our investigation methodology is provided at Section 3 of this report.

1.5 Limitations

- 1.5.1 The following limitations were identified during our review:
- a. The opacity and limitations regarding availability of information associated with corporate filings in jurisdictions such as the British Virgin Islands ("BVI") and Macao constrained our enquiries in some circumstances.
- 1.5.2 Consideration of associations with Mr. Stanley Ho were excluded from the scope of our review albeit that Mr. Stanley Ho was the subject of some media allegations. This is on the



basis Mr. Stanley Ho was the subject of significant examination during the Initial Suitability Review and passed away on 26 May 2020.

1.6 Summary of Findings

1.6.1 Our findings are summarised below in relation to:

- a. Allegations made in the media reports provided at Appendix 3
- b. Matters relevant to the reputations of CTFE and associates for consideration by the Minister in making their determination of suitability under the Act.
- c. Matters relevant to whether CTFE or its associates have business associations with persons not of good reputation or have undesirable financial sources, for consideration by the Minister in making their determination of suitability under the Act.
- d. The sufficiency of the Initial Suitability Review and OLGR's ongoing suitability monitoring activities.

1.6.2 Further information regarding the basis of our findings and our detailed analysis is provided in the body of this report.




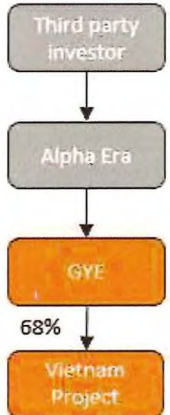
Findings regarding media allegations

1.6.3 Table 1 summarises our findings in relation to Media Allegation 1.

Table 1: Findings regarding Media Allegation 1

Media Allegation 1	The CTF Group has a concealed relationship with a person not of good repute, Mr. Alvin Chau, through an ongoing interest in the Vietnam Project.
Finding	<p>Substantiated</p> <p>In our opinion, on the balance of probabilities, the evidence identified during this investigation demonstrates:</p> <ol style="list-style-type: none"> The CTF Group had a relationship with a person not of good repute, Mr. Alvin Chau, and associates of Mr. Chau, through an ongoing interest in the Vietnam Project. CTFE had not previously disclosed those interests or relationships to OLGR. CTFE had previously provided OLGR with incorrect, incomplete and/or inconsistent information in relation to those interests and relationships.
Report reference	Section 4



<p>Basis</p>	<p>In 2014, the CTF Group acquired a 50% interest in Gold Yield Enterprises Limited (“GYE”) with the other 50% held by Star Admiral Limited (“Star Admiral”), a company personally owned by Mr. Chau. GYE acquired 68% of the equity in the Vietnam Project² on 20 January 2015. In April 2015, Star Admiral transferred its interest in GYE to the CTF Group and GYE became wholly owned by the CTF Group.</p> <p>CTFE previously advised OLGR³ that ‘CTFH disposed of its entire controlling stake in GYE in April 2016 to Alpha Era Investments Limited’, who was ‘owned by a third party [sic] wealthy and well connected [sic] investor’.⁴</p> <p>The transaction as described is illustrated in Figure 1.</p> <p><i>Figure 1: Initial Understanding of CTFH’s disposal of its interest in the Vietnam Project</i></p> <div data-bbox="421 662 929 1149"><div><p>Before disposal:</p><pre>graph TD; CTFH[CTFH] --> GYE1[GYE]; GYE1 -- 68% --> VietnamProject1[Vietnam Project];</pre></div><div><p>After disposal:</p><pre>graph TD; ThirdParty[Third party investor] --> AlphaEra[Alpha Era]; AlphaEra --> GYE2[GYE]; GYE2 -- 68% --> VietnamProject2[Vietnam Project];</pre></div></div>
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² Through equity in Hoi An South Investments (“HASI”).

³ On 20 May 2022 and 9 December 2022.

⁴ HWLE correspondence to OLGR, dated 20 May 2022.



New information regarding relationships between the CTF Group and the Vietnam Project and Mr. Chau

During the course of this investigation, CTFE disclosed substantive new information to OLGR and PKF on 9 October 2023 regarding the nature of the CTF Group's interests in the Vietnam Project, including:

- a. The CTF Group sold 50% of its interest in GYE to Alpha Era Limited ("Alpha Era") for USD 20.65 million on 18 April 2016 and the remaining 50% shareholding in GYE to Star Admiral (owned by Mr. Chau) on 22 April 2016. This was contrary to CTFE's previous advice that it sold GYE to Alpha Era. Star Admiral paid the CTF Group USD 20.65 million consideration for the interest.
- b. To facilitate the sale of 50% of its interest in GYE to Alpha Era, the CTF Group provided loans to the owners of Alpha Era (who were business associates of Mr. Chau through their joint interest in GYE in respect of the purchase and continued development of the interest in the Vietnam Project. The loans were initially undocumented and based on a "handshake agreement" between the owner of Alpha Era (Mr. Ho at that time⁵) and Dr. Henry Cheng, until May 2018, when they were documented with assistance from the CTFE legal team. CTFE has disclosed that as of 29 October 2023, the outstanding loans were USD 388 million.
- c. From 2020 until 2022, Alpha Era, funded by the CTF Group, provided funding for the development of the Vietnam Project in excess of its equity interest in the project. We are advised this was because the two other project partners (VinaCapital and Suncity Group) were '*struggling to come up with... their pro-rata share... in the funding requirement*'.⁶ During this period, Mr. Chau held an equity interest in the Vietnam Project through his shareholding in the Suncity Group.
- d. The provision of back-to back guarantees by Chow Tai Fook (Holding) Limited ("CTFH"), a member of the CTF Group, to Vietin Bank, in respect of personal guarantees by the owners of Alpha Era regarding a credit facility for the development of

⁵ Alpha Era was initially owned by Mr. Ho until his death on 20 August 2018. Following Mr. Ho's death, the CTF Group purchased the interest in Alpha Era on 26 September 2018 and sold the interest to Mr. Wong on or around the same day.

⁶ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 41.



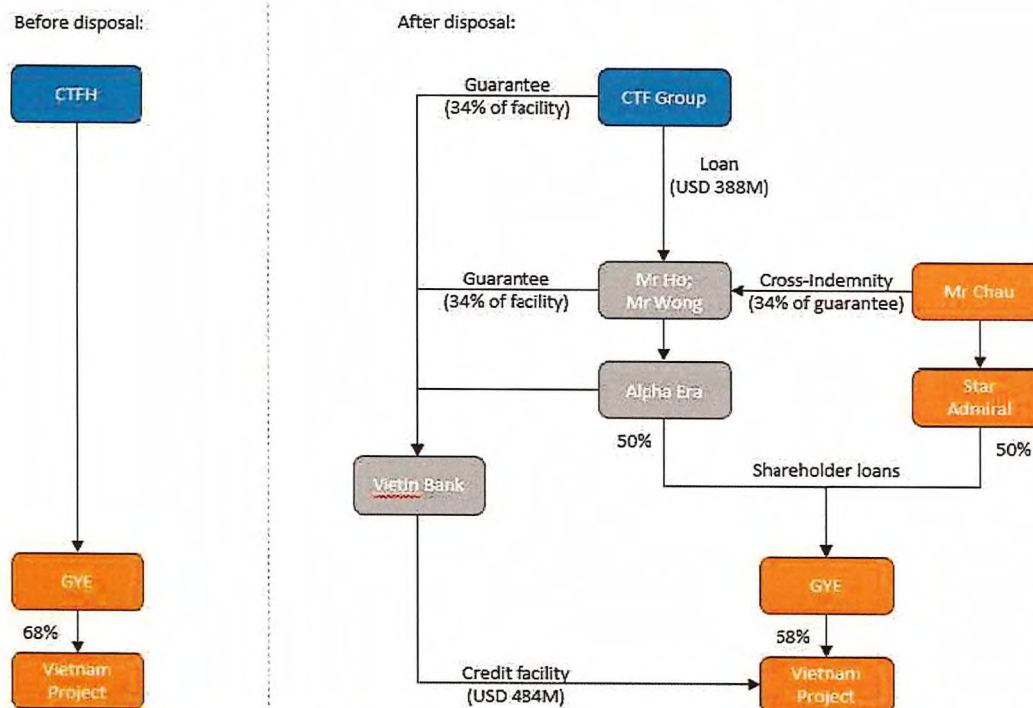
	<p>the Vietnam Project. The CTFH guarantees and guarantees by the owners of Alpha Era were conditions precedent to the USD 484 million credit facility provided by Vietin Bank for the development of the Vietnam Project. The guarantees were limited to 34% of the facility, i.e. USD 165 million.</p> <p>e. The provision of an indemnity by Mr. Chau to the owners of Alpha Era for 34% of their guarantee to Vietin Bank in respect of the Vietnam Project credit facility, i.e. up to USD 56 million.⁷ Mr. Chau's indemnity may have the effect, in practice, of reducing CTFH's exposure in respect of CTFH's guarantee for the liability of the owners of Alpha Era under their personal guarantees.</p> <p>f. The purchase of Alpha Era by the CTF Group on 26 September 2018, following the death of Alpha Era's previous owner, Mr. Ho. The CTF Group then sold Alpha Era to Mr. Wong on or around the same day. At the time of this transaction, Suncity Group (of which Mr. Chau was a substantial shareholder) and Alpha Era jointly held equity in GYE⁸ and the Vietnam Project.</p> <p>g. Management, administration, banking and legal services to the owners of Alpha Era (business associates of Mr. Chau) in respect of their interest in the Vietnam Project.</p> <p>The above transactions are illustrated in Figure 2 below.</p>
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⁷ 34% of USD 165 million; USD 484 million multiplied by the 34% guaranteed by the owners of Alpha Era multiplied by the 34% indemnified by Mr. Chau.

⁸ GYE holds a 68% interest in the Vietnam Project via equity held in Hoi An South Investments Pte Ltd ("HASI").



Figure 2: Current understanding of CTFH's disposal of its interest in the Vietnam Project



CTFE also disclosed close personal and business relationships between the CTF Group and the owners of Alpha Era. These included through the initial founding of Chow Tai Fook Jewellery Group Limited ("CTFJ"). The current owner of Alpha Era, Mr. Wong, has been employed by CTFJ since 1998 and is currently the CTFJ Director of Strategic Finance and is responsible for the financing and treasury management of the CTF Group. We were advised in interview that Mr. Ho is a Chow Tai Fook shareholder who receives dividends of tens of millions of USD each year and whose shares in Chow Tai Fook, we understand, are worth over USD 1 billion.⁹



The information provided by CTFE on 9 October 2023 was different to, and inconsistent with, CTFE's previous submissions. The correspondence between CTFE and OLGR/PKF in this regard is summarised below.

May 2022 CTFE submission

On 22 April 2022, OLGR wrote to CTFE's legal counsel, HWLE, requesting '*detailed written advice and supporting documentation*' regarding:

- a. '*Any involvement of CTFE and/or its associates in the ownership, management, administration or financing of the Hotels' and/or casino complex that have been or will be constructed at Hoiana [the Vietnam Project]*' (emphasis added); and
- b. '*The involvement of CTFE, or its associates, in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates, in any endeavor or business enterprise globally, including but not limited to gaming and hospitality*' (emphasis added).

HWLE responded to OLGR on 20 May 2022¹⁰, advising:

- a. '*CTFH no longer owns any shares in GYE*'.
- b. '*CTFH disposed of its entire controlling stake in GYE in April 2016 to Alpha Era Investments Limited*'.
- c. '*Alpha Era is owned by a third party wealthy and well connected [sic] investor, and Chow Tai Fook group does not own any interests in Alpha Era*' (emphasis added).
- d. '*The Chow Tai Fook group is not involved in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates, in any endeavor or business enterprise globally, other than in respect of the Hoiana Integrated Resort as set out above [referring to hotel management activities]. In summary, CTFH had*

⁹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, pages 35 and 46

¹⁰ All responses provided by HWLE are taken to have been made by CTFE for the purposes of this investigation.



until April 2016 a controlling stake in the Project through GYE, but CTFH no longer held any shares in GYE. This reflects the statements made by our client in our meeting at your offices on 12 November 2019, namely that CTFE did not own the Project in response to your question that certain media reports had stated that CTFE owned one third of the Project'.

The information provided by CTFE to OLGR on 20 May 2022 appears to have been incorrect, given:

- a. CTFE advised on 9 October 2023 that the CTF Group sold 50% of its interest in GYE to Alpha Era on 18 April 2016 and 50% of its interest in GYE to Star Admiral (owned by Mr. Chau) on 22 April 2016. This is contrary to their statement¹¹ that '*CTFH disposed of its entire controlling stake in GYE in April 2016 to Alpha Era...*'.
- b. CTFE described the owner of Alpha Era (who at the time of their correspondence was Mr. Wong) as a '*third party*'; however, Mr. Wong is employed by CTFJ and holds long-standing business and personal relationships with the CTF Group. The CTF Group fully funded Mr. Wong's purchase of Alpha Era and the subsequent development costs of its interest in the Vietnam Project. The CTF Group provided significant management, administrative, banking and legal services to Mr. Wong in respect of his investment in Alpha Era. Similar arrangements and close business and personal relationships existed in respect of Mr. Ho, who owned Alpha Era prior to Mr. Wong.
- c. CTFE stated the '*Chow Tai Fook group is not involved in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates...* [other than in respect of the hotel agreements for the Vietnam Project]. This statement is inconsistent with CTFE's subsequent 9 October 2022 advice that the CTF Group:
 - i. Provided loans to Alpha Era (a business associate of Mr. Chau), as described above. From 2020 to 2022, the funding provided by the CTF Group to Alpha Era in respect of the development of the Vietnam Project exceeded Alpha Era's interest in the project. We understand that Alpha Era made contributions in excess of its equity interest because the two other project partners, VinaCapital and Suncity Group, were '*struggling to come up with... their pro-rata share...*

¹¹ CTFE correspondence to OLGR, dated 20 May 2022 and 9 December 2022.



	<p><i>in the funding requirement</i>.¹² During this period, Mr. Chau held an indirect equity interest in the Vietnam Project through his equity in Suncity Group.</p> <ul style="list-style-type: none"> <i>ii.</i> Provided a guarantee that was a condition precedent to a credit facility provided by Vietin Bank for the development of the Vietnam Project (while Mr. Chau held an equity interest in the project); <i>iii.</i> Briefly purchased Alpha Era to effect its sale to Mr. Wong (thereby briefly holding an equity interest in GYE and the Vietnam Project in conjunction with Mr. Chau); and <i>iv.</i> Provided substantial management, administration, banking and legal services to Alpha Era (a business associate of Mr. Chau). <p>December 2022 CTFE submission</p> <p>On 21 November 2022, OLGR wrote to HWLE advising of this investigation and requesting CTFE provide a response to media allegations that CTFE has associations with Mr. Chau and LET Group Holdings Ltd (formerly Suncity Group). OLGR also requested CTFE provide <i>'Any other relevant information CTFE may wish to raise in relation to personal and business associations that may impact on OLGR's suitability assessment'</i>.</p> <p>HWLE responded to OLGR on 9 December 2022, reiterating the information it provided in May 2022, that:</p> <ul style="list-style-type: none"> a. The proposed acquisition of the gaming businesses of Suncity by IEC (in which CTFE held a 74.78% interest) had not proceeded. b. <i>'CTFE does not have any ownership interests in the Hoiana integrated resort project [the Vietnam Project]'</i>. c. <i>'CTFH no longer owns any shares in GYE'</i>.
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¹² Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 41.



- d. *'CTFH disposed of its entire controlling stake in GYE in April 2016, during the construction phase of the Project, to Alpha Era Investments Limited'.*
- e. *'Alpha Era is owned by a third party wealthy and well connected [sic] investor, and Chow Tai Fook group does not own any interests in Alpha Era'.*

We make the same observations regarding CTFE's description of the sale of GYE and the owner of Alpha Era being a third party, as provided above.

March 2023 CTFE submission

On 28 February 2023, PKF wrote to CTFE via HWLE requesting details of *'any other agreements, directorships or business relationships between the casinos, CTFE and the above hotels in the Hoiana Integrated Resort [the Vietnam Project] apart from the four hotel management agreements'.*

HWLE responded on 14 March 2023, stating *'Aside from the hotel management agreements referred to, there are no other agreements, directorships or business relationships between CTFE and the casino or the hotels of the Hoiana Integrated Resort'.*

The information provided by CTFE to OLGR on 14 March 2023 appears to have been incorrect and/or incomplete, given CTFE subsequently disclosed:

- a. CTFE Senior Vice President, Mr. Jacob Lee, was a member of the Executive and Audit Committees of the Vietnam Project from commencement of those committees until July 2022. He initially held these roles in relation to the CTF Group's equity interest in the Vietnam Project and subsequently held the roles whilst managing Alpha Era's investment in the project.
- b. CTF Group controlled entity, Skywalker Ventures Ltd ("Skywalker"), has been a corporate director of Alpha Era (which holds a 34% interest in the Vietnam Project) since 26 January 2015. Skywalker was controlled by CTFE from 26 January 2015 to 12 August 2022 and by CTFH from 12 August 2022.



- c. CTFE Senior Vice President, Mr. Jacob Lee, was a director of Skywalker from 26 January 2015 to 12 August 2022 and was authorised to sign documents on behalf of Alpha Era owner, Mr. Ho.
- d. CTFE has provided significant managerial, administrative and legal support to Alpha Era in respect of its investment in the Vietnam Project.
- e. The CTF Group has provided significant funding to Alpha Era in respect of Alpha Era's interest in the Vietnam Project. From 2020 to 2022, the funding provided by the CTF Group exceeded Alpha Era's interest in the project.
- f. CTFE Senior Vice President, Mr. Jacob Lee, would receive a funding request regarding Alpha Era from the investment manager, VMS. Given the request had been approved by VMS, Mr. Lee *'did not seek approval again from Mr. Wong... on the funding'*.¹³ Mr. Lee would process the request with the CTF Group finance team. He did not need to seek approval for the funding from Mr. Tsang (CTFE Chief Executive Officer), however, would require an acknowledgement from Mr. Tsang *'that there [was] a funding transfer... because... we are lending the money to Mr. Wong, and Mr. Wong in turn would... contribute the capital into the project'*.¹⁴

October 2023 CTFE submission of new information

On 26 July 2023, based on our review enquiries and intelligence gathered to date, PKF wrote to HWLE requesting CTFE senior management be made available for interview and requesting further information regarding:

- a. Details of participation by shareholders or personnel of CTFE or entities within the CTF Group and/or its associates in board or other meetings of HASI or HASD.
- b. *'Details of any loan and/or other agreements, directorships, equity interests or business relationships between the casinos at the Hoiana Integrated Resort or the hotels at the Hoiana Integrated Resort and CTFE, entities within the CTF group and/or*

¹³ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, pages 39 and 40

¹⁴ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, pages 40 and 41



associates, other than the four hotel management agreements previously advised'. The underlined emphasis within the quote highlighted the specific wording differences from previous requests.

- c. 'Any loan and or other agreements, directorships, equity interests or business relationships between CTFE, entities within the CTF group, and/or its associates; and the VMS Group and/or its related entities'.
- d. 'Any loan and/or other agreements, directorships, equity interests or business relationships between CTFE, entities within the CTFE group, and/or its associates and Kim Pun Wong (Director of Alpha Era Investments Ltd) or Barry Kim Pun Wong (emphasis added).
- e. A copy of Conrad Cheng's CTFE electronic mailbox for a relevant specified period.
- f. 'Details of any payments to or loans made (either directly or indirectly) to HASI, HASD, VMS Group, Gold Yield Enterprises Ltd and/or Alpha Era from CTFE, CTFE subsidiaries, CTF Holdings, NWD or NWS'.

Following this, HWLE contacted PKF and OLGR with queries regarding the scope of the request and practicalities regarding obtaining the requested information. PKF and OLGR agreed for the scope of our request to be narrowed to account for those practicalities and HWLE undertook to obtain the requested information.

On 15 September 2023, an OLGR representative wrote to HWLE regarding PKF's information request advising 'I am pleased to note your client's desire to assist with the conduct of the investigation. However, I am concerned by your client's reluctance to provide the material sought by the investigator in a timely manner. Accordingly, please find **enclosed** a notice issued by the Director-General's delegate pursuant to s 30C of the Casino Control Act 1982... As I am sure you are aware, it is an offence for an entity to fail to comply with a requirement specified in a notice issued pursuant to s 30C. Nor is an entity excused from complying with such a notice on the basis that the information sought is subject to legal professional privilege. An entity's failure to comply with a notice issued under s 30C is also relevant to an assessment of their suitability to be associated or connected with the ownership of a casino licensee. Your client has until **9 October 2023** to comply with the notice...'. The notice also required HWLE to provide details of availability of specified CTFE senior management for interview by PKF and OLGR.



	As required, on 9 October 2023, HWLE responded to OLGR's information requirement providing the substantive new information described above regarding the nature of the CTF Group's arrangements in relation to the Vietnam Project and Alpha Era, and its associations with Mr. Chau.
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1.6.4 Table 2 summarises our findings in relation to Media Allegation 2.

Table 2: Findings regarding Media Allegation 2

Media Allegation 2	CTF Group subsidiary, "New World", is frequently the venue of meetings involving triad figures and is a front for money laundering.
Finding	Unsubstantiated
Report reference	Section 5
Basis	<p>██████████ regarding allegations of meetings involving triad figures was not supported by direct evidence.</p> <p>No evidence was identified regarding the allegation of New World being used to facilitate money laundering.</p>

1.6.5 Table 3 summarises our findings in relation to Media Allegation 3.

Table 3: Findings regarding Media Allegation 3

Media Allegation 3	CTF Group's interest in STDM has resulted in a partnership between Dr. Cheng Yu Tung and a person not of good repute, Mr. Yip Hon; and, that another person not of good repute, "Broken Tooth" Koi, held an \$8 million interest in a VIP room owned by Dr. Cheng Yu Tung and Mr. Stanley Ho.
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Finding	Unsubstantiated
Report reference	Section 6
Basis	<p>Information obtained during the Initial Suitability Review indicates Mr. Yip Hon sold his interest in STDM to Dr. Cheng Yu Tung and would, therefore, not result in a partnership between the two.</p> <p>Dr. Henry Cheng and Mr. Patrick Tsang's roles as directors of STDM and non-executive directors of SJM do not appear to have involved them in the detailed operation of STDM or SJM. On the basis of the information obtained, the allegation regarding a VIP room owned by Dr. Henry Cheng and Mr. Stanley Ho is not substantiated.</p>

Findings regarding sections 20(1)(a) of the Act

- 1.6.6 The terms of reference to our investigation require we provide findings relevant for the Minister to assess the reputations of CTFE and its associates in relation to section 20(1)(a) of the Act, i.e. *'having regard to character, honesty and integrity'*.
- 1.6.7 The persons (whether natural or otherwise) considered for the purposes of this investigation in relation to section 20(1)(a) of the Act, include:
- CTFE
 - Dr. Henry Cheng (CTFE Chairman), and
 - Mr. Patrick Tsang (CTFE Chief Executive Officer).
- 1.6.8 The following tables summarise the investigation findings we consider are relevant to the reputations of each of the above persons (whether natural persons or not) associated with the ownership, administration or management of the operations or business of the casino licensee, having regard to character, honesty and integrity. Further detailed discussion of our findings is provided in the body of this report.
- 1.6.9 Table 4 provides a summary of our findings in this regard for consideration regarding the reputations of CTFE.



Table 4: Findings for consideration regarding CTFE in relation to section 20(1)(a) of the Act

Person	CTFE
Finding	<p>In our opinion, CTFE provided incorrect, incomplete and/or inconsistent information in its submissions to OLGR on 20 May 2022, 9 December 2022 and 14 March 2023.</p> <p>During the latter stage of this investigation, following an information requirement issued by OLGR under section 30C of the Act, CTFE disclosed significant additional information regarding the nature and extent of its associations with Mr. Chau, the owners of Alpha Era, and the Vietnam Project.</p> <p>On 14 November 2023, CTFE made voluntary submissions regarding steps to improve its reporting to OLGR and '<i>avoid any risk of a miscommunication between CTFE and OLGR arising again in connection with the Queens Wharf Integrated Resort</i>'¹⁵. CTFE's proposal has been considered in our review recommendations provided at Section 1.7 of this report.</p>
Basis	<p>To avoid duplication, we refer to our basis of findings provided in respect of Media Allegation 1 at Table 1 (from paragraph 1.6.3) regarding, what in our opinion was incorrect, incomplete and/or inconsistent information provided by CTFE in its submissions to OLGR on 20 May 2022, 9 December 2022 and 14 March 2023. CTFE submitted that:</p> <ul style="list-style-type: none"> a. '<i>CTFH disposed of its entire controlling stake in GYE in April 2016 to Alpha Era...</i>'¹⁶ b. '<i>Alpha Era is owned by a <u>third party</u> [sic] wealthy and well connected [sic] investor...</i>'¹⁷ (emphasis added).

¹⁵ HWLE email to OLGR and PKF dated 14 November 2023

¹⁶ HWLE email to OLGR dated 20 May 2022, page 2

¹⁷ HWLE email to OLGR dated 20 May 2022, page 2



- c. *'The Chow Tai Fook group is not involved in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates...'*¹⁸ (emphasis added) other than hotel management activities related to the Vietnam Project.¹⁹
- d. *'Aside from the hotel management agreements referred to, there are no other agreements, directorships or business relationships between CTFE and the casino or the hotels of the Hoiana Integrated Resort'*²⁰ (emphasis added).

PKF submitted an information request to CTFE (through HWLE), dated 26 July 2023, [REDACTED]. This was followed by a related information requirement issued by OLGR on 15 September 2023 under section 30C of the Act requiring a response from CTFE by 9 October 2023. On 9 October 2023, as required, CTFE submitted substantive new information in response to OLGR and PKF's requests. The CTFE submission, dated 9 October 2023, contained new information regarding the nature of the CTF Group's associations with Mr. Chau, the owners of Alpha Era and the Vietnam Project. The new information contained in CTFE's response appeared to be inconsistent with CTFE's earlier submissions to OLGR and PKF and included details of:

- a. The CTF Group having sold 50% of its interest in GYE to Star Admiral (Mr. Chau's personally owned company).
- b. Close business and personal relationships between the CTF Group and the owners of Alpha Era (who were business associates of Mr. Chau through their shared interest in GYE²¹).
- c. Substantial management, administrative, payment and legal services provided by CTFE and/or the CTF Group or controlled entities to Alpha Era in relation to its investment in the Vietnam Project. CTFE advised that Alpha Era did not hold a bank account whilst it was owned by Mr. Ho and, therefore, a CTF Group affiliate made payments on behalf of Alpha Era.

¹⁸ HWLE email to OLGR dated 20 May 2022, page 3

¹⁹ HWLE email to OLGR dated 20 May 2022 in response to OLGR's letter to CTFE

²⁰ HWLE letter to PKF dated 14 March 2023, page 4

²¹ Mr. Chau's interest in GYE was held through Star Admiral and subsequently the Suncity Group.



- d. A corporate directorship held by Skywalker (which was a CTFE and CTF Group controlled entity for the relevant periods) in respect of Alpha Era. CTFE Senior Vice President, Mr. Jacob Lee was a director of Skywalker and authorised to sign documents on behalf of Alpha Era owner, Mr. Ho.
- e. Substantial loans provided by the CTF Group to Alpha Era (USD 388 million as at 29 October 2023) in respect of Alpha Era's interest in and funding of the development of the Vietnam Project. From 2020 to 2022, the CTF Group provided finance to Alpha Era to fund development in the Vietnam Project, exceeding Alpha Era's interest in the project. We are advised this was because the two other project partners (VinaCapital and Suncity Group) were '*struggling to come up with... their pro-rata share... in the funding requirement*'.²² During this period, Mr. Chau held an interest in the Vietnam Project through his equity in Suncity Group.²³
- f. CTFH facilitated finance for the development of the Vietnam Project by providing a back-to-back guarantee to Vietin Bank in respect of the personal guarantees made by Alpha Era owners, Mr. Ho and Mr. Wong. The guarantees were limited to 34% of the USD 484 million credit facility (i.e. up to USD 165 million) and were conditions precedent of the facility. The credit facility was available to Hoi An South Development ("HASD") in respect of the development of the Vietnam Project whilst Mr. Chau held an indirect equity interest in the project via Star Admiral and Suncity Group.
- g. Mr. Chau providing a cross-indemnity to Alpha Era owner, Mr. Ho, for 34% of the personal guarantee provided by Mr. Ho to Vietin Bank in respect of the credit facility, i.e. 34% of 34% of USD 484 million (up to USD 56 million). This indemnity may reduce CTFH's exposure in respect of its guarantee of Mr. Ho's and/or Mr. Wong's personal guarantees.
- h. Prior to May 2018, the agreement between Dr. Henry Cheng and Alpha Era's owner, Mr. Ho, was an undocumented "handshake" agreement. In May 2018, the CTF Group and Mr. Ho entered into formal documented agreements including a Facility Agreement regarding the loan to Alpha Era regarding the Vietnam Project, a Share Charge Agreement and Share Repurchase Agreement. Mr. Ho died on 20 August 2018.

²² Official Transcript of interview with Mr. Jacob Lee on 10 November 2023: page 41.

²³ On 17 May 2022, Mr. Chau made a filing that he no longer held any shares in Suncity Group as of 13 May 2022.



	<p>i. The brief purchase of Alpha Era on or around 26 September 2018 by the CTF Group to facilitate its sale to Mr. Wong on or around the same day, following Mr. Ho's death. Alpha Era and Suncity Group (in which Mr. Chau held equity) jointly owned GYE at this time.</p> <p>We understand from information provided in interview by Mr. Jacob Lee, the internal CTFE legal team assisted with the loan agreements, the directorship arrangement involving Skywalker, and guarantees by CTFH and the owners of Alpha Era.²⁴ In our opinion, the CTFE legal team would reasonably have known of these arrangements at the time of their submissions to OLGR and PKF.</p> <p>During interview, when asked regarding the accuracy of submissions made by CTFE, Mr. Patrick Tsang advised '<i>the points are accurate, but they are not as fulsome as they should be... in looking back... we should have done a better job, I think we have also... apologised for this... failure... we probably took a too narrow a view of the scope... of that question</i>'. Mr. Tsang expressed a commitment on behalf of CTFE to '<i>make sure that something like this would never happen again, that going forward our answers will be fulsome and that... trust... is there</i>'.²⁵</p> <p>CTFE submitted a voluntary proposal regarding ongoing reporting arrangements to OLGR on 14 November 2023, the proposal was considered in our assessment of review recommendations provided in Section 1.7.</p>
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1.6.10 Table 5 provides a summary of our findings in this regard for consideration regarding the repute of Dr. Henry Cheng.

Table 5: Findings for consideration regarding Dr. Henry Cheng in relation to section 20(1)(a) of the Act

Person	Dr. Henry Cheng
Finding	In our opinion, the following investigation findings can be made and are relevant when assessing the repute of Dr. Henry Cheng for the purpose of assessing his suitability under section 20(1)(a) of the Act.

²⁴ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, pages 33, 44, 65, 69

²⁵ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I pages 8 and 24.



Dr. Henry Cheng:

- a. Made the final assessment regarding whether the CTF Group would engage with Mr. Chau in the context of the IEC proposal in 2014/2015. We are advised the IEC proposal did not proceed because of unsatisfactory financial due diligence.
- b. In interview on 9 November 2023:
 - i. When speaking about the IEC proposal, advised he did not like the junket business that Mr. Chau was engaged in and did not want to be connected with it.
 - ii. Advised that he, and the CTF Group, place a heavy emphasis on reputation and he did not want to enter an equity arrangement with Mr. Chau.
 - iii. Advised that he was very dissatisfied when he subsequently learned the CTF Group had entered an equity arrangement with Mr. Chau in relation to the Vietnam Project (through GYE) and welcomed the Vietnamese Government's concerns regarding Mr. Chau's financial viability and thought it would be better if Mr. Chau ceased to be a shareholder.
- c. When asked whether he was aware of any other forms of due diligence, i.e. non-financial due diligence, undertaken in relation to the IEC proposal, Dr. Cheng advised '*Due diligence at the end of the day is for me to say whether it is okay or not. I don't like it, I therefore rejected it.*'²⁶ The evidence demonstrates there was a heavy reliance on Dr. Cheng's assessment and a potential lack of independent due diligence regarding the integrity of potential business partners.
- d. After deciding to exit the Vietnam Project, negotiated agreements with Mr. Ho and subsequently Mr. Wong regarding their purchase of GYE and the interest in the Vietnam Project (through Alpha Era). This included the provision of loans to fund the purchase, funding for Alpha Era's contributions for future development costs of the project, and administrative and management services in relation to the investment. The agreement between Dr. Cheng and Mr. Ho was initially undocumented and described by CTFE as a "handshake

²⁶ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 17.



	<p>agreement". The agreements were formalised in May 2018 shortly before Mr. Ho's death in August 2018. Following Mr. Ho's death, Dr. Cheng agreed with Mr. Wong for Mr. Wong to purchase Alpha Era and its interest in GYE and the Vietnam Project, on similar terms as had been provided to Mr. Ho.</p> <p>e. Agreed arrangements with Mr. Ho and Mr. Wong whereby the:</p> <ul style="list-style-type: none"> i. Loans, guarantees and other support provided by the CTF Group to Alpha Era could be reasonably inferred from the evidence, to likely have provided the CTF Group with significant influence regarding Alpha Era's interest in the Vietnam Project, whilst Mr. Chau was a business associate of Alpha Era through his indirect equity interest in GYE²⁷ and the Vietnam Project; and ii. Loans from the CTF Group to Alpha Era and the back-to-back guarantee by CTFH to Vietin Bank both provided and facilitated funding for the development of the Vietnam Project whilst Mr. Chau held an indirect equity interest in the project via Star Admiral then Suncity Group. <p>f. Considered the loans to Alpha Era to be '<i>a personal arrangement and a personal loan</i>' to someone he has known for decades, rather than the provision of finance.²⁸</p> <p>g. Delegated the implementation of the agreements with Mr. Ho and Mr. Wong regarding the Vietnam Project to Mr. Patrick Tsang.</p> <p>We note, Mr. Chau was not arrested until 28 November 2021, nor convicted until 2023, and until that point Suncity Group was operating in several jurisdictions, including Australia.</p>
Basis	<p>Knowledge of Mr. Chau's business and character:</p> <p>The following excerpts are taken from OLGR and PKF's interview with Dr. Cheng on 9 November 2023. Dr. Cheng:</p>

²⁷ Mr. Chau's interest was held through Star Admiral and subsequently the Suncity Group.

²⁸ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 Part I, page 46.



- a. Advised '*I know Chau is in gambling... I therefore discussed with him in 2013 in the IEC transaction. I know he is in the junket business and it's the junket business that he wants to inject into IEC and I don't like the junket business. I don't want to be connected with junket business and therefore, at the end, the deal did not proceed because I objected to it.*' For completeness, we are advised the IEC proposal did not proceed because of unsatisfactory financial due diligence.
- b. When asked what about the junket business he did not like or did not want to be associated with, Dr. Cheng advised '*Because, junket business normally would have complications in the background. And this is because, I personally as well as my company, place heavy emphasis on reputation. Hence, I would not enter into a [equity] joint venture... Because, if we have equity together, then it would be like I would be doing junket business.*'²⁹
- c. When asked what complications he was referring to, Dr. Cheng advised '*The details, I don't know. That is because I don't know about junket business. However, my personal observation is that in respect of this kind of transactions [sic] concerning gambling involving junket business, that there would not be a lot of documentation or legal support for the transactions. Maybe not everybody is complicated. That, I wouldn't know.*'³⁰
- d. When asked regarding whether the word "complicated" may refer to an understanding that the junket business may not necessarily be legal, Dr. Cheng advised '*I don't know whether it is legal or not. This would be a matter for the government to determine. But in the majority of cases, the people involved would be rather complicated.*'³¹
- e. During the interview, it was noted that the financial due diligence regarding the IEC/Suncity Group transaction was not satisfactory. When asked whether any other due diligence was undertaken at that time, Dr. Cheng responded '*Due diligence at the end of the day is for me to say whether it is okay or not. I don't like it, I therefore rejected it.*'³²

²⁹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 1, page 15.

³⁰ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 1, page 16.

³¹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 1, page 16.

³² Official Transcript of interview with Dr. Henry Cheng on 9 November 2023: Part 1, pages 16 and 17.



- f. Advised he did not tell management regarding his view of Mr. Chau and there may have been a communication problem between himself and management. His personal view was that he had concerns and did not like Mr. Chau nor want to have any business with him.³³
- g. Advised that when he '*came to understand that management and VMS established a consortium [involving Mr. Chau in relation to the Vietnam Project], and the consortium took the form of equity. I was very dissatisfied at the time... the... Vietnamese government apparently has some views concerning Chau. So I thought it would be better if Chau would cease to be a shareholder. So my thinking was, this would have nothing to do with the Australian investment. So I explained to the Australian government then that I had no relationship or transaction with Chau. This is the position from my perspective because I place heavy emphasis on reputation. I'm thinking I did not share directly with management... at the end of the day, for large major projects, I will be the ultimate person making the call. But I wouldn't go into the details and I would not be familiar with details of documents. I acknowledge that in respect of this project [the Vietnam Project], there might have been some misunderstanding between management and myself.*'³⁴

We note that Mr. Chau was not arrested until 28 November 2021, nor convicted until 2023, and until that point Suncity Group was operating in several jurisdictions, including Australia. In December 2021, the Vietnam Project terminated its casino management agreement with Suncity Group, and Mr. Chau resigned from his positions as Chairman and Executive Director of Suncity Group. As of 13 May 2022, Mr. Chau no longer held shares in Suncity Group.

Negotiation of arrangements in relation to the Vietnam Project:

In April 2016, the CTF Group decided to divest of its equity interest in the Vietnam Project. CTFE has advised it was difficult to find a suitable buyer in a timely manner and Dr. Cheng negotiated an agreement at this time for Mr. Ho to purchase the interest in GYE and the Vietnam Project via Alpha Era.³⁵ The agreement was described by CTFE as a "handshake agreement" that was undocumented until

³³Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 2, page 3.

³⁴Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 31.

³⁵CTFE's Factual Background Document, paragraphs 59 to 66.



May 2018, when formal agreements were entered prior to Mr. Ho's death in August 2018. Following Mr. Ho's death, Dr. Cheng negotiated an agreement for Mr. Wong to purchase the interest in Alpha Era, GYE and the Vietnam Project, on the same terms as had been offered to Mr. Ho.

To avoid duplication, we refer to our basis of findings provided in respect of CTFE at Table 4. The nature of the agreements between Dr. Cheng and Mr. Ho, and subsequently Mr. Wong, involved the provision of:

- a. Substantial management, administrative, payment and legal services by the CTF Group to Alpha Era in relation to its investment in the Vietnam Project³⁶;
- b. At-call loans by the CTF Group to Alpha Era so that Alpha Era did not need to outlay funds in relation to the purchase of its interest in the Vietnam Project or its subsequent development costs; and
- c. Back-to-back guarantees by CTFH in respect of Mr. Ho and Mr. Wong's personal guarantees of the Vietin Bank credit facility for the development of the Vietnam Project. The guarantees were limited to 34% of the USD 484 million credit facility, i.e. USD 165 million, and were conditions precedent of the facility. It is our understanding that the conditions precedent were a requirement for the credit facility being made available in respect of the development of the Vietnam Project.

When the agreements between Dr. Cheng and Mr. Ho were formalised in May 2018, a Share Repurchase Agreement was executed that subsequently facilitated the purchase of Alpha Era by the CTF Group and its sale to Mr. Wong.

It may reasonably be inferred that the arrangements agreed between Dr. Cheng, Mr Tsang and Mr. Ho, and subsequently Mr. Wong, provided the CTF Group with significant influence regarding Alpha Era's interest in the Vietnam Project.

³⁶ Alpha Era's investment in the Vietnam Project was held via its interest in GYE.



Accuracy of information submitted to OLGR

During interview, Dr. Cheng advised he did not consider the loans provided by CTF Group to Alpha Era to constitute financing, stating '*No, this is a personal arrangement and a personal loan*'.³⁷

Dr. Cheng was shown correspondence from CTFE to OLGR, dated 20 May 2022, where CTFE stated '*the Chow Tai Fook group is not involved in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates in any endeavour or business enterprise globally, other than in respect of the Hoiana Integrated Resort as set out above*' (referring to the hotel management agreements).³⁸

When asked whether this statement by CTFE was accurate, Dr. Cheng replied '*I think it's accurate*'.

OLGR clarified at this point whether Dr. Cheng's view was '*that Chow Tai Fook Group was not financing the Vietnam Project, rather it was a loan to a friend*'. Dr. Cheng responded '*Yes*'.

When OLGR probed, '*OLGR was not told about the loans to Alpha Era or to Mr. Ho, which totalled approximately USD 388 million*', Dr. Cheng responded '*It's lending to Mr. Ho*'.

When OLGR asked what Dr. Cheng would say to the perception that OLGR had been misled or misinformed by CTFE regarding the loans, Dr. Cheng stated '*I don't think so... the money that was lent, they could have borrowed from other sources as well, um, finance companies... but the projects we have no involvement – no involvement in – in the affairs except hotel management...*'.³⁹

³⁷ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 46

³⁸ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 2, page 1

³⁹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 2, pages 1 and 2



1.6.11 Table 6 provides a summary of our findings in this regard for consideration regarding the reputé of Mr. Patrick Tsang.

Table 6: Findings for consideration regarding Mr. Patrick Tsang in relation to section 20(1)(a) of the Act

Person	Mr. Patrick Tsang
Finding	<p>In our opinion, the following investigation findings can be made and are relevant when assessing the reputé of Mr. Patrick Tsang for the purpose of assessing suitability under section 20(1)(a) of the Act.</p> <p>Mr. Tsang:</p> <ul style="list-style-type: none"> a. Developed a commercial proposal with Dr. Cheng for the CTF Group to exit the Vietnam Project.⁴⁰ b. Was responsible for implementing the agreements negotiated by Dr. Cheng with Mr. Ho and Mr. Wong regarding the Vietnam Project and approved the structure that was agreed. c. Was provided with verbal updates regarding major developments in relation to the Vietnam Project on an irregular ad-hoc basis by Mr. Jacob Lee (CTFE Senior Vice President).⁴¹ Mr. Lee would also seek acknowledgement from Mr. Tsang regarding the funding required by Alpha Era from the CTF Group to pay its capital calls in relation to the Vietnam Project.⁴² d. Read and provided approval for CTFE's responses to OLGR and PKF's information requests. When asked regarding the accuracy of CTFE's responses, Mr. Tsang advised '<i>the points are accurate, but they are not as fulsome as they should be... in looking back... we should have done a better job, I think we have also... apologised for this... failure... we probably took a too narrow a view of the scope... of that question</i>'.⁴³

⁴⁰ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, page 34

⁴¹ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, pages 12, 13, 35, 36

⁴² Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, pages 40 and 41

⁴³ Official Transcript of interview with Mr. Patrick Tsang on 8 November, Part 2, pages 7 and 8



	<p>e. Advised that, although his executives and advisers provided CTFE's responses to OLGR and PKF's information requests, as CTFE's CEO, he is responsible for the responses.⁴⁴</p> <p>f. Was aware of Mr. Chau's reputation in 2014/2015 through reports in the media, however had relied on VMS (who had brought the deal to CTFE) to undertake appropriate vetting of investment partners in relation to the Vietnam Project and took some comfort that Mr. Chau was licensed to do business in Australia and the USA and had to go through the procedures, processes and investigations associated with those licenses.⁴⁵</p> <p>g. During interview, volunteered for CTFE to provide a '<i>proposal that hopefully going forward... we can help and we will be proactive in terms of our communication, in terms of our disclosure, in terms of ensuring... very important to you that something like this will never happen again... that we need to keep this very transparent communication going forward... to make sure that something like this would never happen again, that going forward our answers will be fulsome and that you will... the trust.. is there</i>'.⁴⁶</p> <p>We note, Mr. Chau was not arrested until 28 November 2021, nor convicted until 2023, and until that point Suncity Group was operating in several jurisdictions, including Australia.</p>
Basis	<p>Knowledge of Mr. Chau's business and character:</p> <p>Mr. Tsang advised in interview on 8 November 2023, that in 2014/2015 he was aware of Mr. Chau's reputation through reports in the media; however, he did not know Mr. Chau personally and relied on VMS (who brought CTFE the deal) to undertake appropriate vetting of the investment partners it introduced.⁴⁷ Mr. Tsang also obtained comfort that Mr. Chau was licensed to do business in Australia and the USA and had to undergo the associated checks involved in obtaining those licenses.</p>

⁴⁴ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, page 9

⁴⁵ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 1, pages 19 to 21; and 33

⁴⁶ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, pages 23 and 24

⁴⁷ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 1, pages 19 and 20



Mr. Chau was not arrested until 28 November 2021, nor convicted until 2023, and until that point Suncity Group was operating in several jurisdictions, including Australia. In December 2021, the Vietnam Project terminated its casino management agreement with Suncity Group, and Mr. Chau resigned from his positions as Chairman and Executive Director of Suncity Group. As of 13 May 2022, Mr. Chau no longer held shares in Suncity Group.

Implementation of agreements regarding the Vietnam Project:

As discussed above, Dr. Henry Cheng delegated implementation of his agreements with Mr. Ho and Mr. Wong regarding the Vietnam Project to Mr. Tsang.

Accuracy of information submitted to OLGR.

To avoid duplication, we refer to our basis of findings provided in respect of Media Allegation 1 at Table 1 (from paragraph 1.6.3) regarding, what in our opinion was, incomplete and/or inaccurate information provided by CTFE in its submissions to OLGR on 20 May 2022, 9 December 2022 and 14 March 2023.

In interview, Mr. Tsang advised he had read and provided approval for CTFE's responses to OLGR and PKF's information requests.⁴⁸

Mr. Tsang was shown correspondence from CTFE to OLGR, dated 20 May 2022, and drawn to questions regarding the involvement of CTFE and/or associates in the ownership, management, administration or financing of the hotels and casino; and, the description of Alpha Era as a third-party investor. When asked whether he thought CTFE's response was accurate, Mr. Tsang advised *'the points are accurate, but they are not as fulsome as they should be... in looking back... we should have done a better job, I think we have also... apologised for this... failure... we probably took a too narrow a view of the scope... of that question'*.⁴⁹

Mr. Tsang advised that he *'personally did not draft the response, but... as the CEO I am responsible and... CTF is responsible. We need to be transparent with you, we need to be fulsome with you... we have taken too narrow a view of the definition of the question, so we... did not*

⁴⁸ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, page 7

⁴⁹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, pages 7 and 8



*do a good job in... that part. So for that... as we have stated,... we regret it and we will make sure that going forward... that will not happen again.*⁵⁰

When asked what his role was in preparing the responses to OLGR, Mr. Tsang stated '*my executives... with my advisors... provided the... response, but as the CEO, again I take responsibility...*'⁵¹

OLGR asked Mr. Tsang whether, with his knowledge of the loans and guarantees associated with the Vietnam Project, he thought CTFE should have included that information when preparing its responses. Mr. Tsang advised '*we... sold the project a long time ago... So I wanted to make sure that from OLGR's perspective it is very clear that... we are no longer a part of that project. We do however, have a financing relationship with Mr. Ho, and then with Mr. Wong,... I think ... in hindsight and afterwards,... we did provide all the documents [referring to CTFE's 9 October 2023 submission]... everything to you and hopefully that illustrates our... intention and sincerity... in terms of sharing... that there is nothing to hide... and hopefully, that... provides to you that going forward... we will do a better job.*'⁵²

When asked whether he considered CTFE's responses to OLGR to have been misleading, Mr. Tsang advised '*I personally will not use the word... misleading... there is no intention to mislead you... they were not fulsome, they were not... adequate, perhaps it was inadequate... we have fallen short...*'⁵³

Towards the conclusion of the interview, Mr. Tsang advised CTFE is '*working on a proposal that hopefully going forward... we can help and we will be proactive in terms of our communication, in terms of our disclosure, in terms of ensuring... something like this will never happy again...*'. CTFE's submission was received on 14 November 2023 and is considered separately at Section 1.7 of this report.

⁵⁰ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, page 9

⁵¹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, page 9

⁵² Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, pages 9 and 10

⁵³ Official Transcript of interview of Mr. Patrick Tsang on 8 November 2023, Part 2, pages 12, 13 and 15



Findings regarding sections 20(1)(f) of the Act

- 1.6.12 The terms of reference to our investigation require we provide findings relevant for the Minister to assess to whether CTFE or its associates have business associations with persons not of good repute or have undesirable financial sources in relation to section 20(1)(f) of the Act. “Repute” requires regard to ‘*character, honesty and integrity*’.
- 1.6.13 During the course of our investigation, CTFE disclosed business associations between:
- The CTF Group and Mr. Chau, who in 2023 was convicted in Macao of significant fraud perpetrated against the government; and
 - The owners of Alpha Era (being associates of the CTF Group) and Mr. Chau, through their shared ownership of GYE.
- 1.6.14 Our investigation findings regarding business associations between the CTF Group and its associates and Mr. Chau are summarised in Table 7. Further detailed discussion of our findings is provided in Section 4 of this report.

Table 7: Findings for consideration regarding business associations regarding Mr. Chau

Person	Mr. Chau
Business associations	<ol style="list-style-type: none"> The CTF Group sold 50% of its interest in GYE (and the Vietnam Project) to Mr. Chau on 22 April 2016. The CTF Group funded Alpha Era’s shareholder contributions (via loans from the CTF Group to Alpha Era) for the development of the Vietnam Project whilst Mr. Chau held an indirect equity interest in the project (via Star Admiral then Suncity Group). CTFH provided guarantees⁵⁴ to Vietin Bank which were conditions precedent to the USD 484 million HASD funding facility for the development of the Vietnam Project, of which Mr. Chau held an indirect interest via Star Admiral then Suncity Group. The CTFH Guarantee was in respect of the personal liabilities of Mr. Ho and Mr. Wong (the Ho Guarantee and the Wong Guarantee) and was limited to 34% of the credit facility (USD 165 million).

⁵⁴ In respect of the personal guarantees by Mr. Ho and then by Mr. Wong.



	<p>d. During September 2018 and following the death of Mr. Ho, the CTF Group briefly purchased Alpha Era to facilitate its sale to Mr. Wong. At this time, Alpha Era owned 50% of the equity in GYE and Suncity Group (of which Mr. Chau held an equity interest) owned the other 50% of equity in GYE.</p> <p>e. From 2020 to 2022, the CTF Group provided funding to Alpha Era in relation to the Vietnam Project that was in excess of Alpha Era's equity interest in the project because the two other project partners (VinaCapital and Suncity Group) '<i>were struggling to come up with... their pro-rata share... in the funding requirement</i>'.⁵⁵ Mr. Chau held an indirect equity interest in the project via Suncity Group during this time.</p>
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1.6.15 Our investigation findings regarding business associations between associates of the CTF Group and Mr. Chau are summarised in Table 8. These include in relation to Mr. Ho and Mr. Wong, both of whom held/hold equity in Alpha Era. Alpha Era holds a 50% interest in GYE, through which an interest in the Vietnam Casino is held. Mr. Chau also held an indirect equity interest in GYE via:

- a. Star Admiral until around August 2017; and
- b. Suncity Group from around August 2017 to 13 May 2022.

1.6.16 On this basis, Mr. Ho and Mr. Wong were considered business associates of Mr. Chau in respect of their shared equity interest in GYE and the Vietnam Project, for the purposes of this investigation.

1.6.17 Further detailed discussion of our findings is provided in Section 4 of this report.

⁵⁵ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 41.



Table 8: Findings for consideration regarding business associations with business associates of Mr. Chau

Person(s)	Mr. Ho and Mr. Wong (owners of Alpha Era)
Business associations	<p>a. Mr. Wong has been employed by CTFJ since 1998 and is currently the CTFJ Director of Strategic Finance and responsible for the financing and treasury management of the CTF Group.</p> <p>b. Mr. Wong's father and Mr. Ho co-founded CTFJ with Dr. Cheng Yu Tung in the 1940s.</p> <p>c. The CTF Group has provided significant at-call loans to Mr. Ho and Mr. Wong in respect of their purchase of GYE and the subsequent development of the Vietnam Project. From 2020 to 2022, the CTF Group funded shareholder contributions in excess of Alpha Era's interest in the Vietnam Project to support the continued development of the project. This occurred because the two other project partners (VinaCapital and Suncity Group) were '<i>struggling to come up with... their pro-rata share... in the funding requirement</i>'.⁵⁶ CTFE has advised that as of 29 October 2023, the loans were USD 484 million. As a result of the loans and funding, it can be reasonably inferred that the CTF Group would have had significant influence with Mr. Ho (prior to his death) and Mr. Wong.</p> <p>d. CTFH provided back-to-back guarantees to Vietin Bank in respect of personal guarantees by Mr. Ho and Mr. Wong (the Ho Guarantee and the Wong Guarantee) in respect of a credit facility provided regarding the development of the Vietnam Project. The CTFH guarantees were a condition precedent of the facility and were limited to 34% of credit facility (USD 165 million).</p> <p>e. Mr. Ho entered into a Share Repurchase Agreement, dated 15 May 2018, through which CTF Group subsidiary (Even Success Holdings Limited) should have a Share Charge. The CTF Group briefly purchased Alpha Era on or around 26 September 2018 (following Mr. Ho's death) and sold the interest to Mr. Wong on or around the same day.</p>

⁵⁶ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023: page 41



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| | <ul style="list-style-type: none">f. CTFE and the CTF Group provided significant management, administrative, banking and legal services to Alpha Era and Mr. Ho and Mr. Wong.g. CTFE Senior Vice President, Mr. Jacob Lee, was a member of the Executive and Audit Committees of the Vietnam Project from commencement of those committees until July 2022. Mr. Lee initially held these positions in respect of the CTF Group's interest in the Vietnam Project, however subsequently held the positions in respect of Alpha Era's investment in the project.h. CTF Group controlled entity, Skywalker, has been a corporate director of Alpha Era since 26 January 2015. Skywalker was controlled by CTFE from 26 January 2015 to 12 August 2022 and by CTFH from 12 August 2022.i. CTFE Senior Vice President, Mr. Jacob Lee, was a director of Skywalker from 26 January 2015 to 12 August 2022 and was able to sign documents on behalf of Alpha Era owner, Mr. Ho, during this period. |
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Findings regarding the sufficiency of the Initial Suitability Review

- 1.6.18 The Initial Suitability Review conducted by OLGR during 2014 and 2015 was conducted with diligence, due care and appropriate scope. The investigation findings, which were published in the 2015 Probity Report, repeatedly referenced concerns regarding a lack of cooperation in the investigation process from CTFE. In our opinion, this may indicate a reluctance by CTFE to provide complete information and should be considered in conjunction with the concerns identified during the current investigation regarding the accuracy, openness and completeness of information provided by CTFE.
- 1.6.19 Searches conducted by KordaMentha during the Initial Suitability Review included World-Check One searches on relevant individuals and entities to identify concerns such as whether persons were politically exposed, sanctioned, linked to organised crime, or involved in other criminal activities such as money laundering and corruption.
- 1.6.20 The review undertaken by Piper Alderman contained extensive information on the background of specific individuals and entities associated with CTFE. This information was sourced from publicly available information, including a comprehensive report prepared by the New Jersey Division of Gaming Enforcement ("NJDGE"). The NJDGE report contained critical information regarding Dr. Cheng Yu Tung, Dr. Henry Cheng and Mr. Stanley Ho.
- 1.6.21 Whilst these are a recognised form of enquiry regarding the background of individuals, we believe the review may have been supplemented by the inclusion of [REDACTED] and local language searches as was undertaken in the current investigation.
- 1.6.22 KordaMentha and Piper Alderman both identified the potential impact of the acquisition of Suncity Group by IEC, however enquiries into the proposed acquisition were limited once Dr. Henry Cheng advised IEC would not proceed with the acquisition of Suncity Group at that time. Importantly, it was recognised that further enquiries should be undertaken by OLGR if the deal with IEC were to proceed.
- 1.6.23 The findings of the Initial Suitability Review were reasonable and consistent with the evidence gathered by the investigation team.

Findings regarding the sufficiency of the OLGR's ongoing suitability monitoring activities

- 1.6.24 The OLGR's ongoing suitability monitoring activities include compliance requirements (i.e. audit financial statements) under the Act, periodic financial reporting and regular adverse media searches.
- 1.6.25 Our review identified that a recommendation of the 2015 Probity Report for a deed of cooperation to be entered into between CTFE and government had not been completed.



1.6.26 We have included suggested additional ongoing review activities based on our investigation findings for consideration by OLGR and the Minister at Section 1.7 of this report. These recommendations include consideration of CTFE's submission regarding proposed activities to improve the relationship between CTFE, OLGR and the State of Queensland, following CTFE's submission of substantive new information during the course of this investigation in response to an information requirement issued under section 30C of the Act.

1.7 Recommendations

- 1.7.1 We make the following recommendations, based on our investigation findings, for consideration by OLGR and the Minister in conjunction with the Minister's assessment under sections 20(1)(a) and (f) of the Act:
- a. Consideration be provided to the divestment or appropriate quarantine of any entities or persons deemed by the Minister to be unsuitable so that risk and exposure to the QWB development and DBC consortium are effectively managed.
 - b. Consideration of an independent expert in relation to Australian casino regulation to be appointed to monitor CTFE and the CTF Group's performance and compliance with relevant laws and agreements with the State of Queensland regarding the QWB development. The expert should report to OLGR.
 - c. CTFE to provide quarterly "in-person" or virtual updates to OLGR regarding the CTF Group's global gaming and casino investments and financial exposures, including loans. CTFE's reporting obligations should include notification of the appointment of new officers/directors, and the attaining of new associates. A summary of the financial investments and exposures, and new officers/directors and associates, should be provided to OLGR prior to the update to provide OLGR sufficient time to prepare probing queries in relation to any areas of further interest.
 - d. To the extent it is not already required, upon the CTF Group receiving notice, CTFE is to immediately notify OLGR in writing of:
 - i. any other external regulatory investigations;
 - ii. formal regulator enquiries; or
 - iii. legal proceedings in which a penalty (whether civil or criminal) or fine is sought;
 - iv. involving the CTF Group or its associates, relating to projects with gaming amenities or involving gaming, in any jurisdiction other than investigations, enquiries or proceedings being conducted by OLGR.



- e. A periodic integrity deep dive review to be undertaken or managed by OLGR in relation to all CTF Group projects with an exposure or association to gaming so that any new, previously unknown and existing risks may be appropriately identified, assessed and managed in relation to the QWB development.
- f. CTFE shall design and prepare integrity related policies in response to the findings of this report, for review and assessment by OLGR. The integrity related policies should be subject to ongoing review and consideration of their suitability by OLGR as part of its ongoing monitoring activities.
- g. Completion of annual training by the CTFE legal and compliance teams and DBC directors regarding:
 - i. Integrity, ethics and conflicts of interest;
 - ii. Anti-money laundering and counter terrorism financing (albeit we note that our investigation has not made adverse findings regarding these areas); and
 - iii. Australian directors' duties.

1.7.2 Further detailed discussion regarding the above recommendations is provided at Section 11 of this report.



2. Introduction

2.1 Background

2.1.1 Queens Wharf Brisbane

2.1.2 On 14 October 2013, the Queensland Government announced an expression of interest for the redevelopment of the QWB precinct in the Brisbane central business district, including the development of a casino and resort.

2.1.3 On 27 May 2014, then Deputy Premier and Minister for State Development, Infrastructure and Planning, Mr. Jeff Seeney, announced five entities had been selected to lodge proposals outlining their bids to develop the QWB site, including development of a casino facility. The five entities merged to become two consortia, one of which was DBC, comprising:

- a. Far East Consortium (Australia) Pty Ltd ("FEC")
- b. CTFE, and
- c. Echo Entertainment Group Limited ("Echo"), subsequently The Star Entertainment Group Limited ("Star").⁵⁷

2015 Probity Report

2.1.4 On 14 October 2013, the Queensland Government announced an expression of interest for the redevelopment of the QWB precinct in the Brisbane central business district, including the development of a casino and resort.

2.1.5 The scope of the OLGR Initial Suitability Review, including the investigation criteria and the entities and individuals assessed, are provided at Appendix 4. The OLGR was assisted in its review by:

- a. The Queensland Police;
- b. BDO East Coast Partnership ("BDO"), in relation to financial due diligence;
- c. Piper Alderman, in relation to legal due diligence; and
- d. KordaMentha, in relation to enquiries regarding a proposed acquisition by International Entertainment Corporation ("IEC").

2.1.6 The OLGR provided the findings of its Initial Suitability Review in its "Probity Report", dated 20 April 2015. A copy of the 2015 Probity Report is provided at Appendix 4.

⁵⁷ Echo Entertainment Group Limited changed its name to The Star Entertainment Group Limited in November 2015.



Casino licence granted

2.1.7 On 20 July 2015, the Queensland Government announced it had selected DBC as its preferred proponent for the QWB development. The Queensland Government granted a casino licence in respect of the QWB development to DBC on 14 October 2016.

2.1.8 Construction of the QWB development is ongoing.

Ongoing suitability review

2.1.9 The suitability of CTFE and its associates' connection to the QWB casino has received significant media attention. As a result of these media allegations, on 29 September 2022, the Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence, the Honorable Shannon Fentiman approved an investigation into the suitability of CTFE to be associated with the ownership and operation of a casino within Queensland under the Act, pursuant to section 30 of the Act.

2.2 Scope

2.2.1 On 25 November 2022, PKF was engaged by the DJAG to undertake a review of the reputation of CTFE and its associates; and a review regarding whether CTFE or its associates have business associations with persons not of good reputation or have undesirable financial sources. Our review was to be conducted in accordance with section 30 of the Act and examine those matters, as they relate to CTFE and its identified associates as set out under section 20(1)(a) and (f) of the Act.

2.2.2 The scope of the review includes:

- a. A review of the unresolved media allegations to determine if they impact CTFE's suitability, in terms of business associations or undesirable financial sources (as detailed in the Terms of Reference provided at Appendix 2).
- b. Reviewing the evolution of the business since the Initial Suitability Review and identifying any new or emerging business associations since the initial investigations which may impact CTFE's suitability and assessing the risk of the association.
- c. Recommending mitigations for any risks identified.
- d. Reviewing the sufficiency of the initial investigation and following up on any gaps.
- e. Reviewing the sufficiency of the OLGR ongoing suitability monitoring process and recommending improvements where required.
- f. Provision of our findings in this report.



2.3 Allegations

- 2.3.1 The media articles provided at Appendix 3 include multiple allegations, which are summarised for the purposes of this investigation as:
- a. Media Allegation 1: The CTF Group has a concealed relationship with a person not of good repute, Mr. Alvin Chau, through an ongoing interest in the Hoi Ana Casino Resort in Vietnam (referred to herein as the “Vietnam Project”).
 - b. Media Allegation 2: CTF Group subsidiary, “New World”, is frequently the venue of meetings involving triad figures and is a front for money laundering.
 - c. Media Allegation 3: CTF Group’s interest in Sociedad de Turismo e Diversoes de Macao (“STDM”) has resulted in a partnership between Dr. Cheng Yu Tung and a person not of good repute, Mr. Yip Hon; and, that another person not of good repute, “Broken Tooth” Koi, held an \$8 million interest in a VIP room owned by Dr. Cheng Yu Tung and Mr. Stanley Ho.

2.4 Structure of this report

- 2.4.1 This report is structured so that an overview of relevant background, our review methodology and a summary of findings and recommendations are provided in the Executive Summary at Section 0. Further detailed discussion of the issues considered in the review and findings are provided in the body of the report, as follows.
- 2.4.2 Section 2 provides relevant background and the scope of our review.
- 2.4.3 Section 3 provides details of the methodology undertaken for our review.
- 2.4.4 Sections 4 to 6 examine information identified during the course of our review relating to:
- a. Alleged associations between CTFE and Mr. Alvin Chau via an ongoing interest in the Vietnam Project;
 - b. Alleged links between NWD and organised crime figures; and
 - c. Allegations regarding CTFH’s interest in STDM.
- 2.4.5 Section 7 provides the findings of our investigation:
- a. Which we consider are relevant for the Minister to assess the repute of CTFE and its associates in relation to section 20(1)(a); and
 - b. Which we consider are relevant for the Minister to assess whether CTFE or its associates have business associations with persons not of good repute or have undesirable financial sources in relation to section 20(1)(f) of the Act.
- 2.4.6 Section 8 examines the evolution of and changes to the CTFE corporate structure since the Initial Suitability Review was undertaken in 2015.



- 2.4.7 Section 9 and **10** provide our analysis and findings regarding the sufficiency of the Initial Suitability Review and the sufficiency of OLGR's ongoing suitability monitoring activities.
- 2.4.8 Section 11 provides our detailed recommendations resulting from our review.
- 2.4.9 Section 12 contains a copy of the terms and conditions under which this engagement was undertaken.

2.5 Limitations

- 2.5.1 The following limitations were identified during our review:
 - a. The opacity and limitations regarding availability of information associated with corporate filings in jurisdictions such as the British Virgin Islands ("BVI") and Macao constrained our enquiries in some circumstances.
- 2.5.2 Consideration of associations with Mr. Stanley Ho were excluded from the scope of our review albeit that Mr. Stanley Ho was the subject of some media allegations. This is on the basis Mr. Stanley Ho was the subject of significant examination during the Initial Suitability Review and passed away on 26 May 2020.



3. Methodology

3.1 Methodologies undertaken in relation to various compents of the review

- 3.1.1 The scope of our review involved multiple components, each of which had distinct methodologies. These are set out below.
- 3.1.2 The standard of proof applied in this investigation and in the preparation of this report and its findings has been on the balance of probabilities. Allegations were found to be substantiated where they were supported by direct evidence; or, unsubstantiated where they were not supported by direct evidence.

Investigation of media allegations and the suitability of CTFE and associates with regard to sections 20(1)(a) and (f) of the Act

- 3.1.3 Briefing of [REDACTED] who had been contracted to [REDACTED]
[REDACTED].
- 3.1.4 [REDACTED]
[REDACTED]
- 3.1.5 [REDACTED]
[REDACTED]
- 3.1.6 [REDACTED]
[REDACTED]
- 3.1.7 [REDACTED]
[REDACTED]
[REDACTED]
- 3.1.8 [REDACTED]
- 3.1.9 [REDACTED]
- 3.1.10 [REDACTED]
- 3.1.11 Preparation of this report documenting our investigation findings and recommendations.



Sufficiency of the initial Probity Review and OLGR's ongoing suitability monitoring process

- 3.1.12 Review of the initial Probity Report and consideration of its sufficiency given information available at the time of its preparation and any applicable learnings from this investigation.
- 3.1.13 Consideration of OLGR's ongoing suitability monitoring process and any recommendations identified from this investigation.

Changes to the CTFE corporate structure

- 3.1.14 Review of information disclosed to us by CTFE in response to our queries regarding changes to the CTFE corporate structure since the initial Probity Report was published in 2015.



4. Links to Alvin Chau and ongoing interest in the Vietnam Project

4.1 Allegations

- 4.1.1 On 22 August 2022, the ABC Article made several allegations, which are summarised for the purposes of this report as "Media Allegation 1".

Media Allegation 1:

The CTF Group has a concealed relationship with a person not of good repute, Mr. Chau, through an ongoing interest in the Vietnam Project.

- 4.1.2 The statements contained in the ABC Article relevant to Media Allegation 1 include:

- a. *'In 2014, the company forged a new relationship with Alvin Chau, who was every bit as flamboyant as his reputed mentor, "Broken Tooth" Koi, but even wealthier and more powerful.'*
- b. *'He and Chow Tai Fook were interested in forging ties but talks of a Cheng company taking over Suncity for nearly \$USD 1 billion were put on hold in 2014. They eventually struck a deal to build a casino in Hoiana, a seaside resort in Vietnam, valued at almost \$2 billion more than Brisbane's Queen's Wharf. Their partnership was kept discreet, however.'*
- c. *'Confidential investor documents obtained by ABC Investigations show the Cheng flagship Chow Tai Fook used companies in the notoriously secretive tax haven of the British Virgin Islands (BVI) to hold its interest in the Vietnam casino... Chow Tai Fook companies retained their stake in the project, alongside Suncity, even after Chau's arrest last November.'*
- d. *'Cheng corporate vehicles remained a partner in a Vietnam casino with a company founded by Alvin Chau, the man widely regarded as "Broken Tooth" Koi's protege, even after Mr. Chau's arrest on 286 criminal charges in Macau last November [November 2021].'*
- e. *'... the Cheng flagship Chow Tai Fook used companies in the notoriously secretive tax haven of the British Virgin Islands (BVI) to hold its interest in the Vietnam casino.'*



4.2 Findings

- 4.2.1 Media Allegation 1 is found to be substantiated. In our opinion, on the balance of probabilities, the evidence identified during this investigation demonstrates:
- The CTF Group had a relationship with a person not of good repute, Mr. Alvin Chau, and associates of Mr. Chau, through an ongoing interest in the Vietnam Project.
 - CTFE had not previously disclosed those interests or relationships to OLGR.
 - CTFE had previously provided OLGR with incorrect, incomplete and/or inconsistent information in relation to those interests and relationships.

Knowledge of Mr. Chau's character

- 4.2.2 Dr. Henry Cheng and Mr. Patrick Tsang appear to have had limited interactions with Mr. Chau, with their knowledge of him predominantly obtained from publicly available media reports. Dr. Cheng had reservations regarding Mr. Chau's junket operations and did not wish to be in an equity partnership with Mr. Chau. When Dr. Cheng found he was in an equity partnership with Mr. Chau (through GYE), he welcomed the Vietnamese Government's feedback regarding concerns over Mr. Chau's financial position and Dr. Cheng instructed VMS to have Mr. Chau removed from the partnership. Mr. Tsang advised that he drew some comfort regarding Mr. Chau's character from Mr. Chau being licensed in Australia and other jurisdictions.
- 4.2.3 Dr. Henry Cheng advised in interview on 9 November 2023 that he had limited interactions with Mr. Chau, describing him as an '*acquaintance*'⁵⁸ whom he did not know well; and, stating he had met Mr. Cheng '*About three to four times. But each time, there would be quite a lot of other people*'.⁵⁹
- 4.2.4 In relation to his knowledge of Mr. Chau between 2013 and 2015, Dr. Cheng advised he was aware that Mr. Chau '*is in the junket business and it's the junket business that he wants to inject into IEC and I don't like the junket business. I don't want to be connected with junket business*'.⁶⁰ We identified as part of the 2015 Probity Review that the IEC proposal did not proceed because the financial due diligence was unsatisfactory.
- 4.2.5 In interview, Dr. Cheng stated:
- '...junket business normally would have complications in the background. And this is because, I personally as well as my company, place heavy emphasis on reputation. Hence, I would not enter into a [equity] joint venture*'.⁶¹

⁵⁸ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 14

⁵⁹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 18

⁶⁰ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 15

⁶¹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 15



- b. *'The details, I don't know. That is because I don't know about junket business. However, my personal observation is that, in respect of this [sic] kind of transactions concerning gambling involving junket business, that there would not be a lot of documentation or legal support for the transactions. Maybe not everybody is complicated. That, I wouldn't know.'*⁶²
- c. *'I don't know whether it is legal or not. This would be a matter for the government to determine. But, in the majority of cases, the people involved would be rather complicated.'*⁶³
- d. *'I am not saying this in respect of all junkets, but the majority of them could be complicated. It could be that this could involve illegal activities, association with triads or even being triad members themselves.'*⁶⁴

4.2.6 In relation to the Vietnam Project, Dr. Cheng stated:

- a. *'...I knew that Chau would be involved, but he was not a shareholder. I told clearly, ah, VMS at the time that my interest was, ah, in respect of hotel and resorts. I knew that there was a casino so I told VMS clearly that, if it is possible to segregate a casino and let Chau to handle that casino business, then I would be interested. This position, I have informed VMS but I have not told other people. So, in 2015, when I heard that the Vietnamese government said, ah, Chau would not be financially strong enough and he may have to exit, I actually welcomed it.'*⁶⁵
- b. *'...I told VMS that it would be better if Alvin Chau would not be a shareholder. The casino should be clearly segregated. After that, I didn't follow up. Afterwards, I came to understand that management and VMS established a consortium, and the consortium took the form of equity. I was very dissatisfied at the time... that Vietnamese government apparently has some views concerning Chau. So I thought it would be better if Chau would cease to be a shareholder.'*⁶⁶

4.2.7 Mr. Patrick Tsang was a director of GYE from 11 December 2014 to 22 April 2016 and Mr. Chau was a director of GYE from 11 December 2014 to 13 April 2015.⁶⁷ Mr. Tsang described his directorship as *'more by name'*⁶⁸, given the early stage of the Vietnam Project at that point, and that it did not involve discussion between himself and Mr. Chau.

⁶² Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, pages 15 and 16.

⁶³ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 16.

⁶⁴ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 16.

⁶⁵ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, pages 26 and 27.

⁶⁶ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, pages 30 and 31.

⁶⁷ Factual Background Document: paragraphs 57.2 and 57.3.

⁶⁸ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023 Part I, page 22.



- 4.2.8 Mr. Tsang advised in interview on 8 November 2023 that *'there was no formal face-to-face introduction... between myself and Alvin Chau'*.⁶⁹ Mr. Tsang advised he had not met Mr. Chau *'...in any formal business setting... I probably... have been introduced to him in social settings that the purpose was not for us to meet, but its just in the social setting that he was there, I was there and people introduced us... but not in any formal setting, no'*.⁷⁰
- 4.2.9 In relation to his knowledge of Mr. Chau around 2014 and 2015, Mr. Tsang advised *'Whether it's 2014, 2015, if you just read through the media. I mean, Alvin Chau is... known, right? He's in the papers. He... obviously operates in Macau, and a lot of reporters like to follow that. So, you know, obviously we know of Alvin Chau. Um, at that time, if we roll back to that period of time, he is one of the more successful players in Macau. So he has, uh, a reputation, um he has girlfriends, he you know, goes out with movie stars, so he's like a celebrity. So we of course know him... I don't know him personally. So, uh, to, I think to get to what you're looking at in terms of do we know him? We know of him, right? Do we know of the news surrounding him? Yes, we are – we are aware of that. Um, have we kind of grilled him personally, uh, on that? Uh, no. I don't think, uh – I don't think we did that. And those discussions, we probably... we rely on the VMS... to do it for us... But at that time... he's licensed to operate globally, right? He seemed to have a... vast empire and doing a good job and the person to go to... if you want to, uh, to look into... businesses relating to gaming. But it's a complicated industry, so we know there are always nuances, right? Or complications... with that industry'*⁷¹ (emphasis added).
- 4.2.10 Mr. Tsang stated *'was I concerned back in that time that Alvin could be a criminal, right? That – that he is of ill repute. Um... at that time, Alvin was licensed, right? He was licensed to do business in Australia, he was licensed to do business in – in the US, right? So he had to go through all the procedures and investigations and processes. So, you know, I would – I would, uh – uh, put it this way that, you know, we are aware of what we are aware from reading in the media, right? That A, right, he is very good at what he does, right? If you look at Macau and if you want to partner in that type of business, um, in that space, right, they're the best, right? But of course, right, with – with the – the gaming business, it can be complicated. So we understand that'*⁷² (emphasis added).
- 4.2.11 Mr. Conrad Cheng was also a director of GYE (from 11 December 2014 to 22 April 2016), whilst Mr. Chau also served as a director of GYE (from 11 December 2014 to 13 April 2015). Mr. Cheng advised during interview on 7 November 2023, that he *'was asked to be a*

⁶⁹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023 Part I, page 9.

⁷⁰ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023 Part I, page 11.

⁷¹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 19 and 20.

⁷² Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 33.



*director because I would act as the representative of the Cheng family*⁷³ and because of his real estate experience. When asked about his knowledge of Mr. Chau's character, Mr. Cheng stated:

- a. *'...he was in the casino business. He has been very successful in that... but we did not know at the time that he was... engaged in illegal activities'.*⁷⁴
- b. *'I haven't researched into him. I don't know whether others had... but I would believe in the... system of Macau, the laws of Macau. And his business was so great, if he did illegal activities, then no doubt Macau, the Macanese Government, would have done something about it'.*⁷⁵

Provision of incorrect information to OLGR and current arrangements in relation to the Vietnam Project

- 4.2.12 In 2014, the CTF Group acquired a 50% interest in Gold Yield Enterprises Limited ("GYE") with the other 50% held by Star Admiral, a company personally owned by Mr. Chau. GYE acquired 68% of the equity in the Vietnam Project⁷⁶ on 20 January 2015. In April 2015, Star Admiral transferred its interest in GYE to the CTF Group and GYE became wholly owned by the CTF Group.
- 4.2.13 CTFE previously advised OLGR that 'CTFH disposed of its entire controlling stake in GYE in April 2016 to Alpha Era Investments Limited', who was '*owned by a third party [sic] wealthy and well connected [sic] investor*'.⁷⁷ The transaction as described is illustrated in Figure 3 below.

⁷³ Official Transcript of interview with Mr. Conrad Cheng: page 9.

⁷⁴ Official Transcript of interview with Mr. Conrad Cheng: pages 42 and 43.

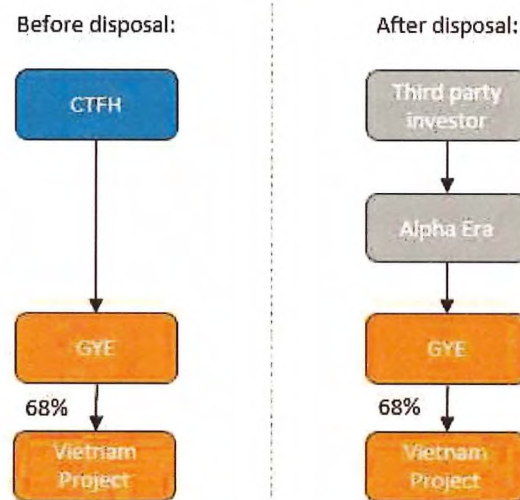
⁷⁵ Official Transcript of interview with Mr. Conrad Cheng: page 43.

⁷⁶ Through equity in Hoi An South Investments ("HASI").

⁷⁷ HWLE correspondence to OLGR dated 20 May 2022.



Figure 3: Initial Understanding of CTFH's disposal of its interest in the Vietnam Project



New information regarding relationships between the CTF Group and the Vietnam Project and Mr. Chau

4.2.14 During the course of this investigation, CTFE disclosed substantive new information to OLGR and PKF on 9 October 2023 regarding the nature of the CTF Group's interests in the Vietnam Project, including:

- a. The CTF Group sold 50% of its interest in GYE to Alpha Era Limited ("Alpha Era") for USD 20.65 million on 18 April 2016 and the remaining 50% shareholding in GYE to Star Admiral (owned by Mr. Chau) on 22 April 2016. This was contrary to CTFE's previous advice that it sold GYE to Alpha Era. Star Admiral paid the CTF Group USD 20.65 million consideration for the interest.
- b. To facilitate the sale of 50% of its interest in GYE to Alpha Era, the CTF Group provided loans to the owners of Alpha Era (who were business associates of Mr. Chau through their joint interest in GYE) in respect of the purchase and continued development of the interest in the Vietnam Project. The loans were initially undocumented and based on a "handshake agreement" between the owner of Alpha Era (Mr. Ho at that time⁷⁸) and Dr. Henry Cheng, until May 2018, when they were documented with assistance from the CTFE legal team. CTFE has disclosed that as of 29 October 2023, the outstanding loans were USD 388 million.
- c. From 2020 until 2022, Alpha Era, funded by the CTF Group, provided funding for the development of the Vietnam Project in excess of its equity interest in the project. We are advised this was because the two other project partners (VinaCapital and Suncity

⁷⁸Alpha Era was initially owned by Mr. Ho until his death on 20 August 2018. Following Mr. Ho's death, the CTF Group purchased the interest in Alpha Era on 26 September 2018 and sold the interest to Mr. Wong on or around the same day.



Group) were '*struggling to come up with... their pro-rata share... in the funding requirement*'.⁷⁹ During this period, Mr. Chau held an equity interest in the Vietnam Project through his shareholding in the Suncity Group.

- d. The provision of back-to back guarantees by Chow Tai Fook (Holding) Limited ("CTFH") to Vietin Bank, in respect of personal guarantees by the owners of Alpha Era regarding a credit facility for the development of the Vietnam Project. The CTFH guarantees and guarantees by the owners of Alpha Era were conditions precedent to the USD 484 million credit facility provided by Vietin Bank for the development of the Vietnam Project. The guarantees were limited to 34% of the facility, i.e. USD 165 million.
- e. The provision of an indemnity by Mr. Chau to the owners of Alpha Era for 34% of their guarantee to Vietin Bank in respect of the Vietnam Project credit facility, i.e. up to USD 56 million.⁸⁰ Mr. Chau's indemnity may have the effect of reducing CTFH's exposure in respect of CTFH's guarantee for the personal guarantee of the owners of Alpha Era.
- f. The purchase of Alpha Era by the CTF Group on 26 September 2018, following the death of Alpha Era's previous owner, Mr. Ho. The CTF Group then sold Alpha Era to Mr. Wong on or around the same day. At the time of this transaction, Suncity Group (of which Mr. Chau was a substantial shareholder) and Alpha Era jointly held equity in GYE⁸¹ and the Vietnam Project.
- g. Management, administration, banking and legal services to the owners of Alpha Era (business associates of Mr. Chau) in respect of their interest in the Vietnam Project.

⁷⁹ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023: page 41.

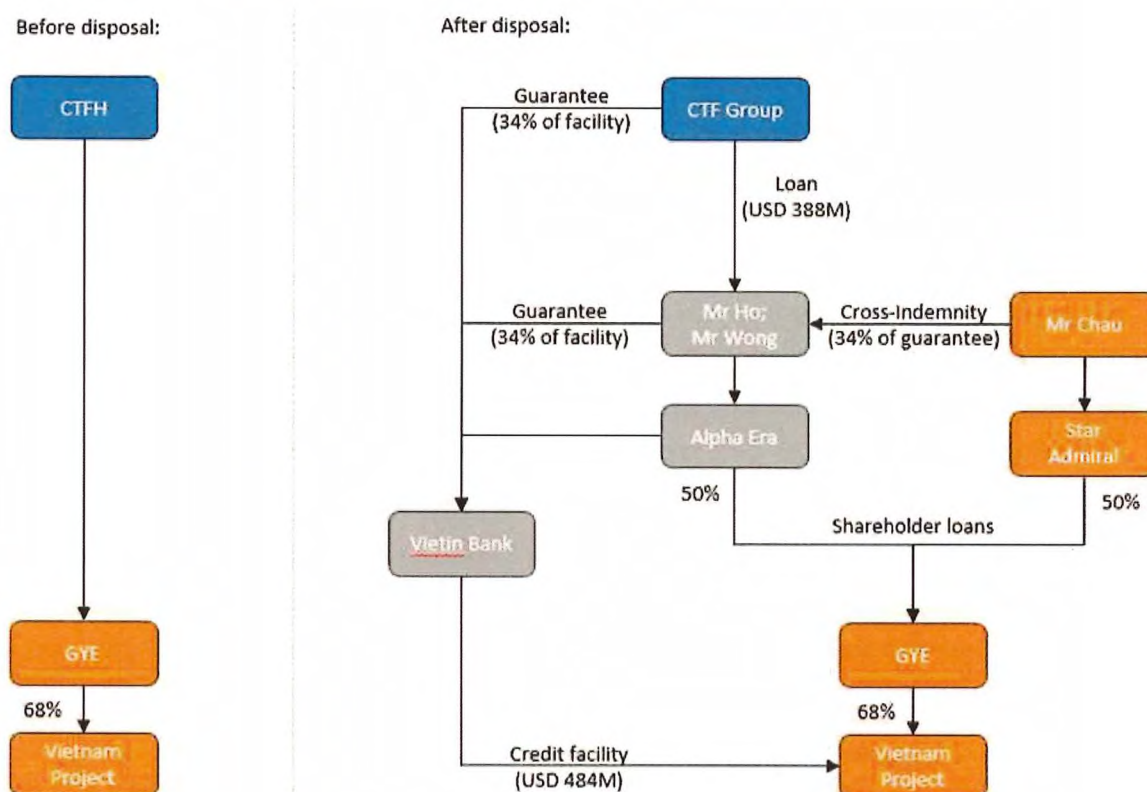
⁸⁰ 34% of USD 165 million; USD 484 million multiplied by the 34% guaranteed by the owners of Alpha Era multiplied by the 34% indemnified by Mr. Chau.

⁸¹ GYE holds a 68% interest in the Vietnam Project via equity held in Hoi An South Investments Pte Ltd ("HASI").



4.2.15 The above transactions are illustrated in Figure 4 below.

Figure 4: Current Understanding of CTFH's disposal of its interest in the Vietnam Project



4.2.16 CTFE also disclosed close personal and business relationships between the CTF Group and the owners of Alpha Era. These included through the initial founding of Chow Tai Fook Jewellery Group Limited ("CTFJ"). The current owner of Alpha Era, Mr. Wong, has been employed by CTFJ since 1998 and is currently the CTFJ Director of Strategic Finance and is responsible for the financing and treasury management of the CTF Group. We were advised in interview that Mr. Ho is a Chow Tai Fook shareholder who receives dividends of tens of millions of USD each year and whose shares in Chow Tai Fook, we understand, are worth over USD 1 billion.⁸²

4.2.17 The information provided by CTFE on 9 October 2023 was inconsistent with CTFE's previous submissions. The correspondence between CTFE and OLGR/PKF in this regard is summarised below.

⁸² Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, pages 35 and 46



May 2022 CTFE submission

4.2.18 On 22 April 2022, OLGR wrote to CTFE's legal counsel, HWLE, requesting 'detailed written advice and supporting documentation' regarding:

- a. *'Any involvement of CTFE and/or its associates in the ownership, management, administration or financing of the Hotels' and/or casino complex that have been or will be constructed at Hoiana [the Vietnam Project]'* (emphasis added); and
- b. *'The involvement of CTFE, or its associates, in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates, in any endeavor or business enterprise globally, including but not limited to gaming and hospitality'* (emphasis added).

4.2.19 HWLE responded to OLGR on 20 May 2022, advising:

- a. *'CTFH no longer owns any shares in GYE.'*
- b. *'CTFH disposed of its entire controlling stake in GYE in April 2016 to Alpha Era Investments Limited.'*
- c. *'Alpha Era is owned by a third party [sic] wealthy and well connected [sic] investor and Chow Tai Fook group does not own any interests in Alpha Era'* (emphasis added).
- d. *'The Chow Tai Fook group is not involved in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates, in any endeavor or business enterprise globally, other than in respect of the Hoiana Integrated Resort as set out above [referring to hotel management activities]. In summary, CTFH had until April 2016 a controlling stake in the Project through GYE, but CTFH no longer held any shares in GYE. This reflects the statements made by our client in our meeting at your offices on 12 November 2019, namely that CTFE did not own the Project in response to your question that certain media reports had stated that CTFE owned one third of the Project.'*

4.2.20 The information provided by CTFE to OLGR on 20 May 2022 appears to have been incorrect, given:

- a. CTFE advised on 9 October 2023 that the CTF Group sold 50% of its interest in GYE to Alpha Era on 18 April 2016 and 50% of its interest in GYE to Star Admiral (owned by Mr. Chau) on 22 April 2016. This is contrary to their statement⁸³ that *'CTFH disposed of its entire controlling stake in GYE in April 2016 to Alpha Era...'*
- b. CTFE described the owner of Alpha Era (who at the time of their correspondence was Mr. Wong) as a *'third party'*; however, Mr. Wong is employed by CTFJ and holds long-

⁸³ CTFE correspondence to OLGR, dated 20 May 2022 and 9 December 2022.



standing business and personal relationships with the CTF Group. The CTF Group fully funded Mr. Wong's purchase of Alpha Era and the subsequent development costs of its interest in the Vietnam Project. The CTF Group provided significant management, administrative, banking and legal services to Mr. Wong in respect of his investment in Alpha Era. Similar arrangements and close business and personal relationships existed in respect of Mr. Ho, who owned Alpha Era prior to Mr. Wong.

c. CTFE stated the '*Chow Tai Fook group is not involved in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates...* [other than in respect of the hotel agreements for the Vietnam Project]. This statement is inconsistent with CTFE's subsequent 9 October 2022 advice that the CTF Group:

- i. Provided loans to Alpha Era (a business associate of Mr. Chau given their shared equity interests in GYE), as described above. From 2020 to 2022, the funding provided by the CTF Group to Alpha Era in respect of the development of the Vietnam Project exceeded Alpha Era's interest in the project. We understand that Alpha Era made contributions in excess of its equity interest because the two other project partners, VinaCapital and Suncity Group, were '*struggling to come up with... their pro-rata share... in the funding requirement*'.⁸⁴ During this period, Mr. Chau held an indirect equity interest in the Vietnam Project through his equity in Suncity Group.
- ii. Provided a guarantee that was a condition precedent to a credit facility provided by Vietin Bank for the development of the Vietnam Project (while Mr. Chau held an equity interest in the project);
- iii. Briefly purchased Alpha Era to effect its sale to Mr. Wong (thereby briefly holding an equity interest in GYE and the Vietnam Project in conjunction with Mr. Chau); and
- iv. Provided substantial management, administration, banking and legal services to Alpha Era (a business associate of Mr. Chau).

December 2022 CTFE submission

4.2.21 On 21 November 2022, OLGR wrote to HWLE advising of this investigation and requesting CTFE provide a response to media allegations that CTFE has associations with Mr. Chau and LET Group Holdings Ltd (formerly Suncity Group). OLGR also requested CTFE provide '*Any other relevant information CTFE may wish to raise in relation to personal and business associations that may impact on OLGR's suitability assessment*'.

⁸⁴ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023: page 41



4.2.22 HWLE responded to OLGR on 9 December 2022, reiterating the information it provided in May 2022, that:

- a. The proposed acquisition of the gaming businesses of Suncity Group by IEC (in which CTFE held a 74.78% interest) had not proceeded.
- b. *'CTFE does not have any ownership interests in the Hoiana integrated resort project [the Vietnam Project]'*.
- c. *'CTFH no longer owns any shares in GYE.'*
- d. *'CTFH disposed of its entire controlling stake in GYE in April 2016, during the construction phase of the Project, to Alpha Era Investments Limited.'*
- e. *'Alpha Era is owned by a third party wealthy and well connected [sic] investor, and Chow Tai Fook group does not own any interests in Alpha Era.'*

4.2.23 We make the same observations regarding CTFE's description of the sale of GYE and the owner of Alpha Era being a third party, as provided above.

March 2023 CTFE submission

4.2.24 On 28 February 2023, PKF wrote to CTFE via HWLE requesting details of *'any other agreements, directorships or business relationships between the casinos, CTFE and the above hotels in the Hoiana Integrated Resort [the Vietnam Project] apart from the four hotel management agreements'*.

4.2.25 HWLE responded on 14 March 2023, stating *'Aside from the hotel management agreements referred to, there are no other agreements, directorships or business relationships between CTFE and the casino or the hotels of the Hoiana Integrated Resort'*.

4.2.26 The information provided by CTFE to OLGR on 14 March 2023 appears to have been incorrect and/or incomplete, given CTFE subsequently disclosed:

- a. CTFE Senior Vice President, Mr. Jacob Lee, was a member of the Executive and Audit Committees of the Vietnam Project from commencement of those committees until July 2022. He initially held these roles in relation to the CTF Group's equity interest in the Vietnam Project and subsequently held the roles whilst managing Alpha Era's investment in the project.
- b. CTF Group controlled entity, Skywalker Ventures Ltd ("Skywalker"), has been a corporate director of Alpha Era (which holds a 34% interest in the Vietnam Project) since 26 January 2015. Skywalker was controlled by CTFE from 26 January 2015 to 12 August 2022 and by CTFH from 12 August 2022.



- c. CTFE Senior Vice President, Mr. Jacob Lee, was a director of Skywalker from 26 January 2015 to 12 August 2022 and was authorised to sign documents on behalf of Alpha Era owner, Mr. Ho.
- d. CTFE has provided significant managerial, administrative and legal support to Alpha Era in respect of its investment in the Vietnam Project.
- e. The CTF Group has provided significant funding to Alpha Era in respect of Alpha Era's interest in the Vietnam Project. From 2020 to 2022, the funding provided by the CTF Group exceeded Alpha Era's interest in the project.
- f. CTFE Senior Vice President, Mr. Jacob Lee, would receive a funding request regarding Alpha Era from the investment manager, VMS. Given the request had been approved by VMS, Mr. Lee *'did not seek approval again from Mr. Wong... on the funding'*.⁸⁵ Mr. Lee would process the request with the CTF Group finance team. He did not need to seek approval for the funding from Mr. Tsang (CTFE Chief Executive Officer), however, would require an acknowledgement from Mr. Tsang *'that there [was] a funding transfer... because... we are lending the money to Mr. Wong, and Mr. Wong in turn would... contribute the capital into the project'*.⁸⁶

October 2023 CTFE submission of new information

4.2.27 On 26 July 2023, based on our review enquiries and [REDACTED], PKF wrote to HWLE requesting CTFE senior management be made available for interview and requesting further information regarding:

- a. Details of participation by shareholders or personnel of CTFE or entities within the CTF Group and/or its associates in board or other meetings of HASI or HASD.
- b. *'Details of any loan and/or other agreements, directorships, equity interests or business relationships between the casinos at the Hoiana Integrated Resort or the hotels at the Hoiana Integrated Resort and CTFE, entities within the CTF group and/or associates, other than the four hotel management agreements previously advised'*. The underlined emphasis within the quote highlighted the specific wording differences from previous requests.
- c. *'Any loan and or other agreements, directorships, equity interests or business relationships between CTFE, entities within the CTF group, and/or its associates; and the VMS Group and/or its related entities'*.
- d. *'Any loan and/or other agreements, directorships, equity interests or business relationships between CTFE, entities within the CTFE group, and/or its associates and*

⁸⁵ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023: pages 39 and 40

⁸⁶ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023: pages 40 and 41



Kim Pun Wong (Director of Alpha Era Investments Ltd) or Barry Kim Pun Wong (emphasis added).

- e. A copy of Conrad Cheng's CTFE electronic mailbox for a relevant specified period.
- f. 'Details of any payments to or loans made (either directly or indirectly) to HASI, HASD, VMS Group, Gold Yield Enterprises Ltd and/or Alpha Era from CTFE, CTFE subsidiaries, CTF Holdings, NWD or NWS'.

4.2.28 Following this, HWLE contacted PKF and OLGR with queries regarding the scope of the request and practicalities regarding obtaining the requested information. PKF and OLGR agreed for the scope of our request to be narrowed to account for those practicalities and HWLE undertook to obtain the requested information.

4.2.29 On 15 September 2023, an OLGR representative wrote to HWLE regarding PKF's information request advising:

'I am pleased to note your client's desire to assist with the conduct of the investigation. However, I am concerned by your client's reluctance to provide the material sought by the investigator in a timely manner. Accordingly, please find enclosed a notice issued by the Director-General's delegate pursuant to s 30C of the Casino Control Act 1982... As I am sure you are aware, it is an offence for an entity to fail to comply with a requirement specified in a notice issued pursuant to s 30C. Nor is an entity excused from complying with such a notice on the basis that the information sought is subject to legal professional privilege. An entity's failure to comply with a notice issued under s 30C is also relevant to an assessment of their suitability to be associated or connected with the ownership of a casino licensee. Your client has until 9 October 2023 to comply with the notice...'

4.2.30 The notice also required HWLE to provide details of availability of specified CTFE senior management for interview by PKF and OLGR.

4.2.31 As required, on 9 October 2023, HWLE responded to OLGR's information requirement providing the substantive new information described above regarding the nature of the CTF Group's arrangements in relation to the Vietnam Project and Alpha Era, and its associations with Mr. Chau.

Cooperation from CTFE and information regarding apparent inconsistencies in CTFE's responses to OLGR and PKF's information requests

4.2.32 Whilst the disclosures discussed above at paragraphs 4.2.14 to 4.2.16 were required under the notice issued by OLGR, we note CTFE made significant submissions on 9 October 2023 in relation to its ongoing interest in the Vietnam Project and its associations with the



owners of Alpha Era and Mr. Chau. The senior management of CTFE appeared forthcoming and cooperative when interviewed regarding these topics.

4.2.33 On 29 October 2023, in respect to OLGR's queries, CTFE acknowledged the information previously submitted *'was substantially less fulsome than the information which it provided to the OLGR on 9 October 2023'* and *'accepts that it took far too narrow a view on the scope of OLGR's questions in its 20 May 2022 email. CTFE unreservedly apologises for its failure to fully and properly address the OLGR's relevant question at the time of preparing its 20 May 2022 response and wishes to express its regret and contrition about this. It will not happen again'*.

4.2.34 In interviews conducted in November 2023, when asked regarding the apparent inconsistencies in CTFE's responses to OLGR and PKF's information requests and whether the information submitted by CTFE had been misleading:

a. Dr. Henry Cheng stated:

- i. *'I don't think so. Um, first of all the – the – the money that was lent, they could have borrowed from other sources as well, um, finance companies, ah, but the projects we have no involvement – no involvement in – in the affairs except hotel management, ah, which is pretty standard. Honestly, um, we were not involved in the project as such. If there is any misleading, um, then, ah, this is something that management was responsible and clearly they did not intend to mislead. Maybe it is just a question of how it was presented. As far as the loans are concerned, it is quite clear that Ho didn't want to come up with the money so we had to lend money to him'.⁸⁷*
- ii. *'... as regards my view on Alvin Chau, yes, I did not tell management. I didn't disclose the reason why I would not like to have business with Alvin Chau. So it may be a sort of communication problem between myself and management. From my – speaking about myself personally, it is because I have concerns I don't like Mr Chau, that I don't want to have any business with him. I believe management did not intend to pursue anything. It could be that there had been some communication issues or people putting in different interpretations so it's an interpretation problem. If it's just because that, that we have created any embarrassment on your part, I can represent management to apologise to you. I can assure you and I can affirm... definitely will not do anything improper. It is very easy for you*

⁸⁷ Official transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 2, pages 1 and 2



to check on our reputation whether it be with banks, political circles, government, the police'.⁸⁸

b. Mr. Patrick Tsang stated:

- i. *'I personally will not use the word, um, misleading, um, there – there is no intention to, ah, to mislead you, um, they were not fulsome, they were not, um, adequate, perhaps it was inadequate ... I wouldn't use the word misleading, but we have fallen – we have fallen short, and we have inconvenienced you'.⁸⁹*
- ii. *'...the information... is submitted to you on behalf of CTF, so CTF is... responsible... how we came up with what we, ah, put down, as CEO obviously I am not... involved in the nitty gritty, or the word smithing of the document, but the flipside as CEO is of course I am responsible, right... but there is an execution team that worked on the documents, yes'.⁹⁰*
- iii. *'... any inconvenience... caused... is not intentional, ... we realise we have fallen short, and we want to rectify that, and hopefully we have'.⁹¹*

4.2.35 During interview, Mr. Tsang undertook to provide a voluntary proposal from CTFE regarding proposed improvements to CTFE's reporting to OLGR. This proposal was received by OLGR and PKF on 14 November 2023 and has been considered in the recommendations of our review at Section 11.1.

4.3 Character of Mr. Alvin Chau

4.3.1 The following information regarding Mr. Chau's character is provided as general background for the benefit of the reader and does not constitute what was known or not known by CTFE or its associates. Detailed information regarding CTFE and its associates' knowledge of Mr. Chau's character is provided separately at Section 4.14 of this report.

4.3.2 Mr. Chau has been the subject of significant media attention regarding his business interests and personal life.

Star Report

4.3.3 In August 2022, Senior Counsel, Adam Bell, published the findings of his investigation under sections 143 and 143A of the Casino Control Act (1992) NSW into The Star Casino in New South Wales. The ultimate holding company of The Star Casino in New South Wales

⁸⁸ Official transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 2, page 3

⁸⁹ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, page 13

⁹⁰ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, page 13

⁹¹ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, page 14



is The Star Entertainment Group Limited, who is a member of DBC. The report is referred to herein as the "Star Report".

- 4.3.4 The review undertaken by Mr. Bell commenced on 14 December 2021 and was referred to by OLGR in their correspondence to CTFE on 22 April 2022. In that correspondence, OLGR also referred to media reports alleging a *'business connection/association between CTFE and its associates and Suncity, Mr Alvin Chau and their associates'*.
- 4.3.5 The Star Report referred to the following findings of the Bergin Report⁹², stating:
- a. *'the evidence established that "it is probable that Alvin Chau had a former association with the 14K Triad group and continued his associations with the members of Triad groups"; and*
 - b. *'[t]here were clearly links between Mr Chau, the Suncity Junket and organised crime groups'.⁹³*
- 4.3.6 The Star Report also referred to the findings of a Hong Kong Jockey Club report, stating that *'Suncity posed "major risks" including... Reliable intelligence indicates that Cheng is an Australian law enforcement person of interest due to money laundering and drug trafficking activity which he reportedly orchestrates from Hong Kong'.⁹⁴*
- 4.3.7 The Star Report separately stated *'It should not have taken Mr Chau's arrest in December 2021 to prompt Star Entertainment to cease the relationship with him. The relationship with Suncity and Mr Chau should have been terminated in June 2018 when cage operations and bags of cash were observed in Salon 95'.⁹⁵*

Criminal conviction

- 4.3.8 In January 2023, Mr. Chau was convicted of running a criminal syndicate which defrauded the Macao Government of USD 1.05 billion between 2013 and 2021. He was sentenced to 18 years imprisonment with his subsequent appeal dismissed. The offences for which Mr. Chau was convicted are known as a "Multiplier Scam", which was used to reduce the amount of tax payable on bets.

4.4 Probity Report findings regarding association with Mr. Chau

- 4.4.1 The Probity Report briefly considered Mr. Chau in relation to CTFE's controlling interest in IEC and *'IEC's proposed acquisition of a 70% equity interest in Suncity'*, however Mr. Chau

⁹² The report published in February 2021, documenting the findings of the enquiry undertaken by former Supreme Court Judge, Patricia Bergin SC, under section 143 of the Casino Control Act 1992 (NSW) into Crown Resorts Limited.

⁹³ The Star Report (Volume 1): page 57, paragraph 45(a)

⁹⁴ The Star Report (Volume 2): page 50, paragraph 225

⁹⁵ The Star Report (Volume 2): page 99, paragraph 423



does not appear to have been a key focus of that investigation.⁹⁶ In relation to Mr. Chau, the Probity Report stated:

- a. *'KM conducted World-Check One searches on all relevant individuals and entities. Apart from some individuals being designated as Politically Exposed Persons (PEP's), no adverse information was found in respect of... Suncity and its owner, Chau Cheok Wa (Alvin Chau), or any entities that have been identified as having a connection with Chau'.⁹⁷*
- b. *'Henry Cheng advised at interview that a decision was taken not to proceed with the transaction because Suncity [sic] financial performance did not meet IEC's requirements. Henry Cheng also advised that no adverse findings in relation to the integrity of Suncity or Alvin Chau were identified in IEC's due diligence'.⁹⁸*

4.5 Additional information sought from CTFE

4.5.1 OLGR has been in ongoing correspondence with CTFE's legal representatives, HWLE, as part of its ongoing suitability monitoring program and in response to concerns raised by media reports regarding alleged connections between CTFE and Mr. Chau and the Vietnam Project. In addition, during our review, OLGR and PKF requested additional information regarding these topics from CTFE and undertook interviews of CTFE senior management.

4.5.2 The following disclosures by CTFE to OLGR and PKF are discussed from paragraph 4.5.5, regarding the information provided by CTFE in relation to its connections with Mr. Chau and the Vietnam Project, and in relation to new information subsequently submitted by CTFE regarding these topics:

- a. 22 April 2022 OLGR information request and HWLE's 20 May 2022 response.
- b. 21 November 2022 OLGR information request and HWLE's 9 December 2022 response.
- c. 28 February 2023 PKF information request and HWLE's 14 March 2023 response.

4.5.3

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁹⁶ Probity Report, page 44.

⁹⁷ Probity Report, page 43

⁹⁸ Probity Report, page 44



[REDACTED]

[REDACTED]

4.5.4 In October 2023, shortly prior to interviews of its senior management in November 2023, CTFE provided PKF and OLGR substantial new information regarding CTFE's connections to Mr. Chau and its ongoing dealings regarding the Vietnam Project. This information was contrary to the information PKF and OLGR had been provided in CTFE's previous disclosures. The October 2023 disclosure by CTFE is discussed at Section 4.8 of this report.

April 2022 OLGR Information Request

4.5.5 On 22 April 2022, OLGR wrote to HWLE as part of OLGR's ongoing suitability monitoring program. OLGR advised that although CTFE had been approved in 2015 as suitable to be connected with the operations and management of QWB, *'Suitability is not a static concept and is relevant only to known circumstances at a point in time'*.⁹⁹

4.5.6 OLGR's correspondence:

- a. Referred to reference in the Star Report regarding an alleged connection between CTFE and its associates and Suncity Group, Mr. Chau and their associates: stating, *'The current independent review of The Star Pty Ltd in New South Wales, led by Mr. Adam Bell SC, along with a number of unconfirmed media reports, have referred to a business connection/association between CTFE and its associates and Suncity, Mr. Alvin Chau and their associates'*.
- b. Referenced media reports which contended *'CTFE, or its associates, hold a one third share i.e. ownership, in partnership with Vina Capital and Suncity, in the partially completed Hoiana Integrated Resort... in Vietnam'*.
- c. Referred to a November 2019 meeting between OLGR and Mr. Jacob Lee (CTFE Senior Vice President) and Mr. Stephen Kerr (HWLE) whereby OLGR was advised *'neither CTFE or its associates had any shareholding in the Hoiana IR project...'* (emphasis added).
- d. Requested CTFE *'... detailed written advice and supporting documentation...'* regarding:
 - i. *'Any involvement of CTFE and /or its associates in the ownership, management, administration, or financing of the Hotels' and/or casino complex that have been or will be constructed at Hoiana'* (emphasis added).
 - ii. *'The involvement of CTFE, or its associates, in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin'*

⁹⁹ Appendix II: OLGR information request dated 22 April 2022



Chau or their associates, in any endeavor or business enterprise globally, including but not limited to gaming and hospitality' (emphasis added).

4.5.7 HWLE responded to OLGR on 20 May 2022¹⁰⁰, advising:

- a. *'CTFH no longer owns any shares in GYE.*
- b. *'CTFH disposed of its entire controlling stake in GYE in April 2016 to Alpha Era Investments Limited.*
- c. *'Alpha Era is owned by a third party [sic] wealthy and well connected [sic] investor, and Chow Tai Fook group does not own any interests in Alpha Era' (emphasis added).*
- d. *'The Chow Tai Fook group is not involved in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates, in any endeavor or business enterprise globally, other than in respect of the Hoiana Integrated Resort as set out above [referring to hotel management activities]. In summary, CTFH had until April 2016 a controlling stake in the Project through GYE, but CTFH no longer held any shares in GYE. This reflects the statements made by our client in our meeting at your offices on 12 November 2019, namely that CTFE did not own the Project in response to your question that certain media reports had stated that CTFE owned one third of the Project' (emphasis added).*

4.5.8 At this point and based on HWLE's disclosure, it was understood the disposal of the CTF Group's interest in the Vietnam Project had occurred as follows:

¹⁰⁰ Appendix 12: HWLE response dated 20 May 2022

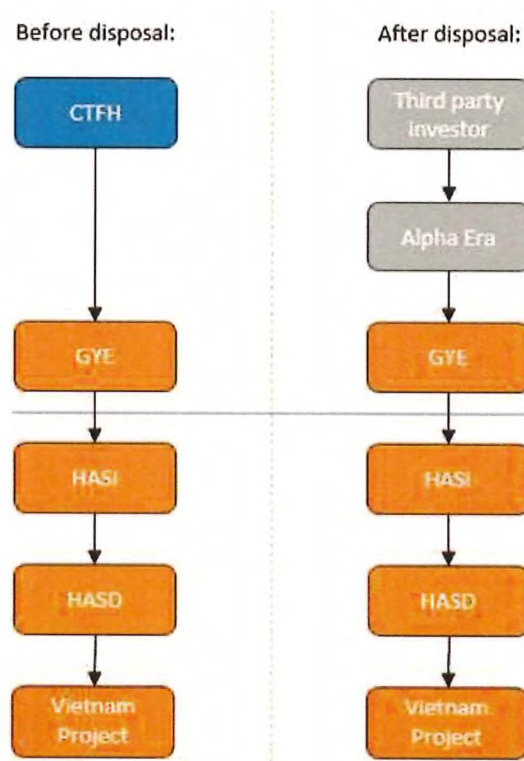


4.5.9 Following publication of the ABC article and appointment of PKF for this review, OLGR wrote to Mr. Patrick Tsang (CTFE Chief Executive Officer) on 21 November 2022 advising of the investigation being undertaken by PKF and requesting CTFE provide a response to media allegations that CTFE has associations with Mr. Chau and LET Group Holdings Ltd (formerly Suncity Group). The OLGR also requested that CTFE provide *'Any other relevant information CTFE may wish to raise in relation to personal and business associations that may impact on OLGR's suitability assessment'*.¹⁰¹

4.5.10 HWLE responded to OLGR on 9 December 2022¹⁰², reiterating the information it provided in May 2022, that:

- a. The proposed acquisition of the gaming businesses of Suncity by IEC (in which CTFE held a 74.78% interest) had not proceeded.
- b. *'CTFE does not have any ownership interests in the Hoiana integrated resort project'* (the Vietnam Project).
- c. *'CTFH no longer owns any shares in GYE'*.

Figure 5: May 2022 disclosure regarding disposal of interest in the Vietnam Project



¹⁰¹Appendix 13: OLGR information request dated 21 November 2022

¹⁰²Appendix 5: HWLE response dated 9 December 2022



- d. *'CTFH disposed of its entire controlling stake in GYE in April 2016, during the construction phase of the Project, to Alpha Era Investments Limited' ("Alpha Era").*
- e. *'Alpha Era is owned by a third party [sic] wealthy and well connected investor, and Chow Tai Fook group does not own any interests in Alpha Era' (emphasis added).*

4.5.11 Based on HWLE's disclosure, it remained understood that the disposal of the CTF Group's interest in the Vietnam Project had occurred as shown in Figure 5.

February 2023 PKF Information Request

4.5.12 On 28 February 2023, as part of this investigation, PKF wrote to CTFE via HWLE requesting details of *'any other agreements, directorships or business relationships between the casinos, CTFE and the above hotels in the Hoiana Integrated Resort apart from the four hotel management agreements'*.¹⁰³

4.5.13 HWLE responded on 14 March 2023, stating *'Aside from the hotel management agreements referred to, there are no other agreements, directorships or business relationships between CTFE and the casino or the hotels of the Hoiana Integrated Resort'* (emphasis added).¹⁰⁴

4.5.14 It was understood from HWLE's response that, aside from four hotel management agreements, CTFE and the CTF Group had no ongoing connections, be they loans or other relationships, with the Vietnam Project nor Mr. Chau.

¹⁰³ Appendix 6: PKF information request dated 28 February 2023

¹⁰⁴ Appendix 7: HWLE response dated 14 March 2023



4.6 [REDACTED]

4.6.1 [REDACTED]

4.6.2 [REDACTED]

4.6.3 [REDACTED]

4.6.4 S [REDACTED]

4.6.5 [REDACTED]

4.6.6 [REDACTED]

had acquired LET Group's stake in the casino business'. This intelligence was not [REDACTED]



4.7 Subsequent information requests

- 4.7.1 On 26 July 2023, based on our review enquiries, PKF wrote to HWLE requesting CTFE senior management be made available for interview and requesting CTFE provide further information regarding:
- a. Details of participation by shareholders or personnel of CTFE or entities within the CTF Group and/or its associates in board or other meetings of HASI or HASD.
 - b. 'Details of any loan and/or other agreements, directorships, equity interests or business relationships between the casinos at the Hoiana Integrated Resort or the hotels at the Hoiana Integrated Resort and CTFE, entities within the CTF group and/or associates, other than the four hotel management agreements previously advised'. The underlined emphasis within the quote highlighted the specific wording differences from previous requests.
 - c. Any loan and or other agreements, directorships, equity interests or business relationships between CTFE, entities within the CTF group, and/or its associates; and the VMS Group and/or its related entities.
 - d. Any loan and/or other agreements, directorships, equity interests or business relationships between CTFE, entities within the CTFE group, and/or its associates and Kim Pun Wong (Director of Alpha Era Investments Ltd) or Barry Kim Pun Wong (emphasis added).
 - e. A copy of Conrad Cheng's CTFE electronic mailbox for a relevant specified period.
 - f. 'Details of any payments to or loans made (either directly or indirectly) to HASI, HASD, VMS Group, Gold Yield Enterprises Ltd and/or Alpha Era from CTFE, CTFE subsidiaries, CTF Holdings, NWD or NWS'.
- 4.7.2 A copy of PKF's information request is provided at Appendix 8.
- 4.7.3 Following this, HWLE subsequently contacted PKF and OLGR with queries regarding the scope of the request and practicalities regarding obtaining the requested information. Meetings and communications took place during August and September 2023 whereby HWLE requested and PKF and OLGR agreed for the scope of our request to be narrowed to accommodate these practicalities. During this time, HWLE undertook to obtain the requested information.
- 4.7.4 On 15 September 2023, an OLGR representative wrote to HWLE regarding PKF's information request, advising 'I am pleased to note your client's desire to assist with the conduct of the investigation. However, I am concerned by your client's reluctance to provide the material sought by the investigator in a timely manner. Accordingly, please find **enclosed** a notice issued by the Director-General's delegate pursuant to s 30C of the



Casino Control Act 1982... As I am sure you are aware, it is an offence for an entity to fail to comply with a requirement specified in a notice issued pursuant to s 30C. Nor is an entity excused from complying with such a notice on the basis that the information sought is subject to legal professional privilege. An entity's failure to comply with a notice issued under s 30C is also relevant to an assessment of their suitability to be associated or connected with the ownership of a casino licensee. Your client has until **9 October 2023** to comply with the notice...'. The notice also required HWLE to provide details of availability of specified CTFE senior management for interview by PKF and OLGR.

- 4.7.5 The information requirement contained a revised list of information that accounted for the practical constraints previously discussed with HWLE but was consistent with the information request summarised at paragraph 4.7.1.
- 4.7.6 A copy of the OLGR's correspondence and information requirement is provided at Appendix 9.

4.8 CTFE's 9 October 2023 submission

- 4.8.1 As required, on 9 October 2023, HWLE responded to OLGR's information requirement and provided additional documents, including a summary document HWLE referred to as a "Factual Background Document". For ease of reference, we have referred to this document using the same terminology. A copy of the Factual Background Document is provided at Appendix 10.
- 4.8.2 In the 9 October 2023 submission, HWLE provided new information to PKF and OLGR regarding the CTF Group's connections to Mr. Chau and the Vietnam Project, which was contrary to our understanding of these topics based on HWLE's previous disclosures. The new information demonstrated ongoing associations and agreements between the CTF Group and Mr. Chau and the Vietnam Project. The associations and agreements disclosed by CTFE are discussed in detail from paragraph 4.10.1, however, as a summary, included:
 - a. The sale of 50% of the CTF Group's interest in GYE and the Vietnam Project to Alpha Era and the other 50% to Star Admiral (owned by Mr. Chau) in April 2016. This was contrary to CTFE's previous advice that 'CTFH disposed of its entire controlling stake in GYE in April 2016 to Alpha Era...'.¹⁰⁵
 - b. The owners of Alpha Era (Mr. Ho in April 2016 then Mr. Wong from September 2018) are persons with whom the Cheng family has held long-standing personal and business relationships with. The sale to Mr. Wong occurred after Mr. Ho passed away.

¹⁰⁵ Appendix 12: HWLE response dated 20 May 2022



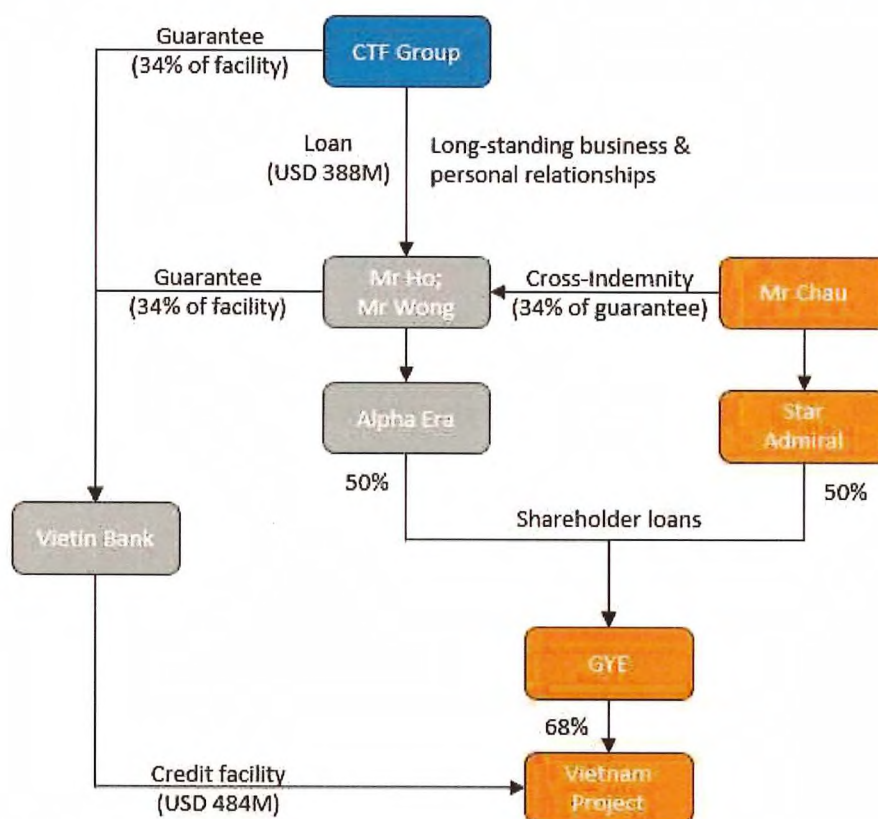
The CTF Group briefly repurchased its equity in the Vietnam Project to facilitate this transaction.

- c. The CTF Group provided loans to the owners of Alpha Era (who were business associates of Mr. Chau through their shared interest in GYE) in respect of the purchase and continued development of the interest in the Vietnam Project. The loan to Mr. Ho was undocumented until it was formalised in May 2018, shortly before Mr. Ho's death in August 2018. Although the CTF Group was entitled to interest of up to 10% on the loans, we understand interest has not been charged on the loan.
- d. Following Mr. Ho's death, the CTF Group provided loans to Mr. Wong on the same terms as had been made to Mr. Ho (albeit they were documented). The loans were made by the CTF Group to finance Mr. Wong's purchase of Alpha Era and the development of its interest in the Vietnam Project. CTFE have advised that as of 29 October 2023, the loans to Mr. Wong are USD 388 million.
- e. CTFH provided back-to-back guarantees ("CTFH Guarantee") to Vietin Bank in respect of personal guarantees made by Mr. Ho ("Ho Guarantee") and Mr. Wong ("Wong Guarantee") for 34% of a USD 484 million (USD 165 million) credit facility provided to HASD for the development of the Vietnam Facility. The guarantees by CTFH, Mr. Ho and Mr. Wong were conditions precedent to the provision of the credit facility.
- f. A cross-indemnity provided by Mr. Chau to Mr. Ho in respect of the Ho Guarantee. The cross-indemnity was limited to 34% of the Ho Guarantee, i.e. USD 56 million, and may have had the effect of reducing CTFH's exposure in respect of its back-to-back guarantee to Vietin Bank of the Ho Guarantee.
- g. The provision of substantial management, legal, banking, and administrative services by CTFE, the CTF Group and/or controlled entities to Alpha Era in respect of Alpha Era's investment in the Vietnam Project.
- h. The provision of investment management services by VMS Am Resorts and Leisure Limited ("VMS") to CTF Group, and then subsequently to Mr. Ho and Mr. Wong in relation to their investments in the Vietnam Project.
- i. Various other guarantees and agreements in relation to the Vietnam Project.

4.8.3 The structure of the arrangements, based on CTFE's 9 October 2023 submission, is summarised below at Figure 6.



Figure 6: October 2023 disclosure regarding CTF Group's interest in the Vietnam Project



4.8.4 PKF and OLGR reviewed the additional information submitted by HWLE, and requested further information or clarification where necessary, prior to interviewing senior management of CTFE. The above arrangements concerning CTF Group and Mr. Chau and/or the Vietnam Project are discussed in further detail below, along with information obtained from interview, from Section 4.14.

4.9 November 2023 interviews of CTFE senior management

4.9.1 PKF and OLGR interviewed CTFE senior management to seek clarification regarding queries and information identified during our review and provide CTFE the opportunity to provide relevant information in relation to our investigation. The interviews were undertaken during the week commencing 6 November 2023 at rate of one interview per day, and included:

- a. Mr. Ma (NWD Executive Director and NWS Chief Executive Officer)
- b. Mr. Conrad Cheng (Member of the HASD Executive Committee)
- c. Mr. Patrick Tsang (Chief Executive Officer of CTFE)



- d. Dr. Henry Cheng (Chairman of CTFE), and
- e. Mr. Jacob Lee (CTFE Senior Vice President, Member of the HASD Executive Committee and Director of Skywalker Ventures Ltd which was a corporate director of Alpha Era)

4.9.2 PKF and OLGR sought to interview Mr. Wong, given he is currently employed with the CTF Group and his ownership of Alpha Era, however we were advised by HWLE that Mr. Wong was unavailable for interview based on medical grounds.

4.9.3 The information obtained in the above interviews, CTFE's information disclosures and [REDACTED] are included in our discussion below of the assistance and relationships involving the CTF Group, Alpha Era and/or Mr. Chau.

4.10 Sale of GYE to Mr. Chau and Alpha Era

4.10.1 CTFE has advised that in April 2016, CTF Group subsidiary (Even Success Holdings Ltd) sold 50% of its interest in GYE (a holding company for the interest in the Vietnam Project) to Mr. Chau via Mr. Chau's personally owned company, Star Admiral, for USD 20.65 million. In the same month, Even Success Holdings Ltd ("Even Success") sold the other 50% interest in GYE to Alpha Era.¹⁰⁶

4.10.2 This is contrary to CTFE's previous advice to OLGR that '*CTFH disposed of its entire controlling stake in GYE in April 2016... to Alpha Era Investments Limited...*' and its description of Alpha Era as a '*third party wealthy and well connected investor*'.¹⁰⁷ Instead, CTFH had disposed of 50% of its interest in the Vietnam Project to Mr. Chau and the other 50% to Mr. Ho and then Mr. Wong (following Mr. Ho's death), both of whom held long-standing personal and business relationships with the CTF Group.

4.10.3 Mr. Ho, co founded Chow Tai Fook Jewellery Group Limited ("CTFJ") during the late 1940's with Dr. Cheng Yu Tung and Mr. Wong Kwok Ting. Mr. Ho was described as '*independently wealthy because... he started Chow Tai Fook Jewellery together with Dr. Cheng*'.¹⁰⁸ He was described in interview by Mr. Tsang as worth '*hundreds of millions... in US dollar terms*'.¹⁰⁹ In interview, Dr. Cheng described an owner of Alpha Era (understood to be Mr. Ho) as receiving '*dividends from Chow Tai Fook in several 10 millions of US dollars. And his shares in Chow Tai Fook will be worth over USD\$1 billion*'.¹¹⁰

4.10.4 Following Mr. Ho's death in August 2018, CTF Group briefly repurchased Alpha Era (and its interest in GYE and the Vietnam Project) via its subsidiary, Even Success, on

¹⁰⁶ Factual Background Document, paragraphs 69 to 72.

¹⁰⁷ Letter from HWLE to OLGR, dated 9 December 2022, page 4.

¹⁰⁸ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 36.

¹⁰⁹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 61.

¹¹⁰ Official Transcript of interview with Dr. Henry Chang on 9 November 2023, Part I, page 46.



26 September 2018 for a purchase price of USD 10.¹¹¹ It then effected a transfer of the interest to Mr. Wong Kim Pun Barry ("Mr. Wong") on or around the same day.¹¹² At the time of this repurchase, Suncity Group (of which Mr. Chau was a substantial shareholder) held the other 50% interest in GYE.¹¹³ OLGR was not previously advised of this transaction.

4.10.5 The subsequent owner of Alpha Era, Mr. Wong, is the son of Mr. Wong Kwok Ting, who co-founded CTFJ. The Wong family were also described in interview as 'independently ...wealthy'.¹¹⁴ Mr. Wong has worked for CTFJ since 1998, where he is currently the Director of Strategic Finance. Mr. Wong is also responsible for the financing and treasury management of the CTF Group.

4.10.6 CTFE have advised the agreements regarding the sale of CTF Group's interest in the Vietnam Project to Alpha Era and the financing of this arrangement were reached between Dr. Henry Cheng, Mr. Patrick Tsang and Mr. Ho and subsequently Mr. Wong.¹¹⁵

4.11 CTF Group loans to facilitate the sale of GYE and subsequent development of the Vietnam Project

4.11.1 Neither Mr. Ho nor Mr. Wong provided any cash payment for CTF Group's interest in GYE or the Vietnam Project.¹¹⁶ Instead, the CTF Group provided Mr. Ho an undocumented "at-call"¹¹⁷ loan to fund Mr. Ho's purchase of 50% of GYE as a "handshake agreement".¹¹⁸ Although interest of up to 10% could be applied to the loan if the CTF Group chose, the information provided in interview is that interest was not applied.¹¹⁹

4.11.2 The previously undocumented agreement between Dr. Henry Cheng and Mr. Ho was formalised through written agreements in May 2018, prior to Mr. Ho's death in August 2018.¹²⁰ Following Mr. Ho's passing, Dr. Henry Cheng offered Mr. Wong the same terms as had been provided to Mr. Ho, and Mr. Wong accepted Dr. Cheng's offer to purchase Alpha Era. We understand from the information provided in interview, the agreements documenting the above arrangements were prepared by the CTF Group legal team.¹²¹

¹¹¹ Factual Background Document: paragraphs 97 to 101.3; FB; 27; FB 29; FB48

¹¹² Factual Background Document: paragraphs 96 to 103

¹¹³ Suncity Group Holdings Limited 2018 Annual Report: page 27; Factual Background Document: paragraphs 86 and 87

¹¹⁴ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 46.

¹¹⁵ Factual Background Document: paragraphs 62 to 66 and 96

¹¹⁶ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 40 & 41

¹¹⁷ Factual Background Document: paragraph 62.3

¹¹⁸ Factual Background Document: paragraphs 62 to 68.2

¹¹⁹ Official Transcript of interview with Mr. Patrick Tsang on 8 November, Part I, page 56.

¹²⁰ Factual Background Document: paragraphs 88 to 90.3 and paragraph 92

¹²¹ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 44 to 46.



- 4.11.3 It was also agreed between Dr. Henry Cheng and Mr. Ho and Mr. Wong that the CTF Group would provide further advances to Alpha Era, on the same terms, when Alpha Era was called on to contribute money to the Vietnam Project, i.e. for the development costs of the Vietnam Project; and, the CTF Group would provide any support required to satisfy the lender of the Vietnam Project.¹²²
- 4.11.4 We were advised in interview that initially the CTF Group had been lending money to Alpha Era in respect of the Vietnam Project consistent with Alpha Era's interest in the project, i.e. 34%. In early 2020 through to 2022, the other partners (Suncity Group and VinaCapital) could not meet their funding requirements. Mr Wong through Alpha Era and with the assistance of the CTF Group decided to '*stand behind the project*'¹²³ by providing continued funding and injected '*more than a fair share into the project*'.¹²⁴ When asked in interview how much funding the other partners provided during this period, Mr. Lee advised he did not '*have the exact figures*'.¹²⁵
- 4.11.5 CTFE has advised the balance of the loan by CTF Group to Mr. Wong in respect of the Vietnam Project is USD 388 million.

4.12 Guarantees provided in relation to the Vietnam Project

- 4.12.1 We understand from information provided in interview that the following guarantees were prepared by the CTFE legal team.¹²⁶

Mr. Ho's Guarantee

- 4.12.2 On 4 August 2017, Mr. Ho entered into an agreement with Vietnam Joint Stock Commercial Bank For Industry and Trade ("Vietin Bank") to personally guarantee 34% (USD 165 million) of the USD 484 million credit facility provided to HASD in respect of the Vietnam Project (the Ho Guarantee).¹²⁷ The 34% guaranteed by Mr. Ho represented Alpha Era's equity interest in the Vietnam Project. We understand from the information provided in interview, the Ho Guarantee was required by Vietin Bank because Mr. Ho was unknown to the bank; and, that guarantees were not required by Vietin Bank in respect of the other Vietnam Project investors (Mr. Chau and VinaCapital).¹²⁸
- 4.12.3 The Ho Guarantee was a condition precedent of the credit facility being provided to HASD.¹²⁹

¹²² Factual Background Document: paragraphs 62 to 66

¹²³ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 41

¹²⁴ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 41

¹²⁵ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 42

¹²⁶ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 33.

¹²⁷ Factual Background Document: paragraph 81

¹²⁸ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 66.

¹²⁹ Factual Background Document: paragraph 21



CTFH Guarantee

4.12.4 As noted above at paragraph 4.11.3, it was agreed the CTF Group would provide any support required to satisfy the lender of the Vietnam Project. As such, on 4 August 2017, CTFH entered an agreement with Vietin Bank to guarantee the Ho Guarantee (the "CTFH Guarantee"¹³⁰). We understand, Vietin Bank required a similar guarantee from Mr. Wong when he became the owner of Alpha Era (the Wong Guarantee) and CTFH also provided a guarantee to Vietin Bank in respect of the Wong Guarantee.¹³¹

4.12.5 The CTFH Guarantee was a condition precedent of the credit facility being provided to HASD.¹³²

Cross-indemnities provided by Mr. Chau and VinaCapital

4.12.6 On 8 September 2017, Mr. Chau entered into a deed of counter indemnity with Mr. Ho to indemnify Mr. Ho for 34% of any payments made by him in respect of the Ho Guarantee, i.e. 34% of 34% of USD 484 million (USD 56 million). We understand from interview that this:

- a. Was agreed because the Ho Guarantee was a condition precedent of the HASD credit facility¹³³; and
- b. May be considered to have the effect of reducing CTFH's exposure in relation to its guarantee of the Ho Guarantee.¹³⁴

4.13 Management and administrative services provided by CTFE to Alpha Era

4.13.1 CTFE has advised it provided significant management, legal and administrative assistance to Mr. Ho and Mr. Wong after the CTF Group divested its equity interest in the Vietnam Project to them. Mr. Ho and Mr. Wong were described by CTFE as '*passive investors*'¹³⁵, thereby requiring this level of assistance.

Assistance provided by Mr. Lee

4.13.2 CTFE made Mr. Jacob Lee (CTFE Senior Vice President) available to Mr. Ho and Mr. Wong to assist them in managing their investment in the Vietnam Project. We are advised Mr. Lee:

¹³⁰ Factual Background Document, paragraph 82

¹³¹ Factual Background Document: paragraphs 110 to 110.6

¹³² Factual Background Document: paragraph 21

¹³³ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, pages 66 and 67.

¹³⁴ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, pages 73 and 74.

¹³⁵ Factual Background Document: paragraphs 78 and 79



- a. Was a member of the Executive and Audit Committees of the Vietnam Project from commencement of those committees until July 2022.¹³⁶
- b. Attended the Executive and Audit Committee meetings to protect Messers Ho and Wong's interests as passive investors, and that Mr. Lee did not engage in the planning and execution of the Vietnam Project.¹³⁷
- c. Was a director of Skywalker from 26 January 2015 to 12 August 2022. Skywalker has been a corporate director of Alpha Era since 15 May 2018 and has been controlled by:
 - i. CTFE from 26 January 2015 to 12 August 2022, and
 - ii. CTFH from 12 August 2022.
- d. Was able to sign documents on behalf of Mr. Ho whilst he was a director of Skywalker.¹³⁸
- e. Provided informal updates to Mr. Patrick Tsang (CTFE CEO) regarding the Vietnam Project after the CTF Group divested its equity interest in the Vietnam Project.
- f. Would arrange for the CTF Group to provide funding in respect of the Vietnam Project without approval from or notification of Messers Ho or Wong. Mr. Lee would advise Mr. Tsang of these funding requirements as part of proper capital management, given they were significant amounts.
- g. Would advise Mr. Ho annually of the loan balance from the CTF Group and capital injections into the Vietnam Project.

4.13.3 Whilst Mr. Lee assisted Mr. Ho and Mr. Wong with their investment in the above regards; operational decisions regarding the Vietnam Project were taken by VMS.

4.13.4 We understand from information provided in interview that Mr. Ho and Mr. Wong have not visited the Vietnam Project site nor the Executive Committee Meetings, instead relying on Mr. Lee in this regard.¹³⁹

4.13.5 During the interview with Mr. Lee on 10 November 2023, OLGR asked how Mr. Lee reported information regarding the Vietnam Project to Mr. Tsang and Dr. Henry Cheng. Mr. Lee stated:

- a. *'I very rarely would have direct interaction with the Chairman [Dr. Henry Cheng]. So I, over my 10 years here at CTFE I would probably only have the opportunity to see him maybe 10 times, so probably once a year. Um, so it would be very unlikely for me to – to, um, pass on any information to the Chairman directly. Ah, with Patrick, obviously, you*

¹³⁶ Factual Background Document: paragraphs 55 to 56; 78 and 79; 122

¹³⁷ Factual Background Document: paragraphs 78 and 79

¹³⁸ Factual Background Document: paragraph 91

¹³⁹ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 30



know, I report to him directly. Um, so I would, you know, um, send him information. Um, I think with regards to Vietnam, probably verbal updates from time to time.¹⁴⁰

- b. *'I can't recall the specific, right, um, you know, with regards to the updates, right. Um, but you know, and Patrick being the CEO wouldn't, I suppose, right, he shouldn't really focus on the nitty gritty, so to speak. Um, so it's really up to me to look at the numbers and – and you know, kind of report to him if, and – and if there was, there were, you know, any kind of significant, um, you know, um, ah, developments'*.¹⁴¹
- c. *'I would say I didn't really send him [referring to Mr. Tsang] ... a lot of information formally, but you know, more – more – more of kind of your verbal, you know, ah, casual, a casual way'*.¹⁴²
- d. *'I suppose in 2014/15... We had a very lean team at that point in time. So most of the reports that I've done... and not just with Vietnam, right, but with other projects, right, would be very, ah, high level. Um, most of them would be – would be verbal, right, to be honest with you. Um, and, ah, with Vietnam, ... I can't recall any specific... documents produced... by myself... to present to Patrick. Um, and as I mentioned, I – I really just reporting to Patrick at that point of time, and with Chairman, ... I probably did not have any – much interaction. Um, so yeah, with Patrick, ... I think I would... speak to him from time to time regarding Vietnam Project. Certainly in 2014'*.¹⁴³

Assistance provided by Mr. Conrad Cheng

- 4.13.6 During interview, OLGR asked Mr. Conrad Cheng why he had remained a member of and continued to attend Executive Committee meetings of the Vietnam Project after the CTF Group sold its equity. Mr. Cheng advised he remained a member of and continued to attend Executive Committee meetings of the Vietnam Project after the CTF Group sold its equity interest because *'nobody asked me to step down and... I'm also interested in the project because it's a very large project'*.
- 4.13.7 When asked about his role on the Executive Committee, Mr. Cheng advised *'... at the inception, I was there to represent the family. Undertaking the actual work is not my role. I have the surname of Cheng and that provides or projects sincerity to the Vietnamese Government as respect to- regards major work, I am seldom involved, and I was not a decision maker'*.¹⁴⁴

¹⁴⁰ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 12

¹⁴¹ Official Transcript of interview with Mr. Lee on 10 November 2023, page 13.

¹⁴² Official Transcript of interview with Mr. Lee on 10 November 2023, page 13.

¹⁴³ Official Transcript of interview with Mr. Lee on 10 November 2023, pages 18 and 19.

¹⁴⁴ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023, page 33.



4.13.8 Mr. Cheng is a Director of two joint ventures representing CTFE's interest in DBC in respect of the QWB development::

- a. Integrated Resort Joint Venture (25% of which is held by CTFE, 50% by Echo and 25% by FEC), and
- b. Residential Project Joint Venture (50% of which is held by CTFE and 50% is held by FEC).¹⁴⁵

Assistance facilitating payments and legal and administrative support

4.13.9 CTFE have advised that because Alpha Era is a BVI registered company and does not hold a bank account or have to prepare financial accounts¹⁴⁶:

- c. CTFE, in its '*family office capacity*', provided administrative support for Alpha Era; and
- d. An affiliate of the CTF Group facilitated the making of payments on Alpha Era's behalf as payment agent.

4.13.10 In relation to the support provided to Mr. Wong, CTFE stated: '*As the Vietnam Project is now mostly complete and the need for further loans is diminishing, CTFE has started to winding [sic] down its support for Mr. Wong [CTFJ Director of Strategic Finance/Alpha Era] in relation to the [Vietnam] Project... Mr. Wong has facilitated all payments through Firstrate Investments Ltd (a company owned by Mr. Wong)*'.

4.13.11 As discussed above at paragraph 4.11.2, the CTF Group legal team provided Mr. Ho and Mr. Wong assistance in the preparation of legal agreements.

4.14 Knowledge regarding character of Mr. Chau

4.14.1 Mr. Chau was arrested on 28 November 2021.

4.14.2 OLGR wrote to CTFE via its legal counsel, HWLE, on 22 April 2022 referring to the '*current independent review of The Star Pty Ltd in New South Wales, led by Mr. Adam Bell SC, along with a number of unconfirmed media reports... [referring to] a business connection/association between CTFE and its associates and Suncity, Mr. Alvin Chau and their associates*'.

4.14.3 The findings of the review of The Star Casino in New South Wales, that OLGR referred to in its correspondence with CTFE, were published in August 2022.

¹⁴⁵ Probity Report: page 4; Piper Alderman Legal Due Diligence Report dated 18 February 2014, page 35.

¹⁴⁶ Factual Background Document paragraph 79.



4.14.4 The Star Report referred to the following findings of the Bergin Report¹⁴⁷, stating:

- c. *'the evidence established that "it is probable that Alvin Chau had a former association with the 14K Triad group and continued his associations with the members of Triad groups"; and*
- d. *"[t]here were clearly links between Mr Chau, the Suncity Junket and organised crime groups".¹⁴⁸*

4.14.5 The Star Report also referred to the findings of a Hong Kong Jockey Club report, stating that *'Suncity posed "major risks" including... Reliable intelligence indicates that Cheng is an Australian law enforcement person of interest due to money laundering and drug trafficking activity which he reportedly orchestrates from Hong Kong'.¹⁴⁹*

4.14.6 The Star Report separately stated *'It should not have taken Mr Chau's arrest in December 2021 to prompt Star Entertainment to cease the relationship with him. The relationship with Suncity and Mr Chau should have been terminated in June 2018 when cage operations and bags of cash were observed in Salon 95'.¹⁵⁰*

4.14.7 Mr. Chau was convicted in January 2023 of running a criminal syndicate which defrauded the Macao Government of USD 1.05 billion between 2013 and 2021, and was sentenced to 18 years jail.

4.14.8 The following discussion provides information regarding CTFE and its associates' knowledge of Mr. Chau, obtained from the interviews of CTFE senior management undertaken in November 2023. The information from interview is provided as follows:

- a. Mr. Conrad Cheng: from paragraph 4.14.9;
- b. Mr. Patrick Tsang: from paragraph 4.14.24;
- c. Dr. Henry Cheng: from paragraph 4.14.55; and
- d. Mr. Jacob Lee: from paragraph 4.14.74.

Mr. Conrad Cheng

4.14.9 Mr. Cheng was interviewed by OLGR and PKF on 7 November 2023 with the assistance of an interpreter.

4.14.10 Mr. Cheng, Mr. Tsang, Mr. Chau and Mr. Andrew Lo Kai Bong were appointed as directors of GYE on 11 December 2014. Mr. Cheng and Mr. Tsang were appointed as representatives

¹⁴⁷ The report published in February 2021, documenting the findings of the enquiry undertaken by former Supreme Court Judge, Patricia Bergin SC, under section 143 of the Casino Control Act 1992 (NSW) into Crown Resorts Limited.

¹⁴⁸ The Star Report (Volume 1): page 57, paragraph 45(a)

¹⁴⁹ The Star Report (Volume 2): page 50, paragraph 225

¹⁵⁰ The Star Report (Volume 2): page 99, paragraph 423



of the CTF Group and Mr. Chau and Mr. Bong were appointed as representatives of Star Admiral.¹⁵¹ Mr. Chau and Mr. Bong resigned as directors of GYE on 13 April 2015.¹⁵² Mr. Cheng and Mr. Tsang resigned as directors of GYE on 22 April 2016 when the CTF Group sold its interest to GYE and the Vietnam Project to Alpha Era and Star Admiral.

- 4.14.11 OLGR asked Mr. Cheng regarding his role and responsibilities whilst a director of GYE. Mr. Cheng advised: *'I was asked to be a director because I would act as the representative of the Cheng family. Why is it so important to have a Cheng family member? That was because we could show to the Vietnamese Government that we were sincere about the project... It was also because I have experience in real estate development that this project would involve real estate as well.'*¹⁵³
- 4.14.12 When asked about Mr. Tsang's role as a director of GYE, Mr. Cheng advised *'He is there for important decisions and also liaising with the Chairman [Dr. Henry Cheng]. If there are important matters, we would report to him... When it was something important, it would be reported to Patrick. He would liaise with the Chairman. I would not know who made the decision. It could be Patrick. It could be the Chairman.'*¹⁵⁴
- 4.14.13 OLGR asked Mr. Cheng about Mr. Chau's role and responsibilities as a director of GYE. Mr. Cheng advised he had *'only met him one to two times since the company was established. It was not in any formal meeting. It involved... Patrick and... I'm actually not very sure what his role is. We did not discuss anything about work or the project... I only see Alvin Chau in ceremonies like the earth moving ceremony. Ah, earth moving in Chinese means when you started a project.'*¹⁵⁵ Mr. Cheng could not recall what he had discussed with Mr. Chau, stating it *'was nothing important. Nothing deep.'*¹⁵⁶
- 4.14.14 When asked what he had known about Mr. Chau at the time of these meetings in 2014, Mr. Cheng advised *'I know him through media matters and I therefore know that he has a company called Suncity in Macau, and it seems to be one of the largest.'*¹⁵⁷ Mr. Cheng advised he understood Mr. Chau's business to be *'VIP rooms'*¹⁵⁸ in casinos.

¹⁵¹ Factual Background Document: paragraph 57.2

¹⁵² Factual Background Document: paragraph 57.3

¹⁵³ Official Transcript of interview with Mr. Conrad Cheng: page 9

¹⁵⁴ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: page 11

¹⁵⁵ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: pages 11 and 12

¹⁵⁶ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: page 12

¹⁵⁷ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: page 12

¹⁵⁸ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: page 12



- 4.14.15 OLGR asked Mr. Cheng whether he knew *'what Mr. Alvin Chau was doing within VIP rooms at casinos?'*¹⁵⁹ To which, Mr. Cheng replied *'Based on representations through the media, I understand that he would bring... gaming customers to casinos.'*¹⁶⁰
- 4.14.16 OLGR asked why Mr. Cheng thought Mr. Chau had been brought on as a director of GYE. Mr. Cheng stated *'As I understand it, he has casino experience. He also has lots of gaming customers... at the time will not allow locals to gamble, so they have to be foreigners. As I mentioned previously, the government will look at different factors, not just money. So they will look at the team. Maybe Chau could enhance.'*¹⁶¹
- 4.14.17 Mr. Cheng was also a director at the time of the failed proposal for IEC to acquire Suncity Group. PKF asked Mr. Cheng what research he had done regarding Mr. Chau and Suncity Group at that time (2014/2015). Mr. Cheng advised *'The due diligence was arranged by my colleagues, and external assistance was solicited, and I could not recall the due diligence details.'*¹⁶² Mr. Cheng clarified the colleague who had arranged the due diligence was the CFO at the time, understood to be Mr. Joe Kwok.
- 4.14.18 OLGR discussed CTFE's previous advice that CTFH held concerns Mr. Chau and Suncity Group would not assist with additional probity checks if they did not have any interest in the Queen's Wharf project. OLGR asked whether CTFH had any other concerns in relation to Mr. Chau and Suncity Group other than a potential reluctance to assist. Mr. Cheng advised he did not know. Mr. Cheng also advised he did not know if anyone within the CTF Group had spoken with Mr. Chau or Suncity Group regarding the Queen's Wharf project.¹⁶³
- 4.14.19 OLGR asked Mr. Cheng why the CTF Group had sold part of its equity in GYE to Mr. Chau in April 2016. Mr. Cheng advised he did not know why. OLGR asked whether Mr. Cheng had any interactions with Mr. Chau or Suncity Group at that time, to which Mr. Cheng replied *'About the sale? No.'*¹⁶⁴
- 4.14.20 OLGR drew Mr. Cheng's attention to meeting minutes of the 23 April 2016 Executive Committee meeting of the Vietnam Project whereby Mr. Cheng was recorded as having been attendance. Mr. Cheng agreed his name was recorded but advised *'for some minutes... they say that I have participated, but in actual fact... I have not.'*¹⁶⁵

¹⁵⁹ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: page 13

¹⁶⁰ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: page 13

¹⁶¹ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: page 13

¹⁶² Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: page 15

¹⁶³ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: pages 16 and 17

¹⁶⁴ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: pages 27 and 28

¹⁶⁵ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023: page 39



4.14.21 The exhibited minutes stated '*CTF has advised that... Chow Tai Fook should be replaced with Gold Yield Enterprises as investor in the HAS project for all future media promotions. GYE may be referred to as affiliate to CTF.*'¹⁶⁶ OLGR asked Mr. Cheng to explain this statement. Mr. Cheng advised '*I am surprised. I can't recall talking about affiliates.*'¹⁶⁷

4.14.22 OLGR noted Mr. Chau was reappointed as a director of GYE on 22 April 2016 (the day before the Executive Committee meeting). OLGR put to Mr. Cheng that '*the reason for the change of how Chow Tai Fook would be named and replaced with Gold Yield Enterprises as investor in the HAS project for all future media and promotions, was done to conceal CTF Group's relationship with Mr. Alvin Chau.*'¹⁶⁸ Mr. Cheng denied this, stating '*I absolutely cannot agree... but I don't know the... background.*'¹⁶⁹

4.14.23 PKF discussed with Mr. Cheng that Mr. Chau had been convicted of crimes conducted between 2013 to 2021, and that the CTF Group had business relationships with Mr. Chau at points during this period. Mr. Cheng advised '*that was a cooperation with Chau. He was not being charged.*'¹⁷⁰ PKF asked what was Mr. Cheng's knowledge of this at the time. Mr. Cheng stated '*he was in the casino business. He has been very successful in that... but we did not know at the time that he was... engaged in illegal activities.*'¹⁷¹ PKF asked how Mr. Cheng had confidence at the time that Mr. Chau was not involved in illegal activities and what research had he done at the time in this regard. Mr. Cheng stated '*I haven't researched into him. I don't know whether others had... but I would believe in the... system of Macau, the laws of Macau. And his business was so great, if he did illegal activities, then no doubt Macau, the Macanese Government, would have done something about it.*'¹⁷²

Mr. Patrick Tsang

4.14.24 Mr. Tsang was interviewed by OLGR and PKF on 8 November 2023.

4.14.25 Mr. Tsang confirmed he had been appointed as a director of GYE on or about 11 December 2014 and had resigned as a director of GYE on 22 April 2016 when the CTF Group disposed of its interest.¹⁷³

4.14.26 OLGR asked Mr. Tsang why he had been appointed as a director of GYE. Mr. Tsang replied '*Because I'm the CEO of the company. Typically, they would put me as the director of*

¹⁶⁶ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023; pages 39 and 40

¹⁶⁷ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023; page 40

¹⁶⁸ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023; page 40

¹⁶⁹ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023; page 41

¹⁷⁰ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023; page 42

¹⁷¹ Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023; pages 42 and 43

¹⁷² Official Transcript of interview with Mr. Conrad Cheng on 7 November 2023; page 43

¹⁷³ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023 Part I, pages 8 and 9



these, uh, acquisition Cos. And again, we – we – we – we do this. So... you would find my name as directors of many, many, many, many, of these, uh, special purpose entities'.¹⁷⁴

4.14.27 OLGR asked Mr. Tsang regarding his role and responsibilities as a director of GYE.

Mr. Tsang advised '*At that time, really just a director of GYE. No – not, you know – honestly not much, um, involvement, so to speak, at that point. But going forward, right? If we are successful in terms of forming the JV and moving forward, then clearly there would be more meat to this entity. But at that point, it's just a shell company. The purpose is, you know, put directors, form the company, let's get ready. I mean, if you are VMS, you want this to happen, right? So, you know, you want to – you want to put, um, more weight to the entity and, you know, they typically asked me to be the director, which is – which is fine.*'¹⁷⁵ Mr. Tsang advised his role as director of GYE was '*more by name*'.¹⁷⁶

4.14.28 OLGR asked Mr. Tsang about Mr. Conrad Cheng's responsibilities as a director of GYE.

Mr. Tsang advised '*He is a Cheng family member. Um, Conrad, uh, plays this role, right? This type of role as directors of SPV or acquisition Cos that are set up because he is a Cheng family member and having his name on a piece of paper, um, people like that, right? It shows – you know, it shows more, um, it has weight, right? Because he's a Cheng family member. So he is, uh, he – he plays that role.*'¹⁷⁷

4.14.29 OLGR asked Mr. Tsang whether '*at the time... when yourself and... Conrad were directors of GYE,... you've told... us... it was just a shell company at that time, but to your knowledge, did Conrad have to make any decisions while a director of GYE?*'¹⁷⁸ Mr. Tsang replied '*No*'.¹⁷⁹

4.14.30 OLGR asked Mr. Tsang what responsibilities Mr. Chau had as a director of GYE. Mr. Tsang replied '*Um, I – I, um, I'm not aware of. Other than, you know, I – I would say, um, I don't want to put it too lightly, but at that point, again, it's just names on a piece of paper as directors of a shell company. Um, but if it were to move forward, then obviously we have the director liabilities, everything that associated with it. So, um, but at that point in time, it's just names that people put down on a piece of paper. I mean, I – I don't – I don't want to sound flippant and, you know, oh, they just use my name. I don't know anything about it. It's not that. But it's just part of the process, right? We want to put a Cheng family*

¹⁷⁴ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023 Part I, page 21

¹⁷⁵ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023 Part I, pages 21 and 22

¹⁷⁶ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023 Part I, page 22

¹⁷⁷ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 22

¹⁷⁸ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 23

¹⁷⁹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 23



*name in it, we want to put a CEO name on it. It just lends more, um, credibility and meat to the – to the project.*¹⁸⁰

4.14.31 PKF asked Mr. Tsang '*wouldn't there be things going on in Vietnam at that point in time about this particular project? Are we saying that nothing was going on at this point in time that didn't need your involvement or the other director's involvement, uh, you know, on the – on the project, perhaps on where you were going to locate the project, on, um, you know, getting, uh, development approvals and so on? Are you – are you – are you sort of saying to us there was no meetings, no discussions, no telephone calls with Mr. Chau or Mr. Cheng at all?*'¹⁸¹

4.14.32 Mr. Tsang replied '*let me, um, clarify. Uh, the project was brought to us by VMS Group. VMS group would have had active dialogue with VinaCapital and the local, um, authorities. If they were introduced to them, they would've done site visits, they would have, um, perhaps even spoken to local advisors about, um, flow of tourists, about, you know, um, development requirements and all that. So there would have been active dialogue. It's just that myself, Conrad, um, were not part of those discussions. Um, was not needed, uh, at that stage anyways, because it's still in an exploratory – exploratory stage.*'¹⁸²

4.14.33 PKF asked Mr. Tsang how that information and work would have been communicated back to Mr. Tsang, Mr. Cheng and Mr. Chau. Mr. Tsang advised '*...it would be via Benny to, uh, to Dr. Cheng... probably not the setup, but the merits... I remember seeing pitch books, right, from, uh, from VMS talking about exactly what I've described, right? GDP growth, tourism growth, um, uh, you know, all those, uh, pros, right? About, um, putting money to work there. And obviously there are cons, right? You know, currency, other, you know, currency fluctuation, stability of the – the political landscape, um, potential for conflict, you know, history and all that. So it would've been, uh, it would've been considered.*'¹⁸³

4.14.34 OLGR asked how Mr. Tsang had been introduced to Mr. Chau. Mr. Tsang advised '*there was no formal face-to-face introduction... between myself and Alvin Chau.*'¹⁸⁴
Suncity Group or Alvin Chau had been introduced by VMS as a potential partner in the Vietnam Project. Mr. Tsang advised '*while we are not as focused on the gaming aspect of the project... we view it more as a holiday destination. There is gaming, as an amenity to*

¹⁸⁰ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 23

¹⁸¹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 24

¹⁸² Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 24

¹⁸³ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 25 and 26

¹⁸⁴ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 9



this project... we don't operate casinos... but we need to find somebody that – who can do that... So... that would be how... the Alvin Chau name was introduced... to us'.¹⁸⁵

4.14.35 Mr. Tsang stated '*I would also point out that this... type of proposal... we evaluate all the time... as I started out by saying we do have a global footprint... if you look at... the breadth of our business... We have resort in the Bahamas... we have presence in Europe, we have presence in the US, we have presence in Asia. So we do evaluate and look at... these types of pitches... a lot. So I don't want you to feel like... why didn't you meet this guy where he could be your potential partner? But the sheer volume of... proposals that we need to... evaluate and deal with on a daily basis... is a lot. Just as your background'.¹⁸⁶*

4.14.36 OLGR asked whether Mr. Tsang had met Mr. Chau. Mr. Tsang advised '*Not in any formal business setting... I probably... have been introduced to him in social settings that the purpose was not for us to meet, but its just in the social setting that he was there, I was there and people introduced us... but not in any formal setting, no'.¹⁸⁷*

4.14.37 OLGR asked Mr. Tsang whether he recalled any of these encounters. Mr. Tsang replied '*Yes. So I recall one involving... yachts... So in Hong Kong you have these... gatherings... it could be Cartier, it could be Louis Vuitton... PR firms would invite people to join. So I am probably on the invite list, and he was probably on the invite list. And, you know, some PR persons, oh, this is Mr. Tsang, this is Mr. Chau'.¹⁸⁸*

4.14.38 OLGR asked whether Mr. Tsang ever had any conversations with Mr. Chau about the Vietnam Project. Mr. Tsang responded '*No*' and that '*Because they [VMS] introduced the opportunity to us, I would go through them... Its just to respect the procedure and the process'.¹⁸⁹*

4.14.39 In relation to the Vietnam Project proposal which had occurred in 2014, PKF asked whether the CTFE execution team had brought anything to Mr. Tsang's attention regarding Suncity Group or Mr. Chau. Mr. Tsang replied '*not that I can... recall anything of... I don't recall anything special'.¹⁹⁰*

4.14.40 OLGR asked how Mr. Tsang's team would inform him regarding concerns about a potential business partner. Mr. Tsang advised '*... we have... updates... as a team... you know, as a CEO, my team would report to me... if I may... I think what you are... pointing to is whether I have concerns on the character of Mr. Alvin Chau. Um, you know, we roll*

¹⁸⁵Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 9 and 10.

¹⁸⁶Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 10 and 11.

¹⁸⁷Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 11.

¹⁸⁸Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 11.

¹⁸⁹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 11 and 12.

¹⁹⁰ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 19.



back to that time... Whether it's 2014, 2015, if you just read through the media. I mean, Alvin Chau is... known, right? He's in the papers. He... obviously operates in Macau, and a lot of reporters like to follow that. So, you know, obviously we know of Alvin Chau. Um, at that time, if we roll back to that period of time, he is one of the more successful players in Macau. So he has, uh, a reputation, um he has girlfriends, he you know, goes out with movie stars, so he's like a celebrity. So we of course know him... I don't know him personally. So, uh, to, I think to get to what you're looking at in terms of do we know him? We know of him, right? Do we know of the news surrounding him? Yes, we are – we are aware of that. Um, have we kind of grilled him personally, uh, on that? Uh, no. I don't think, uh – I don't think we did that. And those discussions, we probably... we rely on the VMS... to do it for us... But at that time... he's licensed to operate globally, right? He seemed to have a... vast empire and doing a good job and the person to go to... if you want to, uh, to look into... businesses relating to gaming. But it's a complicated industry, so we know there are always nuances, right? Or complications... with that industry'.¹⁹¹

4.14.41 PKF asked Mr. Tsang regarding Mr. Chau's reputation in 2014/2015 and how was Mr. Chau's reputation assessed by Mr. Tsang and CTFE. Mr. Tsang replied 'Yep. So, um, uh – uh, again, when we form partnerships, and I – and I would demand that of our advisors too, right? Put us with the best people, right? That can ensure, um, success, uh, put us with best in class operators, put us with people who are dominant, right? So in VinaCapital, they were pitched to us as the group to go to if you want to do business in Vietnam, right? That they, uh, have local expertise and connections and network. Very similarly, um, if there is going to be a gaming element as an amenity to the project, the best group to partner with is Alvin Chau and Suncity, right? They are the dominant player. So that's how the grouping is, um, formed. Uh, I would also like to point out that, um, clearly we need to know our partners where you're absolutely correct, but at that point, you know, we haven't won the project yet, we haven't gotten the approvals that are needed, so it's just a grouping, right? Just as we have other groupings for other projects. So I absolutely understand, um, from your perspective, oh, you need to have done A, B, C, and D due diligence, various types of due diligence, right? You could be dancing with these partners, right? Have we done that? But I just want you to, uh – uh, understand the context, uh, of where we operate and how we operate, right? That we might be operating – looking at various different projects. So we're serious about demanding that whoever bring us deals, bring us the best deals, bring us the best partners, but you know, as I've mentioned, we also rely on them to do the work and we will do our part, right? So that's kind of how we operate'.¹⁹²

¹⁹¹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 19 and 20

¹⁹² Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 20 and 21



4.14.42 OLGR asked Mr. Tsang whether it was correct that *'the Vietnam government may not have been happy with Star Admiral and the financial strength of Star Admiral to be a shareholder of the Vietnam Project. And on 13 April, 2015, Star Admiral transferred its share in GYE to Even Success [a CTF Group subsidiary]'*?¹⁹³ Mr. Tsang advised that he *'did not personally talk to the Vietnam Government, and this information was shared with us... via the Vietnam... partner, which is VinaCapital, to the... broker... VMS to us. But yes... that is correct in that... they had question marks around the financial strength of... Mr. – of their financial strength'*.¹⁹⁴

4.14.43 OLGR asked Mr. Tsang what he recalled regarding VMS approaching CTFE or himself regarding the removal of Star Admiral from the Vietnam Project. Mr. Tsang advised *'from VMS's perspective, uh, as I mentioned before, they like to consummate the deal. So they want to push, right? They want to push. Um, and they've approached us saying, hey, what we're hearing now is, you know, the Vietnam government has some concerns around the financial strength, you know, be more robust if it's just us and VinaCapital. From my perspective, from Dr. Cheng's perspective, we want this to be successful, right? So if – if we don't need Alvin Chau and Suncity as an equity, uh, shareholder in the project, I'm fine with it, right? Again, the focus is his perspective, getting the deal consummated, from our perspective, securing the project, right, getting the approval from the government. That's what's key. So we took their advice'*.¹⁹⁵

4.14.44 OLGR asked Mr. Tsang whether he was concerned about the removal of Mr. Chau from the Vietnam Project given his casino expertise. Mr. Tsang advised *'Um, the casino is an amenity with the project, um, but we don't need a gaming, um – a person of gaming background to be an equity investor in the project, right? Let's say we have the casino as, uh, as an amenity. Um, we have nice hotels or nice swimming pools. All the good stuff about Vietnam is already there. Um, we can have partnerships, agreements with, you know, either potentially Suncity or others, right? In terms of helping us, uh, run the casino in terms of helping bring, um, uh, tourists to the destination. It doesn't mean that we need an equity partner, right? If the Vietnam government tells us, you know, probably you should consider not having them, it's probably good business decision to – to follow their advice. Again, I did not talk to, uh – uh, the Vietnam government, um, directly. This project, uh, is, um, communication is through, uh – through VMS'*.¹⁹⁶

4.14.45 OLGR asked Mr. Tsang *'to clarify... our understanding... there's no need for... Mr. Chau to be that equity investor... then you mentioned the casino operation later on. Um, so he*

¹⁹³ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 8

¹⁹⁴ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 8

¹⁹⁵ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 26 and 27

¹⁹⁶ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 27 and 28



can be brought back in from the perspective of... the project to be the casino operator...'.¹⁹⁷

4.14.46 Mr. Tsang responded *'Oh, let me – let me clarify. What I had wanted to convey is, um, if we're successful when we proceed, if we have a casino space, we will be able to find operators to operate it, right? It, uh, doesn't necessarily have to be Alvin Chau. It could be – it could be others. But, uh, at that point, we are, and VMS is very focused on winning the project and getting the nod from the Vietnam government. So, um – because I don't want you to feel like, um, we'd – haven't, or we didn't think through it, right? Uh, we have, and to me, they're not there, no problem, right? Someone else, um, can play that role if and when we need to. If we don't need to, we don't need to'.¹⁹⁸*

4.14.47 OLGR confirmed with Mr. Tsang that *'CTFH believe[d] that if Suncity and Mr. Alvin Chau were to become involved in the Vietnam project, OLGR would require additional property checks to be undertaken in Mr. Chau and Suncity. Uh, CTFH had concerns that Mr. Chau and Suncity would not assist as they did not have any interest in Queens Wharf Project'.¹⁹⁹*

4.14.48 OLGR then asked Mr. Tsang whether he or CTFH had any other concerns in relation to Mr. Chau and Suncity Group, other than the potential reluctance to assist. Mr. Tsang replied *'I understand where you're – where you're getting to. Um, I would, again, mention what I've mentioned before, which is Alvin and Suncity operate in Macau. They're in the gaming business. Um, they're in the gaming business, which is complicated and nuanced. So I – I – I know the – the – the rationale of your questions, right? Did – did – what – was I concerned back in that time that Alvin could be a criminal, right? That – that he is of ill repute. Um... at that time, Alvin was licensed, right? He was licensed to do business in Australia, he was licensed to do business in – in the US, right? So he had to go through all the procedures and investigations and processes. So, you know, I would – I would, uh – uh, put it this way that, you know, we are aware of what we are aware from reading in the media, right? That A, right, he is very good at what he does, right? If you look at Macau and if you want to partner in that type of business, um, in that space, right, they're the best, right? But of course, right, with – with the – the gaming business, it can be complicated. So we understand that'.²⁰⁰*

4.14.49 OLGR probed *'I'd put it to you though, that wouldn't Mr. Chau be interested in assisting Chau Tai Fook Holdings with probably checks if they were to remain a part of the Vietnam project? Uh, they – they are in the casino business. Um, and from – for all accounts and purposes of what we've seen so far, Chau Tai Fook was a, uh, a big financial provider for*

¹⁹⁷ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 30 and 31

¹⁹⁸ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 31.

¹⁹⁹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 32.

²⁰⁰ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 33.



*the Vietnam project. Uh, so one could assume that Suncity would want to assist Chau Tai Fook. Would you agree or disagree with that?.*²⁰¹

4.14.50 Mr. Tsang replied '*I don't, uh, know is the honest, um, answer. Um, I did not kick him out right in the first place. VMS probably kicked him out. I don't know whether he likes us. I've not met him, right? Um, I know I'm putting a distance, but that's the reality, right? That the day-to-day discussion, um, I did not conduct.*'²⁰²

4.14.51 OLGR discussed with Mr. Tsang the failed proposal for IEC to acquire Suncity Group, which had occurred in 2014/2015. OLGR stated '*at this time based on... public information, Mr. Alvin Chau owned and controlled Suncity, and ultimately the financial due diligence was not satisfactory and the transaction did not proceed. Is that correct?*'. Mr. Tsang replied, '*... that is correct.*'²⁰³

4.14.52 OLGR asked whether any other form of due diligence was undertaken by IEC in relation to Suncity Group. Mr. Tsang replied '*I believe they must have... I think, that ultimately the financial due diligence was not satisfactory and the transaction did not proceed.*'²⁰⁴ OLGR probed whether any other kind of due diligence, such as on individuals associated with the company, had been undertaken. Mr. Tsang replied '*... I do not know the answer to that question 'cause I was not part of the process. I don't want to give the wrong answer.*'²⁰⁵

4.14.53 PKF asked Mr. Tsang whether he knew who was involved in the due diligence process from the CTF Group. Mr. Tsang replied that '*IEC's... staff would be part of that process. Uh, probably not, uh, any one of my staff... On the CTFE side... I would say my staff is... passive. I don't think we were actively involved in that... transaction.*'²⁰⁶

4.14.54 PKF noted the criminal activities for which Mr. Chau had been convicted had been occurring during the timeframes that the CTF Group had interactions with Mr. Chau. PKF asked whether Mr. Tsang or anyone else at CTFE were aware of Mr. Chau's criminal activity at that point in time. Mr. Tsang replied '*Not criminal activities, definitely not.*'²⁰⁷ Mr. Tsang also noted that despite the media attention received by Mr. Chau, '*... on the flipside we are also aware as I pointed out that he is licensed to operate, right, in – in Australia and in other parts of the world, so he is also under the scrutiny of, ah, regulators.*'²⁰⁸

²⁰¹ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, page 33.

²⁰² Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 33 and 34.

²⁰³ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I, pages 13 and 14.

²⁰⁴ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I page 14.

²⁰⁵ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I page 14.

²⁰⁶ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 1): page 15.

²⁰⁷ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): page 4

²⁰⁸ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): page 5



Dr. Henry Cheng

4.14.55 Dr. Cheng was interviewed by OLGR and PKF on 9 November 2023 with the assistance of an interpreter.

4.14.56 OLGR asked Dr. Cheng who had introduced him to Mr. Chau. Dr. Cheng advised '*Benny Chong [VMS] made the introduction*'.²⁰⁹

4.14.57 OLGR asked Dr. Cheng whether he had met Mr. Chau. Dr. Cheng advised '*I could not remember, but it wouldn't be a lot. It wouldn't be substantial. Because Chau was only an acquaintance. I don't know him well*'.²¹⁰

4.14.58 Subsequently in the interview, Dr. Cheng advised he had met Mr. Chau '*About three to four times. But each time, there would be quite a lot of other people*'.²¹¹

4.14.59 OLGR asked what Dr. Cheng knew of Mr. Chau between 2013 and 2015. Dr. Cheng advised '*I know Chau is in gambling... I therefore discussed with him in 2013 in the IEC transaction. I know he is in the junket business and it's the junket business that he wants to inject into IEC and I don't like the junket business. I don't want to be connected with junket business and therefore, at the end, the deal did not proceed because I objected to it*'.²¹²

4.14.60 OLGR asked Dr. Cheng what about the junket business he did not like nor want to be associated with. Dr. Cheng advised '*...junket business normally would have complications in the background. And this is because, I personally as well as my company, place heavy emphasis on reputation. Hence, I would not enter into a joint venture*'.²¹³ The interpreter then clarified '*Sorry. Ah, Mr. Cheng corrected me. Ah, it should be equity, ah, joint venture. Equity investments together with people in the junket business*'.²¹⁴ Dr. Cheng then continued '*Because, if we have equity together, then it would be like I would be doing junket business*'.²¹⁵

4.14.61 PKF asked Dr. Cheng whether he would be comfortable entering a non-equity arrangement with a junket operator. Dr. Cheng advised '*It depends on the mode of cooperation*'.²¹⁶

4.14.62 OLGR asked Dr. Cheng to elaborate on the "complications" he mentioned regarding junket businesses. Dr. Cheng advised '*The details, I don't know. That is because I don't know about junket business. However, my personal observation is that, in respect of this*

²⁰⁹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 14

²¹⁰ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 14

²¹¹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 18

²¹² Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 15

²¹³ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 15

²¹⁴ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 15

²¹⁵ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 15

²¹⁶ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 17



*[sic] kind of transactions concerning gambling involving junket business, that there would not be a lot of documentation or legal support for the transactions. Maybe not everybody is complicated. That, I wouldn't know.*²¹⁷

4.14.63 OLGR probed whether the word "complicated" referred to an '*understanding that the junket business may not always necessarily be legal?*'.²¹⁸ Dr. Cheng replied '*I don't know whether it is legal or not. This would be a matter for the government to determine. But, in the majority of cases, the people involved would be rather complicated.*'²¹⁹

4.14.64 OLGR asked what Dr. Cheng meant when he described the people involved as complicated. Dr. Cheng stated '*I am not saying this in respect of all junkets, but the majority of them could be complicated. It could be that this could involve illegal activities, association with triads or even being triad members themselves.*'²²⁰

4.14.65 PKF probed '*When you were discussing junkets operators and we were discussing them being complicated, you mentioned... there not being a lot of legal documentation in relation to... their manner of being complicated, could you please tell me what you meant by that?*'.²²¹ Dr. Cheng responded '*I was talking about the operation within VIP rooms, that, for this kind of operation, ah, there may not be, ah, formal legal documentation that protects the transactions. Ah, of course, if there is any cooperation, then they would have to have proper legal documentation. But I really don't know how it operates; this is only my impression.*'²²²

4.14.66 OLGR referred to the IEC proposal not proceeding because the financial due diligence was unsatisfactory and asked Dr. Cheng whether he was aware of any other forms of due diligence undertaken at that time (2014/2015). Dr. Cheng replied '*Due diligence at the end of the day is for me to say whether it is okay or not. I don't like it, I therefore rejected it.*'²²³

4.14.67 PKF asked Dr. Cheng what he knew of Mr. Chau's business, to which Dr. Cheng replied '*I only know the following points concerning Chau and Suncity. They have a lot of VIP rooms in Macau and, in Macau, they are number one in terms of volume. How they operate, their mode of operation is not clear to me.*'²²⁴

4.14.68 OLGR asked Dr. Cheng about what due diligence the CTF Group had undertaken in relation to the Vietnam Project. Dr. Cheng provided the following comments:

²¹⁷ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): pages 15 and 16

²¹⁸ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 16

²¹⁹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 16

²²⁰ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 16

²²¹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): pages 19 and 20

²²² Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 20

²²³ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 17

²²⁴ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 19



- a. *'No, not CTF. But I personally went down and that was only one occasion that I did that to look at the site'.²²⁵*
- b. *'No, not at the time because, at the time, people in Chow Tai Fook would not know about this project yet'.²²⁶*
- c. *'No, I would operate in accordance with my gut feeling'.²²⁷*

4.14.69 OLGR asked Dr. Cheng about feedback from the Vietnamese Government that Mr. Chau and Star Admiral did not have sufficient financial strength to be a shareholder in the Vietnam Project. Dr. Cheng advised *'... I knew that Chau would be involved, but he was not a shareholder. I told clearly, ah, VMS at the time that my interest was, ah, in respect of hotel and resorts. I knew that there was a casino so I told VMS clearly that, if it is possible to segregate a casino and let Chau to handle that casino business, then I would be interested. This position, I have informed VMS but I have not told other people. So, in 2015, when I heard that the Vietnamese government said, ah, Chau would not be financially strong enough and he may have to exit, I actually welcomed it'*²²⁸ (emphasis added).

4.14.70 OLGR referred to statements by CTFE in the Factual Background Document that *'CTFH believed that, if Suncity and Mr. Alvin Chau were to become involved in the Vietnam Project, OLGR would require additional probity checks to be undertaken on Mr. Chau and Suncity. CTFH had concerns that Mr. Chau and Suncity would not assist as they did not have any interest in the Queen's Wharf project here in Brisbane'*.²²⁹ OLGR asked Dr. Cheng whether he or anyone else in CTFH had any other concerns in relation to Mr. Chau or Suncity Group, other than their potential reluctance to participate.²³⁰

4.14.71 There were some difficulties in Dr. Cheng's understanding of this question. Dr. Cheng advised *'I don't know that the factual background and you – this kind of documents. I don't know about these documents'*.²³¹ Dr. Cheng subsequently added *'I don't know the existence of the factual background that CTFE submitted. But – but could I just tell you what happened in 2014 and 2015 from my perspective? The details, of course, I could not recall. VMS introduced this project. So I told VMS I'm very interested as a resort project. Gaming is only part of the amenities of the resort project. At the time, there were already – at the time, there were already two consortium partners. So I told VMS that it would be better if Alvin Chau would not be a shareholder. The casino should be clearly*

²²⁵ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 23

²²⁶ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 23

²²⁷ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 24

²²⁸ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): pages 26 and 27

²²⁹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 28

²³⁰ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): pages 28 and 29

²³¹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part I): page 29



segregated. After that, I didn't follow up. Afterwards, I came to understand that management and VMS established a consortium, and the consortium took the form of equity. I was very dissatisfied at the time... that Vietnamese government apparently has some views concerning Chau. So I thought it would be better if Chau would cease to be a shareholder. So my thinking was, this would have nothing to do with the Australian investment. So I explained to the Australian government then that I had no relationship or transaction with Chau. This is the position from my perspective because I place heavy emphasis on reputation. I'm thinking I did not share directly with management. I could not tell management that, in assessing every project, they have to assess reputation as well because it would then be very hard for them to assess the project as to whether they are viable. Because reputational considerations are subjective, while financial analysis, they are objective. But at the end of the day, for large major projects, I will be the ultimate person making the call. But I wouldn't go into the details and I would not be familiar with details of documents. I acknowledge that, in respect of this project, there might have been some misunderstanding between management and myself. That's it²³² (emphasis added).

4.14.72 PKF asked Dr. Cheng to clarify his statement regarding not telling management to assess reputation. Dr. Cheng clarified 'I'm not saying that I ask management not to consider reputational aspects, I'm saying that I did not tell management about my views'.²³³ PKF clarified with Dr. Cheng that 'it was not a matter of... management not considering reputation, it was that you did not inform management of your views regarding reputation?'.²³⁴ Dr. Cheng confirmed that was correct.

4.14.73 When discussing CTFE's responses to OLGR and PKF's previous information requests, Dr. Cheng stated '...as regards my view on Alvin Chau, yes, I did not tell management. I didn't disclose the reason why I would not like to have business with Alvin Chau. So it may be a sort of communication problem between myself and management. From my – speaking about myself personally, it is because I have concerns I don't like Mr. Chau, that I don't want to have any business with him. I believe management did not intend to pursue anything. It could be that there had been some communication issues or people putting in different interpretations so it's an interpretation problem. If it's just because that, that we have created any embarrassment on your part, I can represent management to apologise to you. I can assure you and I can affirm... definitely will not do anything improper'.²³⁵

²³² Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): pages 30 and 31

²³³ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 33

²³⁴ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 33

²³⁵ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 2): pages 2 and 3



Mr. Jacob Lee

4.14.74 Mr. Lee was interviewed by OLGR and PKF on 10 November 2023.

4.14.75 OLGR asked Mr. Lee what interactions he had with Mr. Chau when GYE was first set up in 2014. Mr. Lee replied '*I did not have any interaction with him*'.²³⁶ OLGR then asked whether Mr. Lee had any interactions with Mr. Chau since then. Mr. Lee responded '*Not with Mr. Chau. No*'.²³⁷

4.14.76 OLGR asked Mr. Lee whether he had any interactions with Mr. Chau in a group setting. Mr. Lee advised '*In a group setting. So I did, ah, see him, I think in one or two of these, um, ExComm meetings, ah, that he appeared. Um, but I did not speak with him directly*'.²³⁸

4.14.77 OLGR then asked whether Mr. Lee recalled what role Mr. Chau played in the Executive Committee meetings and what Mr. Chau discussed. Mr. Lee stated '*So, he was... the controller... of... Star, or – or Suncity, right. Um, so when he attended these meetings, ... he would just come in to, I suppose... hear... the different presentations... made by the project team, to understand the progress... of, ah, the development right. I think he would give... some comments in relation to... the design... of the casino. Because... he is, um, he was... at that point in time, at least, ...portrayed to be very successful, a very successful player in the gaming industry... So he came in to – to give some inputs on that front*'.²³⁹

4.14.78 PKF asked Mr. Lee whether Mr. Chau had discussed the junket business at the Executive Committee meetings, to which Mr. Lee replied '*... he did not make a presentation or a detailed discussion on the junket business model, right. Um, so he did not, yeah*'.²⁴⁰

4.14.79 PKF asked Mr. Lee whether he knew in 2014 that Mr. Chau was a junket operator. Mr. Lee replied '*he was... portrayed in the media, to be a very successful... gaming operator, oh, sorry, a player in the gaming industry. Ah, I think people would call him junket operator. So yes, I do know of him as a junket operator, probably the biggest ...in Macau at that point in time. Ah, with regards to... junket operation, or junket... gaming model, right. Ah, what I understand is that they would basically introduce... gaming customers... from various parts of the world..., perhaps, ...people from China, ...and they bring these customers... to Macau, and to the other jurisdictions that they operate. Ah, and in turn I think they also extend credit... to these players... to gamble*'.²⁴¹

²³⁶Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 17

²³⁷ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 17

²³⁸ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 17

²³⁹ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, pages 17 and 18

²⁴⁰ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 20

²⁴¹ Official transcript of interview with Mr. Jacob Lee on 10 November 2023, page 21



4.15 Information from CTFE regarding apparent inconsistencies in its responses to OLGR and PKF's information requests

CTFE submission dated 29 October 2023

4.15.1 Following receipt of CTFE's submission on 9 October 2023, OLGR wrote to CTFE requesting a detailed explanation of the apparent discrepancy between the response received by OLGR on 20 May 2022 and the disclosure made to OLGR on 9 October 2023, with respect to the Vietnam Project. OLGR requested CTFE's response include:

- a. *'The reason why differing information was provided to OLGR on separate occasions (being 20 May 2022 and 9 October 2023)'; and*
- b. *'Noting the question put to CTFE by OLGR on 22 April 2022 regarding Hoiana Integrated Resort, explain why CTFE did not disclose the apparent involvement of CTFE and/or CTFE associates in the 'ownership, management, administration, or financing' of the casino complex at Hoiana in its response dated 20 May 2022.*

4.15.2 CTFE replied on 29 October 2023, stating *'CTFE acknowledges that the information provided in [HWLE's] email of 20 May 2022 was substantially less fulsome than the information which it provided to the OLGR on 9 October 2023.*

CTFE accepts that it took far too narrow a view of the scope of OLGR's questions in its 20 May 2022 email. CTFE unreservedly apologises for its failure to fully and properly address the OLGR's relevant question at the time of preparing its 20 May 2022 response and wishes to express its regret and contrition about this. It will not happen again'.

Dr. Henry Cheng

4.15.3 During interview with Dr. Cheng on 9 November 2023, OLGR put to Dr. Cheng that *'From the information and documents provided to OLGR up until 9 October 2023 – so a month ago – OLGR was led to believe that Chow Tai Fook group was not involved in the Vietnam Project and we were [not] informed of any loans to Mr. Ho and Alpha Era to fund the Vietnam project. However, on 9 October 2023, we have been advised that there were loans of USD\$388 million approximately. It could be perceived that we have been misled or misinformed which puts at risk the integrity and reputation of the Queensland Government. What do you have to say to that?'*²⁴²

4.15.4 Dr. Cheng replied *'I don't think so. Um, first of all the – the – the money that was lent, they could have borrowed from other sources as well, um, finance companies, ah, but the projects we have no involvement – no involvement in – in the affairs except hotel management, ah, which is pretty standard. Honestly, um, we were not involved in the*

²⁴² Official transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 2): pages 1 and 2



project as such. If there is any misleading, um, then, ah, this is something that management was responsible and clearly they did not intend to mislead. Maybe it is just a question of how it was presented. As far as the loans are concerned, it is quite clear that Ho didn't want to come up with the money so we had to lend money to him'.²⁴³

4.15.5 OLGR then stated '*Dr Cheng, I think you – and let me just summarise this as best as I can... – you've... said in your interview today that you did have concerns over junket operations Suncity, Mr Chau, back in sort of that 13 to 15 period, um, but you didn't necessarily these concerns to management. And it's actually management, from what I can – can – what I'm hearing in your evidence – that have been responding on behalf of, um, CTFE to OLGR here in Brisbane. Therefore is it possible that that disconnect has led to, um, some of these inaccurate responses being provided to the Regulator here in Brisbane?*'.²⁴⁴ In relation to this question, PKF notes that Mr. Patrick Tsang (CTFE CEO) was aware of the arrangements involving the CTF Group, Alpha Era and the Vietnam Project, and the internal CTF Group legal team assisted with legal documentation related to the arrangements, and on this basis, in our opinion, ought reasonably to have been aware of the arrangements.

4.15.6 Dr. Cheng responded to OLGR's question, stating '*...let's put in this way. Um, as regards my view on Alvin Chau, yes, I did not tell management. I didn't disclose the reason why I would not like to have business with Alvin Chau. So it may be a sort of communication problem between myself and management. From my – speaking about myself personally, it is because I have concerns I don't like Mr Chau, that I don't want to have any business with him. I believe management did not intend to pursue anything. It could be that there had been some communication issues or people putting in different interpretations so it's an interpretation problem. If it's just because that, that we have created any embarrassment on your part, I can represent management to apologise to you. I can assure you and I can affirm... definitely will not do anything improper. It is very easy for you to check on our reputation whether it be with banks, political circles, government, the police*'.²⁴⁵

Mr. Patrick Tsang

4.15.7 During interview with Mr. Tsang on 8 November 2023, OLGR put to Mr. Tsang that '*you are aware of the media allegations that were made in relation to Chow Tai Fook, ah, by certain media outlets here in Australia, and associations with Mr Alvin Chau, and that we now find ourselves in this position and – and discovering, ah, these, um, I won't call them interests because you don't call it interest... but these loans and these guarantees, but*

²⁴³ Official transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 2): page 2

²⁴⁴ Official transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 2): pages 2 and 3

²⁴⁵ Official transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 2): page 3



*yet we have been told previously that there is no involvement. So surely you can appreciate the difficulties we now face in how we proceed and – and take that information, and how we interpret it.*²⁴⁶

4.15.8 Mr. Tsang responded *'Um, the reports, right, that were, ah, in the media, ah, unfortunately a lot of the facts, ah, were incorrect. Um, it is our policy not to comment on, um, external stuff, right – we certainly do not want to embroil ourselves with some battle with – with the television station or reporters in – in Australia, that is not, ah, that is not what we do, um, but it is unfortunate that, ah, that those incorrect information were circulated. Throughout the process of that it caused again an inconvenience to you, or to other parties, we apologise, um, for that, but we also see ourselves, ah, as a victim, um, so to speak, ah, you know, we – we, ah, as well I believe as you are very focussed on putting this behind us, moving forward, opening Destination Brisbane, having an excellent, excellent, ah, hospitality destination for Australia and, um, we will work with you, right, to make that happen.'*²⁴⁷

4.15.9 OLGR put to Mr. Tsang that *'... you have used the words, ah, that, you know, are not fulsome, ah, the responses weren't fulsome... do you believe Chow Tai Fook responses to OLGR's... requests were misleading?'*²⁴⁸

4.15.10 Mr. Tsang replied *'I personally will not use the word, um, misleading, um, there – there is no intention to, ah, to mislead you, um, they were not fulsome, they were not, um, adequate, perhaps it was inadequate'*²⁴⁹ *... I wouldn't use the word misleading, but we have fallen – we have fallen short, and we have inconvenienced you.*²⁵⁰

4.15.11 OLGR asked Mr. Tsang *'... who made the decision on what information Chow Tai Fook chooses to disclose... to OLGR, especially during this suitability investigation where we have asked questions about the Vietnam project. Um... – you have told us that ultimately the responsibility lies with you as the CEO... is that correct, or do you want to add a bit more volume to that on who – who makes the decision on what information is included?'*²⁵¹

4.15.12 Mr. Tsang replied *'the information... is submitted to you on behalf of CTF, so CTF is... responsible... how we came up with what we, ah, put down, as CEO obviously I am not... involved in the nitty gritty, or the word smithing of the document, but the flipside as CEO*

²⁴⁶ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): page 11

²⁴⁷ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): pages 11 and 12

²⁴⁸ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): page 12

²⁴⁹ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): page 12

²⁵⁰ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): page 13

²⁵¹ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): page 13



is of course I am responsible, right... but there is an execution team that worked on the documents, yes'.²⁵²

4.15.13 PKF then put to Mr. Tsang that '*a number of requests that were made to you and CTFE... in relation to information about the Vietnam project, there was also the media article late last year which actually mentioned Mr. Chau, and the Vietnam project, and there had been secrecy around that. So there were a number of opportunities for you and... CTFE, I suppose to come forward with this information before... you finally did... in the later part of this year. Um, do you have anything further to say on that point?*'.²⁵³

4.15.14 Mr. Tsang replied '*no, other than... again it is reiterated what I have said which is... any inconvenience... caused... is not intentional, ... we realise we have fallen short, and we want to rectify that, and hopefully we have*'.²⁵⁴

Remediation proposal

4.15.15 Following the above interviews, on 14 November 2023, HWLE wrote on behalf of CTFE (by email) to OLGR and PKF. HWLE stated:

'... This email is to follow up on the comments made by Mr Patrick Tsang last week that CTFE is committed to putting new arrangements in place with OLGR to avoid any risk of a miscommunication between CTFE and OLGR arising again in connection with the Queens Wharf Integrated Resort.

As several interviewees mentioned during last week's interviews, CTFE regrets that in the past it has not lived up to expectations in reporting to OLGR and is committed to ensuring that this cannot and will not happen again.

Our client has been giving some thought to how this could be achieved, and has asked us to share its thinking with you for the purposes of getting feedback before it progresses to a formal detailed proposal. To state the obvious, CTFE wants to ensure that its detailed proposal will not leave out any significant area which OLGR would like to see addressed...'.²⁵⁴

4.15.16 The email from HWLE contained a voluntary proposal from CTFE regarding steps it may take to improve its reporting to OLGR. These have been considered in our recommendations at Section 11.1 of this report.

4.15.17 A copy of the email is provided as Appendix 14 - of this report.

²⁵² Official transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): page 13

²⁵³ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): pages 13 and 14

²⁵⁴ Official transcript of interview with Mr. Patrick Tsang on 8 November 2023 (Part 2): page 14



5. Alleged links between New World and organised crime figures

5.1 Allegations

- 5.1.1 On 22 August 2022, the ABC Article made several allegations, which are summarised for the purposes of this report as "Media Allegation 2".

Media Allegation 2:

CTF Group subsidiary, "New World", is frequently the venue of meetings involving triad figures and is a front for money laundering

- 5.1.2 The statements contained in the ABC Article relevant to Media Allegation 2 include:

- a. *'Hong Kong police contacts also suspected Cheng Yu Tung's company New World, a Chow Tai Fook subsidiary, was being used as a front for money laundering. The brief cautioned there was no definitive proof, but noted the company headquarters was "frequently the venue for meetings involving well-known Triad figures'.*

5.2 Findings

- 5.2.1 Our investigation found Media Allegation 2 to be unsubstantiated on the basis of the evidence available.

Alleged business association with Kwok

- 5.2.2 [REDACTED]

- 5.2.3 [REDACTED]



5.2.4



5.2.5

5.2.6



Alleged money laundering activities

5.2.7 No evidence of money laundering activities was established during our review.

5.2.8 Detailed discussion regarding our analysis and the basis of our findings is provided below.

5.3 Character of Kwok Wing-Hun

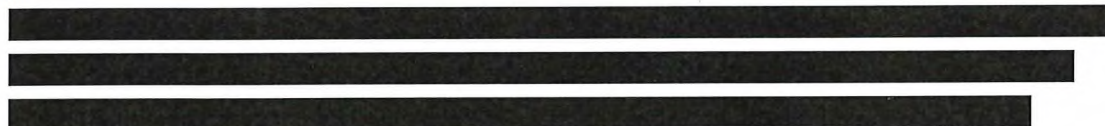
5.3.1 According to media reports, Kwok (known colloquially as "Shanghai Boy") was allegedly the head of the Wo Shing Wo Triad from 1998 to 2000 and remains a senior leader of the group.²⁵⁵

5.3.2 Kwok has been apprehended by Hong Kong Police on multiple occasions between 2012 and 2020 for criminal charges including intimidation, blackmail, assault and criminal damage, however he has not been convicted in relation to any of the charges.

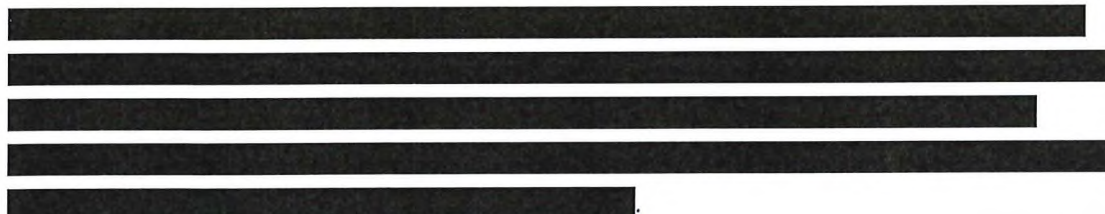
5.4



5.4.1



5.4.2



²⁵⁵ <https://www.scmp.com/news/hong-kong/law-crime/article/2117994/who-hong-kongs-alleged-triad-leader-shanghai-boy-kwok-wing>; https://www.sohu.com/a/530832704_120889728



5.4.3

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5.5 Additional information sought from CTFE

February 2023 PKF Information Request

- 5.5.1 On 28 February 2023, as part of the Ongoing Suitability Review, PKF wrote to CTFE via HWLE stating '*Intelligence suggests Henry Kar Sun Cheng [Dr. Henry Cheng] has met alleged Wo Shing Wo triad member, Kwok Wing-hung (Shanghai Boy). Please provide details of their relationship*'.
- 5.5.2 HWLE responded on 14 March 2023, stating '*As far as Dr. Cheng can recall, he has seen Mr. Kwok Wing-hung on one occasion only. It was an unplanned chance encounter where Dr. Cheng was at a dinner venue and Mr. Kwok happened to appear briefly. No introduction was made and there was no dialogue with Dr. Cheng. Dr. Cheng does not have any personal contact or relationship, nor has he conducted any transaction, with Mr. Kwok* (emphasis added).

Subsequent information requirement

- 5.5.3 On 26 July 2023, PKF wrote to HWLE requesting further information regarding [REDACTED].

Subsequently, on 15 September 2023, OLGR wrote to HWLE providing an information requirement regarding PKF's queries. [REDACTED]

[REDACTED] and, relevant to this topic, included:

- a. '*Copies of any criminal activity log of Chow Tai Fook Enterprises Limited (CTFE), New World Development Co Ltd ('NWD') and NWS Holdings Ltd ('NWS'), or any analogous document that records any incidents with persons associated with organised crime, referencing Kwok Wing Hung ('Kwok')*' (emphasis added).
- b. '*Copies of any "threat impact assessment statements", or similar threat or risk assessments, involving CTFE, NWD and NWS relating to Kwok*' (emphasis added).
- c. '*Copies of any CTFE policies and procedures or other such documents which relate to managing possible interactions with individuals associated with or allegedly associated with organised crime, including but not limited to "line to take policy" and any other policy or procedure which relates to Kwok*' (emphasis added).

- 5.5.4 On 9 October 2023, HWLE responded to OLGR's information requirement stating that in relation to:

- a. Criminal activity logs: '*None of CTFE, NWD or NWS is required under any legislation to, and none of them do, keep any such logs or documents*'.



- b. "Threat impact assessment statements": *'None of CTFE, NWD or NWS is required under any legislation to, and none of them do, keep any such statements or assessments, whether in relation to Kwok or any other person for that matter'.*
- c. A "line to take policy" regarding Kwok: *'CTFE does not have any written policies, procedures or documents that specifically apply to managing possible interactions with individuals associated with or allegedly associated with organised crime'.* The response then referenced the CTFE code of conduct sections relating to anti-bribery laws and prohibition on ties with questionable individuals'.

5.6 November 2023 interviews of CTFE senior management

5.6.1 In November 2023, PKF and OLGR interviewed CTFE senior management to seek clarification regarding queries and information identified during our review and provide CTFE the opportunity to provide relevant information in relation to our investigation. In relation to the concerns regarding alleged links between NWD and organised crime figures, we interviewed:

- a. Mr. Ma Siu-Cheung ("Mr. Ma") (NWD Executive Director and NWS Holding Ltd Chief Executive Officer), and
- b. Dr. Henry Cheng (Chairman of CTFE).

Interview of Mr. Ma

5.6.2 During interview, Mr. Ma advised that he had joined NWS as its Chief Operating Officer on 9 July 2018 and was appointed its Chief Executive Officer on 1 January 2019. On 1 July 2022, Mr. Ma was appointed an Executive Director of NWD. [REDACTED]

[REDACTED]. The Chief Executive Officer of NWD is recorded on the company website as Dr. Adrian Cheng Chi-Kong.²⁶⁰

5.6.3 The office location advised by Mr. Ma was different to the location advised by [REDACTED] who described an alleged meeting involving Mr. Ma and Kwok.

5.6.4 Mr. Ma advised he had never met Kwok and had only heard of him through media reports. Mr. Ma stated he was not aware of any relationship between Dr. Henry Cheng and Kwok and was not aware of the "unplanned chance encounter" between Dr. Cheng and Kwok advised by CTFE.

²⁶⁰ <https://www.nwd.com.hk/corporate/about-NWD/leadership>



5.6.5 Mr. Ma stated he was not aware of any visits by Kwok to NWD Headquarters nor any other NWD property; and was not aware of a LTT policy, threat impact assessments or security reports regarding Kwok.

Interview of Dr. Henry Cheng

5.6.6 During interview, Dr. Cheng confirmed he is the Chairman of and an Executive Director of NWD and NWS. Dr. Cheng advised he had never met Kwok in this capacity and was not aware of any company executives interacting with Kwok.

5.6.7 Dr. Cheng advised he had heard of Kwok through media reports. When asked how he knew it was Kwok in the restaurant during the "chance unplanned encounter" previously advised by CTFE, Dr. Cheng stated it was because of his loud clothes for which Kwok was known.

5.6.8

[REDACTED]

5.6.9 Dr. Cheng was asked regarding an article that described NWD premises being vandalised, allegedly by [Kwok]. Dr. Cheng advised he could not recall this incident, however noted that the article was over 10 years ago and it '*would be unsurprising in a way... It may be that, in the course of the business, somebody got disgruntled and this could arise...*'.²⁶¹

5.6.10 Dr. Cheng was asked, noting the sensitivity of the topic, whether he was aware of any extortion or blackmail attempts in relation to Cheng family members or senior executives of the CTF Group. Dr. Cheng denied any knowledge of extortion or blackmail. When this question was put to Mr. Conrad Cheng and Mr. Patrick Tsang, they also denied any knowledge of any extortion or blackmail attempts. When the subject was put to interviewees, OLGR emphasised the sensitivity of the subject and advised that specific details regarding any such attempts were not required.

²⁶¹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 9.



6. STDM and alleged associations

6.1 Allegations

- 6.1.1 On 22 August 2022, the ABC Article made several allegations, which are summarised for the purposes of this report as “Media Allegation 3”.

Media Allegation 3:

CTF Group’s interest in STDM has resulted in a partnership between Dr. Cheng Yu Tung and a person not of good repute, Mr. Yip Hon; and, that another person not of good repute, “Broken Tooth” Koi, held an \$8 million interest in a VIP room owned by Dr. Cheng Yu Tung and Mr. Stanley Ho.

- 6.1.2 The statements contained in the ABC Article relevant to Media Allegation 3 include:
- a. *‘14K leader “Broken Tooth” Koi, who Macau prosecutors alleged held an \$8 million stake in a VIP room owned by Cheng and Ho’; and*
 - b. *‘... Chow Tai Fook’s stake in STDM put Cheng in “direct partnership” with Yip Hon, a property mogul who was named in US government reports as an organised crime figure and Triad member’.*

6.2 Findings

- 6.2.1 Our investigation found Media Allegation 3 to be unsubstantiated on the basis of the evidence available.

Alleged partnership with Yip Hon

- 6.2.2 Information obtained during the Initial Suitability Review indicates Mr. Yip Hon sold his interest in STDM to Dr. Cheng Yu Tung. Dr. Cheng Yu Tung’s interest in STDM (which subsequently transferred to CTFH) would therefore not result in a partnership with Mr. Yip Hon.

Alleged VIP room

- 6.2.3 Dr. Henry Cheng and Mr. Patrick Tsang’s roles as directors of STDM and non-executive directors of SJM do not appear to have involved them in the detailed operation of STDM, SJM or the L’Arc Casino. Dr. Cheng and Mr. Tsang have denied any knowledge of the Guoying VIP Club. On the basis of the information available, the allegation regarding a VIP room owned by Dr. Henry Cheng and Ms Stanley Ho is not substantiated.



6.2.4 Detailed discussion regarding our analysis and the basis of our findings is provided below.

6.3 Corporate structure of STDM and SJM

Equity structure

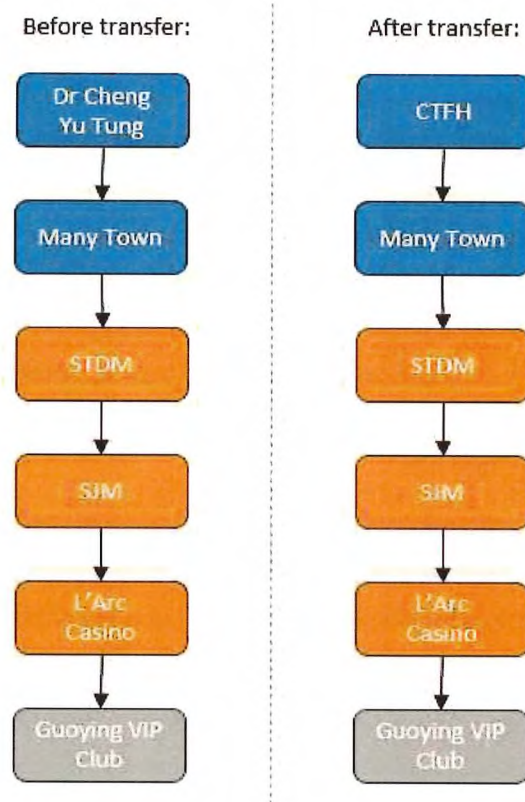
- 6.3.1 STDM is a Macao registered gaming company that was established in 1962 by Mr. Stanley Ho and Mr. Henry Fok. STDM held a gaming monopoly in Macao for almost four decades, until 2001, when the government granted additional gambling concessions through an open tender. STDM continues to operate casinos through its subsidiary, SJM, which is one of six licensed casino operators in Macao.
- 6.3.2 STDM was discussed in the Probity Report, which stated that in October 1982 'After falling out with Stanley Ho, Yip Hon... [sold] his STDM shares in a deal reportedly worth HK\$300M. CYT buys into STDM via Many Town'²⁶²
- 6.3.3 Correspondence between CTFE and OLGR at the time of the Initial Suitability Review states Dr. Cheng Yu Tung acquired a 9.6% interest in STDM. The interest was acquired via a Hong Kong incorporated entity called Many Town Co Ltd ("Many Town"). At the time, Many Town was ultimately 93.3% owned by Dr. Cheng Yu Tung.
- 6.3.4 On 20 June 2017, Dr. Cheng Yu Tung's interest in Many Town (and STDM) was acquired through CTFH's wholly owned subsidiary, Sky Warrior Investments Limited ("Sky Warrior"). CTFH continues to indirectly own 93.3% of Many Town and 9.6% of STDM. Corporate filings as at 22 September 2022, showed STDM held a 61.9% interest in SJM. We understand that CTFE does not hold an equity interest (indirect or otherwise) in STDM or SJM.

²⁶² Probity Report: page 30



6.3.5 Figure 7 below provides an illustration of the STDM corporate structure advised by CTFE.

Figure 7: STDM corporate structure



Directorships

6.3.6 CTFE have advised the following directorships in relation to:

a. STDM:

- i. Many Town is a corporate director of STDM.
- ii. Dr. Henry Cheng is Many Town's representative and acted as a director of STDM from 4 December 2008 to 28 March 2018.
- iii. Mr. Patrick Tsang replaced Dr. Henry Cheng in his capacity as a director of STDM on 28 March 2018.

b. SJM:

- i. Dr. Henry Cheng was a non-executive director of SJM from 31 May 2013 to 11 June 2019.
- ii. Mr. Patrick Tsang replaced Dr. Henry Cheng in his capacity as a non-executive director of SJM on 11 June 2019.

6.3.7 On 14 March 2023, CTFE advised PKF and OLGR that:



- a. In relation to the above directorships, Dr. Cheng Yu Tung, Dr. Henry Cheng and Mr. Patrick Tsang were/are *'not involved in any of the day-to-day management or operations of STDM or SJM; and*
- b. Dr. Henry Cheng's interest is *'purely passive and financial, i.e. to secure a continuing flow of dividends from STDM.*

6.3.8 During interview, Mr. Patrick Tsang advised his responsibilities as a non-executive director of SJM included attending *'meetings when required'* and *'... we probably have 5% or so stake in the company... We have a board seat... I go to the board meetings and... it hopefully makes them look good too...'* Mr. Tsang stated he did not have any influence over business operations of the company and is not involved in the day-to-day management. He is *'aware of what's happening in the company, but day to day... I'm not in'*.²⁶³

6.4

6.4.1

6.5 Information provided by CTFE in response to our queries

6.5.1 On 28 February 2023, PKF wrote to HWLE in relation to

²⁶³ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part II, page 18 to 20.



7. Findings regarding sections 20(1)(a) and (f) of the Act

7.1 Background

- 7.1.1 Sections 4 to 6 of this report provide our detailed analysis and findings in relation to the allegations made regarding CTFE and its associates within media reports. These include allegations that:
- a. The CTF Group has a concealed relationship with a person not of good repute, Mr. Alvin Chau, through an ongoing interest in the Vietnam Project (Media Allegation 1: discussed at Section 4);
 - b. CTF Group subsidiary, "New World", is frequently the venue of meetings involving triad figures and is a front for money laundering (Media Allegation 2: discussed at Section 5); and
 - c. CTF Group's interest in STDM has resulted in a partnership between Dr. Cheng Yu Tung and a person not of good repute, Mr. Yip Hon; and, that another person not of good repute, "Broken Tooth" Koi, held an \$8 million interest in a VIP room owned by Dr. Cheng Yu Tung and Mr. Stanley Ho (Media Allegation 3: discussed at Section 6).
- 7.1.2 A compilation of the media reports attached to the investigation terms of reference is provided at Appendix 3.
- 7.1.3 The terms of reference to our investigation also require PKF to provide findings relevant for the Minister to assess the repute of CTFE and its associates in relation to sections 20(1)(a) and (f) of the Act. This section of the report (Section 7) contains our detailed findings in that regard.



7.2 Findings regarding sections 20(1)(a) of the Act

Reproduction of applicable legislation

7.2.1 Section 20(1)(a) of the Act states:

'20 Suitability of casino licensee and other persons

(1) Prior to an agreement being entered into, the Minister shall cause to be undertaken such investigations as are necessary to satisfy the Governor in Council or shall require the casino licensee and all persons whether natural persons or not associated or connected or to be associated or connected, in the opinion of the Minister, with the ownership, administration or management of the operations or business of the casino licensee to satisfy the Governor in Council that such casino licensee and such persons as aforesaid are suitable persons to be associated or connected with the management and operations of a hotel-casino complex or casino having regard to the following matters appropriate to them respectively, that is to say—

(a) that each person in question is of good repute, having regard to character, honesty and integrity.' (emphasis added).

Scope of review

7.2.2 The persons and entities considered by our investigation in relation to section 20(1)(a) of the Act, include:

- a. CTFE
- b. Dr. Henry Cheng (CTFE Chairman), and
- c. Mr. Patrick Tsang (CTFE Chief Executive Officer).

7.2.3 Findings were not made in relation to Mr. Conrad Cheng and Mr. Jacob Lee as we understand they will not be involved in the operation of the QWB casino.



Summary of findings

7.2.4 The following tables summarise the investigation findings we consider are relevant to the reputé of each of the above persons (whether natural persons or not) associated with the ownership, administration or management of the operations or business of the casino licensee, having regard to character, honesty and integrity. Our findings are based on the information and analysis discussed at sections 4 to 6 of this report.

7.2.5 Table 9 provides a summary of our findings in this regard for consideration regarding the reputé of CTFE.

Table 9: Findings for consideration regarding CTFE in relation to section 20(1)(a) of the Act

Person	CTFE
Finding	<p>In our opinion, CTFE did not provide incorrect, incomplete and/or inconsistent information in its submissions to OLGR on 20 May 2022, 9 December 2022 and 14 March 2023.</p> <p>During the latter stage of this investigation, following an information requirement issued by OLGR under section 30C of the Act, CTFE disclosed significant additional information regarding the nature and extent of its associations with Mr. Chau, the owners of Alpha Era, and the Vietnam Project.</p> <p>On 14 November 2023, CTFE made voluntary submissions regarding steps to improve its reporting to OLGR and '<i>avoid any risk of a miscommunication between CTFE and OLGR arising again in connection with the Queens Wharf Integrated Resort</i>'²⁶⁴. CTFE's proposal has been considered in our review recommendations provided at Section 1.7 of this report.</p>
Basis	<p>To avoid duplication, we refer to our findings provided in respect of Media Allegation 1 (from paragraph 4.2.12 to 4.2.35) regarding, what in our opinion was, incomplete and/or inaccurate information provided by CTFE in its submissions to OLGR on 20 May 2022, 9 December 2022 and 14 March 2023. Based on these submissions, it had been understood that:</p> <p>a. '<i>CTFH disposed of its entire controlling stake in GYE in April 2016 to Alpha Era...</i>'</p>

²⁶⁴ HWLE email to OLGR and PKF dated 14 November 2023



- b. *'Alpha Era is owned by a third party [sic] wealthy and well connected [sic] investor...' (emphasis added).*
- c. *'The Chow Tai Fook group is not involved in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates...' (emphasis added) other than hotel management activities related to the Vietnam Project.²⁶⁵*
- d. *'Aside from the hotel management agreements referred to, there are no other agreements, directorships or business relationships between CTFE and the casino or the hotels of the Hoiana Integrated Resort' (emphasis added).*

PKF submitted an information request to CTFE (through HWLE), dated 26 July 2023, based on intelligence identified during our investigation. This was followed by a related information requirement issued by OLGR on 15 September 2023 under section 30C of the Act requiring a response from CTFE by 9 October 2023. On 9 October 2023, as required, CTFE submitted substantive new information in response to OLGR and PKF's requests. The CTFE submission, dated 9 October 2023, contained new information regarding the nature of the CTF Group's associations with Mr. Chau, the owners of Alpha Era and the Vietnam Project. The new information contained in CTFE's response appeared to be inconsistent with CTFE's earlier submissions to OLGR and PKF and included details of:

- a. The CTF Group having sold 50% of its interest in GYE to Star Admiral (Mr. Chau's personally owned company).
- b. Close business and personal relationships between the CTF Group and the owners of Alpha Era (who were business associates of Mr. Chau through their shared interest in GYE²⁶⁶).
- c. Substantial management, administrative, payment and legal services provided by CTFE and/or the CTF Group or controlled entities to Alpha Era in relation to its investment in the Vietnam Project. CTFE advised that Alpha Era did not hold a bank account whilst it was owned by Mr. Ho and, therefore, a CTF Group affiliate made payments on behalf of Alpha Era.

²⁶⁵ HWLE email to OLGR dated 20 May 2022 in response to OLGR's letter to CTFE

²⁶⁶ Mr. Chau's interest in GYE was held through Star Admiral and subsequently the Suncity Group.



- d. A corporate directorship held by Skywalker (which was a CTFE and CTF Group controlled entity for the relevant periods) in respect of Alpha Era. CTFE Senior Vice President, Mr. Jacob Lee was a director of Skywalker and authorised to sign documents on behalf of Alpha Era owner, Mr. Ho.
- e. Substantial loans provided by the CTF Group to Alpha Era (USD 388 million as at 29 October 2023) in respect of Alpha Era's interest in and funding of the development of the Vietnam Project. From 2020 to 2022, the CTF Group provided finance to Alpha Era to fund development in the Vietnam Project, exceeding Alpha Era's interest in the project. We are advised this was because the two other project partners (VinaCapital and Suncity Group) were '*struggling to come up with... their pro-rata share... in the funding requirement*'.²⁶⁷ During this period, Mr. Chau held an interest in the Vietnam Project through his equity in Suncity Group.²⁶⁸
- f. CTFH facilitated finance for the development of the Vietnam Project by providing a back-to-back guarantee to Vietin Bank in respect of the personal guarantees made by Alpha Era owners, Mr. Ho and Mr. Wong. The guarantees were limited to 34% of the USD 484 million credit facility (i.e. up to USD 165 million) and were conditions precedent of the facility. The credit facility was available to Hoi An South Development ("HASD") in respect of the development of the Vietnam Project whilst Mr. Chau held an indirect equity interest in the project via Star Admiral and Suncity Group.
- g. Mr. Chau providing a cross-indemnity to Alpha Era owner, Mr. Ho, for 34% of the personal guarantee provided by Mr. Ho to Vietin Bank in respect of the credit facility, i.e. 34% of 34% of USD 484 million (up to USD 56 million). This indemnity may reduce CTFH's exposure in respect of its guarantee of Mr. Ho's and/or Mr. Wong's personal guarantees.
- h. Prior to May 2018, the agreement between Dr. Henry Cheng and Alpha Era's owner, Mr. Ho, was an undocumented "handshake" agreement. In May 2018, the CTF Group and Mr. Ho entered into formal documented agreements including a Facility Agreement regarding the loan to Alpha Era regarding the Vietnam Project, a Share Charge Agreement and Share Repurchase Agreement. Mr. Ho died on 20 August 2018.

²⁶⁷ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023: page 41.

²⁶⁸ On 17 May 2022, Mr. Chau made a filing that he no longer held any shares in Suncity Group as of 13 May 2022.



	<p>i. The brief purchase of Alpha Era on or around 26 September 2018 by the CTF Group to facilitate its sale to Mr. Wong on or around the same day, following Mr. Ho's death. Alpha Era and Suncity Group (in which Mr. Chau held equity) jointly owned GYE at this time.</p> <p>We understand from information provided in interview by Mr. Jacob Lee, the internal CTFE legal team assisted with the loan agreements, the directorship arrangement involving Skywalker, and guarantees by CTFH and the owners of Alpha Era.²⁶⁹ In our opinion, the CTFE legal team would reasonably have known of these arrangements at the time of their submissions to OLGR and PKF.</p> <p>During interview, when asked regarding the accuracy of submissions made by CTFE, Mr. Patrick Tsang advised '<i>the points are accurate, but they are not as fulsome as they should be... in looking back... we should have done a better job, I think we have also... apologised for this... failure... we probably took a too narrow a view of the scope... of that question</i>'. Mr. Tsang expressed a commitment on behalf of CTFE to '<i>make sure that something like this would never happen again, that going forward our answers will be fulsome and that... trust... is there</i>'.²⁷⁰</p> <p>CTFE submitted a voluntary proposal regarding ongoing reporting arrangements to OLGR on 14 November 2023, the proposal was considered in our assessment of review recommendations provided in Section 1.7.</p>
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7.2.6 Table 10 provides a summary of our findings in this regard for consideration regarding the reputé of Dr. Henry Cheng.

Table 10: Findings for consideration regarding Dr. Henry Cheng in relation to section 20(1)(a) of the Act

Person	Dr. Henry Cheng
Finding	<p>In our opinion, the following investigation findings can be made and are relevant when assessing the reputé of Dr. Henry Cheng for the purpose of assessing his suitability under section 20(1)(a) of the Act.</p> <p>Dr. Henry Cheng:</p>

²⁶⁹ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, pages 33, 44, 65, 69

²⁷⁰ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part I pages 8 and 24.



	<p>h. Made the final assessment regarding whether the CTF Group would engage with Mr. Chau in the context of the IEC proposal in 2014/2015. We are advised the IEC proposal did not proceed because of unsatisfactory financial due diligence.</p> <p>i. In interview on 9 November 2023:</p> <ul style="list-style-type: none"> i. When speaking about the IEC proposal, advised he did not like the junket business that Mr. Chau was engaged in and did not want to be connected with it. ii. Advised that he, and the CTF Group, place a heavy emphasis on reputation and he did not want to enter an equity arrangement with Mr. Chau. iii. Advised that he was very dissatisfied when he subsequently learned the CTF Group had entered an equity arrangement with Mr. Chau in relation to the Vietnam Project (through GYE) and welcomed the Vietnamese Government's concerns regarding Mr. Chau's financial viability and thought it would be better if Mr. Chau ceased to be a shareholder. <p>j. When asked whether he was aware of any other forms of due diligence, i.e. non-financial due diligence, undertaken in relation to the IEC proposal, Dr. Cheng advised '<i>Due diligence at the end of the day is for me to say whether it is okay or not. I don't like it, I therefore rejected it.</i>'²⁷¹ The evidence demonstrates there was a heavy reliance on Dr. Cheng's assessment and a potential lack of independent due diligence regarding the integrity of potential business partners.</p> <p>k. After deciding to exit the Vietnam Project, negotiated agreements with Mr. Ho and subsequently Mr. Wong regarding their purchase of GYE and the interest in the Vietnam Project (through Alpha Era). This included the provision of loans to fund the purchase, funding for Alpha Era's contributions for future development costs of the project, and administrative and management services in relation to the investment. The agreement between Dr. Cheng and Mr. Ho was initially undocumented and described by CTFE as a "handshake agreement". The agreements were formalised in May 2018 shortly before Mr. Ho's death in August 2018. Following Mr. Ho's death,</p>
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²⁷¹ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 (Part 1): page 17



	<p>Dr. Cheng agreed with Mr. Wong for Mr. Wong to purchase Alpha Era and its interest in GYE and the Vietnam Project, on similar terms as had been provided to Mr. Ho.</p> <p>I. Agreed arrangements with Mr. Ho and Mr. Wong whereby the:</p> <ul style="list-style-type: none"> i. Loans, guarantees and other support provided by the CTF Group to Alpha Era could be reasonably inferred from the evidence, to likely have provided the CTF Group with significant influence regarding Alpha Era's interest in the Vietnam Project, whilst Mr. Chau was a business associate of Alpha Era through his indirect equity interest in GYE²⁷² and the Vietnam Project; and ii. Loans from the CTF Group to Alpha Era and the back-to-back guarantee by CTFH to Vietin Bank both provided and facilitated funding for the development of the Vietnam Project whilst Mr. Chau held an indirect equity interest in the project via Star Admiral then Suncity Group. <p>m. Considered the loans to Alpha Era to be '<i>a personal arrangement and a personal loan</i>' to someone he has known for decades, rather than the provision of finance.²⁷³</p> <p>n. Delegated the implementation of the agreements with Mr. Ho and Mr. Wong regarding the Vietnam Project to Mr. Patrick Tsang.</p> <p>We note, Mr. Chau was not arrested until 28 November 2021, nor convicted until 2023, and until that point Suncity Group was operating in several jurisdictions, including Australia.</p>
Basis	<p>Knowledge of Mr. Chau's business and character:</p> <p>The following excerpts are taken from OLGR and PKF's interview with Dr. Cheng on 9 November 2023:</p> <p>h. Advised '<i>I know Chau is in gambling... I therefore discussed with him in 2013 in the IEC transaction. I know he is in the junket business and it's the junket business that he wants to inject into IEC and I don't like the junket business. I don't want to be connected with junket</i></p>

²⁷² Mr. Chau's interest was held through Star Admiral and subsequently the Suncity Group.

²⁷³ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023 Part I, page 46.



	<p><i>business and therefore, at the end, the deal did not proceed because I objected to it'. For completeness, we are advised the IEC proposal did not proceed because of unsatisfactory financial due diligence.</i></p> <p>i. When asked what about the junket business he did not like or did not want to be associated with, Dr. Cheng advised '<i>Because, junket business normally would have complications in the background. And this is because, I personally as well as my company, place heavy emphasis on reputation. Hence, I would not enter into a [equity] joint venture... Because, if we have equity together, then it would be like I would be doing junket business</i>'.²⁷⁴</p> <p>j. When asked what complications he was referring to, Dr. Cheng advised '<i>The details, I don't know. That is because I don't know about junket business. However, my personal observation is that in respect of this kind of transactions [sic] concerning gambling involving junket business, that there would not be a lot of documentation or legal support for the transactions. Maybe not everybody is complicated. That, I wouldn't know</i>'.²⁷⁵</p> <p>k. When asked regarding whether the word "complicated" may refer to an understanding that the junket business may not necessarily be legal, Dr. Cheng advised '<i>I don't know whether it is legal or not. This would be a matter for the government to determine. But in the majority of cases, the people involved would be rather complicated</i>'.²⁷⁶</p> <p>l. During the interview, it was noted that the financial due diligence regarding the IEC/Suncity Group transaction was not satisfactory. When asked whether any other due diligence was undertaken at that time, Dr. Cheng responded '<i>Due diligence at the end of the day is for me to say whether it is okay or not. I don't like it, I therefore rejected it</i>'.²⁷⁷</p>
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²⁷⁴ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 1, page 15.

²⁷⁵ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 1, page 16.

²⁷⁶ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 1, page 16.

²⁷⁷ Official Transcript of interview with Dr. Henry Cheng on 9 November 2023: Part 1, pages 16 and 17.



- m. Dr. Cheng advised he did not tell management regarding his view of Mr. Chau and there may have been a communication problem between himself and management. His personal view was that he had concerns and did not like Mr. Chau nor want to have any business with him.²⁷⁸
- n. Dr. Cheng advised that when he ‘*came to understand that management and VMS established a consortium [involving Mr. Chau in relation to the Vietnam Project], and the consortium took the form or equity. I was very dissatisfied at the time... the... Vietnamese government apparently has some views concerning Chau. So I thought it would be better if Chau would cease to be a shareholder. So my thinking was, this would have nothing to do with the Australian investment. So I explained to the Australian government then that I had no relationship or transaction with Chau. This is the position from my perspective because I place heavy emphasis on reputation. I’m thinking I did not share directly with management... at the end of the day, for large major projects, I will be the ultimate person making the call. But I wouldn’t go into the details and I would not be familiar with details of documents. I acknowledge that in respect of this project [the Vietnam Project], there might have been some misunderstanding between management and myself.*’²⁷⁹

We note that Mr. Chau was not arrested until 28 November 2021, nor convicted until 2023, and until that point Suncity Group was operating in several jurisdictions, including Australia. In December 2021, the Vietnam Project terminated its casino management agreement with Suncity Group, and Mr. Chau resigned from his positions as Chairman and Executive Director of Suncity Group. As of 13 May 2022, Mr. Chau no longer held shares in Suncity Group.

Negotiation of arrangements in relation to the Vietnam Project:

In April 2016, the CTF Group decided to dispose of its equity interest in the Vietnam Project. CTFE has advised it was difficult to find a suitable buyer in a timely manner and Dr. Cheng negotiated an agreement at this time for Mr. Ho to purchase the interest in GYE and the Vietnam Project via Alpha Era.²⁸⁰ The agreement was described by CTFE as a “handshake agreement” that was undocumented until May 2018, when formal agreements were entered prior to Mr. Ho’s death in August 2018. Following Mr. Ho’s death, Dr. Cheng negotiated an

²⁷⁸Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part 2, page 3.

²⁷⁹Official Transcript of interview with Dr. Henry Cheng on 9 November 2023, Part I, page 31.

²⁸⁰ CTFE’s Factual Background Document, paragraphs 59 to 66.



agreement for Mr. Wong to purchase the interest in Alpha Era, GYE and the Vietnam Project, on the same terms as had been offered to Mr. Ho.

To avoid duplication, we refer to our basis of findings provided in respect of CTFE at Table 4. The nature of the agreements between Dr. Cheng and Mr. Ho, and subsequently Mr. Wong, involved the provision of:

- d. Substantial management, administrative, payment and legal services by the CTF Group to Alpha Era in relation to its investment in the Vietnam Project²⁸¹;
- e. At-call loans by the CTF Group to Alpha Era so that Alpha Era did not need to outlay funds in relation to the purchase of its interest in the Vietnam Project or its subsequent development costs; and
- f. Back-to-back guarantees by CTFH in respect of Mr. Ho and Mr. Wong's personal guarantees of the Vietin Bank credit facility for the development of the Vietnam Project. The guarantees were limited to 34% of the USD 484 million credit facility, i.e. USD 165 million, and were conditions precedent of the facility. It is our understanding that the conditions precedent were a requirement for the credit facility being made available in respect of the development of the Vietnam Project.

When the agreements between Dr. Cheng and Mr. Ho were formalised in May 2018, a Share Repurchase Agreement was executed that subsequently facilitated the purchase of Alpha Era by the CTF Group and its sale to Mr. Wong.

It may reasonably be inferred that the arrangements agreed between Dr. Cheng, Mr Tsang and Mr. Ho, and subsequently Mr. Wong, provided the CTF Group with significant influence regarding Alpha Era's interest in the Vietnam Project.

Accuracy of information submitted to OLGR

During interview, Dr. Cheng advised he did not consider the loans provided by CTF Group to Alpha Era to constitute financing, stating '*No, this is a personal arrangement and a personal loan*'.²⁸²

²⁸¹ Alpha Era's investment in the Vietnam Project was held via its interest in GYE.

²⁸² Official Transcript of interview of Dr. Henry Cheng on 9 November 2023, Part I, page 46.



	<p>Dr. Cheng was shown correspondence from CTFE to OLGR, dated 20 May 2022, where CTFE stated '<i>the Chow Tai Fook group is not involved in the ownership, management, administration or financing of any persons associated with Suncity, Mr. Alvin Chau or their associates in any endeavour or business enterprise globally, other than in respect of the Hoiana Integrated Resort as set out above</i>' (referring to the hotel management agreements).²⁸³</p> <p>When asked whether this statement by CTFE was accurate, Dr. Cheng replied '<i>I think it's accurate</i>'.</p> <p>OLGR clarified at this point whether Dr. Cheng's view was '<i>that Chow Tai Fook Group was not financing the Vietnam Project, rather it was a loan to a friend</i>'. Dr. Cheng responded '<i>Yes</i>'.</p> <p>When OLGR probed, '<i>OLGR was not told about the loans to Alpha Era or to Mr. Ho, which totalled approximately USD 388 million</i>', Dr. Cheng responded '<i>It's lending to Mr. Ho</i>'.</p> <p>When OLGR asked what Dr. Cheng would say to the perception that OLGR had been misled or misinformed by CTFE regarding the loans, Dr. Cheng stated '<i>I don't think so... the money that was lent, they could have borrowed from other sources as well, um, finance companies... but the projects we have no involvement – no involvement in – in the affairs except hotel management...</i>'²⁸⁴</p>
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7.2.7 Table 11 provides a summary of our findings in this regard for consideration regarding the reputé of Mr. Patrick Tsang.

Table 11: Findings for consideration regarding Mr. Patrick Tsang in relation to section 20(1)(a) of the Act

Person	Mr. Patrick Tsang
Finding	In our opinion, the following investigation findings can be made and are relevant when assessing the reputé of Mr. Patrick Tsang for the purpose of assessing suitability under section 20(1)(a) of the Act.

²⁸³ Official Transcript of interview of Dr. Henry Cheng on 9 November 2023, Part II, page 1.

²⁸⁴ Official Transcript of interview of Dr. Henry Cheng on 9 November 2023, Part II, pages 1 and 2.



	<p>Mr. Tsang:</p> <ul style="list-style-type: none"> a. Developed a commercial proposal with Dr. Cheng for the CTF Group to exit the Vietnam Project.²⁸⁵ b. Was responsible for implementing the agreements negotiated by Dr. Cheng with Mr. Ho and Mr. Wong regarding the Vietnam Project and approved the structure that was agreed. c. Was provided with verbal updates regarding major developments in relation to the Vietnam Project on an irregular ad-hoc basis by Mr. Jacob Lee (CTFE Senior Vice President).²⁸⁶ Mr. Lee would also seek acknowledgement from Mr. Tsang regarding the funding required by Alpha Era from the CTF Group to pay its capital calls in relation to the Vietnam Project.²⁸⁷ d. Read and provided approval for CTFE's responses to OLGR and PKF's information requests. When asked regarding the accuracy of CTFE's responses, Mr. Tsang advised '<i>the points are accurate, but they are not as fulsome as they should be... in looking back... we should have done a better job, I think we have also... apologised for this... failure... we probably took a too narrow a view of the scope... of that question</i>'.²⁸⁸ e. Advised that, although his executives and advisers provided CTFE's responses to OLGR and PKF's information requests, as CTFE's CEO, he is responsible for the responses.²⁸⁹ f. Was aware of Mr. Chau's reputation in 2014/2015 through reports in the media, however had relied on VMS (who had brought the deal to CTFE) to undertake appropriate vetting of investment partners in relation to the Vietnam Project and took some comfort that Mr. Chau
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²⁸⁵ Official Transcript of interview of Mr. Patrick Tsang on 8 November 2023, page 34

²⁸⁶ Official Transcript of interview of Mr. Jacob Lee on 10 November 2023, pages 12, 13, 35, 36

²⁸⁷ Official Transcript of interview of Mr. Jacob Lee on 10 November 2023, pages 40 and 41

²⁸⁸ Official Transcript of interview of Mr. Patrick Tsang on 8 November, Part 2, pages 7 and 8

²⁸⁹ Official Transcript of interview of Mr. Patrick Tsang on 8 November 2023, Part 2, page 9



	<p>was licensed to do business in Australia and the USA and had to go through the procedures, processes and investigations associated with those licenses.²⁹⁰</p> <p>g. During interview, volunteered for CTFE to provide a '<i>proposal that hopefully going forward... we can help and we will be proactive in terms of our communication, in terms of our disclosure, in terms of ensuring... very important to you that something like this will never happen again... that we need to keep this very transparent communication going forward... to make sure that something like this would never happen again, that going forward our answers will be fulsome and that you will... the trust.. is there</i>'.²⁹¹</p> <p>We note, Mr. Chau was not arrested until 28 November 2021, nor convicted until 2023, and until that point Suncity Group was operating in several jurisdictions, including Australia.</p>
Basis	<p>Knowledge of Mr. Chau's business and character:</p> <p>Mr. Tsang advised in interview on 8 November 2023, that in 2014/2015 he was aware of Mr. Chau's reputation through reports in the media; however, he did not know Mr. Chau personally and relied on VMS (who brought CTFE the deal) to undertake appropriate vetting of the investment partners it introduced.²⁹² Mr. Tsang also obtained comfort that Mr. Chau was licensed to do business in Australia and the USA and had to undergo the associated checks involved in obtaining those licenses.</p> <p>We note, Mr. Chau was not arrested until 28 November 2021, nor convicted until 2023, and until that point Suncity Group was operating in several jurisdictions, including Australia. In December 2021, the Vietnam Project terminated its casino management agreement with Suncity Group, and Mr. Chau resigned from his positions as Chairman and Executive Director of Suncity Group. As of 13 May 2022, Mr. Chau no longer held shares in Suncity Group.</p>

²⁹⁰ Official Transcript of interview of Mr. Patrick Tsang on 8 November 2023, Part 1, pages 19 to 21; and 33

²⁹¹ Official Transcript of interview of Mr. Patrick Tsang on 8 November 2023, Part 2, pages 23 and 24

²⁹² Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 1, pages 19 and 20



Implementation of agreements regarding the Vietnam Project:

As discussed above, Dr. Henry Cheng delegated implementation of his agreements with Mr. Ho and Mr. Wong regarding the Vietnam Project to Mr. Tsang.

Accuracy of information submitted to OLGR

To avoid duplication, we refer to our basis of findings provided in respect of Media Allegation 1 at Table 1 (from paragraph 1.6.3) regarding, what in our opinion was, incomplete and/or inaccurate information provided by CTFE in its submissions to OLGR on 20 May 2022, 9 December 2022 and 14 March 2023.

In interview, Mr. Tsang advised he had read and provided approval for CTFE's responses to OLGR and PKF's information requests.²⁹³

Mr. Tsang was shown correspondence from CTFE to OLGR, dated 20 May 2022, and drawn to questions regarding the involvement of CTFE and/or associates in the ownership, management, administration or financing of the hotels and casino; and, the description of Alpha Era as a third-party investor. When asked whether he thought CTFE's response was accurate, Mr. Tsang advised '*the points are accurate, but they are not as fulsome as they should be... in looking back... we should have done a better job, I think we have also... apologised for this... failure... we probably took a too narrow a view of the scope... of that question*'.²⁹⁴

Mr. Tsang advised that he '*personally did not draft the response, but... as the CEO I am responsible and... CTF is responsible. We need to be transparent with you, we need to be fulsome with you... we have taken too narrow a view of the definition of the question, so we... did not do a good job in... that part. So for that... as we have stated,... we regret it and we will make sure that going forward... that will not happen again*'.²⁹⁵

²⁹³ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, page 7

²⁹⁴ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, pages 7 and 8

²⁹⁵ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, page 9



When asked what his role was in preparing the responses to OLGR, Mr. Tsang stated '*my executives... with my advisors... provided the... response, but as the CEO, again I take responsibility...*'²⁹⁶

OLGR asked Mr. Tsang whether, with his knowledge of the loans and guarantees associated with the Vietnam Project, he thought CTFE should have included that information when preparing its responses. Mr. Tsang advised '*we... sold the project a long time ago... So I wanted to make sure that from OLGR's perspective it is very clear that... we are no longer a part of that projet. We do however, have a financing relationship with Mr. Ho, and then with Mr. Wong,... I think ... in hindsight and afterwards,... we did provide all the documents [referring to CTFE's 9 October 2023 submission]... everything to you and hopefully that illustrates our... intention and sincerity... in terms of sharing... that there is nothing to hide... and hopefully, that... provides to you that going forward... we will do a better job.*'²⁹⁷

When asked whether he considered CTFE's responses to OLGR to have been misleading, Mr. Tsang advised '*I personally will not use the word... misleading... there is no intention to mislead you... they were not fulsome, they were not... adequate, perhaps it was inadequate... we have fallen short...*'²⁹⁸

Towards the conclusion of the interview, Mr. Tsang advised CTFE is '*working on a proposal that hopefully going forward... we can help and we will be proactive in terms of our communication, in terms of our disclosure, in terms of ensuring... something like this will never happy again...*'. CTFE's submission was received on 14 November 2023 and is considered separately at Section 1.7 of this report.

²⁹⁶ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, page 9

²⁹⁷ Official Transcript of interview with Mr. Patrick Tsang on 8 November 2023, Part 2, pages 9 and 10

²⁹⁸ Official Transcript of interview of Mr. Patrick Tsang on 8 November 2023, Part 2, pages 12, 13 and 15



7.3 Findings regarding sections 20(1)(f) of the Act

Reproduction of applicable legislation

7.3.1 Section 20(1)(f) of the Act states:

'20 Suitability of casino licensee and other persons

(1) Prior to an agreement being entered into, the Minister shall cause to be undertaken such investigations as are necessary to satisfy the Governor in Council or shall require the casino licensee and all persons whether natural persons or not associated or connected or to be associated or connected, in the opinion of the Minister, with the ownership, administration or management of the operations or business of the casino licensee to satisfy the Governor in Council that such casino licensee and such persons as aforesaid are suitable persons to be associated or connected with the management and operations of a hotel-casino complex or casino having regard to the following matters appropriate to them respectively, that is to say—

... (f) that none of them has any business association with any person, body or association who or that, in the opinion of the Governor in Council after investigation made or caused to be made by the Minister, is not of good repute having regard to character, honesty and integrity or has undesirable or unsatisfactory financial sources' (emphasis added).

Summary of findings

7.3.2 The terms of reference to our investigation require we provide findings relevant for the Minister to assess to whether CTFE or its associates have business associations with persons not of good repute or have undesirable financial sources in relation to section 20(1)(f) of the Act. "Repute" requires regard to 'character, honesty and integrity'.

7.3.3 During the course of our investigation, CTFE disclosed business associations between:

- a. The CTF Group and Mr. Chau, who in 2023 was convicted in Macao of significant fraud perpetrated against the government; and



b. The owners of Alpha Era (being associates of the CTF Group) and Mr. Chau, through their shared ownership of GYE.

7.3.4 Our investigation findings regarding business associations between the CTF Group and its associates and Mr. Chau are summarised in Table 12. Further detailed discussion of our findings is provided in Section 4 of this report.

Table 12: Findings for consideration regarding business associations regarding Mr. Chau

Person	Mr. Chau
Business associations	<p>a. The CTF Group sold 50% of its interest in GYE (and the Vietnam Project) to Mr. Chau on 22 April 2016.</p> <p>b. The CTF Group funded Alpha Era's shareholder contributions (via loans from the CTF Group to Alpha Era) for the development of the Vietnam Project whilst Mr. Chau held an indirect equity interest in the project (via Star Admiral then Suncity Group).</p> <p>c. CTFH provided guarantees²⁹⁹ to Vietin Bank which were conditions precedent to the USD 484 million HASD funding facility for the development of the Vietnam Project, of which Mr. Chau held an indirect interest via Star Admiral then Suncity Group. The CTFH Guarantee was in respect of the personal liabilities of Mr. Ho and Mr Wong (the Ho Guarantee and the Wong Guarantee) and was limited to 34% of the credit facility (USD 165 million).</p> <p>d. During September 2018 and following the death of Mr. Ho, the CTF Group briefly purchased Alpha Era to facilitate its sale to Mr. Wong. At this time, Alpha Era owned 50% of the equity in GYE and Suncity Group (of which Mr. Chau held an equity interest) owned the other 50% of equity in GYE.</p> <p>e. From 2020 to 2022, the CTF Group provided funding to Alpha Era in relation to the Vietnam Project that was in excess of Alpha Era's equity interest in the project because the two other project partners (VinaCapital and Suncity Group) 'were struggling to</p>

²⁹⁹ In respect of the personal guarantees by Mr. Ho and then by Mr. Wong.



come up with... their pro-rata share... in the funding requirement.³⁰⁰ Mr. Chau held an indirect equity interest in the project via Suncity Group during this time.

7.3.5 Our investigation findings regarding business associations between associates of the CTF Group and Mr. Chau are summarised in Table 13. These include in relation to Mr. Ho and Mr. Wong, both of whom held/hold equity in Alpha Era. Alpha Era holds a 50% interest in GYE, through which an interest in the Vietnam Casino is held. Mr. Chau also held an indirect equity interest in GYE via:

- a. Star Admiral until around August 2017; and
- b. Suncity Group from around August 2017 to 13 May 2022.

7.3.6 On this basis, Mr. Ho and Mr. Wong were considered business associates of Mr. Chau in respect of their shared equity interest in GYE and the Vietnam Project, for the purposes of this investigation.

7.3.7 Further detailed discussion of our findings is provided in Section 4 of this report.

Table 13: Findings for consideration regarding business associations with business associates of Mr. Chau

Person(s)	Mr. Ho and Mr. Wong (owners of Alpha Era)
Business associations	<ol style="list-style-type: none"> a. Mr. Wong has been employed by CTFJ since 1998 and is currently the CTFJ Director of Strategic Finance and responsible for the financing and treasury management of the CTF Group. b. Mr. Wong's father and Mr. Ho co-founded CTFJ with Dr. Cheng Yu Tung in the 1940s. c. The CTF Group has provided significant at-call loans to Mr. Ho and Mr. Wong in respect of their purchase of GYE and the subsequent development of the Vietnam Project. From 2020 to 2022, the CTF Group funded shareholder contributions in excess of Alpha Era's interest in the Vietnam Project to support the continued development of the project. This occurred because the two other project partners (VinaCapital and Suncity Group) were '<i>struggling to come up with... their pro-rata share... in the</i>

³⁰⁰ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023, page 41.



	<p><i>funding requirement</i>.³⁰¹ CTFE has advised that as of 29 October 2023, the loans were USD 484 million. As a result of the loans and funding, it can be reasonably inferred that the CTF Group would have had significant influence with Mr. Ho (prior to his death) and Mr. Wong.</p> <p>d. CTFH provided back-to-back guarantees to Vietin Bank in respect of personal guarantees by Mr. Ho and Mr. Wong (the Ho Guarantee and the Wong Guarantee) in respect of a credit facility provided regarding the development of the Vietnam Project. The CTFH guarantees were a condition precedent of the facility and were limited to 34% of credit facility (USD 165 million).</p> <p>e. Mr. Ho entered into a Share Repurchase Agreement, dated 15 May 2018, through which CTF Group subsidiary (Even Success Holdings Limited) should have a Share Charge. The CTF Group briefly purchased Alpha Era on or around 26 September 2018 (following Mr. Ho's death) and sold the interest to Mr. Wong on or around the same day.</p> <p>f. CTFE and the CTF Group provided significant management, administrative, banking and legal services to Alpha Era and Mr. Ho and Mr. Wong.</p> <p>g. CTFE Senior Vice President, Mr. Jacob Lee, was a member of the Executive and Audit Committees of the Vietnam Project from commencement of those committees until July 2022. Mr. Lee initially held these positions in respect of the CTF Group's interest in the Vietnam Project, however subsequently held the positions in respect of Alpha Era's investment in the project.</p> <p>h. CTF Group controlled entity, Skywalker, has been a corporate director of Alpha Era since 26 January 2015. Skywalker was controlled by CTFE from 26 January 2015 to 12 August 2022 and by CTFH from 12 August 2022.</p> <p>i. CTFE Senior Vice President, Mr. Jacob Lee, was a director of Skywalker from 26 January 2015 to 12 August 2022 and was able to sign documents on behalf of Alpha Era owner, Mr. Ho, during this period.</p>
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³⁰¹ Official Transcript of interview with Mr. Jacob Lee on 10 November 2023: page 41.



8. Evolution of CTFE's corporate structure

8.1 Changes to the CTFE group's corporate structure

- 8.1.1 PKF wrote to HWLE on 28 February 2023 requesting information regarding the Cheng Yu Tung Foundation Limited ("the Foundation") which appeared to be a new entity within the CTFE group, incorporated after March 2015.
- 8.1.2 The request included details of directorships, board positions and shareholdings and the registered address of the Cheng Yu Tung Foundation Limited; and, any other new or prospective business associations since 2015.
- 8.1.3 HWLE responded to PKF's request on 14 March 2023, advising the Foundation was incorporated on 10 October 1989 and was previously disclosed to OLGR on 21 January 2015. Attachments were provided in HWLE's correspondence that verified this.

8.2 Findings

- 8.1.4 Based on the disclosures made by CTFE, no new entities were identified within the CTFE corporate structure.



9. 2015 Probity Report

9.1 Allegation

- 9.1.1 Former Queensland Premier, Campbell Newman, whose government initiated the Queen's Wharf process in 2013 before losing office, said Chow Tai Fook's connections to Triads were never raised with him and he *'wouldn't have put up with this stuff no way... The Newman government should have been made aware and the Palaszczuk government frankly shouldn't have made the decision they've made because these things were there and they're discoverable'*.³⁰²

9.2 Introduction

- 9.2.1 The OLGR issued its Probity Report dated 17 April 2015.
- 9.2.2 In 2015, the OLGR undertook an investigation to determine the suitability of CTFE and identified associates to be associated with the ownership, administration and management of a casino in Queensland through DBC's bid to build and operate the Queens Wharf Development.
- 9.2.3 We have been asked to provide an assessment of the sufficiency of the Initial Suitability Review undertaken by OLGR between 2014 and 2015. The investigation was conducted pursuant to section 20 of the Act.
- 9.2.4 As the two special purpose vehicles, Integrated Resort Joint Venture ('IRJV') and Residential Project Joint Venture ('RPJC'), entities representing CTFE's interest in the consortium had not yet incorporated or traded at the time of the undertaking, CTFE was the substantial focus of the probity investigation.
- 9.2.5 Specifically, we were asked to review the sufficiency of OLGR's probity investigation ('probity investigation') into CTFE undertaken in 2014-15, identify any gaps that need to be taken into consideration into an assessment of CTFEs reputations. Assess the reasonableness of the previous findings and recommendations made to the Government.
- a. Identified the scope and approach relevant to the probity investigation.
 - b. Reviewed the 'Chow Tai Fook Enterprises Ltd Probity Investigation Report'.
 - c. Reviewed KordaMentha's 'Project Roulette' report dated 6 February 2015
 - d. Reviewed the Piper Alderman report dated 18 February 2015
 - e. Reviewed the BDO Final Report dated 16 February 2015

³⁰² <https://www.abc.net.au/news/2022-08-22/star-brisbane-casino-chow-tai-fook-triad-links/101341862>.



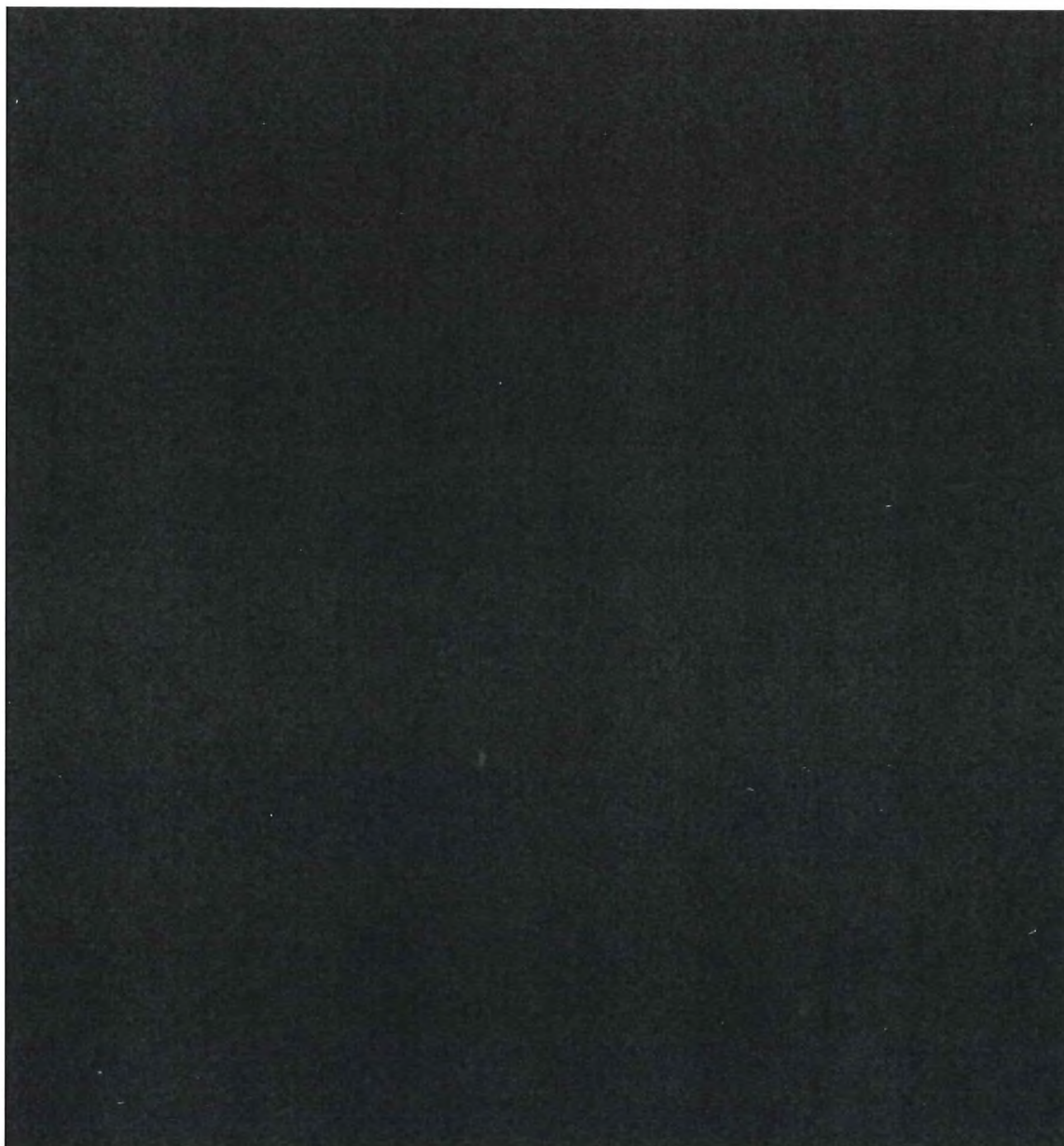
- f. Reviewed the Annexures to all reports reviewed where necessary.
- g. Reviewed the roles and responsibilities of the professional services firms to assist the OLGR for the purpose of the probity investigation.

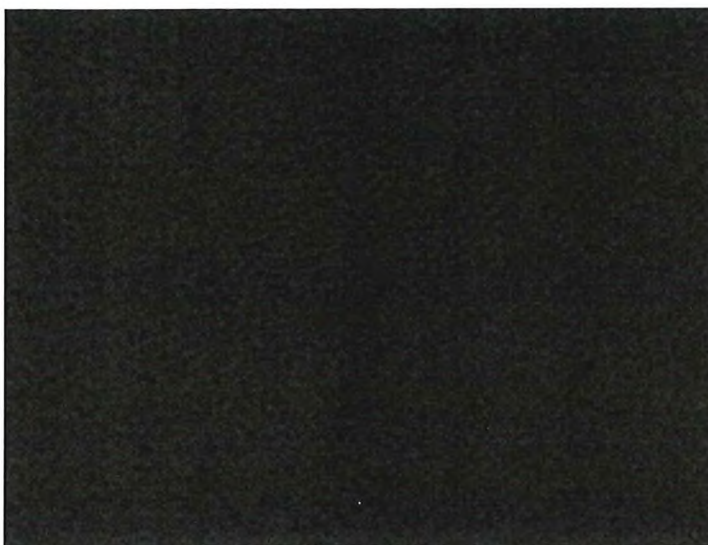
9.3 2015 Probity investigation scope, approach, partners, and findings

Probity investigation scope

- 9.3.1 We note that under s 20 of the Act, the Minister was required to cause an investigation to be undertaken into persons associated or connected, in the opinion of the Minister, with the ownership, administration or management of the operations or business of the casino licensee to satisfy the Governor in Council that the casino licensee and the abovementioned persons associated or connected are suitable.

9.3.2





Investigation partners

- 9.3.3 In order to ensure a suitable level of expertise was available to conduct the probity investigation, the OLGR engaged investigation partners that included Queensland Police Service, Piper Alderman and BDO East Coast Partnership and KordaMentha, all engagements (each is outlined below) were secured through a competitive tendering process conducted by the OLGR.
- 9.3.4 Each of these investigation partners were given specific areas of responsibility concerning the probity investigation, each of whom we believe had the required expertise to execute on these roles.
- 9.3.5 From our review of the probity investigation report and each of the investigation partners own reports we believe each of these investigation partners provided cogent advice and information relating to their various aspects of engagement.

Queensland Police Service

- 9.3.6 Queensland Police Services (QPS) were engaged to conduct enquiries with State, Federal and international investigation and policing agencies, financial and corporate regulators, Customs and Border Protection, Queensland based court databases, Department of Immigration, Office of Fair Trading and QPS primary database. [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

BDO East Coast Partnership – Financial Review

- 9.3.7 BDO East Coast Partnership were engaged by the OLGR to conduct a financial review of CTFE and its associates. Whilst the CTF Group is comprised of several hundred companies, the companies that were reviewed by BDO had been refined to only 9 CTF



Group related companies. We note that in conducting a financial analysis of all 9 companies, BDO were required to:

- 9.3.8 [REDACTED]
- 9.3.9 [REDACTED]
[REDACTED]
- 9.3.10 [REDACTED]
[REDACTED]

Piper Alderman – Legal Due Diligence

9.3.11 Piper Alderman Lawyers were engaged to conduct a legal review of CTFE and its associates; we note the following areas of analysis relevant to their review:

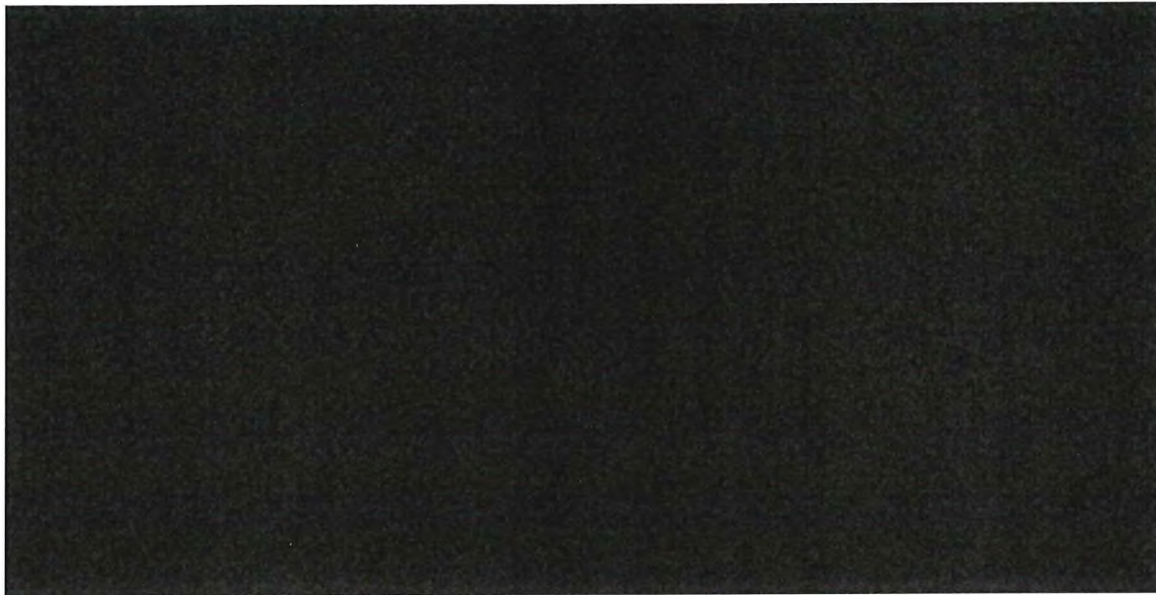
- 9.3.12 [REDACTED]
[REDACTED]
- 9.3.13 [REDACTED]
[REDACTED]
- 9.3.14 [REDACTED]
[REDACTED]
- 9.3.15 [REDACTED]

KordaMentha – IEC and Suncity association

9.3.16 KordaMentha's investigation scope was confined to IEC's potential acquisition of equity shares in Suncity International Holdings Ltd, they were to investigate and report on how the transaction would be facilitated, the nature of the potential transaction and the possibility of 'adverse regulatory or reputational consequences'.

9.3.17 KordaMentha proposed as part of their investigation to undertake the following activities:

[REDACTED]



World-Check One

9.3.18 As a component of their work KordaMentha conducted World-Check One searches on 'all relevant individuals and entities', World-Check One searches are founded upon "Know Your Customer" principles and aim to provide trusted information to help businesses comply with legal and regulatory obligations and identify potential financial crime. KordaMentha reported that aside from expected individuals designated as Politically Exposed Persons (PEPs), they reported no adverse information had been found in relation to:

- a. CTFE, its officers, and associated individuals;
- b. IEC and its officers;
- c. Suncity and its owner, Chau Cheok Wa (Alvin Chau), or any entities that have been identified as connected to Alvin Chau.

IEC's Potential Acquisition of Suncity

9.3.19 KordaMentha reported on the nature of the proposed transaction between IEC and SIG, and according to Henry Cheng, IEC was an underperforming asset, with 'nominal returns on net tangible assets average less than 1%.' It was inferred that he would like to dispose of IEC at the right price and maintained the opinion that transaction ('Suncity transaction') with Suncity was a way of 'gradually exiting the business', at the right price, over a two-to-three-year period.

9.3.20 It was noted that subject to the abovementioned acquisition, Suncity Group would be classed as a business associate of IEC, a company controlled by CTFE, and therefore Suncity and its associates would be subject to a suitability assessment pursuant to s 20(1) of the Act.



- 9.3.21 KordaMentha noted in relation to the SIH transaction that Dr. Henry Cheng had stated during an interview that 'no adverse findings in relation to the integrity of Suncity or Alvin Chau³⁰³ were identified in IEC's due diligence.'
- 9.3.22 Additionally, subject to acquisition, the OLGR suggested that Suncity would 'likely have a significant involvement in the introduction of international VIP players' to the casino licensee at the QWD.
- 9.3.23 At the date of writing of the OLGR report, the deal had not been transacted and was not anticipated to occur, as stated by Dr. Henry Cheng in an interview in January 2015. The reasons for not proceeding include:
- a. The junket industry in which Suncity operates was subject to negative publicity. Industry reported to have been involved in illegal activities, which include organised crime (Chinese Triads) and money laundering.
 - b. Due to negative perception, media reports stated that in response to the acquisition announcement, IEC's share fell more than 14%.
- 9.3.24 It was also established, according to statements made during interviews and IEC Board Minutes, that due to the poor performance of IEC, CTFE had actively sought to reduce its interest in IEC.
- 9.3.25 Crucially the inquiries into IEC and Suncity appear to have been limited due to the fact that the deal was not to proceed. It is likely if the deal did proceed then both Piper Alderman and KordaMentha would have identified the risk of the association of Alvin Chau and a more extensive background search be conducted.

OLGR 2015 Findings

- 9.3.26 In our review of the Probity Investigation Report we identified the following key findings:

CTFE's Business Association with Stanley Ho

- 9.3.27 Based on information provided and obtained through discussion with directors, the OLGR formed the belief that the 'ultimate decision maker in CTFE is Chairman Henry Cheng.'
- 9.3.28 Concerns were raised in relation to Henry Cheng's character and integrity in relation to the Cheng's family's association with IEC and involvement with L'Arc Macau casino, which was managed by SJM a company controlled by Stanley Ho.

³⁰³ PKF reviewed the transcript of the 2015 interview with Dr. Henry Cheng. Dr. Cheng does not specifically say 'there were no adverse findings in relation to the integrity of Suncity or Alvin Chau'. PKF has not seen or reviewed the IEC 2015 due diligence report on Suncity Group or Mr. Chau. It was not included in the 2015 Probity Report or appendices, and CTFE were unable to provide it to us during this investigation.



- 9.3.29 Henry Cheng was generally uncooperative when questioned about this during the probity investigation and offered that IEC had sold its 40% interest in L'Arc in 2010 due to their dissatisfaction with the way the L'Arc business had been run.
- 9.3.30 The OLGR also noted that information relevant to the abovementioned association had been detailed in a probity investigation report undertaken by the New Jersey (USA) regulator in 2001.
- 9.3.31 The investigators were very concerned in relation to the suitability of Dr. Cheng, CYT and Dr. Stanley Ho but believed the other CTFE key personnel reviewed were suitable making the following finding:
- 9.3.32 "That in the absence of the existing and ongoing association of Dato Dr. Cheng, Yu Tung (CYT), and Dr. Stanley Ho, an individual who has been found to be unsuitable in numerous jurisdictions, CTFE's key personnel would be considered suitable for the purpose of being associated with a casino licensee. In relation to s 20(1)(f) of the Act, there is concern about the connection of CTFE and its associates with Stanley Ho related/controlled entities."

Stanley Ho

- 9.3.33 Regarding involvement with Stanley Ho, although it is understood the CYT and Henry Cheng have historical associations with him, the OLGR concluded by thorough investigations that Stanley Ho or his related companies, prima facie were not involved or have material interest in CTFE or the DBC.
- 9.3.34 As such, it was recommended that the OLGR adopt similar prohibition requirements as the NSW Independent Liquor and Gaming Authority and the Victorian Commission for Gaming and Liquor Regulation, that restrict Stanley Ho and his associates' involvement in Crown Resorts Limited. It is suggested that this is proscribed in the Casino Agreement, as formed between the State and the DBC.

CTFE's Transparency and beneficial ownership of shareholdings

- 9.3.35 In relation to s 20(1)(c), the OLGR noted that they had experienced difficulties in obtaining, and on certain occasions CTFE failed to provide probity and governance information, at the time of writing the report the OLGR held concerns that future changes in CTFE's shareholders, corporate structure and operations would not be conveyed to the OLGR and consequently the Minister as legislatively required.
- 9.3.36 The OLGR noted that where an occasion of unacceptable ownership structure of shareholding arises in CTFE, this may adversely impact its suitability for the purposes of being associated with a casino licensee. We note that compliance with legislated suitability provisions under s 20, requires an ongoing commitment by CTFE.



CTFE's Governance, Strategy and Control

- 9.3.37 The OLGR noted that due to CTFE's less than forthcoming conduct, documentation provided by them detailing its governance structure and strategy had been 'limited'. The OLGR investigation team had sought governance details through the provision of a 'corporate profile questionnaire' and despite completion by CTFE, 'did not shed much light'.
- 9.3.38 The probity report details that the directors interviewed were 'evasive', 'unhelpful', or 'claimed that they did not know' about the management arrangement of CTFE.
- 9.3.39 The OLGR investigation's team maintained concerns about CTFE's 'historical associations, lack of transparency, the sheer size and vast financial resources' meaning that it had the ability to expand its operation in a diverse range of businesses and geographical locations, as such the OLGR developed the view that they would not be in receipt of any advance notice of CTFE's future plans or acquisition targets.
- 9.3.40 It noted that the legislative powers of the Act and the "Casino Agreement" meant that any future acquisitions would still be subject to the approval of the Minister and subsequent suitability assessment, for example we note s 29 of the Act provides that any proposed amendments to an existing "Casino Agreement" requires the Casino Licensee to apply for approval by the Minister. However, critically the OLGR identified that it held ongoing concerns that CTFE would not disclose as required.
- 9.3.41 Crucially, it was concluded that whilst the composition and relationships of directors were currently stable, there appeared to be no formal succession plan in place, it was suggested that there may be the potential for relationship breakdowns within CTFE as has occurred in other wealthy Hong Kong families.
- 9.3.42 Despite an evident lack of cooperation by CTFE, the OLGR had stated that CTFE were aware of the State Government's intention to complete the probity investigation and relevant assessment by late February/Early March 2015 and intended on making an announcement at the time.
- 9.3.43 However, during the Initial Suitability Review, CTFE had been reluctant to respond fully to the probity requests, prompting the OLGR to issue formal written notices on 11 occasions to provide information.

OLGR's Conclusion and Recommendations

- 9.3.44 The OLGR identified four areas of significant concern with respect to the suitability of CTFE and its associates, and in relation to this current review these include:
- a. The lack of cooperation provided by CTFE during the probity investigation;



- b. CYT's and CTFE's historical and current association with Stanley Ho and his associates;
- c. The consequence for the Echo and the QWB should the Independent Liquor and Gaming Authority (NSW ILGA) make a finding of suitability different to that made by the Governor in Council. Noting that if the ILGA do not make a finding of suitability in relation to Echo's ability to operate The Star casino (NSW), and the Governor in Council finds CTFE to be suitable, there may be significant implications for Echo's ability to operate both casinos.

9.3.45 In consideration of these ongoing concerns with respect to the suitability of CTFE, the OLGR provided the following recommendations and risk mitigation measures:

- a. It is recommended that CTFE, its identified associates and the proposed licensee entity, to be reviewed upon formation, are suitable to be associated with a casino licence in Queensland, subject to –
 - b. the determination of the suitability of CYT
 - c. the prohibition of Stanley Ho and CYT's involvement either through provisions to be included in the casino agreement or a Deed of Cooperation; and
- the entering into of a Deed of Cooperation by CTFE with the State.

9.3.46 We understand that the Deed of Cooperation was not entered into between CTFE and the state. Furthermore, CYT is now deceased and was not the focus of the current review. However, we believe them to be reasonable in the circumstances, at a point in time during 2015.

Lack of cooperation

9.3.47 In relation to CTFE's lack of cooperation, OLGR suggested on the basis that the DBC are the successful bidder, CTFE will be a party to a "Casino Agreement" with the State, that would mandate ongoing obligations, notification requirements, and prohibitions.

9.3.48 In consideration of CTFE's lack of compliance with the probity investigation, OLGR noted ongoing concerns regarding CTFE's ability to adhere to the terms of the agreement, and in the event of non-compliance the casino licensee rather than CTFE would be liable. We note that entering a 'Deed of Cooperation' between the State and CTFE had been recommended as a mitigation strategy.

9.4 2015 Probity Investigation Identified Gaps

9.4.1 We note that the scope of the 2015 engagement related specifically to the suitability of certain individuals and entities known to be associates of CTFE, some of which were no longer the focus of the current review. Our review was also somewhat different in



methodology, was at a different point in time, and was instigated following certain adverse media revelations particularly by the ABC.

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9.4.6

9.5 Reasonableness of Findings from 2015 OLGR Probity Review

- 9.5.1 The Probity Review conducted in 2015 by OLGR with support from various law and accounting firms was very comprehensive and attended carefully and diligently to the specific requirements of the review. Background searches on individuals were conducted primarily by KordaMentha using "World-Check One" this is a well recognised source of background searching used widely by professional services firms. The results of these searches are referenced in the KordaMentha Report.



- 9.5.2 Piper Alderman also provided in their Due Diligence report comprehensive information relevant to the individuals subject of their review, in particular Stanley Ho, CYT and Henry Cheng.
- 9.5.3 We note that there is limited background information on Alvin Chau, however he was the subject of a World-Check One check with the results recorded in the KM Report.
- 9.5.4 We appreciate that KordaMentha identified investigative limitations from the outset in relation to carrying out background intelligence work, importantly they recognise that in “conducting investigations there are challenges in utilising online sources, namely the sheer volume of information that maybe relevant; the completeness or accuracy of that information; that the information has not yet been reported on; the type of information being sought is not available and the source of that information.
- 9.5.5 In relation to undertaking our review of the probity investigation and subsequent investigation pursuant to s 30 of the Act, we agree with KordaMentha’s position that in conducting investigations using only online sources it is essential that consideration should be given to the requested scope and purpose of the work, in addition to budgetary and time constraints.
- 9.5.6 We also emphasize the caveat provided by KordaMentha that another professional services firm may have reached a different conclusion about what sources should have been sought and relied upon and additionally may have formed a differing view in relation to the content of that information. It seems that the inquiries conducted by KordaMentha were limited because the alleged take-over by IEC of Suncity did not proceed. We note that KordaMentha recommended additional work if the sale did proceed in the future.
- 9.5.7 We believe the KordaMentha report attended to the specific requirements of the engagement and clearly articulated the limitations of the work they conducted.
- 9.5.8 With the benefit of hindsight, it might be argued that more detailed background checking could have been done similar to the work we directed [REDACTED] However, the [REDACTED] we found regarding Alvin Chau became much more potent when he was convicted for criminal offences in Macau in 2022 and sentenced to 18 years jail for offences, he committed between 2013 to 2022. The conviction to a large degree substantiated the [REDACTED] and makes it more reliable in assessing the suitability of Alvin Chau as an associate of CTFE.



10. OLGR's ongoing suitability monitoring process

10.1 OLGR's ongoing monitoring of CTFE

10.1.1 OLGR undertakes ongoing monitoring of CTFE's suitability to be associated with a casino license under the Act. These activities include:

- a. Review of CTFE's audited financial reports
- b. Review of quarterly and half yearly unaudited financial reports of CTFE entities, and
- c. Regular adverse media searches.

10.2 Findings

10.2.1 Our review identified that a recommendation of the 2015 Probity Report for a deed of cooperation to be entered into between CTFE and government had not been completed.

10.2.2 We provide recommendations from our review for consideration by the Minister at Section 11 of this report.

10.2.3 However, considering the adverse findings outlined in our report, and CTFE's proposed steps ("HWLE email dated 14 November 2023 Appendix 14 - to re-build the relationship with OLGR and the Queensland government we have outlined a number of recommendations below, that OLGR consider implementing, to ensure the program is more robust in regard to integrity, ethics, and financial crime.



11. Recommendations

11.1 Review recommendations for consideration by the Minister

- 11.1.1 We make the following recommendations, based on our investigation findings, for consideration by OLGR and the Minister in conjunction with the Minister's assessment under sections 20(1)(a) and (f) of the Act:

Separation of entities deemed by the Minister to be unsuitable

- 11.1.2 Consideration be provided to the divestment or appropriate quarantine of any entities or persons deemed by the Minister to be unsuitable so that risk and exposure to the QWB development and DBC consortium is effectively managed.

Independent Expert

- 11.1.3 Consideration of an independent expert in relation to Australian casino regulation to be appointed to monitor CTFE and the CTF Group's performance and compliance with relevant laws and agreements with the State of Queensland regarding the QWB development. The expert should report to OLGR.

Regular updates

- 11.1.4 CTFE to provide quarterly "in-person" or virtual updates to OLGR regarding the CTF Group's global gaming and casino investments and financial exposures, including loans. CTFE's reporting obligations should include notification of the appointment of new officers/directors, and the attaining of new associates. A summary of the financial investments and exposures, and new officers/directors and associates, should be provided to OLGR prior to the update to provide OLGR sufficient time to prepare probing queries in relation to any areas of further interest.

Notification of activity

- 11.1.5 To the extent it is not already required, upon the CTF Group receiving notice, CTFE is to immediately notify OLGR in writing of:
- any other external regulatory investigations;
 - formal regulator enquiries; or
 - legal proceedings in which a penalty (whether civil or criminal) or fine is sought; involving the CTF Group or its associates, relating to projects with gaming amenities or involving gaming, in any jurisdiction other than investigations, enquiries or proceedings being conducted by OLGR.



Periodic deep dives

- 11.1.6 A periodic integrity deep dive review to be undertaken or managed by OLGR in relation to all CTF Group projects with an exposure or association to gaming so that any new, previously unknown and existing risks may be appropriately identified, assessed and managed in relation to the QWB development.
- 11.1.7 The methodology of the above reviews should include, where relevant:
- a. Local, national, and international public source research enquiries, regarding:
 - i. Directorships, corporate affiliations and criminal records
 - ii. Civil litigation
 - iii. Bankruptcy and insolvency filings
 - iv. Adverse media reviews, and
 - v. Sanctions and enforcements.
 - b. National and international human source intelligence enquiries undertaken by professional providers of such services and relevant to the project, individuals and/or companies within the scope of the review.
 - c. Interview of relevant CTFE staff and management.
 - d. Information requirements issued under section 30C of the Act.
 - e. Enquiries should be undertaken in both English, Chinese and local languages relevant to the location of entities and persons within the scope of the review.

Policies

- 11.1.8 CTFE shall design and prepare integrity-related policies in response to the findings of this report, for review and assessment by OLGR. The integrity-related policies should be subject to ongoing review and consideration of their suitability by OLGR as part of its ongoing monitoring activities.
- 11.1.9 The policies should be applicable to all entities within the CTFE group (including controlled entities), and should include:
- a. Reference within a global communications policy regarding notification to OLGR regarding adverse media alerts regarding CTFE group projects associated with gaming;
 - b. A global whistleblower policy;
 - c. A global fraud management and financial crime policy;
 - d. A global conflict of interest policy;
 - e. Reference within a global physical security policy mitigating risks to the safety of physical assets, property and staff associated with attendance by persons associated, or reasonably suspected of being associated, with organised crime.



- 11.1.10 CTFE should review its policies annually and provide evidence to OLGR of their content and implementation.

Training

- 11.1.11 Completion of annual training by the CTFE legal and compliance teams and DBC directors regarding:
- d. Integrity, ethics and conflicts of interest;
 - e. Anti-money laundering ('AML') and counter terrorism financing ('CTF') (albeit we note that our investigation has not made adverse findings regarding these areas); and
 - f. Australian directors' duties.
- 11.1.12 The purpose of the above training programs shall be to increase awareness and understanding amongst participants regarding critical integrity concepts, such as transparency, conflicts of interest (actual, perceived and potential), arms' length transactions, expectations within an Australian regulatory environment.
- 11.1.13 AML training should include topics regarding relevant legislation, "know your customer" requirements, required record keeping, and examples should be relevant to the gaming industry.
- 11.1.14 Content should be relevant to the gaming industry.
- 11.1.15 Records confirming the content, delivery and participants of the training should be provided to OLGR, and form part of OLGR's ongoing compliance monitoring activities.



12. Disclaimer & Limitations

1. This engagement is governed by the terms and conditions of our agreement with the Department of Justice and Attorney General ("DJAG"), dated 25 November 2022 ("the Agreement"). The scope of work set out in this report is detailed in our response to the Request for Quote received from Peter Mylonas, Senior Procurement Officer, dated 21 November 2022.
2. Unless expressly stated, the information contained in this report has not been subjected to detailed verification procedures. No representation is made by PKF as to the accuracy or completeness of such information and nothing contained in this report is or shall be construed as a representation of the future.
3. All assumptions made for the purpose of this engagement are based on information and representations provided by the DJAG and the persons nominated in this report. We do not give any representation, warranty, indemnity or undertaking expressly or impliedly as to the accuracy or completeness of such information provided and used by us in our assignment.
4. Any report issued by PKF should not be used by the DJAG for any purpose other than that stated in the Agreement dated 25 November 2022, without our prior written consent. If we provide written approval to the DJAG to use any of our reports for purposes other than that specified, we will need to approve the form and context of such report to be released, unless already agreed in the terms and conditions of the panel contract. Furthermore, disclosure of this Report (or part thereof) pursuant to a request made under the Right to Information Act 2009 (Qld) will be of concern to PKF, such that prior to any disclosure pursuant to that Act, PKF's views should be sought in accordance with section 37.
5. Neither the whole nor part of our report, nor any reference thereto, may be circulated nor published in any way whatsoever, nor used for any other purpose than that specified in the report without our prior written consent pertaining to the form and context in which it appears.
6. This report should not be used by third parties without the express consent of PKF. No reliance should be placed by third parties on the report for any purposes whatsoever and PKF shall not be responsible to third parties who have acted on the information contained therein.
7. We reserve the right (but we are not under any obligation) to review, alter and amend our report in the light of any matters not previously brought to our attention or as a result of



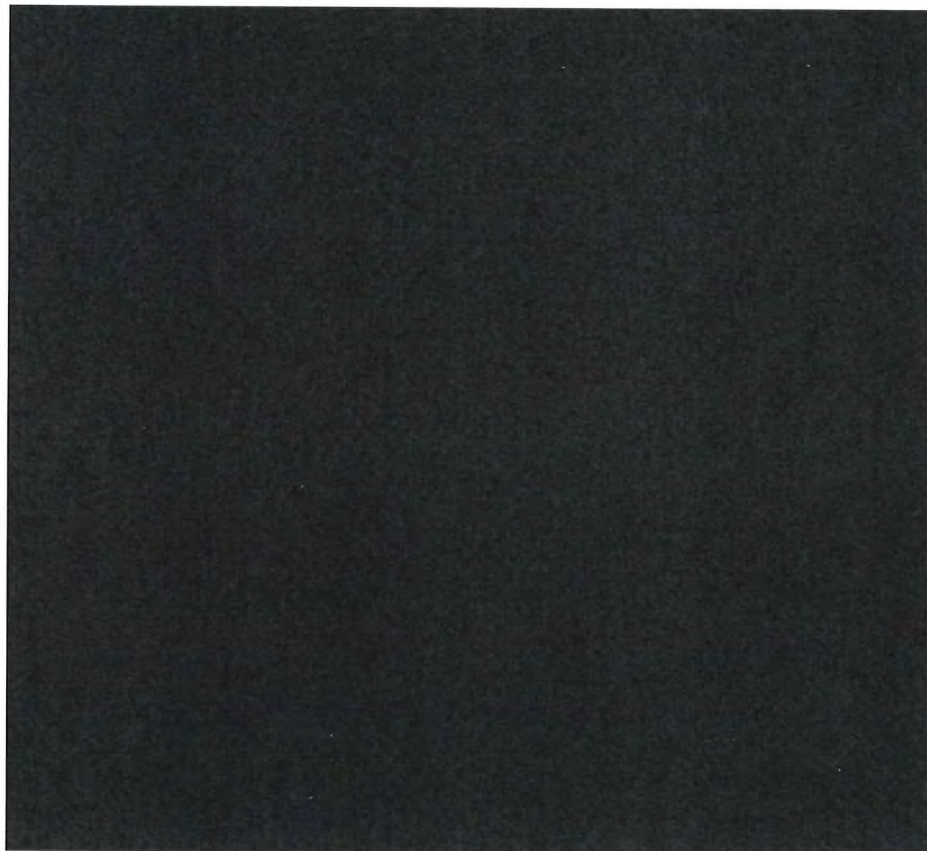
new developments, which may or may not materially affect our findings both prior to and subsequent to the report date.

8. No reliance should be placed on preliminary draft and/or draft reports issued by us for discussion purposes and PKF shall not be responsible to any parties who have placed reliance on such preliminary draft and/or draft reports.



Appendices

Appendix 1: Glossary





Appendix 1 – Glossary

Term	Definition
ABC	Australian Broadcasting Corporation
the Act	Casino Control Act 1982
Alpha Era	Alpha Era Investments Limited
BDO	BDO East Cost Partnership
CTFE	Chow Tai Fook Enterprises
CTF Group	A collective reference to entities within the corporate group of which Chow Tai Fook Enterprises (CTFE) is a member.
CTFH	Chow Tai Fook (Holding) Limited
DBC	Destination Brisbane Consortium
DJAG or Department	Department of Justice and Attorney General
Echo	Echo Entertainment Group Limited
Even Success	Even Success Holdings Ltd (a subsidiary of the CTF Group).
Factual Background Document	A submission by CTFE and HWLE summarising additional information provided in response to PKF's 9 October 2023 additional information request.
FEC	Far East Consortium (Australia) Pty Ltd



IEC	International Entertainment Corporation
GYE	Gold Yield Enterprises Ltd
█	██ ██ ██
HASI	Hoi An South Investments
HASD	Hoi An South Development
HWLE	HWL Ebsworth Lawyers
Initial Suitability Review or 2015 Probity Report or 2015 Probity Investigation or 2015 Probity Review	The 2015 investigation into CTFE and associates required by the Minister pursuant to Section 20 of the Act undertaken into persons associated or connected, in the opinion of the Minister, with the ownership, administration or management of the operations or business of the casino licensee to satisfy the Governor in Council that such casino licensee and such persons as aforesaid are suitable.
█	████████████████████
Kwok	Kwok Wing-hung
L'Arc Casino	L'Arc Macao Casino Hotel
Mr. Wong	Mr. Wong Kim Pun Barry, son of Mr. Wong Kwok Ting and who held a long-standing connection with the Cheng family. Mr. Wong has worked for CTFJ since 1998, where he is currently the Director of Strategic Finance. Mr. Wong is responsible for the financing and treasury management of the CTF Group. Mr. Wong became a director of and purchased Alpha Era in September 2018.
NJDGE	New Jersey Division of Gaming Enforcement



NWD or New World	New World Development Co Ltd
NWS	NWS Holdings Ltd
OLGR	Office of Liquor and Gaming Regulation
PKF or PKF Integrity	PKF Integrity Services (BMNS) Pty Ltd
Probity Report	The Probity Report for Chow Tai Fook Enterprises Limited as a member of the Destination Brisbane Consortium, dated 20 April 2015, regarding their application for a casino licence for Queens Wharf Brisbane.
QWD	Queens Wharf Development
Skywalker	Skywalker Ventures Ltd
Sky Warrior	Sky Warrior Investments Limited
██████	██ ██ ██ ██ ██████
Star	Star Entertainment Group Limited (formerly Echo Entertainment Group Limited).
Star Report	The report published in August 2022, documenting the findings of the investigation conducted by Senior Counsel, Adam Bell, under sections 143 and 143A of the Casino Control Act (1992) NSW into The Star Casino in New South Wales.
SJM	SJM Holdings Ltd



Star Admiral	Star Admiral Limited: initially a company personally owned by Mr. Alvin Chau and later purchased by Suncity Group.
STDM	Sociedade de Turismo e Diversões de Macau SA
Suncity or Suncity Group	Suncity Gaming Promotion Ltd or Suncity International Holdings Ltd
Vietnam Project	Construction of an integrated resort in Hoi An, Vietnam, comprising hotels, a casino, restaurants and other amenities.
VinaCapital	VinaCapital Corporate Finance Limited. A Vietnam based investment firm which owned the relevant site where the Vietnam Project was located and provided the Vietnam Project with real estate and relevant services as a local Vietnamese company.
VMS	VMS Am Resorts and Leisure Limited
WSW	Wo Shing Wo Triad





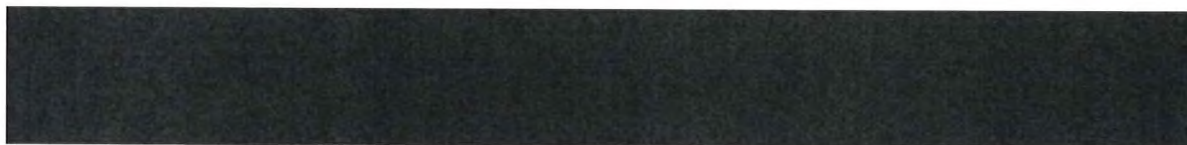














[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]



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