

1 Wednesday 10 November 2010

2 (10.08 am)

3 MS TAN: May it please the court. Good morning, your  
4 Honour. May I be permitted to call my next witness,  
5 Mr Wan Fan Ting Johnny.

6 MR WAN FAN TING JOHNNY (sworn)

7 Examination-in-chief by MS TAN

8 MS TAN: Good morning. Your name is Mr Wan Fan Ting Johnny?

9 A. Yes.

10 Q. You are a vice-president of the Private Wealth  
11 Management unit of Deutsche Bank's Hong Kong branch?

12 A. Yes.

13 Q. In front of you, you will see an affidavit which bears  
14 your name. Can you find it?

15 A. Yes.

16 Q. For the record there are seven volumes to this  
17 affidavit. Could you just pick up volume 1 and turn to  
18 the last page, page 175.

19 A. Yes.

20 Q. Is that your signature there?

21 A. That's correct.

22 Q. Can you confirm that this is your affidavit of  
23 evidence-in-chief in these proceedings?

24 A. Yes.

25 Q. Mr Wan, do you have any amendments or corrections to

1 10:10 make in respect of this affidavit?

2 A. Yes, your Honour.

3 Q. What are these?

4 A. On page 2, paragraph 5:

5 "Prior to joining the Bank's Hong Kong branch ..."

6 Actually it's in 22 January instead of "March 2007".

7 Q. Anything else, Mr Wan?

8 A. Then on page 12, paragraph 37, close to the end.

9 "In particular, I recall specifically that I went

10 through each and every page of the Service Agreement

11 briefly with them and told them to read all the sections

12 out ..."

13 This is incorrect. I told them to read it to

14 themselves, not reading out. So the "out" should be

15 taken out.

16 Q. Do you have any other amendments, Mr Wan?

17 A. Yes. On page 90, paragraph 187, at the beginning:

18 "Thereafter, at about 3.55 ..."

19 This should be 3.50 instead.

20 Then on page 122, column 8, the time, instead of

21 5.58, should be 5.18 instead.

22 Q. Mr Wan, is that the call dated 22 May 2008?

23 A. Yes, the dates are 22 May 2008. The time should

24 be 5.18.

25 Then the last one is on page 123, the column 15,

1 10:12 "Call from me to Dr Chang" on 16 July 2008. The time  
2 should be 11.26 am instead of 11.34.

3 Q. Do you have any other affidavits to make to your  
4 affidavit, Mr Wan?

5 A. No.

6 MS TAN: Your Honour, may this affidavit be admitted into  
7 evidence.

8 Moving on to my next point, your Honour will recall  
9 that there were certain documents which were discovered  
10 in these proceedings for which no agreement had been  
11 reached as to authenticity.

12 COURT: GISM?

13 MS TAN: That's one of them. If I may take this witness  
14 through some of these documents to formally prove them.

15 Mr Wan, there is a bundle called the "Plaintiff by  
16 original action and 2nd defendant by counterclaim joint  
17 bundle of documents".

18 Do you have it before you?

19 A. Yes.

20 Q. Could you turn to page?

21 COURT: Do I have a copy of it? Yes, I have it.

22 MS TAN: Page 392, your Honour.

23 A. Yes.

24 Q. This is a document described in the bundle as Deutsche  
25 Bank call report of meeting dated 14 March 2007. Have

1 10:14 you ever seen the original, Mr Wan?

2 A. Yes. This is the call report that I prepared myself on  
3 20 March --

4 Q. Could I stop there for a while, Mr Wan, just to clarify.  
5 There's a signature at the bottom. Is that yours?

6 A. Yes. That's my signature.

7 Q. Could you tell the court how this document came about  
8 then?

9 A. Okay, this document is a call report that I created on  
10 20 March 2007, after I came back from a business trip  
11 after meeting Dr Chang and his wife.

12 So I prepared a call report, described the  
13 situations, and then I signed it, I input it into my  
14 system, I print it out, I signed it myself. By the way,  
15 the date of the call report should be 15 March. That's  
16 a typo.

17 Since Dr Chang did not open the account, that's why  
18 we didn't keep the original, just the copies in the  
19 system.

20 Q. There are two dates on the document, so could you  
21 clarify which date should be the 15th?

22 A. The 15 March, date of call -- 15 March should be the  
23 correct date, instead of 14 March. That's a typo.

24 Q. Thank you, Mr Wan.

25 COURT: You have no account under the name of Prof Lim?

1 10:15 A. Yes.

2 COURT: You do?

3 A. At that time, yes.

4 COURT: You say you destroyed it because there was no  
5 account opened.

6 A. There were no account opened on Dr Chang's account.

7 COURT: But the name -- you had two names there, Carmay Lim  
8 and --

9 A. Yes, your Honour, I put down these to record both  
10 things, but Dr Chang's account at that time was not  
11 opened, so I didn't kept the copies of the original.

12 COURT: Neither in his account nor in Carmay Lim's account?

13 A. Carmay Lim's account, I believe, there would be another  
14 one, but this one --

15 COURT: Separate?

16 A. A separate one.

17 COURT: If a copy was not kept, where did this come from?

18 A. This one is come from the system. When we wrote call  
19 reports, I gave it to my assistants, so they filed it,  
20 they made a copy, they filed it and then the original,  
21 I couldn't find it because at the time --

22 COURT: By "system", you mean?

23 A. Our company's system.

24 COURT: Computerised system?

25 A. Yeah.

1 10:17 COURT: You mentioned just now that you completed this on  
2 your PC or laptop.

3 A. Yes.

4 COURT: Then you printed it out and then you signed it.

5 A. Yes. Yes.

6 COURT: So you sent it back into the system by PDF?

7 A. Actually --

8 COURT: Normally, what would you do?

9 A. Normally, what I do is I give it to my assistants.

10 COURT: The hard copy?

11 A. Yes, the hard copy.

12 COURT: It will be filed in the customer's account when it's  
13 opened?

14 A. Yes. Yes.

15 COURT: So this is not that hard copy original?

16 A. No.

17 COURT: This is a PDF copy --

18 A. Yes.

19 COURT: -- of something that's in the system?

20 A. Yes.

21 MS TAN: Thank you, Mr Wan. Could I turn you to the next  
22 document at page 357.

23 This has been described as the "PWM unconstrained  
24 portfolio - USD" pamphlet. Have you ever seen the  
25 original of this document?

1 10:18 A. Yes. This document --

2 Q. Sorry, give me a minute. Can you see the date there as  
3 dated December 2008?

4 A. Yes.

5 Q. Can you explain how this particular document came about?

6 A. Okay. This is a subsequent copy. The original copy was  
7 I created before 15 March. I went into the system,  
8 I print it out, I personalise it, and then I courier to  
9 Taipei's hotel. I just prepare to see my customers  
10 there.

11 This one is the unconstrained portfolio, basically  
12 is the discretionary account services that PWM DB offers  
13 to our clients.

14 I explained this to Dr Chang --

15 COURT: Hold it. Before you get there. The copy that you  
16 put in evidence is a December 2008 version.

17 A. Yes.

18 COURT: The copy you just alluded to having sent to your  
19 hotel in Taipei and presented to Dr Chang is not --  
20 first of all, this is not a current information package  
21 that you might have used --

22 A. No.

23 COURT: -- in March 2007?

24 A. I should say, because the system --

25 COURT: I understand. The starting point is the system,

1 10:19 presumably, updates a lot of the information. For  
2 instance, on page 378 you have performance reports and  
3 tables. So the system, presumably, updates the data --

4 A. Correct.

5 COURT: -- and you can download and print and customise as  
6 you wish, from time to time.

7 A. Correct. Correct. So these copies, I prepared it  
8 before the meeting --

9 COURT: I understand. The question then is -- just for  
10 clarification, this copy here on page 357, in what  
11 material ways would it have differed from the copy you  
12 say you used in March 2007?

13 A. After --

14 COURT: Apart from the data which may go beyond March  
15 or February. It's identical?

16 A. As I -- to the best of my recollection, because the  
17 system constantly change itself. I would say that the  
18 executive summaries, the investment philosophies --

19 COURT: The narrative will be identical; it's the data that  
20 might change. Right?

21 A. The data definitely change, yes.

22 COURT: When you say you can customise, can you eliminate or  
23 can you add pages to the document?

24 A. I can add one front cover page.

25 COURT: To put the customer's name up there?



1 10:21 A. Yeah.

2 COURT: What else?

3 A. Basically it's all there that we can do, because --

4 COURT: It's your evidence that when you use a document like  
5 this, you are not able to or you do not exclude pages in  
6 the document?

7 A. No, I don't.

8 COURT: The only change you are permitted to write is  
9 a front page with the customer name or your prospect?

10 A. Correct, your Honour.

11 COURT: Carry on.

12 A. So this is the copy that we discussed in Taipei during  
13 the first --

14 COURT: We have not got there yet, have we? I'm just trying  
15 to understand this document.

16 Carry on.

17 MS TAN: Mr Wan, just one more question arising from this.

18 You said that this is a newer version which you got  
19 from the system in December 2008 and not the one that  
20 you couriered to yourself in Taipei on 15 March 2007.

21 A. Correct.

22 Q. What happened to that copy?

23 A. After the meeting with Dr Chang, he showed no interest  
24 to the discretionary portfolio. I wanted to give it to  
25 him, but, you know, he just, to the best of my

1 10:22 recollection, he rejected it, so I assumed that the  
2 visit, actually, was failed. So I just throw it away.  
3 I didn't kept the original copy that I gave him.

4 COURT: And neither did you give it to him?

5 We'll come to that in due course.

6 MS TAN: Mr Wan, just to close the loop, I don't really  
7 follow how then in December 2008 you decided to print  
8 this updated copy. Why was this done in December 2008?

9 A. Oh, because that was when --

10 COURT: Right now you are actually introducing evidence.

11 You are not cross-examining your own witness.

12 MS TAN: I apologise for that, your Honour. If you wish --

13 COURT: If you want to clarify, go ahead, but just bear in  
14 mind that right now you are not cross-examining your own  
15 witness.

16 MS TAN: My apologies, your Honour.

17 A. So --

18 Q. Mr Wan, could you answer this last question on this  
19 document. Why did you decide to print this in December  
20 2008?

21 A. Okay, because that was when the complaint came in,  
22 and --

23 COURT: The first question is this: why did you select the  
24 December 2008 version? When did you -- it's your  
25 evidence so far that you don't have a copy of the

1 10:24 printout that you customised for Dr Chang --

2 A. But that's --

3 COURT: When did you come to compile this December 2008  
4 document?

5 A. I said I had a copy couriered to Taipei. It was the  
6 March 2007 copies.

7 COURT: Carry on.

8 A. Yeah. I couriered to the Taipei hotel, and then we went  
9 over, discussed about this unconstrained portfolio,  
10 which is the discretionary portfolio.

11 COURT: We'll come to that later. Right now we're trying to  
12 establish what document, and how is it relevant.

13 At this preliminary stage, all counsel is trying to  
14 establish is: where did this document come from?

15 A. This document come --

16 COURT: And you produced it, and when did you produce it?

17 A. This document come from our internal systems. I print  
18 it out and I personalise it.

19 COURT: When did you do this December 2008 version?

20 A. That's on December 2008.

21 COURT: So in December 2008, suddenly you decided to go and  
22 print out the current version of this document?

23 A. Exactly. Yes.

24 COURT: Why?

25 A. Because that's the -- that's when the complaint comes

1 10:25 in.

2 COURT: So, what prompted you to print this document out was  
3 that the bank received a complaint from Dr Chang.

4 A. Yes.

5 COURT: Carry on. Then you decided to print out a copy.  
6 Why December 2008? Was there nothing earlier available?

7 A. Because the system, it keep updating itself, and  
8 I remember I had these conversations with him, and I had  
9 a front page created for him, so that's exactly what it  
10 is.

11 COURT: There is no record in your system of a customised  
12 front page prepared for Dr Chang?

13 A. I remember that there was --

14 COURT: No, but there is none in the system that you can  
15 print out, now or in December 2008?

16 A. To the best of my recollection, I --

17 COURT: No. If you did, if it does exist, you would  
18 certainly have produced it here. The fact that you have  
19 to rely on December 2008 suggests it does not exist in  
20 the system.

21 A. But it was there. I print it out myself. That's why  
22 I know it.

23 COURT: Yes, but in the system that retains anything like  
24 this document --

25 A. No, it's not there.

1 10:27 COURT: So it doesn't exist in the system that you can pull  
2 out a customised document like this with the front page  
3 where you said Dr Chang, presentation. Right?

4 A. No.

5 COURT: Yes, okay.

6 MS TAN: Thank you, Mr Wan.

7 Your Honour, may these two documents be admitted for  
8 authenticity?

9 COURT: What is your problem with this document?

10 MR PILLAI: Your Honour, in relation to authenticity, we are  
11 hearing for the first time his explanation with respect  
12 to the GISM brochure.

13 Insofar as he attempts to say that the brochure is  
14 the same as the brochure that was shown to him on  
15 15 March, shown to my client's on 15 March, then of  
16 course there is an issue of authenticity. But, now that  
17 he has explained that what he has printed out is just  
18 a print as at December 2008, so insofar as this  
19 document --

20 COURT: This is not that copy.

21 MR PILLAI: This is not that copy. Then I wouldn't have an  
22 issue, your Honour.

23 COURT: The question of whether or not he is to be believed  
24 on whether he presented this to Dr Chang still remains  
25 unanswered.

1 10:28 MR PILLAI: That's absolutely correct, your Honour.

2 COURT: Do you have any other further objection on the  
3 document?

4 MR PILLAI: In light of this witness's explanation --

5 COURT: For the limited purposes of him explaining that this  
6 is what the document looked like.

7 MR PILLAI: Yes.

8 COURT: Secondly, that he is not at liberty to omit any  
9 pages of this document as you print out.

10 Is that your evidence? You can't select and say  
11 "I don't want this page, and I don't want that page,  
12 I'll just only use this for this customer".

13 A. I cannot select. This is all the -- when I print out, I  
14 have to print out the whole thing.

15 COURT: When you say "I have to", does the system not allow  
16 you to print out the document in full? It doesn't  
17 matter what you do. The question is very simple. What  
18 I need to understand is if you use this document and you  
19 pull it out.

20 A. Yes.

21 COURT: The system is such that it's like a PDF, you have to  
22 print out everything, you can't select, or can you say,  
23 "I pick page 1, page 25 page 30 and put it together and  
24 customise it"? That's another question of interest.

25 A. To the best of my knowledge, your Honour --

1 10:29 COURT: I'm not interested in what you did. I'm interested  
2 in the system controls. Do you understand? If you have  
3 this document, for instance, your account opening form,  
4 it's printed.

5 A. Right.

6 COURT: When you give it to a customer -- short of tearing  
7 out the pages, you can't change it. All right?

8 A. All right.

9 COURT: What I want to understand is, in Deutsche Bank's  
10 system, when you say "I printed this out and this is  
11 what I gave him", in similar terms, and you say "I can't  
12 pull out documents", what are you saying? You are  
13 saying, "I did not do that", or are you saying,  
14 "I cannot do that because the system doesn't allow me"?

15 A. I cannot do that because the system will not allow me.

16 COURT: Okay. Let me -- take a look at page 357.

17 A. Page 357.

18 COURT: One way in which the system will not allow you to do  
19 that is when it paginates the document with "page 1 of  
20 25". Do you follow? That means I know that there are  
21 25 pages. Here it just says "page 1", "page 2", so if  
22 you stop at page 22, there is no way of knowing that  
23 that's -- that that was all you used.

24 A. Stop at page 22?

25 COURT: If you stopped at page 22. Just looking at the

1 10:31 document, one cannot tell whether there is more. I'm  
2 just trying to probe you to understand what you mean by  
3 saying, "I gave him this complete document" or "I took  
4 him through".

5 A. I gave him the --

6 COURT: No. Later we'll get to what you did. Right now I'm  
7 just trying to understand what is the value of this  
8 document for evidential purposes.

9 You say, "This document is similar to what I gave  
10 him except for the data". So the narrative is all  
11 there.

12 A. Correct.

13 COURT: The next thing you said was, "I cannot select what  
14 I give him. I have to give him all"; right?

15 A. Right.

16 COURT: I'm trying to understand, how so? What do you mean  
17 by "cannot"? "Cannot" doesn't mean I did not. You can  
18 say "I gave him everything". That's fine. I'm just  
19 trying to understand whether, when you say "I have no  
20 choice, I have to print, it's all or nothing", that's  
21 what you're saying; right?

22 A. Yes.

23 COURT: All or nothing, how? Because when I go to a PDF  
24 document, okay, and I want to print it out, I can print  
25 from pages 1 to 20 and forget about page 45.



1 10:33 A. Yes.

2 COURT: Right?

3 A. Yes.

4 COURT: You can say "I did not do that". That's fine. I'm  
5 just trying to understand whether the system prevents  
6 you. So I look at the document and it doesn't say "page  
7 6 of 25", it just says "page 6". So I could stop at  
8 page 22 if I wanted to, and you would not know whether  
9 there are another 20 pages coming.

10 Therefore, the completeness of the document, there's  
11 nothing in the document here -- I'm trying to understand  
12 the limitations of how this document helps.

13 A. Your Honour, please forgive me, because I'm not really  
14 an IT person, so --

15 COURT: Not IT. We all use laptops and we do PDF and Adobe  
16 and we print it out. As a common user.

17 A. As a common user, I just print out everything that is  
18 there.

19 COURT: I understand. That's your evidence, fine. All I'm  
20 trying to say is, because we don't have the document you  
21 said you gave Dr Chang, how much should I rely on you  
22 saying that "These 45 pages were exactly what I gave  
23 him"? Do you follow?

24 A. Yes.

25 COURT: If you had it, that's the end of the question, but

1 10:34 because it's not in evidence you are saying, "This is as  
2 good as what I gave him". That's what you're saying.

3 A. Yes.

4 COURT: Do you follow? So I'm trying to understand whether,  
5 within the system itself, you must do that, or whether  
6 it's your word. Right now it's your word.

7 A. My word is I print out everything.

8 COURT: That's fine. Okay.

9 MS TAN: Much obliged, your Honour.

10 Your Honour, I am indeed going to attempt to lead  
11 evidence on two discrete issues, if your Honour would  
12 just bear with me.

13 In the course of this trial, Prof Lim and Dr Chang  
14 had given evidence on two matters which we say the  
15 witness did not have the opportunity to address in his  
16 affidavit of evidence-in-chief.

17 The first relates to Prof Lim's evidence on the  
18 stand that she had been tricked into opening her account  
19 with Deutsche Bank, and that she had been deceived by  
20 Mr Wan when he said that he gave instructions to his  
21 assistant at Standard Chartered Bank to place the sale  
22 proceeds from Cheung Kong shares into fixed deposits.

23 Prof Lim had actually relied on two documents to  
24 reach a conclusion, and if I could just bring the  
25 witness to those two documents.

1 10:35 MR PILLAI: Your Honour, I really --

2 COURT: I think you need to be more precise as to where you  
3 are headed.

4 MR PILLAI: Yes.

5 COURT: You are talking about Prof Lim's unhappiness about  
6 the fact that her deposits were not placed into  
7 interest-bearing fixed deposits?

8 MS TAN: That's correct. And we say she had extrapolated  
9 from there, and -- a transfer receipt and an e-mail from  
10 a Standard Chartered Bank employee to say that she  
11 was -- well, tricked by Mr Wan.

12 COURT: No, she didn't say "tricked". Did she say  
13 "tricked"?

14 MS TAN: I had that impression, but I could check.

15 COURT: She expressed her disappointment that the  
16 instructions for it to be placed in an interest-bearing  
17 account had not been implemented.

18 MR PILLAI: Your Honour, even though she may have said  
19 tricked, the point is this: these are expressions  
20 arising from documents which have been discovered, and  
21 really, my learned friend --

22 COURT: You are going to introduce documents to the  
23 contrary?

24 MS TAN: No, I'm going to ask Mr Wan to explain how the  
25 document is meant to be read, the transfer receipt.

1 10:36 MR PILLAI: That's something I can take up in  
2 cross-examination, your Honour.

3 MS TAN: The reason I am raising this, your Honour, is  
4 because we cannot be sure it is going to be raised in  
5 cross-examination.

6 COURT: It will be raised.

7 MR PILLAI: I can assure my learned friend --

8 COURT: If not by counsel, I will raise it.

9 MS TAN: Much obliged.

10 The second discrete point is actually this, that  
11 during cross-examination, both Prof Lim and Dr Chang had  
12 emphasised that the 15 March meal was a dinner and not  
13 lunch. To elaborate on this recollection, I think  
14 Dr Chang had said something about -- he would not go to  
15 a restaurant for launch because of a 30, 40-minute drive  
16 from his workplace.

17 I just wanted to see if we can lead a little bit of  
18 evidence on why this was not Mr Wan's recollection.

19 MR PILLAI: Again, I can assure my learned friend that I'll  
20 be covering this in cross-examination.

21 MS TAN: I'm happy to leave it at that.

22 COURT: If anything turns on it other than credibility.

23 MR PILLAI: Yes.

24 MS TAN: Yes, your Honour. If that's the case, your Honour,  
25 I have no further questions and may I offer this witness

1 10:37 for cross-examination.

2 Cross-examination by MR PILLAI

3 MR PILLAI: With your Honour's leave.

4 Good morning, Mr Wan.

5 A. Good morning.

6 Q. You've been in this court, I believe, since 27 October  
7 2010, Wednesday, and you were present when several  
8 witnesses on behalf of Dr Chang gave evidence.

9 A. I cannot remember exact dates.

10 Q. Do you recall being present in court when Mr Chow,  
11 Senior Counsel, gave evidence?

12 A. Mr Chow? Anderson Chow?

13 Q. Yes.

14 A. I believe so, yes.

15 Q. You were in court when Prof Ho Yew Kee gave evidence?

16 A. Yes.

17 Q. You were in court when Prof Carmay Lim gave evidence?

18 A. Yes.

19 Q. You were in court not all the days, but during some of  
20 the days when Dr Chang gave evidence?

21 A. Yes.

22 Q. Were you provided with transcripts of the proceedings  
23 through which you can follow the evidence given by these  
24 witnesses?

25 A. I'm not too sure what you mean.

1 10:39 Q. Transcripts, basically means the notes of what people  
2 say, some sort like what you're reading from the screen.  
3 So were you given transcripts of the proceedings  
4 covering the evidence of the witnesses?

5 A. Some, yes.

6 Q. When you say "some", would it cover the evidence of  
7 Dr Chang?

8 A. Yes.

9 Q. You are familiar with the evidence that Dr Chang gave in  
10 court so far through these transcripts and through your  
11 presence in court?

12 A. I'm not too sure about the meaning of "familiar".

13 Q. Let me try and see what other word I can think of.

14 "Familiar" means, basically, that you know the  
15 essence of Dr Chang's evidence in court through your  
16 presence here and through the contents of the  
17 transcripts?

18 A. I know what the truth is, but I cannot say I'm familiar  
19 with --

20 Q. This is not a trick question. I'm just trying to --  
21 just hold it. I understand you have a difficulty with  
22 the question --

23 COURT: You have heard, insofar as you've been in  
24 attendance, the evidence that has been presented by  
25 Dr Chang and the other witnesses, and you have read

1 10:41 through some of the transcripts of this evidence?

2 MR PILLAI: Obligated, your Honour.

3 A. Your Honour, I have the transcripts.

4 COURT: It's not a trick question.

5 A. I know that -- I know the transcript, and that's all.

6 MR PILLAI: When you say you know the transcripts, as his  
7 Honour suggested, you've read the transcripts?

8 A. I read some of the transcripts.

9 Q. Very well. Fair enough. When you were in court, you  
10 were listening to Dr Chang and the other witnesses'  
11 evidence, yes? Otherwise there was no need to be in  
12 court. That's pretty obvious.

13 COURT: You are not suggesting he was multitasking or  
14 daydreaming?

15 MR PILLAI: No, I'm not, given the severe restrictions that  
16 are --

17 A. Your Honour --

18 MR PILLAI: -- applicable to people attending courtrooms.

19 COURT: It's not a trick question at this stage. The trick  
20 questions come later.

21 A. But I cannot say I was here daydreaming, but -- but yes,  
22 certainly, I listened to the transcript and --

23 Q. You can't listen to transcripts. You read transcripts.

24 A. I read the transcript, yeah.

25 Q. And you listened to the evidence of Dr Chang when you

1 10:43 were in court, and the other witnesses when you were in  
2 court?

3 A. Yes.

4 Q. Thank you.

5 A. I'm sorry for the broken English that I speak.

6 COURT: No, your English is perfectly good.

7 A. Because I don't -- because it's a second language to me  
8 and sometimes I don't really understand. Please forgive  
9 me with that.

10 COURT: If you feel more comfortable in Cantonese, please go  
11 ahead.

12 A. Okay.

13 MR PILLAI: Mr Wan, if there is any time when you don't  
14 understand my question, I'll invite you to ask me to  
15 clarify before you answer the question. Please do not  
16 answer a question which you do not understand. That's  
17 very important.

18 A. Yes.

19 Q. Can I just understand, Mr Wan, you've been working in  
20 the banking industry for about 12 years; would that be  
21 correct?

22 A. That's correct.

23 Q. Twelve years calculated from the date of your affidavit,  
24 which is 2010, you joined the banking industry in 1998?

25 A. Correct.



1 10:44 Q. You say in your affidavit that you have previously  
2 worked with four institutions before joining Deutsche  
3 Bank. Do you remember that?

4 A. Yes.

5 Q. I believe you mentioned that you started off with HSBC.  
6 Do you recall that?

7 A. I was -- I was with HSBC.

8 Q. Yes. Which year would that be, Mr Wan?

9 A. November 2002.

10 COURT: Which part of the bank were you working in? What  
11 were you working as?

12 A. The premier banking.

13 MR PILLAI: Just so that I understand "premier banking",  
14 HSBC has a separate private bank arm, so when you say  
15 "premier banking", you are referring to the premier  
16 banking division within the main bank, that's HSBC.  
17 Would that be correct?

18 A. Yes.

19 Q. When did you leave HSBC, Mr Wan?

20 A. To the best of my recollection, is around June 2006.

21 Q. Thank you. After leaving HSBC, you joined Standard  
22 Chartered Bank?

23 A. Yes.

24 Q. Could you, please, tell the court what was your position  
25 at that bank?

1 10:46 A. You mean the Standard Chartered Bank?

2 Q. That's correct, Mr Wan.

3 A. Manager of priority banking centre.

4 Q. Again, Mr Wan, Standard Chartered Bank has a separate  
5 entity called Standard Chartered Private Bank, so the  
6 priority bank unit that you are a manager of is actually  
7 part of the main bank, Standard Chartered Bank?

8 A. Yes.

9 COURT: What do you do in both of these? When you say  
10 priority banking, you're dealing with what? Customers  
11 don't have to go to a counter to do their banking  
12 services, they have a special room?

13 A. Yes. They have a special room, they have special  
14 counter --

15 COURT: It's a personalised service of general banking.

16 A. Yes.

17 MR PILLAI: Thank you.

18 Now, there are two other entities you worked for,  
19 and let me see whether I can cover them quickly. The  
20 first one is Morgan Stanley, and you mention that in  
21 your affidavit.

22 A. Yes.

23 Q. Could you please tell the court which years you worked  
24 in Morgan Stanley and in what capacity you worked there?

25 A. To the best of my recollection is I started in year

1 10:48 2000, and then until 2002, was a banker.

2 Q. Which entity in Morgan Stanley were you with?

3 A. Also private wealth management.

4 COURT: Morgan Stanley does not have priority banking.

5 MR PILLAI: Yes.

6 His Honour's question is: Morgan Stanley doesn't  
7 have priority banking, does it?

8 A. I'm sorry?

9 COURT: You were going to do something different now that  
10 you had joined Morgan Stanley?

11 A. Morgan Stanley has the private banking.

12 COURT: How different is it from what you did before?

13 A. You mean compare now and --

14 COURT: No. Your first two, HSBC --

15 MR PILLAI: Your Honour, Morgan Stanley was right at the  
16 outset, from 2000 to 2002. Then he joined HSBC from  
17 2002 to 2006.

18 COURT: So Morgan Stanley, the job, the responsibility you  
19 had was the same as what you did in HSBC or was it  
20 something different?

21 A. The nature at Morgan Stanley is very similar to the job  
22 that I'm with Deutsche Bank.

23 COURT: We are trying to understand your progression of your  
24 career. What technically did you do in each of these?

25 MR PILLAI: Absolutely, your Honour.

1 10:50 You mentioned Charles Schwab in your affidavit.

2 Could you please tell us which years you worked in

3 Charles Schwab?

4 A. From 1998 to year 2000.

5 Q. Yes. Could you please tell the court, what business  
6 does Charles Schwab do?

7 A. The main business was a brokerage service.

8 Q. What was your role or position in the company?

9 A. My role was investment specialist at the time.

10 COURT: What does that mean?

11 A. Investment specialist, we do many different things. We  
12 help the customer to open account, we gave Charles  
13 Schwab's, the company's opinions -- basically what they  
14 call help and advice based on the Charles Schwab itself  
15 recommendations.

16 MR PILLAI: You mentioned investment, but effectively,  
17 you're talking about a brokerage company --

18 COURT: The titles don't tell you very much. That's why  
19 I think it may be worth to ask this witness: just track  
20 your career from when you started until you joined  
21 Deutsche Bank, and in each case, instead of meaningless  
22 titles, what exactly did you do?

23 MR PILLAI: Yes.

24 Maybe you can start with Charles Schwab, since  
25 that's the earliest --

1 10:51 COURT: Charles Schwab, he has already explained what he  
2 does.

3 MR PILLAI: Yes, your Honour.

4 Then we can move on to Morgan Stanley.

5 COURT: What did you do in Morgan Stanley?

6 A. I opened accounts for client, helped them to buy and  
7 sell equities.

8 COURT: "Helped them" means what? You don't advise, you  
9 basically --

10 A. We share the house view -- we share the Morgan Stanley  
11 house view.

12 COURT: You literally interface with the client --

13 A. Yes.

14 COURT: -- help them with their paperwork --

15 A. Yes.

16 COURT: -- give them recommendations and house views,  
17 et cetera --

18 A. Yes.

19 COURT: -- and execute whatever they tell you to do?

20 A. Yes.

21 COURT: Right?

22 A. Yes, that's exactly the same as Deutsche Bank now.

23 MR PILLAI: When you moved to HSBC, what was your role as  
24 a premier banking officer?

25 A. I was a relationship manager at the time.

1 10:52 COURT: What does that mean?

2 A. Relationship manager --

3 COURT: It's different from before?

4 A. But before, at Morgan Stanley, is you need to find your  
5 own client. At -- HSBC is they assign 600, maybe 800  
6 client to you, and you basically help those clients if  
7 they want to do investment, they want to do insurance,  
8 they want to do general banking. It all goes to my  
9 attention, even though they want to open accounts --

10 COURT: In the first, what you call priority banking, you  
11 facilitate the priority customers in all their banking  
12 needs and transactions?

13 A. Your Honour, if you talk about at HSBC, what they call  
14 it is "Premier Banking". I was a relationship manager  
15 there, and I helped the -- because the customers already  
16 an existing customer, so what I need to do is basically  
17 make sure they are happy with the bank, they use our  
18 services, when we have new products we introduce it to  
19 them. Of course we have many different type of referral  
20 programmes, which is --

21 COURT: You cross-sell?

22 A. Yes, we cross-sell, we introduce or refer the clients to  
23 different departments -- because we are not specialists  
24 there, so we're just a general centre of contacts. So  
25 that's how HSBC is working.

1 10:54 MR PILLAI: Thank you.

2 COURT: When you came to Deutsche Bank and you said you were  
3 a relationship manager, what exactly does that mean?  
4 What did you do in Deutsche Bank as a relationship  
5 manager? More of the same or something different?

6 A. It's more the -- the same, yes. It's just --

7 COURT: They paid you more to do the same?

8 A. Except that at the beginning the client, we need to find  
9 our own client at Deutsche Bank. That's different from  
10 HSBC, they just have many clients that I need to serve.  
11 The Deutsche Bank is -- you just started off again.

12 MR PILLAI: Thank you. You've covered HSBC. Let's move  
13 to -- sorry, your Honour.

14 COURT: You are saying in Deutsche Bank that you did exactly  
15 the same, your responsibilities were the same as what  
16 you did in your previous employment even though your  
17 title was changed to "Relationship Manager".

18 A. Yes, your Honour. I can say the duties are pretty  
19 much -- I mean, in nature they are pretty much the same.  
20 It's serving customer, serving high net worth client.

21 COURT: It's not priority banking.

22 A. I'm not quite get it.

23 COURT: In the banking space --

24 A. Yes.

25 COURT: -- "priority banking" is a service provided to

1 10:56 a large pool of customers defined as "not retail".

2 A. You mean at Standard Chartered --

3 COURT: Banking convenience for such customers.

4 As you get into the more rarified atmosphere of  
5 certain customers --

6 A. Yes.

7 COURT: -- then you get into private wealth management and  
8 relationship managers and the like.

9 A. Yes.

10 COURT: Is it your understanding or your evidence that what  
11 you did as a relationship manager in Deutsche Bank is  
12 exactly the same as what you did as a priority banking  
13 service officer?

14 A. It's not exactly the same, because compared to the  
15 Standard Chartered Bank priority banking managers,  
16 I have more on -- I have more responsibilities on  
17 managing people at Standard Chartered Bank. I need to  
18 make sure my team members also can achieve their --  
19 whatever the target is. It could be a service level, it  
20 could be accuracy --

21 COURT: We are interested now in Deutsche Bank.

22 A. Deutsche Bank is --

23 COURT: As a relationship manager in Deutsche Bank --

24 A. Right.

25 COURT: -- what did you do? What were your



1 10:58 responsibilities, and how were they different, if at  
2 all, from what you did before?

3 A. At Deutsche Bank is -- I do not need to look after  
4 a group of junior people. I have my own assistants to  
5 help me to do most of the daily routine work such as --

6 COURT: Higher responsibility?

7 A. -- row deposits -- it is higher responsibility.

8 COURT: The job became enlarged?

9 A. Yes.

10 COURT: Carry on. What else?

11 A. Yeah. We need to find customer, we need to bring in the  
12 asset, we need to bring in the revenues, we need to  
13 stick with --

14 COURT: You did not need to do that before in  
15 Standard Chartered or HSBC?

16 A. No.

17 COURT: That's the job difference. No? The  
18 responsibilities are quite different. You have a team  
19 supporting you, you developed client base and bring in  
20 assets, and bring in --

21 A. Yes.

22 COURT: It is private banking.

23 A. Yes.

24 COURT: As distinct from priority banking.

25 A. Yes.

1 11:00 May I add, your Honour?

2 COURT: Yes, please.

3 A. At Standard Chartered Bank, my role also need to find  
4 new assets and new clients, because every single  
5 branches, they have -- also have an asset goal and sales  
6 target goal --

7 COURT: They have targets?

8 A. Yeah. So my responsibility is -- I would not say a big  
9 difference, but I still need to find new clients for  
10 Standard Chartered Bank and new asset, I need to bring  
11 in, if possible --

12 COURT: As part of your many responsibilities?

13 A. Yes, it's part of my many responsibility, and also we  
14 have to do cross-selling among different departments,  
15 referrals among different departments. So I would say  
16 the nature are pretty much the same except the set-up  
17 could be different.

18 MR PILLAI: Obligated, your Honour.

19 Mr Wan, in Deutsche Bank, what would be the worth of  
20 the high net worth individuals that you would be serving  
21 to the private bank? Generally, at least.

22 A. You mean the initial net worth?

23 Q. That's correct.

24 A. Initial net worth is 1 million. US\$1 million.

25 COURT: In Deutsche Bank?

1 11:01 A. Yes.

2 COURT: Minimum?

3 A. Yes.

4 MR PILLAI: You've covered your duties in HSBC and Standard  
5 Chartered Bank. Could I invite you to look at your  
6 affidavit and please turn to page 8, paragraph 24. The  
7 second line which reads:

8 "... when I was working as a private banker at  
9 Standard Chartered Bank ..."

10 Given your explanation in court, that's not correct.  
11 It should read "priority banking manager"? You were not  
12 a private banker in Standard Chartered Bank?

13 A. Your Honour, may I explain?

14 COURT: English is not -- this is not a term of art, so it  
15 is --

16 MR PILLAI: Yes.

17 It's not, but at least to the extent that it conveys  
18 a notion that you were a private banker with the private  
19 banking arm of Standard Chartered Bank, that's not  
20 correct, in light of your explanation. I'm not taking  
21 any further issue.

22 COURT: That's not quite accurate.

23 MR PILLAI: Sorry, your Honour. Basically I said --

24 COURT: It's not quite correct. I think you might allay the  
25 witness' fears of being trapped if you tell him that

1 11:03 that was not quite accurate.

2 MR PILLAI: Very well, your Honour. Maybe I will rephrase.

3 Can I, perhaps, Mr Wan, check with you. When you  
4 say here, when you were working as a private banker at  
5 Standard Chartered Bank, you're not suggesting that you  
6 were a banker with Standard Chartered Private Bank,  
7 which of course holds the Private Wealth Management unit  
8 for the Standard Chartered banking group?

9 A. It's a long question.

10 COURT: In paragraph 24, you say, "... I was working as  
11 a private banker at Standard Chartered ..."

12 In light of what you've explained so far, counsel is  
13 asking you that it would be more accurate to say  
14 something else.

15 MR PILLAI: Yes.

16 A. I do not agree fully. May I explain?

17 COURT: Sure.

18 A. Because at the time, around December 2006, Standard  
19 Chartered Bank was actually trying to set up the private  
20 banking at the time. They had it before, they sold it  
21 to someone else, and they just don't have a private  
22 banking division. And what I was doing at the time  
23 makes no difference, because it was part of my role to  
24 taking care of the --

25 COURT: Priority customers?

1 11:05 A. Yeah, or high net worth customers.

2 MR PILLAI: Okay.

3 A. So to my definition is --

4 COURT: Everybody has used their own definitions, and we are  
5 just trying to understand what, functionally, it means.  
6 You've explained what exactly you did in StanChart at  
7 that time. That's fine.

8 MR PILLAI: Grateful.

9 According to your affidavit, you knew of Dr Chang  
10 since 2003; correct?

11 COURT: December 2006.

12 MR PILLAI: Sorry, your Honour.

13 The question is: you knew of Dr Chang since 2003?

14 COURT: 2003?

15 MR PILLAI: Yes, 2003.

16 That can be seen from paragraph 23 of your  
17 affidavit.

18 A. I -- actually I heard his name, he is a famous person.

19 COURT: As a private banker, you've heard of Dr Chang? In  
20 what --

21 A. I don't know where, but, you know, just like I heard --

22 COURT: You are based in Hong Kong.

23 A. Yeah, in Hong Kong.

24 COURT: He is based in Taiwan and in the US.

25 A. Yeah, but -- your Honour, I don't exactly remember

1 11:06 where, but --

2 COURT: You recall knowing who he was?

3 A. Yeah, at least -- because I -- as a --

4 COURT: You are well-read?

5 A. I cannot say it's well-known, but --

6 MR PILLAI: You have an interest in immunoregulatory work?

7 A. I --

8 COURT: He's a private banker.

9 A. It's a --

10 COURT: Fair enough.

11 A. It's a banker's --

12 COURT: You knew about him, that's fine.

13 A. Yeah, I just heard his name.

14 MR PILLAI: Yes. According to your affidavit, you heard his  
15 name when you were working at HSBC. That's what you  
16 state in your affidavit.

17 A. Yeah.

18 Q. I take it that you got to know him or about him through  
19 public sources, public information sources.

20 A. I really couldn't remember.

21 Q. Well, that's what you say in paragraph 23, the second  
22 line:

23 "... I was aware from information publicly available  
24 at that time that Dr Chang was a prominent Taiwanese  
25 research scientist."

1 11:07 That's what you said.

2 A. Yeah, I believe so, because I --

3 COURT: Fair enough.

4 A. I can have many names, you know -- for -- I mean ...

5 MR PILLAI: Around 2003, as his Honour put it just now, you  
6 were aware that Dr Chang, basically, was working in  
7 Taiwan and in America?

8 A. I don't remember.

9 COURT: All he is saying is that he was a prominent  
10 Taiwanese research scientist. That's fine.

11 MR PILLAI: Yes. Let me just hand up a document to you.

12 Your Honour, for ease of reference, I've put up  
13 a core bundle, so hopefully that will help. (Handed.)

14 Could you please turn to tab 10 of the document.

15 COURT: You could look at tab 2 to start with.

16 MR PILLAI: Your Honour is looking at the card. Very well,  
17 your Honour.

18 COURT: It doesn't say "private banking", it says "priority  
19 banking".

20 MR PILLAI: I take your Honour's cue.

21 Could you please look at tab 2, please.

22 A. Yes.

23 Q. That is 8AB 3583, for the purposes of record.

24 COURT: This was your namecard at the time?

25 A. Yes.

1 11:09 MR PILLAI: This, Mr Wan, was your namecard at Standard  
2 Chartered Bank around December 2006, would that be  
3 correct?

4 A. Correct.

5 Q. Now, please turn to tab 10. This is -- it's all  
6 cross-referenced. Turn to the third page. The first  
7 line there, and let me read for your benefit:

8 "Dr Chang was a customer of HSBC and I used to serve  
9 him since 2003."

10 That's a false statement. Agree?

11 A. That's not what I mean there.

12 Q. Let me repeat the question, and I would like an answer.

13 It's either "Yes, it's false", or "No, it's true".

14 COURT: Then you can explain if you wish.

15 MR PILLAI: Then you can explain.

16 A. Okay, it's a false --

17 MR PILLAI: False statement?

18 A. It's a -- it's not true.

19 Q. It's not true, yes. This was a statement you made when  
20 this document was put up on or around 3 August 2007;  
21 correct?

22 A. May I explain why this is not true?

23 Q. Yes, but before that just answer this question.

24 A. Your question is at? Sorry.

25 Q. My question is that this was a statement you made on or



1 11:11 around 3 August 2007, this document. This is your  
2 statement?

3 A. That's not what I mean. That's not -- I don't agree.

4 Q. Let me try and understand --

5 COURT: That is what you say.

6 A. May I explain?

7 COURT: Yes, but that is what you say, and you've just  
8 admitted that it's false.

9 A. It says -- it says on the paper, but may I explain?

10 COURT: Yes, you may, but for now counsel is taking you --  
11 this is your own written statement, your report to your  
12 bank as of August 2007, and you have admitted that this  
13 statement is false. Right?

14 Now you want to explain, carry on.

15 A. Okay. Let me explain. When we opened the account, we  
16 had a template.

17 COURT: This is a template form.

18 A. Yeah. Usually is, I communicate with my assistants so  
19 that she will put in the information that I told her.

20 COURT: So your explanation is that you told her this and  
21 she typed it in for you?

22 A. I told her Dr Chang was a customer of mine at previous  
23 job.

24 COURT: Okay.

25 A. So I believe we had a misunderstanding, because the

1 11:12 focus is -- you know, she just tried to help me get the  
2 information and then I believe there was  
3 a misunderstanding, because most of my client was from  
4 HSBC, and since 2003, so I believe there was  
5 a misunderstanding.

6 COURT: In what way was there a misunderstanding, from that  
7 sentence? He was never a customer of HSBC?

8 A. No. Because I --

9 COURT: Not that "I used to serve him"?

10 A. No.

11 COURT: I don't understand "no". What do you mean?

12 A. I can say that he was a customer of Standard Chartered  
13 Bank at the time, and I used to help him to open  
14 account.

15 COURT: But he wasn't a customer of Standard Chartered Bank  
16 either.

17 A. That was the -- the time that I wrote this, I already  
18 left, and Dr Chang was only one statement away from  
19 opening an account.

20 COURT: Carry on.

21 A. So that's why I believe -- that's why I told my  
22 assistant that I know him, he was my previous customer.  
23 That's -- I believe that --

24 COURT: So your assistant typed this in?

25 A. Yes. Inputting this for me.

1 11:14 COURT: Yes. But you signed the document at the end of the  
2 page. You didn't read what you put in?

3 A. My focus was actually --

4 COURT: Getting the account signed.

5 A. No. My focus was actually on the profile, the  
6 information, I tried to make sure those are correct,  
7 and -- yeah, my focus was at the time -- these are the  
8 intro, so I didn't really --

9 COURT: You can lie on the intro?

10 A. Excuse me?

11 COURT: You can lie in the intro?

12 A. No, I -- no, I don't agree with that, your Honour.

13 COURT: But you just admitted that that's false.

14 A. In fact, this is --

15 COURT: You also signed it.

16 MR PILLAI: He not only signed it below, your Honour, he  
17 signed it just beside the line.

18 COURT: Initialled.

19 MR PILLAI: If your Honour sees at --

20 COURT: I can see your initials, you were signing on top of  
21 it.

22 A. May I explain?

23 COURT: Carry on.

24 A. The signature there is actually the account of -- we add  
25 the Carmay Lim's account number right next to it.

1 11:15 COURT: Yes.

2 A. So I was signing on the account number.

3 COURT: So you verified the account number but didn't read  
4 the first sentence?

5 A. Well, I didn't pay attention to that, your Honour.

6 MR PILLAI: Maybe I can take it up, your Honour.

7 Do you confirm that that sentence has two  
8 untruths: (a) Dr Chang was never a customer of HSBC. Do  
9 you agree with that?

10 A. I agree.

11 Q. And (b), you did not serve him since 2003?

12 A. Agree.

13 Q. If you look at the same document below, against your  
14 signature -- and this one you can't say that you were  
15 focusing on the account -- it reads:

16 "RM Johnny Wan.

17 RM new client from previous employment in HSBC."

18 There's a tick at "HSBC" and there's a signature.

19 A. Yeah, that's what I said, I -- that's the time --

20 Q. Hold it. The question is this: you said, earlier in  
21 court, you were paying attention to the account number  
22 of Prof Lim when you signed it.

23 A. Right.

24 Q. You must have paid attention to this sentence when you  
25 ticked and signed against this statement. "Yes" or

1 11:16 "no"?

2 A. I could not -- I mean, I could not remember at the  
3 moment, at that time when I signed, but I can say I know  
4 his name in 2003. That was the time I was with --

5 Q. Mr Wan --

6 COURT: But that's not what these sentences, short as they  
7 are, say. You are either saying "I don't know what  
8 I was signing", in a report to your own bank, or else  
9 you are saying "They were untrue, but I signed it  
10 anyway".

11 MR PILLAI: Yes.

12 A. Well, I wasn't aware, really, because --

13 COURT: You weren't aware of what?

14 A. Because that was the time, you know, I --

15 COURT: You were very anxious to close an account.

16 A. I ...

17 COURT: Actually, open an account, to be more accurate.

18 Close a deal.

19 MR PILLAI: Yes, open an account.

20 A. No --

21 MR PILLAI: Mr Wan --

22 A. No, actually it's not. I just didn't pay attention to  
23 it, your Honour.

24 Q. According to you, you didn't pay attention -- on this  
25 one document -- twice; once when you signed on top, and

1 11:18 once --

2 COURT: Do you follow? I'll give you a chance to explain.

3 If you signed this five-page document at the end of  
4 it, that's one way of saying, "Well, yeah, I signed it,  
5 I didn't understand what it was, I didn't pay  
6 attention".

7 But in this five-page document, on that very  
8 sentence, in both cases, two sentences twice, you tick  
9 a correct tick around a number and that line, and you  
10 sign against that line.

11 A. Your Honour, that's my mistake, really. I --

12 COURT: You did it blind?

13 A. Excuse me?

14 COURT: You did it blind?

15 A. I -- I would say, you know --

16 COURT: You were watching the stock market numbers on the  
17 screen?

18 A. Your Honour, you got me. I mean ...

19 COURT: Okay.

20 MR PILLAI: You claim that your attention was not drawn, but  
21 really, from the bank's perspective, the fact that you  
22 knew or you purported to have known Dr Chang from  
23 a previous employment in HSBC would have been an  
24 essential fact before the bank approves this account.  
25 Would you agree with that?

1 11:19 Or you don't know.

2 COURT: Take him to 8AB 3510.

3 MR PILLAI: Yes, your Honour.

4 COURT: Read out the confirmation to him.

5 MR PILLAI: Could you please see the confirmation that you  
6 provided to the bank:

7 "I confirm that due diligence on the above client  
8 has been performed, and that based on the above  
9 background, the client is proper and acceptable to  
10 Deutsche Bank. To the best of my knowledge, the client  
11 complies with Deutsche Bank business ethics and risk  
12 management policies."

13 The last sentence I'll skip. Coming back to my  
14 question, you've seen the paragraph his Honour directed  
15 you to see, and coming back to my question, you must  
16 have known that this was an essential piece of  
17 information for the bank.

18 A. But your Honour --

19 Q. "Yes" or "no" -- no, answer the question, please.

20 A. I believe it plays role, but for my situation --

21 Q. My question is -- sorry, Mr Wan, I need to interrupt.

22 My question is "essential". Is this an essential  
23 information? It's capable of a direct answer. "Yes" or  
24 "no"?

25 A. I'm not sure what you mean by the "essential".

1 11:21 Q. If I were to take your answer to its logical conclusion,  
2 you are a private banker with Deutsche Bank, and here  
3 there's a separate column on how the client was  
4 acquired, you are not sure that information on how the  
5 client was acquired constitutes essential information  
6 that the bank considers before the account is opened?  
7 That is your evidence?

8 A. There are a lot of --

9 Q. Answer the question first, then you can explain.

10 A. I mean, your -- your question is really too long. Could  
11 you shorten it.

12 Q. Mr Wan, you have a monitor. You are capable of reading  
13 English. You can read what I have said.

14 A. There are actually many of the information will take  
15 into account.

16 Q. Mr Wan, that's not the focus of my question. I ask for  
17 the third time: this information on how the client was  
18 acquired is essential information for the bank before it  
19 decides to have an account relationship; "yes" or "no"?

20 A. I believe partially.

21 COURT: Let me take you to a hypothetical.

22 If you said, "I met Dr Chang at a pub in Wanchai",  
23 would it be important to three people who signed this  
24 form after you: the team head, the head of middle  
25 officer and the head of relationship centre?



1 11:24 A. Yeah.

2 COURT: It would be important; right?

3 A. Yeah.

4 COURT: So if you said, "Not only did I know this guy, but  
5 I knew him as a customer of HSBC, another financial  
6 institution", do you think that's important to the bank,  
7 to the ones who are approving this account to be opened?

8 A. I think it's our responsibilities to -- to provide as  
9 accurate as possible, but that part, I explained it  
10 before --

11 COURT: No, explanation is one thing. The question was: do  
12 you think this was important? That was all he was  
13 trying to ask you.

14 A. I believe so.

15 MR PILLAI: Yes. Grateful, your Honour. I could have got  
16 that answer a bit earlier, but --

17 A. I'm sorry, sometimes I don't quite get the --

18 Q. I think you are thinking about the reason why I ask the  
19 question, and you may have to stop that --

20 A. No, no, I just don't quite --

21 COURT: Just looking at page 3510, it's on the basis of your  
22 confirmation that four officers, in an ascending order  
23 of importance in the organisation, accept pre-approval  
24 information, approved by Hong Kong compliance.

25 A. Yes.

1 11:25 COURT: Carry on.

2 MR PILLAI: Thank you, your Honour.

3 Just one last question before we move to another  
4 point.

5 Would you not accept that having stated what you  
6 stated -- just taking it at face value -- you would be  
7 portrayed in a very good light with your supervisors  
8 because you are informing your supervisors, essentially,  
9 that through your own contacts you know Dr Chang, and  
10 he's a person of high net worth, you used to serve him,  
11 and he now wants to join you as a client in Deutsche  
12 Bank?

13 A. The face value that you mean is?

14 Q. Just taking the sentence at face value. I know you say  
15 that it's not true and you basically didn't direct your  
16 mind to it, but the effect of this sentence, at least,  
17 puts you in a very good light, doesn't it?

18 A. I mean, not necessarily, because there are a lot of  
19 afterward that, I believe, although I don't work for the  
20 departments, we have to -- the department also has to do  
21 their own work, to do a background check -- many things  
22 has to be done.

23 Q. Right.

24 A. Just not as -- just, I said would be fine.

25 Q. Thank you.

1 11:27 Your Honour, I wonder if I could have a short  
2 break --

3 COURT: Have you completed this document or not?

4 MR PILLAI: No, your Honour. I will be coming back to it.

5 COURT: Fine. You want to break?

6 MR PILLAI: Yes.

7 (11.29 am)

8 (A short adjournment)

9 (11.42 am)

10 MR PILLAI: Your Honour, we are grateful for the short  
11 adjournment.

12 Mr Wan.

13 A. Yes.

14 Q. Before the adjournment, you may recall mentioning to the  
15 court as to the reason why there was this inaccuracy in  
16 that line that I referred you to. You mentioned that --

17 COURT: You called it an inaccuracy.

18 MR PILLAI: False, rather, your Honour.

19 A false statement that I referred you to. You  
20 mentioned that you thought that Dr Chang was a customer  
21 in Standard Chartered Bank. Do you remember that? He  
22 was one statement away from being a customer in Standard  
23 Chartered Bank; that's your evidence. I'm just  
24 reminding you of your evidence that you gave.

25 A. Yes.

1 11:43 Q. Could you please look at the same document, the header  
2 "Initial source of funds" which is at page 8AB 3506.

3 A. Yes.

4 Q. "Initial USD 2M will come from Citibank Taiwan. Some  
5 other assets will transfer from Standard Chartered  
6 Bank."

7 Do you see that?

8 A. Yes.

9 Q. The reality is that Dr Chang had no Standard Chartered  
10 Bank account. He also did not have a Citibank Taiwan  
11 account. Do you accept that?

12 A. I don't know whether he has a Citibank -- he told me he  
13 had a Citibank account and he lives in Taiwan.

14 Q. Let me just break it up. Insofar as a Standard  
15 Chartered Bank account is concerned, do you accept that  
16 he actually had no Standard Chartered bank account?

17 A. Now that I know that he has no Standard Chartered --

18 COURT: Where did you get this information from when you  
19 filled out this form?

20 A. He filled out a Standard Chartered Bank account opening  
21 form with me.

22 MR PILLAI: You see, Mr Wan, your evidence, and let me be  
23 very clear, was that you thought he opened a Standard  
24 Chartered bank account because he was one document away  
25 from the opening of the account.

1 11:45 A. Correct.

2 Q. In August 2007 when you wrote this statement, "some  
3 other assets will transfer from Standard Chartered  
4 Bank", your belief must be that Dr Chang had, at that  
5 point in time, a Standard Chartered bank account;  
6 correct?

7 A. That was the estimate. That was the best estimate at  
8 the time.

9 COURT: No, no. Let's be a bit precise. There are two  
10 statements here. Counsel is focusing on the second  
11 statement, and you say:

12 "Some other assets will transfer from Standard  
13 Chartered Bank."

14 He's only looking at that and asking you: is that  
15 accurate? On what basis do you put that statement in?  
16 So you --

17 A. The statement that I put in is -- I thought he had an  
18 account with --

19 COURT: Because, to your knowledge, he was one step from  
20 opening an account with StanChart?

21 A. Right, because even though I left the Standard Chartered  
22 bank, he fill out the form already.

23 MR PILLAI: Yes.

24 Hearing you, you thought that Dr Chang would  
25 transfer some assets from Standard Chartered Bank when

1 11:46 you wrote this statement?

2 A. Your Honour, our business --

3 Q. No, can you answer the question, please, before you give  
4 an explanation.

5 You thought, when you wrote this sentence, that  
6 Dr Chang would transfer some assets from Standard  
7 Chartered Bank?

8 A. I was casually believe that he could transfer some money  
9 from Standard Chartered Bank.

10 Q. Mr Wan, this is supposed to convey to the bank the  
11 initial source of funds, so it was instructions from the  
12 client or the client-to-be.

13 So far, you say you casually believe that some  
14 assets would be transferred from Standard Chartered  
15 Bank. And you have accepted earlier that actually,  
16 there's no such account in the first place.

17 A. May I explain?

18 Q. I'm just putting the sequence of the facts.

19 COURT: There are only two statements here, one is  
20 \$2 million from Citibank Taiwan, and the question  
21 counsel has put to you is: Dr Chang did not have any  
22 account with Citibank Taiwan. What's your response to  
23 that? You assumed --

24 A. My --

25 COURT: You assumed that because he lived in Taipei --

1 11:48 A. And he had an account with Citibank, so I -- I -- just  
2 like the account --

3 COURT: Fine. So Citibank and Taiwan are the assumption.

4 How about the \$2 million?

5 A. It's -- because we require \$1 million to open an  
6 account. May I explain further? It's because our --

7 COURT: Where did "\$2 million" come from? Did Dr Chang tell  
8 you, did you tell him, "Can you please deposit  
9 \$2 million", what?

10 A. Our business is sometimes a lot of variables. Today,  
11 when we open an account, we have a conversation with the  
12 client he might said, "Okay, today I'm going to give you  
13 \$2 million from Standard Chartered Bank", end up he  
14 could put in nothing, or, he could transfer money from  
15 other source, he could transfer money from anywhere.  
16 That was just the estimate.

17 COURT: Carry on.

18 A. So -- I -- I mean --

19 COURT: Basically, your assumptions.

20 A. Yeah, it's just an assumption because our business --  
21 I mean, I can say, yeah, this client could transfer  
22 \$1 million from here, \$1 million from there, but end up  
23 it could not -- I mean, it may not happen.

24 So we have so many variables, it's just the nature  
25 of the business is different, so --

1 11:49 COURT: Why do you need to put any entry here in the first  
2 place?

3 A. We just do our --

4 COURT: The initial source of funds is printed in the form.  
5 It's a field for you to fill in.

6 A. Yes.

7 COURT: You may have nothing to fill in.

8 A. Yes, that's right. We could fill --

9 COURT: So you fill in something --

10 A. Yeah, just fill in something --

11 COURT: -- for the approval of your bosses.

12 A. Or, I can say it's just the amount that probably we're  
13 going to work on, but there are many variables.

14 COURT: Target or estimate, that kind of thing --

15 A. Yes.

16 COURT: But you don't say that, you just say "will come  
17 from". "Will come from" is a certainty.

18 A. Still --

19 COURT: Basically, you don't take this know-you-customer  
20 form or client acceptance profile very seriously; is  
21 that what you're saying?

22 A. No. I would say only this -- actually, this part is our  
23 closest estimate because --

24 COURT: Why don't you say that, "estimate"? "Expected  
25 estimate"?



1 11:50 A. I should put down that way.

2 COURT: Now you will.

3 A. I -- I will --

4 COURT: From now onwards.

5 A. Yeah, because I -- I'm here, and -- you know, I would  
6 just fill out -- because I will consider, because  
7 before, I don't think that many, just -- we estimate, we  
8 put in, and I don't know whether I will -- will become  
9 a --

10 COURT: We understand. We understand that things happen.

11 The point is, very simply, you can say "expected" or --

12 A. I expected, I should put that way.

13 COURT: Yes.

14 A. Thank you, your Honour.

15 COURT: I'm not a private banking teacher.

16 A. Thank you, your Honour.

17 COURT: I would like to understand from you what you do.

18 MR PILLAI: Mr Wan, you would accept that it would not make  
19 sense for Dr Chang to have told you that some assets  
20 would have come from Standard Chartered Bank because he  
21 never even had such an account --

22 COURT: He said he assumed.

23 MR PILLAI: He assumed, yes.

24 Mr Wan --

25 A. Yes.

1 11:51 Q. -- wouldn't it be dangerous to state, in this document,  
2 the sources of funds you assumed Dr Chang to have?

3 COURT: What do you mean by "dangerous"?

4 MR PILLAI: Dangerous in the sense that these are all -- as  
5 it turned out here, it's a matter of fiction.

6 He didn't have a Citibank Taiwan account, he didn't  
7 have a Standard Chartered bank account, so you just  
8 state what you assumed that he had. When I say  
9 "dangerous", what I meant is, isn't that misleading for  
10 your superiors who are perusing this document?

11 A. I don't think -- if you are in our industry, you would  
12 understand. It's a lot of the things that -- that could  
13 be clients that we been follow more than three years,  
14 still nothing comes out, we need to write report about  
15 that too. It's just the nature of our industry, there  
16 are so many uncertain --

17 Q. Mr Wan --

18 A. -- we have to do our best estimate. That was my best  
19 estimate.

20 COURT: You're not explaining fiction by reference to the  
21 industry.

22 A. Okay. It's just the -- there are so many variables.  
23 I did my best estimate at the time.

24 COURT: Carry on.

25 MR PILLAI: I'll move on, your Honour.

1 11:53 COURT: Have you finished with the form, because I have  
2 a few questions on the form.

3 MR PILLAI: Yes, your Honour, I have finished with the form  
4 at this stage.

5 COURT: Let's take you through the paragraph before. You  
6 estimate that Dr Chang's income as an academic was  
7 US\$350,000 a year. Dr Chang, on the stand, says there  
8 was no such high amount.

9 MR PILLAI: Yes, that's true.

10 COURT: Where did you get that number from?

11 MR PILLAI: I am guided, your Honour.

12 A. Your Honour, the number, I just remember it when I fill  
13 out the Standard Chartered bank account opening form.  
14 There was a part saying that the income --

15 COURT: He filled in or you filled in on his behalf?

16 A. I believe he filled it in, because the retail bank or  
17 the priority banking business is he came in, we gave him  
18 the form, and he --

19 COURT: The form usually has boxes which say how much income  
20 you have in terms of -- range, range, range.

21 A. Range, range.

22 COURT: So it's your evidence that you recall him filling  
23 the Standard Chartered form --

24 A. Yes.

25 COURT: -- with the range of US\$350,000?

1 11:54 A. Yes. Yes.

2 COURT: Carry on. And assets, 3 million to 6 million, net  
3 worth, US\$25 million. Where do you get that from?

4 A. That are the -- that's the impression that I had with  
5 the Fidelity statements.

6 COURT: So he showed you a Fidelity statement for the  
7 purposes of his address, and from there you pulled these  
8 numbers out?

9 A. No. Because it was unclear, so my impression on that,  
10 about 5 million, that's my impression from looking at an  
11 unclear statements --

12 COURT: That statement is in evidence, isn't it?

13 MR PILLAI: Yes, your Honour, and I'll come to that.

14 COURT: Why don't you refresh his memory by showing him.

15 MR PILLAI: Very well, your Honour.

16 Could you please turn to tab 1 of the bundle.

17 You referred to a document just now, and this is  
18 a copy which was faxed across to Dr Chang in December  
19 2006. Is this the document that you recall seeing?

20 A. I'm not sure.

21 COURT: It is a Fidelity Investment -- you asked him for  
22 address for the purposes of money laundering; right?

23 A. I asked for an address.

24 COURT: Therefore, he gives you a statement to show -- I can  
25 give you my PUB account, I can give you my tax return,

1 11:56 whatever; right?

2 A. We just need --

3 COURT: An address; right?

4 A. An address to open an account, because we need to --

5 COURT: Yes, but not just any address you tell me; give me  
6 some -- IRS or --

7 A. Yes.

8 COURT: So he gave you this?

9 A. Yes.

10 COURT: Right? So --

11 A. But I'm not sure whether it's this one.

12 COURT: Fair enough. It may not be this particular one.

13 All right, so you are basically not sure, because this  
14 document is dated an investment report for 1 August to  
15 31 August. If you are talking about, what?

16 MR PILLAI: This was shown to him around December 2006, your  
17 Honour.

18 COURT: December?

19 MR PILLAI: 2006. That's his evidence.

20 COURT: All right. Basically what we're trying to  
21 understand is, when you entered this net asset net  
22 worth, et cetera, where did you get that information  
23 from?

24 A. I believe partially from this one and then --

25 MR PILLAI: When you say "this one" you are referring to the

1 11:57 document in tab 1, the Fidelity statement?

2 A. It's a combination of inputs. He mentioned that he  
3 wants to -- I cannot be exactly sure, but Dr Chang  
4 mentioned that he wants to put a couple millions, when  
5 I opened an account with him with Standard Chartered  
6 Bank. So that was my impression at that time. And --

7 COURT: Basically, when you filled in this form, you were  
8 relying on what you heard earlier when he was thinking  
9 of opening an account with Standard Chartered Bank?

10 A. Correct. It was --

11 COURT: So you saw a couple of million -- 3 to 6 million  
12 would be a nice number to put in?

13 A. Three to six million is my closest estimate at the time,  
14 with the limited information.

15 COURT: What information? He didn't tell you. You are  
16 in --

17 A. He said a couple million.

18 COURT: Yes, "couple" can mean what? It can mean 1, 2, it  
19 can mean 100 million.

20 A. Yeah, so I just --

21 COURT: To be on the safe, conservative side, you said 3 to  
22 6 million?

23 A. Yeah.

24 COURT: Then you said his estimated net worth is US\$20 to  
25 25 million. Where did you get that from?

1 11:58 A. Also, I remember it from the Standard Chartered Bank,  
2 because they had a profile link or something, and I just  
3 remembered --

4 COURT: What is a profile link?

5 A. It's just a -- the asset that they have --

6 COURT: Standard Chartered has?

7 A. No, it's just ask them how much money that they have.

8 COURT: So this data in both cases, you knew, from  
9 Dr Chang's filling an account opening form in  
10 StanChart --

11 A. I remember.

12 COURT: You remember from that?

13 A. Yeah, a little.

14 COURT: What do you mean by "a little"?

15 A. I remember some. I cannot remember all.

16 COURT: It's very precise. Investible asset, net worth.  
17 Two very simple things.

18 A. Net worth is also consist of the real estate that he  
19 owns.

20 COURT: He told you that?

21 A. Yeah, he told me that.

22 COURT: What?

23 A. He told me that they have properties in Hong Kong, in  
24 Taipei, all adding together. That was the impression.

25 COURT: No. He told you or you had an impression? These

1 12:00 are two different things. He didn't tell you, "I am  
2 worth 25 million" --

3 A. Your Honour, may I explain a little further? It's when  
4 Dr Chang --

5 COURT: No, let me help you try to clarify. Either he told  
6 you, or you saw his entries in the Standard Chartered  
7 account opening form, or this is the sum total of your  
8 impression.

9 A. Sum total of my impression.

10 COURT: Okay.

11 MR PILLAI: Thank you.

12 Let me just pursue one point you made just now. You  
13 mentioned that some of this information came from the  
14 Standard Chartered profile link --

15 A. Maybe "account opening form" would be more --

16 Q. I'm just repeating. You said "I remember from Standard  
17 Chartered Bank because they had a profile link or  
18 something".

19 "What is a profile link", the court asked, and you  
20 never really answered his Honour's question. What is  
21 a profile link?

22 A. It is -- should not be a profile link. It should be  
23 regarding the client's profile information.

24 COURT: It is not another document apart from the StanChart  
25 account opening form you refer to? Is it something



1 12:01 else, or is that just that?

2 A. It was just Standard Chartered Bank account opening  
3 form.

4 COURT: Fair enough. All right. Before you proceed any  
5 further, the last question I have, is look at page 3509.  
6 This is your entry, presumably.

7 MR PILLAI: At tab 10.

8 COURT: Tab 10. The same account client acceptance and  
9 profile report that you filed, and you signed.

10 A. Yes.

11 COURT: Having made all those entries, you are entering  
12 a column called "Return expectation/risk tolerance", and  
13 you mark with a X, and there's a tick there, it says  
14 Dr Chang is:

15 "[An] investor who is prepared to accept risk of  
16 infrequent and modest losses.

17 Seeking total return both from income and capital  
18 appreciation."

19 Is that correct?

20 A. Yes.

21 COURT: So you knew that then?

22 A. This part, yes.

23 COURT: Carry on.

24 MR PILLAI: Thank you, your Honour.

25 I would like to take you to the events in December

1 12:02 2006. Please look at paragraph 26 of your affidavit.,  
2 which is found at page 8.

3 In paragraph 26, you say that Dr Chang did not have  
4 any address proof document with him and indicated that  
5 he would fax a copy of the same to me. In this regard,  
6 I recall that it was only a day or so after I had met  
7 Dr Chang that he faxed me a photocopy of the cover page  
8 of an account statement from Fidelity investment. I  
9 recall that the cover page had stated Dr Chang's name  
10 and address. I also recall that the cover page may have  
11 contained some information on the value of Dr Chang's  
12 Fidelity Investment account but the photocopy of the  
13 cover page was unclear and I did not pay any attention  
14 to this portion of it."

15 Pausing here. In light of the evidence you've given  
16 just now, you at least knew that Dr Chang was worth  
17 about US\$5 million?

18 A. That's a little incorrect.

19 Q. What is incorrect, the statement you gave here in the  
20 affidavit of evidence-in-chief or the statement you gave  
21 in court?

22 A. I'm not quite understand the --

23 Q. Let me explain to you. In court earlier, just a few  
24 minutes ago, you mentioned that you looked at a copy and  
25 you basically got the impression that Dr Chang had about

1 12:04 \$5 million worth of assets.

2 I have now referred you to paragraph 26 and I read  
3 all the way up to the point where it says:

4 "... I did not pay much attention to this portion of  
5 it", and this refers to the value of Dr Chang's account.

6 So do you accept that by the time -- and I'm talking  
7 about December 2006 -- when you looked at this copy, you  
8 knew that Dr Chang was at least worth US\$5 million?

9 A. It was an unclear copy. To the best of my  
10 recollections, it was the impression that I get. I'm  
11 not really sure that, you know, the number is, because  
12 it was unclear. So that's why I said it's impressions.  
13 It's a combination of impression.

14 Q. We are dealing with the realm of impression and  
15 assumptions, but what was your impression in  
16 December 2006? Was your impression that Dr Chang was at  
17 least worth US\$5 million?

18 In December 2006, your Honour. This is when he saw  
19 this copy. We are at the time --

20 COURT: All right.

21 A. You just look at -- if you look at the account opening  
22 forms that he filled with Standard Chartered Bank, there  
23 already information there.

24 MR PILLAI: Mr Wan, forgive me, but you need to be very  
25 precise with your answer because my question revolves

1 12:06 around this particular document, which is a copy of the  
2 account statement with Fidelity Investment. That is my  
3 focus.

4 I'm reminding you, for probably the third time now,  
5 that you have stated in court that your impression, when  
6 you looked at this statement, was that Dr Chang was  
7 worth at least US\$5 million. This is what you said  
8 earlier.

9 A. I should -- I should correct that it's -- it's  
10 a combination of everythings.

11 Q. According to you, when you say "combination of  
12 everything", meaning the content of this account  
13 statement and also what Dr Chang filled up at Standard  
14 Chartered Bank? Is that what you are referring to?

15 A. Partially.

16 Q. We are in December 2006, so let me just identify the  
17 sources of your impression. We have identified two: the  
18 account statement, and what Dr Chang filled up in the  
19 SCB forms. Any other sources?

20 A. I had a trip with him to the American embassy.

21 Q. Yes. The reason why you went with him to the American  
22 embassy was that you knew Dr Chang was an American  
23 citizen at that point in time as well?

24 A. That I don't know at the time.

25 Q. But you went with him to the American embassy.

1 12:08 A. Right.

2 Q. The purpose of you following him to the American  
3 embassy, wasn't it not because he had to deal with  
4 certain matters involving his American citizenship?

5 A. Okay, let's put it that way. He didn't know how to get  
6 to the American embassy, so I offer help because  
7 Standard Chartered Bank is about five to 10 minutes away  
8 from the American embassy.

9 And normally I won't ask -- I mean, like, banking  
10 clients, for their private issues, so I show him, I walk  
11 with him, he go in -- he went in, he conduct -- you  
12 know, I -- really, I was not interested in knowing what  
13 he was doing down there.

14 Q. I'll come back to this separately. Going back to my  
15 earlier question about the sources of your impression,  
16 do I take it that one further source is the conversation  
17 you had with Dr Chang while both of you were walking to  
18 the American embassy?

19 A. That should be my recollection at the time.

20 Q. Yes. From the sources that you have, your impression  
21 was that Dr Chang was a person who had at least  
22 US\$5 million? That was your impression?

23 A. That was the impression.

24 Q. You say in paragraph 26 that Dr Chang faxed you  
25 a photocopy of the cover page of the account statement.

1 12:10 Is that a true statement?

2 A. Which statement?

3 Q. The second statement in paragraph 26:

4 "In this regard, I recall that it was only a day or  
5 so after I had met Dr Chang that he faxed me a photocopy  
6 of the cover page of an account statement from Fidelity  
7 Investment."

8 Is that a true statement? "Yes" or "no" would  
9 suffice.

10 A. Yes.

11 Q. Just to help you with your understanding, if you look at  
12 tab 1 in the core bundle, this is the document which my  
13 client showed you. These are my instructions. It's not  
14 the exact document because we're dealing with a copy of  
15 the statement.

16 Just open that document there. I'll refer you to  
17 another document.

18 Your Honour, I'm referring to the setting down  
19 bundle, page 249.

20 Please look at (iii) somewhere in the middle. It  
21 reads:

22 "The Defendant [Dr Chang] showed Mr Wan an unclear  
23 photocopy of the cover page of an account statement from  
24 Fidelity Investment."

25 Do you see that? It goes on to say:

1 12:12 "The cover page stated the Defendant's name and  
2 address but did not set out his portfolio in his  
3 Fidelity Investment account. As the photocopy of the  
4 cover page of the Fidelity Investment account statement  
5 was unclear as well as outdated by three months, it  
6 could not be used as an Address Proof Document."

7 In your affidavit, you say you received a faxed  
8 copy, and this document -- you may not know the  
9 significance of this document, but basically this is  
10 what your lawyers said on your behalf, that you actually  
11 received, or you were shown an unclear copy of the  
12 account statement. Which is the truth?

13 COURT: I think you need to be a bit more precise and take  
14 the witness through two statements on page 249 --

15 MR PILLAI: Yes, your Honour.

16 COURT: -- and establish the relationship to tab 1.

17 MR PILLAI: Very well, your Honour.

18 Could you please take up the setting down bundle at  
19 page 249 and let me just give you the context.

20 At paragraph (iii), "At the meeting ..."

21 You are referring to the meeting in December 2006,  
22 between Mr Wan -- that's yourself -- and Prof Lim.

23 "... Prof Lim had suggested that the Defendant  
24 [Dr Chang] open an account with SCB. [You] thus  
25 requested that the Defendant provide [you] with

1 12:14 a document to verify his mailing address for the  
2 purposes of opening such an account ..."

3 I read this part. And then at (iv):

4 "As [Dr Chang] could not provide the necessary  
5 Address Proof Document and [you] would shortly leave SCB  
6 and commence [your] employment with ... [Deutsche  
7 Bank's] Hong Kong branch in or about January 2007,  
8 [Dr Chang] eventually did not open the account with  
9 SCB."

10 That's what is stated on your behalf by your  
11 lawyers.

12 A. Okay.

13 Q. This is the context. So you knew, or at least you  
14 instructed your lawyers, that Dr Chang did not provide  
15 the address proof, therefore Dr Chang did not eventually  
16 open the account. But, coming to the point in (iii),  
17 which is this "The Defendant showed Mr Wan"; that means  
18 Dr Chang showed you an unclear photocopy of the cover  
19 page. And in your affidavit, you say that Dr Chang  
20 faxed to you -- you received a fax copy of this  
21 statement. Which is the truth?

22 A. It's, to the best of my recollections, it's my SCB --  
23 I mean, Standard Chartered Bank colleague -- said that  
24 it was --

25 Q. Sorry. Please answer the question, then you can



1 12:16 explain, otherwise we'll be here for too long.

2 Tell me which is the truth --

3 A. The fax copy --

4 Q. -- your statement in your affidavit --

5 COURT: There was a meeting between you, Dr Chang and  
6 Prof Lim --

7 A. Right.

8 COURT: -- in December 2006 --

9 A. Correct.

10 COURT: -- at StanChart in Hong Kong.

11 A. Correct.

12 COURT: The first question was, your lawyers say that you  
13 requested Dr Chang to provide you with a document  
14 verifying his mailing address.

15 A. Correct.

16 COURT: And your lawyers say Dr Chang showed you an unclear  
17 photocopy of a cover page of a Fidelity account  
18 statement -- showed you. Is that accurate or not?

19 A. My recollection was an unclear copy.

20 COURT: So "showed you" is correct? You were shown a copy?

21 A. Right -- no. It's the -- I believe it came in late, not  
22 on the same date.

23 COURT: Could be both.

24 A. It could be both, but anyway, I had an unclear copy.

25 COURT: The bank's procedure to require some documentary

1 12:18 evidence showing, and giving you a copy are two  
2 different things. Your lawyers say that at that meeting  
3 at StanChart, he showed you a Fidelity account statement  
4 which sets out his address.

5 So you confirm that he did show you, but then you go  
6 on to say it was unclear.

7 A. It was unclear statement, that's for sure.

8 COURT: "Unclear" meaning what?

9 A. Cannot see clearly.

10 COURT: What?

11 A. Just the --

12 COURT: The name, the address?

13 A. Just the name and the address and the rest are dark,  
14 very dark.

15 COURT: You see, your lawyer's statement goes further than  
16 that. To say that it's unclear in its entirety is one  
17 thing, but to categorically say that the cover page did  
18 not set out his portfolio, that's another statement  
19 altogether.

20 Since you are the principal, can you clarify what is  
21 it? One, you have clarified so far that he did indeed  
22 show you a Fidelity account statement. You've clarified  
23 so far that it was unclear.

24 A. Correct.

25 COURT: Next question: even if it was unclear, did that

1 12:19 cover page have a statement of his investments?

2 A. I really don't remember.

3 COURT: You can remember a lot of things about the account  
4 opening form, but not this one?

5 A. Because the pages was unclear.

6 COURT: Being unclear is one thing. Do you follow? It may  
7 well be that it's there but I couldn't see it and  
8 I couldn't see the number. That's fine.

9 A. Right.

10 COURT: Do you follow? What I'm trying to clarify from you  
11 is: one, yes, he showed me a copy; two, it was unclear.

12 A. I -- I think he didn't show me on the first day. It was  
13 come in later.

14 COURT: So it's your evidence that you can't recall or he  
15 did not show you?

16 A. To the best of my recollections, he did not show me the  
17 address proof for the first date.

18 COURT: You can't remember? You either say, "To the best of  
19 my recollection he did not", or you say "I can't  
20 remember".

21 A. To the best of my recollections, he did not show me the  
22 statement.

23 COURT: Fair enough.

24 MR PILLAI: Can I take it, therefore, Mr Wan, that -- again,  
25 if you disagree please let me know -- to the best of

1 12:21 your recollection, what you saw was a fax copy of the  
2 Fidelity statement? Is that your understanding?

3 A. That was my understanding.

4 Q. You met Dr Chang twice. You mentioned the first day;  
5 you met him subsequently on the second day.

6 A. No, I believe I only met him on that day. The first  
7 day, I believe.

8 Q. Mr Wan, it's a rather strange phraseology and you say  
9 you only met somebody one time, and then you say "I meet  
10 him for the first day". Are you very sure that you did  
11 not meet him on the second day? You are on oath.

12 A. I believe only I met him in the first day.

13 Q. When you use the words "first day", Mr Wan --

14 A. The first meeting.

15 COURT: There must be a second.

16 MR PILLAI: There must be a second, that's my point.

17 A. Oh, okay. Still, I don't -- I don't quite get why that  
18 second -- the second, to me, it's probably --

19 COURT: You just say "I met him one day".

20 A. Yeah, I met him one day. I'm sorry, it's just little  
21 complicated to get into my mind.

22 MR PILLAI: Really, Mr Wan, what actually happened was that  
23 Dr Chang showed you a copy of the Fidelity statement on  
24 the second day. That's what happened.

25 COURT: You can put it to him.

1 12:23 MR PILLAI: Yes, your Honour.

2 Sorry, your Honour, I didn't use the word "put" but  
3 I'll use the word "put".

4 COURT: When he puts it to you, you can either agree or  
5 disagree, and if you want to explain, you can. He is  
6 putting to you his case.

7 MR PILLAI: All right.

8 Mr Wan, I put it to you that Dr Chang showed you the  
9 copy of his Fidelity statement at a second meeting which  
10 occurred one or a few days after the first meeting.

11 A. I don't remember.

12 Q. Do you recall that you accompanied Dr Chang to the US  
13 embassy after this second meeting?

14 You did say in court that you recall a trip to the  
15 US embassy.

16 A. Correct.

17 Q. Now that you recall the trip to the US embassy, this  
18 trip happened after the second meeting?

19 A. Let me explain. I don't really remember the dates,  
20 I know what happened, so if you say it's a second day,  
21 I really don't remember.

22 Q. Let me just, perhaps, try and refresh your memory.  
23 Please could you please take up Dr Chang's affidavit,  
24 volume 1, page 28. I'll take up one point about the US  
25 embassy before I go to the next one. Page 28. Do you

1 12:25 have paragraph 79 there?

2 A. Paragraph 79, yes.

3 Q. "I asked Mr Wan for directions to the US embassy.

4 I also told him that I held a dual US-Taiwanese  
5 citizenship and wanted to check on the procedure for  
6 renouncing my US citizenship."

7 Do you recall this conversation with Mr Wan?

8 A. No.

9 Q. The next paragraph:

10 "Mr Wan said that the US embassy was only 2 blocks  
11 away and said that he would accompany me there."

12 Do you see that? Do you recall this happening,  
13 Mr Wan?

14 A. Yes.

15 Q. "Along the way, [you] told Prof Lim and [Dr Chang] that  
16 you were moving to DB's Hong Kong branch ..."

17 Would that be correct?

18 A. You mean at the meeting or ...?

19 Q. "Along the way", that's what is stated paragraph 80,  
20 when you were walking to --

21 A. That, I don't recall.

22 Q. But you do recall stating to Prof Lim and Dr Chang that  
23 you were moving on to Deutsche Bank Hong Kong branch?  
24 You do recall that? At some point in time, you did  
25 mention that.

1 12:26 A. Yeah. Yeah. Yes.

2 Q. Now you see at page 27, paragraph 78:

3 "I handed Mr Wan the original faxed top page of  
4 my ..."

5 The word "faxed" here, just to explain, Dr Chang  
6 received a faxed copy from his student back in Taipei,  
7 and he handed the original fax copy to you at this  
8 meeting for the second time. That's what happened;  
9 correct?

10 A. I don't really recall.

11 Q. But at the very least, through the three sources of  
12 information you have identified earlier, you knew that  
13 as at December 2006, when you first met him, that  
14 Dr Chang was at least worth -- according to you -- about  
15 US\$5 million? That was your impression?

16 A. That was the impression.

17 Q. Because at that time you were the priority banking  
18 manager of Standard Chartered Bank, it could not have  
19 been pursuant to your duty as a manager of Standard  
20 Chartered Bank that you informed Dr Chang that you were  
21 moving to Deutsche Bank Hong Kong branch. Do you agree  
22 with that?

23 A. I didn't thought about that, it was just a casual talk.

24 Q. At that point in time, you already had decided to move  
25 to Deutsche Bank Hong Kong branch; would that be

1 12:28 correct?

2 A. Correct.

3 Q. In the scheme of things, normally people do things for  
4 a purpose. When you informed Dr Chang that you were  
5 moving to Deutsche Bank Hong Kong branch, at that point  
6 in time you already knew he was at least worth  
7 US\$5 million. You also informed Prof Lim about the fact  
8 that you were moving to DB Hong Kong branch.

9 Really, the purpose in sharing this information was  
10 to possibly explore them being your clients when you  
11 moved over to the Deutsche Bank Hong Kong branch.

12 MS TAN: Sorry. I just would like to say that my learned  
13 friend has not established -- Mr Wan informing Dr Chang  
14 that he moved to Deutsche Bank Hong Kong branch came at  
15 the end of him getting the information from all these  
16 three sources that he talked about earlier.

17 MR PILLAI: In fact, your Honour, Mr Wan had already  
18 confirmed, both in evidence and in his own affidavit,  
19 that he informed both Dr Chang and Prof Lim at that  
20 meeting.

21 MS TAN: I have no issues with that. It's the timing, when  
22 he told them, whether it came after the trip to the  
23 US embassy and so on.

24 MR PILLAI: Your Honour, again, the issue about when is  
25 a difficult point because, according to this witness



1 12:30 there was only one meeting. According to my client's  
2 instructions, there are at least two meetings.

3 So I'm not going there, but the summation of one or  
4 two meetings is that there was this conversation where  
5 this piece of information was disclosed. I'm just  
6 taking it from there, your Honour. Grateful, your  
7 Honour.

8 Now, Mr Wan --

9 A. Yes.

10 Q. -- my question was this: you shared with Dr Chang and  
11 Prof Lim your intention to move to a competitor,  
12 Deutsche Bank Hong Kong branch, because you had  
13 entertained some hope at least that Prof Lim and  
14 Dr Chang would become your clients when you moved over.

15 COURT: Why don't you shorten your question.

16 You told them that you were moving to Deutsche  
17 Bank --

18 MR PILLAI: -- because you intended them --

19 COURT: -- you were hoping to --

20 MR PILLAI: -- include them as your clients.

21 Grateful, your Honour.

22 A. It's a difficult question, because --

23 COURT: Why is it difficult? According to you, you met the  
24 guy for the first time ever --

25 A. To me, is --

1 12:31 COURT: -- and you go tell him, out of the blue, "By the  
2 way, I'm changing jobs". What does it sound like? Idle  
3 chatter?

4 A. Could be -- it could be many, many -- many reasons,  
5 because when I told them that I changed jobs --

6 COURT: You happened to pass by Deutsche Bank's building and  
7 said, "Well, I may be moving next door".

8 A. Well, there are things that, you know, probably  
9 I need --

10 COURT: According to you, you met the guy for the first time  
11 and the only time. Do you follow? In the context of  
12 StanChart kind of stuff.

13 MR PILLAI: Yes.

14 A. Well --

15 COURT: It's natural.

16 A. It's natural that -- I mean, it's natural that -- it's  
17 probably just part of the courtesy, I mean, just to let  
18 them know, I mean.

19 COURT: "Courtesy", meaning what?

20 A. I mean --

21 COURT: You want to introduce them to the Standard Chartered  
22 officer that was going to cover you?

23 A. Well, I mean, I got called from people that -- well,  
24 actually, I got a call from Standard Chartered Bank when  
25 I left because my -- my records, my mobile phone number

1 12:32 was still on their computer systems, so their internal  
2 officer, they didn't know, they would still call me up,  
3 say, "Hey, you have a client", you know, this and that.

4 To me, it would be something like, "Okay, this is  
5 the first time we met, and I believe it's probably the  
6 last time". Just to let them know. It's a courtesy.  
7 It's our business -- I mean, it's a courtesy. We let  
8 them know -- I mean, we let people know. I don't know  
9 what's going to happen tomorrow, but I was true at the  
10 time that, you know, we -- sometimes just believe --  
11 I don't know how to say it in English, "yuen fun".

12 MR PILLAI: Sorry, what did you say?

13 COURT: It's Cantonese.

14 A. In Cantonese.

15 MR PILLAI: My colleague tells me "yuen fun" means "fated"  
16 but I stand corrected.

17 In which dialect?

18 A. Cantonese. Sometimes I feel -- actually, to me, at the  
19 time, they were -- actually they were very nice to me  
20 too.

21 Q. My clients are --

22 A. They were nice people.

23 Q. Is it your serious answer that you shared this  
24 information that you were about to leave for Deutsche  
25 Bank Hong Kong, as a matter of courtesy? That's your

1 12:34 serious answer?

2 A. At the moment, yes -- at that moment, yes. It's  
3 a serious answer because --

4 Q. I just need that.

5 Your Honour, I'm going to a different area.

6 I wonder whether this is an appropriate time.

7 COURT: Okay.

8 (12.34 pm)

9 (The luncheon adjournment)

10 (2.32 pm)

11 MR PILLAI: May it please your Honour.

12 May I proceed with the cross-examination.

13 Good afternoon, Mr Wan.

14 A. Good afternoon everyone. Good afternoon, your Honour.

15 Q. Could you please pick up the core bundle and turn to  
16 tab 5. You will see an e-mail --

17 A. Yes.

18 Q. -- dated 5 February 2007 from you to Prof Carmay Lim?

19 A. Yes.

20 Q. You say here in the first sentence:

21 "I would like to suppress my sincere apology to you  
22 and Mr Chang because I left Standard Chartered Bank and  
23 have joined Deutsche Bank ... on Feb 2007."

24 Just to clarify, you have given evidence earlier  
25 today, stating that you joined Deutsche Bank on

1 14:33 22 January 2007. I take it that you were deployed for  
2 duty at the Private Wealth Management unit of Deutsche  
3 Bank from February 2007 onwards?

4 A. You are saying that I started from February 2007?

5 Q. No, I'm just trying to reconcile you. Mentioned in  
6 court earlier today, Mr Wan, that you joined Deutsche  
7 Bank on 22 January.

8 A. Right.

9 Q. Here you state here that you joined on February 2007.  
10 Could it be that you are conveying to Prof Lim that you  
11 started actual work as a private banker of Deutsche Bank  
12 from February 2007?

13 A. I believe the first couple days of my job, I was just  
14 get used to the environment, so I just consider --  
15 that's what I mean by February 2007.

16 Q. Yes. I think we are on the same page. Effectively you  
17 started work, as in working as a private banker for  
18 Deutsche Bank, in February 2007, after the orientation  
19 programme with Deutsche Bank.

20 COURT: Wouldn't it be simpler to ask him when did he  
21 commence working for Deutsche Bank?

22 MR PILLAI: The problem is, sometimes the word "work" --

23 COURT: When he became an employee of Deutsche Bank, if you  
24 wish.

25 MR PILLAI: Yes. Very well, your Honour. I believe he had

1 14:35 answered that question. He actually stated before the  
2 break that he started work on 22 January, and here we  
3 have --

4 COURT: You are trying to clarify what happened between  
5 22 January and February --

6 MR PILLAI: Yes, your Honour.

7 Between 22 January and February 2007, do I take it  
8 that you were just basically involved in some  
9 orientation programme, and then you started work  
10 effectively in February 2007? Would that be correct?

11 A. Some orientation programme, arrange the licence,  
12 different things.

13 COURT: The letter is dated 5 February.

14 MR PILLAI: That is correct, your Honour. The e-mail is  
15 dated 5 February. Yes, thank you.

16 Do you remember the evidence you gave earlier before  
17 lunch, in court, that you mentioned to Dr Chang and  
18 Prof Lim that you were leaving for Deutsche Bank as  
19 a matter of courtesy? That was your evidence given just  
20 before lunch. With this --

21 A. I --

22 Q. I'm just recounting to you the evidence given before  
23 lunch.

24 A. Sorry.

25 Q. From this e-mail it's fairly clear, is it not, Mr Wan,

1 14:36 that you approached, or rather you sent this e-mail to  
2 Prof Lim with a view to get Prof Lim and Dr Chang as  
3 clients for Deutsche Bank?

4 A. Yes, but may I explain?

5 COURT: The e-mail is to Prof Lim?

6 MR PILLAI: That's correct, your Honour, and the --

7 COURT: In the body --

8 MR PILLAI: -- content itself, yes. In the content itself.

9 I will come to why very shortly. If the witness  
10 wants to explain --

11 COURT: You want to explain something.

12 A. Yes, may I explain?

13 The e-mail is addressed to Prof Lim, I think that's  
14 yes, okay. At the time, I wasn't really considered --  
15 or wasn't -- I didn't even think about that far, so --  
16 and also before I left the Deutsche Bank -- before I  
17 left for the -- Standard Chartered Bank, I remember  
18 Ms Lim say that "Once -- if you settle down at Deutsche  
19 Bank, you could contact us".

20 So that's the reason why I sent her an e-mail.

21 MR PILLAI: I have two points arising from his Honour's  
22 observations.

23 This e-mail, you couldn't send to Dr Chang directly  
24 because at that point in time you did not have  
25 Dr Chang's e-mail address.

1 14:38 A. At that point of time I did not have Dr Chang's e-mail  
2 address, but --

3 Q. Thank you.

4 A. -- also I wasn't thinking that far. It's not as you  
5 said, I want to -- both of them to open an account. It  
6 would be nice if they open account, but I was not  
7 thinking that far away.

8 Q. At the very least, you wanted to get in touch with  
9 Prof Lim and Dr Chang to explore whether or not  
10 eventually they will become clients of Deutsche Bank?  
11 That must be your objective.

12 A. As --

13 COURT: You sound rather bashful.

14 A. Excuse me?

15 COURT: You sound rather bashful.

16 MR PILLAI: "Bashful". That means "shy".

17 A. That's -- yeah, because I, at that time I was just, you  
18 know, telling them that, you know, I'm going to leave,  
19 and they -- and Prof Lim told me that, you know, "You  
20 could contact us once you settle down". So that's  
21 exactly what I did.

22 Q. Sure. But really, Mr Wan, if you look at the contents  
23 of the e-mail dated 5 February 2007, it's fairly clear  
24 from the contents, particularly in paragraph 2, which  
25 you can read to yourself --



1 14:40 A. Yeah, I would say --

2 Q. -- it's fairly clear -- I haven't finished -- that you  
3 sent this e-mail to Prof Lim in order to pursue Prof Lim  
4 and Dr Chang as clients of the bank.

5 A. I would say this e-mail is to Dr Lim. I want Dr Lim to  
6 be a client of Deutsche Bank.

7 Q. Not Dr Chang?

8 A. As I said before, not -- wasn't that far away.

9 Q. Let me just read to you a part of this e-mail. It says  
10 like this:

11 "I have 12 years experience in financial service  
12 industry and had been worked for Morgan Stanley, Charles  
13 Schwab and HSBC for years. I believe my experience and  
14 expertise can definitely add value to you. I will be in  
15 Taiwan at the month end and I truly appreciate the  
16 opportunity to meet with you and Mr Chang. I am look  
17 forward to seeing you" -- I am just reading it as it is  
18 -- "and Mr Chang."

19 You are saying that even though you wanted to meet  
20 Dr Chang, the focus was just on Prof Lim?

21 A. That's correct.

22 Q. You had given evidence earlier in court that you knew  
23 Dr Chang had at least US\$5 million in December 2006?

24 A. Correct, but that doesn't mean, at the time when I wrote  
25 these e-mails --

1 14:42 Q. You are answering a question which I never asked.

2 My question was: you have given evidence earlier  
3 that you already knew, as at December 2006, that  
4 Dr Chang had about US\$5 million. That's your evidence.

5 A. Then?

6 Q. That is your evidence; correct?

7 A. Yes.

8 Q. Surely, a person worth US\$5 million, according to your  
9 bank's classification, would be considered a person of  
10 high net worth.

11 A. Correct.

12 Q. Let's not be bashful about it. Really, this e-mail,  
13 because you do not have Dr Chang's e-mail address, is  
14 for you to pursue Prof Lim and Dr Chang as clients at  
15 the bank; "yes" or "no"?

16 A. Partially, because as I said, this e-mail is addressed  
17 to Prof Lim. At the time, that was my -- that was my  
18 intention, because Prof Lim is a Standard Chartered Bank  
19 client at the time, and we had more conversations.

20 Q. At that point in time what was the net worth of  
21 Prof Lim, to your knowledge?

22 A. To my knowledge, about \$1 to 1.5 million, I believe.

23 Q. US dollars, would that be correct?

24 A. US dollars.

25 Q. Even on the basis of calculations as at February 2007,

1 14:43 Dr Chang was a person of higher net worth than Prof Lim;  
2 correct?

3 A. Correct.

4 Q. From a logical perspective, surely you would have  
5 interest to pursue both, since both are persons of high  
6 net worth, according to the definition in Deutsche Bank.

7 A. From the -- this logic, I believe you're right, but you  
8 have to also consider, because every bankers are  
9 different. Some bankers could be very aggressive, some  
10 bankers could be so-so, or some bankers could be, you  
11 know, different.

12 It's -- I'm just telling you that from my situation  
13 here is, I believe I know Dr Lim more, so I just feel if  
14 I send her an e-mail, it would be -- it would be good,  
15 I mean at least she told me to contact her.

16 Q. Thank you.

17 A. So --

18 Q. You say that you know Dr Lim more. But the reality is  
19 you met Dr Lim -- or Prof Lim as we call her -- and  
20 Dr Chang for the first time, together, in December 2006.  
21 So you could not have known her more than Dr Chang in  
22 the same meeting.

23 A. At the time Dr Chang, was more -- how would I say  
24 that -- is more cool, more conservative. Lim was more  
25 opening, more speaking with me.

1 14:45 Q. That's how you decided that you know Prof Lim more than  
2 Dr Chang?

3 A. I believe it's a nature that you tend to do that.

4 Q. Right. One more point. You mention in this e-mail that  
5 you have 12 years' experience in the financial service  
6 industry. That's an overstatement because just earlier  
7 this morning, you stated you had had 12 years'  
8 experience as of 2010.

9 This e-mail was sent in 2007, so we have gone  
10 through your history. That's an overstatement; right?

11 A. That's not correct.

12 Q. Yes.

13 A. Let me explain.

14 COURT: What is not correct, his question or the 12 years?

15 A. The 12 years is correct at the time.

16 MR PILLAI: Okay.

17 A. May I explain?

18 COURT: Sure.

19 MR PILLAI: Yes, please.

20 A. The 12 years' experience in financial services industry,  
21 I started in 1995 working for a company named AXA  
22 Advisor. That's basically an insurance company. They  
23 also sell mutual funds, but of course the entire nature  
24 are different from Charles Schwab, different from Morgan  
25 Stanley, different from HSBC, Standard Chartered Bank

1 14:47 until today, but I consider myself at the time was also  
2 in financial services industry. So it was a correct  
3 statement at the time.

4 Q. Thank you. You mentioned in your affidavit at paragraph  
5 26, page 9 -- we have gone through the contents of  
6 paragraph 26 -- that when you submitted the photocopy of  
7 Dr Chang's Fidelity Investment account statement to the  
8 operation manager at SCB, she declined to accept it.

9 You did not follow up on this matter, did you? You  
10 did not follow-up with Dr Chang to get a clear copy so  
11 that a SCB account can be opened? You didn't, did you?

12 A. That part, I couldn't recall.

13 Q. To the best of your recollection, could you help us?

14 Did you or did you not pursue the matter with Dr Chang?

15 A. I forgot.

16 COURT: This is in December 2006?

17 MR PILLAI: Yes, your Honour.

18 Let me remind you. We have gone through this  
19 already. Your lawyers, on your behalf, have stated that  
20 the account was not opened, so you knew the account was  
21 not opened with Standard Chartered Bank. That was  
22 stated --

23 COURT: Now or then?

24 MR PILLAI: Well, your Honour, at least insofar as the

25 pleadings are concerned, that's neutral, so I am trying

1 14:49 to test it.

2 You knew that the account was not opened.

3 In December 2006 you obviously knew that the address  
4 proof was rejected; that's what you state in  
5 paragraph 26, because you say you submitted a copy but  
6 she declined to accept it.

7 My question to you, Mr Wan, is that you could have,  
8 if you had wanted to, pursued the matter with Dr Chang,  
9 so that he would be able to open the account with the  
10 proper address proof?

11 A. Let me answer your question this way, is: the account  
12 opening, I normally left it to my assistant to follow,  
13 and I only remember is, she told me the address proof  
14 was not sufficient enough to open.

15 Then I thought that she probably will follow-up  
16 because I gave her all the documents, and I really  
17 couldn't recall what happened afterward. The facts that  
18 I know was, Dr Chang's account did not open at that  
19 stage.

20 Q. "At that stage" meaning in December 2006 you already  
21 knew that Dr Chang's account was not opened?

22 A. Dr Chang's account was not proceeded to open, and I know  
23 was not opened at the time.

24 Q. Just now, you said that you can't remember whether you  
25 had pursued this matter with Dr Chang. That was your

1 14:50 evidence earlier?

2 A. I can't remember.

3 Q. Isn't it rather convenient, Mr Wan, that Dr Chang's  
4 Standard Chartered bank account was not opened, and you  
5 then went to Deutsche Bank and you approached him  
6 subsequently with a view that he be a client of Deutsche  
7 Bank? Isn't it rather convenient for you?

8 A. No. I mean, why would become more convenient for me?  
9 If he didn't open there, he could open somewhere else.

10 Q. Let me pursue this. Look at tab 3 of the core bundle.  
11 I'll go through a few documents with you.

12 This is a contract note in respect of Prof Lim's  
13 account, which shows that Cheung Kong shares were sold.  
14 Do you see that, Mr Wan?

15 A. Yes.

16 Q. If you look at tab 4, this is a customer receipt dated  
17 8 January 2007 bearing your signature, can you see  
18 that --

19 A. Yes.

20 Q. -- which basically conveys the instructions to deposit  
21 the sale proceeds of the shares to an account in the  
22 name of Prof Lim.

23 A. Yes.

24 Q. Then we have an e-mail -- I'll show you the e-mail --  
25 please go to tab 5 and turn to page 6259, which is the

1 14:53 second page, at the end. It's an e-mail  
2 dated March 2007. At the opposite side.

3 A. Yes.

4 Q. You see a reference to Prof Lim stating that she's just  
5 received the February statement from Standard Chartered  
6 where it seems that the cash was not put in fixed  
7 deposit as she instructed you to do so. And she asked  
8 you whether you forgot before leaving SCB.

9 Your reply is at page 6260, which is overleaf and  
10 here you say you are sorry that the fixed deposit was  
11 not there, and you said that you remember passing the  
12 instructions to your assistant and to "wait for your  
13 sale proceeds to come in". Do you see that?

14 A. Yes.

15 Q. Mr Wan, firstly do you confirm that in December 2006,  
16 you did receive instructions from Prof Lim to place the  
17 sale proceeds in fixed deposit?

18 A. Correct.

19 Q. On 8 January 2007, when you signed the receipt which  
20 I showed you just a few minutes ago, you could have  
21 executed her instructions, couldn't you?

22 A. Let me answer your questions this way --

23 Q. Perhaps if you could answer my question and then  
24 elaborate if you wish. I would like an answer, please.

25 A. The execution part, it's -- if you look at the



1 14:55 transfer --

2 Q. Do you understand my question, Mr Wan? My question  
3 is: if you could deposit on behalf of Prof Lim the sale  
4 proceeds to her account, you could have also placed the  
5 same sale proceeds in a fixed deposit; do you agree?

6 A. That's correct. That's what I need to explain.

7 Q. Okay.

8 A. -- to --

9 Q. Now that you've given your answer, please proceed to  
10 explain.

11 A. May I explain? First of all, if you look at the receipt  
12 itself, it's transferred out from a joint-name account  
13 to Carmay Lim's account.

14 Q. I believe you are looking at the document in tab 4.

15 A. Yeah, tab 4.

16 Q. Yes.

17 A. This part, I want to show it to the court, if possible.  
18 (indicating), your Honour, it's dark in colour,  
19 usually -- it's here it's Carmay Lim's signature. The  
20 copy from the bank -- this part, it's Carmay Lim's  
21 signature, and usually cover up because the receipt  
22 given to the client, they don't -- we don't want the  
23 client to left it somewhere and then people can -- it's  
24 transferred from a joint-name account to a sole-name  
25 account.

1 14:57 And Carmay Lim's instruction was put one month,  
2 three months' deposit, and six months' fixed deposit to  
3 her sole name account. So this is actually -- are --  
4 doing it -- I mean, my assistants are working on.

5 The reason why "came in person" here is because we  
6 need to wait until the sale proceed came in, and then we  
7 can do. But the operation people, they don't know  
8 whether the client has come in today or come in the  
9 other day, so they will verify with me.

10 So I went down to the counter, I said "Yeah, client  
11 signed it, but she was came in person". That's why  
12 I write down "came in person", and then I sign it again.  
13 So they have my authorisations. I thought this has been  
14 taken care of. That was my understanding because I  
15 don't handle those fixed deposit myself. I leave it to  
16 the assistants. If they have the authorisations --

17 COURT: The account into which the funds are paid in this  
18 transfer receipt is merely a current account.

19 A. I cannot tell just by the number. I don't know whether  
20 it's a current account or a --

21 COURT: Is it necessary to place these funds into an  
22 interest-bearing account or a fixed deposit in order for  
23 you to earn interest?

24 A. Yes, the reason for Dr Lim to transfer is --

25 COURT: This is nothing more than a customer receipt of

1 14:59 a transfer of funds from a joint account into a personal  
2 account.

3 A. Yes, but the reason for the joint account to the  
4 personal account is, at the time, I remember Ms Lim told  
5 me that the father's health condition is not --

6 COURT: That's fine.

7 A. -- good enough, so that's why she thought it would be  
8 easier just to put into her sole name to do the fixed  
9 deposits.

10 COURT: Yes.

11 A. So this is what I know at that period of --

12 COURT: Yes, this receipt merely documents the transfer of  
13 funds from a joint account into a single account of the  
14 one of the same joint account signatories?

15 A. Yes.

16 MR PILLAI: According to you, Mr Wan, it is one of your  
17 assistants who was supposed to have carried out the  
18 instructions to place these funds in a fixed deposit,  
19 but she did not do?

20 A. I -- I should not -- I don't think it's fair for her  
21 that -- I give it to her and then she will give it to  
22 the operation people to do it.

23 Q. You seem to have quite a few difficulties with your  
24 assistants both at Deutsche Bank and at HSBC. You don't  
25 need to answer that question.

1 15:00 COURT: That's a rhetorical question.

2 MR PILLAI: Yes, a rhetorical question.

3 Whatever that may be, the net effect is that  
4 Prof Lim's moneys were not placed in a fixed deposit in  
5 Standard Chartered Bank, as requested by her. That, you  
6 accept? At least as at that date of the e-mail from  
7 her, 5 March 2007 which I read to you just now. Are you  
8 prepared to accept that?

9 Do you understand my question, Mr Wan?

10 A. No, not exactly.

11 Q. Are you prepared to accept that Prof Lim's moneys were  
12 not in fact placed in the fixed deposit at Standard  
13 Chartered Bank?

14 A. That's the fact that you just told me.

15 Q. Yes. So you do not know independently whether that's  
16 true or not true; is that your position?

17 A. Right.

18 Q. Fair enough --

19 COURT: Even after checking?

20 MR PILLAI: Sorry, your Honour?

21 COURT: Even after checking?

22 MR PILLAI: Yes.

23 Please look at the next e-mail, 6 March 2007, at  
24 14AB 6260, which is at tab 5, just after that e-mail  
25 that was sent by Prof Lim. You see the line where you

1 15:02 state:

2 "I will contact my SCB colleague to follow up on  
3 this issue."

4 Do you see that?

5 A. Yes.

6 Q. I take it that you mean what you say, and you had  
7 followed up with your SCB colleague?

8 A. I called up one of my junior person at the time, and  
9 asked him to help me out on these issues.

10 Q. Yes. At that point in time when you had this  
11 conversation with this former junior colleague of yours,  
12 was it established that the moneys were not placed in  
13 a fixed deposit?

14 A. I called -- I called him, I said whether you can help me  
15 out. He said, "Okay, I try". Then --

16 Q. That's it?

17 A. That's -- that's it.

18 Q. Very well.

19 COURT: And?

20 MR PILLAI: What happened subsequently?

21 A. He didn't call me back.

22 COURT: Okay.

23 MR PILLAI: Now, Mr Wan, when you joined Deutsche Bank  
24 in January --

25 MS TAN: I don't really want to interrupt my learned

1 15:03 friend's flow, but I was wondering if we could have  
2 a marking for the AB number for tab 3 just for the  
3 record, because it's not there in the corner.

4 MR PILLAI: I'll come back to my learned friend. It will be  
5 2SAB 3.

6 Mr Wan --

7 A. Yes.

8 Q. -- I just want to understand who you report to and what  
9 was the organisational hierarchy in Deutsche Bank in  
10 2007, when you joined the bank.

11 A. Okay.

12 Q. Who do you directly report to?

13 A. At that time, Cecilia Yan.

14 Q. What is her position, please.

15 A. It's my team head.

16 Q. Team head. Was she your former colleague in Standard  
17 Chartered Bank?

18 A. No.

19 Q. Do you recall mentioning to Prof Lim that you were  
20 following a former colleague of Standard Chartered Bank  
21 to Deutsche Bank?

22 A. Yes.

23 Q. What is the name of this former colleague is this?

24 A. Leo Wu.

25 Q. How do you spell it, please?

1 15:05 A. L-E-O, W-U.

2 Q. Is this a lady or a gentleman?

3 A. A gentleman.

4 Q. Mr Leo Wu, what's his position in Deutsche Bank?

5 A. At the time, vice-president, I believe.

6 Q. Also with the Private Wealth Management unit?

7 A. Correct.

8 Q. Who did Ms Cecilia Yan report to at that time in 2007?

9 A. At the time, 2007, Bonita Chuang.

10 Q. What is her position, please?

11 A. Group head.

12 Q. When you mentioned that Ms Cecilia Yan was a team head,  
13 what team are you referring to?

14 A. Hong Kong team.

15 Q. So she is effectively the team for the entire country,  
16 or rather the entire -- what do you call it now --

17 COURT: How many teams are there?

18 MR PILLAI: Yes. Maybe I'll rephrase.

19 How many teams are there in the Hong Kong branch?

20 A. I believe more than five.

21 Q. Ms Cecilia Yan is in charge of the Hong Kong team. What  
22 does that mean?

23 COURT: How many people are in the team with you to report  
24 to her?

25 A. I don't remember exactly, but seven or five -- seven,

1 15:07 seven people, something -- seven, like --

2 COURT: People in your position. Do you have an  
3 organisational chart which says all seven of you report  
4 to her? Seven, meaning relationship managers, part of  
5 the team, right?

6 A. Relationship managers, also assistants, also part-time  
7 junior.

8 COURT: A very small team?

9 A. Relationship manager, seven. Relationship manager,  
10 seven, and then with other --

11 COURT: Below the relationship manager you have assistants  
12 and you have other support staff.

13 A. Yeah.

14 COURT: So basically, a team of seven relationship managers,  
15 like you, report to her?

16 A. I was report to her, and then I know that there were two  
17 other will also report to her. The rest are -- some,  
18 they are directly report to Bonita.

19 COURT: They are all relationship managers as well?

20 A. Yes.

21 COURT: So why do you say seven when you are talking about  
22 two or three?

23 A. Seven --

24 COURT: This is a matrix organisation or what?

25 A. Two out of seven will report to Cecilia Yan, and other



1 15:08 will directly report to Bonita Chuang.

2 COURT: They both are in equal positions in the hierarchy?

3 A. No, because relationship manager also have different  
4 grade. So at the time, I was the junior. They call the  
5 AVP.

6 COURT: So junior relationship managers, of which there are  
7 three, including you, report to Cecilia Yan?

8 A. Yes.

9 MR PILLAI: When you mentioned that Ms Yan is team head for  
10 the Hong Kong team, what does that actually mean?

11 A. What does that --

12 Q. When you say Hong Kong, what does that mean? Business  
13 out of Hong Kong, private wealth management business  
14 from Hong Kong? She's in charge of or just sourced by  
15 relationship managers --

16 A. Just the main focus, Hong Kong area.

17 COURT: "Hong Kong area" means what? Guangzhou as well?  
18 And Taipei?

19 A. Yes. Actually we did not really have a regional sense  
20 at the time, so I just belong to the Hong Kong team 2.

21 COURT: When you say "Hong Kong team 2", there must be  
22 Hong Kong team 1, and maybe 3, 4, 5.

23 A. Yes.

24 COURT: What is the significance of that, if anything?

25 You don't need to go into your organisational chart

1 15:10 with the entire bank, as comprehensive as it will be.  
2 The only question is to understand what it is you do and  
3 who is it you report to. That's all.

4 MR PILLAI: Absolutely.

5 A. Okay.

6 Q. Could you please help us understand, when you say you  
7 belong to Hong Kong -- now I understand you belong to  
8 Hong Kong team 2?

9 A. Correct, Hong Kong team 2.

10 Q. What is your area of coverage?

11 A. The area coverage is --

12 COURT: Is it geographical, or products, or what?

13 MR PILLAI: I understand, your Honour. Since we are dealing  
14 with geographical areas, I'll be a bit more careful.

15 COURT: So far you have summarised it very simply. There  
16 are three junior teams or three relationship managers of  
17 assistant vice president level who report to  
18 Cecilia Yan.

19 A. Yes. Yes.

20 COURT: And she's your direct boss.

21 A. Yes.

22 MR PILLAI: Very well.

23 Could I just check, from a geographical perspective,  
24 your main focus is Hong Kong?

25 COURT: Meaning what? Do you mean clients from Hong Kong?

1 15:11 MR PILLAI: Clients from Hong Kong, yes, your Honour.

2 I just want to check that.

3 COURT: He covers Dr Chang from Taiwan.

4 MR PILLAI: Because he said Hong Kong --

5 COURT: Hong Kong area.

6 MR PILLAI: I guess one could have said maybe north Asia

7 or --

8 A. There's no -- as far as I know, there is no clear

9 definition that which area --

10 COURT: If your client flies in from Zurich, he'll be happy

11 to deal with the client.

12 MR PILLAI: Very well, your Honour. I'll move on.

13 COURT: In Hong Kong.

14 Right?

15 A. Yes, your Honour.

16 COURT: But you're not going to fly to Zurich to develop

17 clients.

18 A. We --

19 COURT: You are not?

20 A. I am not, because we basically cover north Asia -- north

21 Asia --

22 COURT: When you use "we", you mean you.

23 A. Yes. I and my team are basically cover north Asia.

24 COURT: That means what? China, Japan, Korea?

25 A. Japan and Korea are a restricted country, I believe --

1 15:12 not my area of --

2 COURT: So? China and Taiwan?

3 A. Yeah, that's -- it's the -- your Honour, you said China  
4 and Taiwan. Yeah, that's inclusive, yes.

5 MR PILLAI: Thank you. I would like to show you several  
6 documents now.

7 Could you please turn to tab 18. Have you seen this  
8 document before, Mr Wan? Tab 18, one-eight. It's  
9 headed "PWM Risk Classification of Products & Securities  
10 Guidelines".

11 Do you have that, Mr Wan? Tab 18.

12 A. Yeah.

13 Q. Just look at the first page. Are you familiar with this  
14 document?

15 A. I have seen this before.

16 Q. Yes. This document basically deals with risk  
17 classifications of investment products offered by your  
18 bank; correct?

19 A. Yes.

20 Q. I will go through the contents with you before I ask you  
21 a few questions, so please bear with me.

22 Please turn to the third page at page 2748. You see  
23 the first sentence:

24 "It is PWM policy that products and services offered  
25 to clients are appropriate in view of their financial

1 15:14 circumstances, risk appetite, investment  
2 knowledge/experience and objectives."

3 Do you see that?

4 A. Yes.

5 Q. Now we come to paragraph 2, "Risk classification", just  
6 below on the same page.

7 "Risk classes vary from 1 to 5, 1 being the least  
8 risky and 5 being the most risky."

9 Do you see that?

10 A. Yes.

11 Q. Then below that, you have the risk criteria, namely:  
12 nature and complexity of structure, downside risk,  
13 liquidity, credit default risk --

14 A. Sorry, I lost you.

15 Q. Page 2748.

16 COURT: The bottom of the page.

17 MR PILLAI: The bottom of the page.

18 I was just going through the factors.

19 A. Yes.

20 Q. You see that, credit risk, volatility and transparency.

21 Pausing there, in the context of accumulators, just  
22 looking at the characteristics of the accumulators, you  
23 accept that for accumulators there is a significant  
24 downside risk, just looking at the risk criteria?

25 I read to you the risk criteria --

1 15:16 COURT: Do you want to ask him which of the five classes of  
2 risk would he regard accumulators to be?

3 MR PILLAI: I will come to that shortly, your Honour,  
4 because in fact the bank has a position on this. If  
5 I will be allowed to, your Honour.

6 In respect of accumulators, do you accept that for  
7 accumulators, there's a significant downside risk? Just  
8 applying the risk -- Mr Wan, don't go to the other  
9 pages. Just go to the page I referred you to.

10 Just looking at this --

11 A. Yes.

12 Q. -- I just want to know, from your knowledge of the  
13 accumulators. Do you accept there's a significant  
14 downside risk for accumulators, in that when the price  
15 of the shares goes below the strike price --

16 A. Well, I --

17 Q. When the price of the shares go below the strike price,  
18 the clients, depending on the leverage factor, will have  
19 to buy a certain number extra of shares at the strike  
20 price?

21 COURT: Counsel, to be fair to the witness --

22 MR PILLAI: Yes, your Honour.

23 COURT: -- this risk classification, of products and  
24 securities guidelines has a tabulation of all the  
25 relevant products.

1 15:17 MR PILLAI: There certainly is, your Honour.

2 COURT: Do accumulators appear there?

3 MR PILLAI: It certainly does, your Honour, and to be fair  
4 to this witness, I will certainly bring him to that  
5 point.

6 But before that, may I just be permitted to  
7 understand his own knowledge of the product.

8 COURT: Sure, go ahead.

9 MR PILLAI: Grateful, your Honour. I was at the issue of  
10 downside risk, Mr Wan.

11 Would you accept that accumulators have  
12 a significant downside risk is this?

13 A. I will accept that it's the share has the downside risk.  
14 Every shares -- I mean the mother shares would have  
15 a downside risk, so when you are talking about -- if you  
16 talk about the accumulator, you are saying is, the  
17 strike price is actually the price that you pay for.

18 So -- it's like the same effect that you went into  
19 the stock market and you buy -- if the stock price go  
20 down, you should have the same significant effects.

21 COURT: What are you saying? The downside risk of buying  
22 a mother share, as opposed to an accumulator, is the  
23 same?

24 A. Accumulator is just a structured products --

25 COURT: I understand that. What are you saying? He's just

1 15:19 taking you to a very simple question: the downside risk  
2 in acquiring shares through an accumulator, you seem to  
3 suggest that it is no different from buying the mother  
4 shares.

5 A. The -- if we do not consider the leverage factor, it's  
6 the same -- basically they are the same effects, your  
7 Honour.

8 COURT: In terms of downside risk?

9 A. In terms of downside risk, because you buy a share --  
10 shares, if it's, let's say, for example, if I pay for  
11 a share today at \$100, and it go all the way down to  
12 zero, I basically lost everything.

13 So I could set the risk of buying a shares, the risk  
14 is you can -- that actually is your principal, your  
15 principal could lost.

16 If you don't consider the leverage factor for  
17 accumulator programme, it's the same effects -- in a  
18 simple term is, for example, if I pay for shares,  
19 \$100 per day, I just use -- I just buy it from the  
20 market, I pay \$100. But if you use the accumulator to  
21 buy, you pay maybe \$90. But if the shares keep going  
22 down, eventually you lost everything. It's the same  
23 effects.

24 I'm not in a position to judge whether the  
25 accumulator is more dangerous than the share itself --



1 15:21 COURT: Just talking about risk.

2 MR PILLAI: Yes.

3 COURT: Downside risk. Are you saying that stripping away  
4 leverage, the downside risk in purchasing the mother  
5 share, as opposed to purchasing the shares through an  
6 accumulator programme, are the same?

7 A. The downside risk, if you consider the principle, if the  
8 mother share go down, it's the same effects. Of course  
9 we need to consider time value too, because you buy a  
10 shares -- you get the shares, you get 100 shares --

11 COURT: And you pay for it?

12 A. Yeah, you already pay for it, but the accumulator is --  
13 the share will deliver to you every other week, but if  
14 the shares go down, the effects, without considering the  
15 leverage factors, it's pretty much the same.

16 MR PILLAI: Can I just test that, Mr Wan. You say that the  
17 effect is pretty much the same as mother shares, but  
18 surely if the share price goes below the strike price,  
19 even without leverage the client has to purchase the  
20 shares at the strike price, and that's a significant  
21 downside risk, isn't it?

22 A. Okay. Let's consider this way. If I --

23 Q. Maybe you can answer the question and then after that  
24 you can proceed to explain. Do you understand my  
25 question, Mr Wan?

1 15:23 A. Could you put it into more simple form.

2 Q. Sure. You see, again what you have said in court just  
3 now is that -- just in general terms, to be fair to  
4 you -- that the downside risk of an accumulator is the  
5 same as mother shares; that's what you said, in general  
6 terms.

7 I was just testing it. I said, I suggest to you  
8 that the downside risk of purchasing shares accumulators  
9 is more significant because if the share price goes  
10 below the strike price, even without leverage, the  
11 client would have to purchase the shares at the strike  
12 price. That's quite significant, isn't it?

13 A. So you're saying that if the share price go down, you  
14 still have to buy, that's a risk.

15 COURT: Not only that. Instead of putting words in your  
16 mouth, you explain how you come to the conclusion that  
17 the purchase of shares, by way of buying the mother  
18 shares, carries the same risk of purchase of shares  
19 through an accumulator programme.

20 A. It's pretty much the same risk if the shares go down.

21 COURT: How do you explain that?

22 A. Because when we consider a fact that if I'm going to  
23 buy -- if I have a plan to buy, say, 100,000 shares of  
24 XYZ company, I can just jump into the market and buy XYZ  
25 company's in the market and buy 100 shares, or, an

1 15:24 accumulator programme will allow me to buy XYZ shares at  
2 \$90 -- but I don't get the 100 shares right away. I get  
3 it slowly, every other week, in a year term.

4 So -- it's just the programme nature is like that.  
5 If, from day one, you buy the share at the market, you  
6 already bought 100 shares, if you go down all the way to  
7 \$1, the effect that you use accumulator to buy  
8 100 shares and you still wait for one year, the effects  
9 are pretty much the same. And you will not, because of  
10 you buy from the market, you can escape the mother share  
11 go down.

12 COURT: We're not talking about that. We're talking about  
13 the downside risks between these two products. So you  
14 have to make certain assumptions to say what you just  
15 said.

16 A. Yeah --

17 COURT: I want to clarify your assumptions, because as  
18 a bald statement it's counter-intuitive.

19 A. It's --

20 COURT: You are making an assumption. You are basically  
21 saying: well, here's why the risk is the same. Then you  
22 say, in this example the risk is the same.

23 A. Yeah, you have to assume certain things, that for  
24 example, we don't -- we take out the leverage factor --

25 COURT: Yes, you have taken that out.

1 15:26 A. Okay, and then we buy the shares, or -- we buy the  
2 shares --

3 COURT: The first constant must be how many shares and when.

4 A. 100 shares.

5 COURT: On day one --

6 A. On day one.

7 COURT: -- you pay for it at market.

8 A. Yeah, I pay for it at market, okay. And then the second  
9 assumption is, I'm going to buy the 100 shares.

10 COURT: Through an accumulator?

11 A. Through the accumulator, okay. So let's say the share  
12 go all the way down to \$50. The share that you hold,  
13 buy from the market, it's only worth half of the value.  
14 The share that you bought through the accumulator at the  
15 year end, assume that your -- the discount is 10 per  
16 cent, so you only pay for \$90.

17 So if the market price at the year-end is \$50,  
18 actually you can see the difference is \$10 difference.  
19 If the share continuously to go down after year one, the  
20 effect --

21 COURT: You are in the same position?

22 A. Yeah, you're in the same position. It's just the time,  
23 because you are uncertain about the time, that --  
24 whether this is the right time to buy or this is the  
25 wrong time to buy, and how do you --

1 15:28 COURT: Or you want the discount.

2 A. Yeah, if you -- some people would like that because it's  
3 a tool. I would say it's just a tool for different  
4 thinking, different people will have different ideas.  
5 It's just a tool for the private bank -- I mean  
6 customers to use.

7 COURT: Yes, but the point that I am trying to get some  
8 clarification on is, you say that in both cases, the  
9 downside risk is the same. That can only be true in the  
10 context of certain assumptions.

11 A. Correct. Okay, even though if I --

12 COURT: I'll give you another scenario in which that  
13 statement doesn't make sense. I buy a million shares at  
14 \$100 in the market today, and I buy a million shares  
15 through an accumulator. Therefore, each week or two  
16 weeks I have to pay less -- as far as the strike price,  
17 I get a discount upfront, so there's already an upside.

18 What you are talking about is risk. What's the  
19 magnitude or potential risk? So if the market begins to  
20 tank after I bought the mother share --

21 A. Right.

22 COURT: -- I can hold and wait?

23 A. Yeah, you can hold and wait.

24 COURT: Or, I can cut my losses by selling progressively in  
25 the market.

1 15:29 A. Yes.

2 COURT: In an accumulator, what can I do?

3 A. In an accumulator --

4 COURT: If the market tanks?

5 A. If the market tanks, what you can do is you can call us  
6 to unwind.

7 COURT: Carry on.

8 A. Okay. And the unwind price is a OTC derivatives price.  
9 That means we need to get the quotes for the clients.

10 COURT: Carry on.

11 A. It will still lose money if --

12 COURT: No, it's not a question of losing money. The  
13 question is: what is the relationship between the  
14 unwinding cost, or termination costs?

15 A. It's really depends on the markets and the duration of  
16 the contract.

17 COURT: Absolutely.

18 A. Yes.

19 COURT: The duration of the contract is usually 52 weeks or  
20 50 weeks.

21 A. Yes. If you just bought accumulator contract and you  
22 want to unwind almost immediately --

23 COURT: Yes. The earlier the better, depending on the  
24 volatility of the market.

25 A. Yeah, it depends on the volatility of the market, yeah.

1 15:31 COURT: So what you said just now is not so simple.

2 A. Different scenario will have different results.

3 COURT: Yes. You were making a very bald statement to say  
4 buying the mother shares, buying the accumulator, the  
5 risk is roughly the same. I was trying to ask you to  
6 clarify.

7 A. I will say under the -- certain -- because we do not  
8 know the unwind price at the time, not until we call, so  
9 normally we will tell the customer that if that's the  
10 amount that you are going to pay for, and that's the  
11 share amount, and that's the share that you like,  
12 people, they don't mind, sitting there -- you know,  
13 do -- not necessary have to unwind.

14 COURT: That's not the question. The question is the  
15 downside risk. It's not customer behaviour. The  
16 question is, you have said that the downside risk in  
17 buying a mother share, as compared to buying the share  
18 through an accumulator programme, is roughly the same.

19 A. Right. I can say roughly the same --

20 COURT: Do you want to qualify that, or do you still stand  
21 by that?

22 A. I want to say is, if you unwind a trade --

23 COURT: There are too many variables downstream, you see?

24 A. Yeah. If we --

25 COURT: It depends on the market, it depends on the

1 15:32 volatility, it depends on the downside risk, it depends  
2 what is the terminating cost from the party who  
3 originated the accumulator.

4 There are many variables, so one cannot make a bald  
5 statement, but you did, and I am trying to understand,  
6 is that what you are really saying, and is that your  
7 understanding?

8 A. Under certain conditions --

9 COURT: Under certain conditions it could well be that the  
10 risk is the same; under others, it is not.

11 A. Under others, not.

12 COURT: Then you can make a bald statement. You can say  
13 under certain circumstances it could well be that you  
14 are better off under a programme than buying the mother  
15 share. Under certain circumstances you are worse off.

16 A. The assumption that we make, because we -- we seen  
17 people unwinding, sometimes the cost of unwinding --

18 COURT: Is low. Sometimes it's low, sometimes it's very  
19 high.

20 A. Yeah, it depends on the duration, it depends on the  
21 duration, yes.

22 MR PILLAI: Mr Wan, just to take up this issue about  
23 unwinding. As you say, the cost of unwinding is  
24 variable. That's because in respect of accumulators,  
25 these products are not liquid in the sense that they can



1 15:34 find a ready buyer to assume responsibilities arising  
2 from the accumulators.

3 A. Normally, we would call back the counterparty --

4 COURT: To terminate.

5 A. To terminate, normally.

6 COURT: There is no secondary market.

7 MR PILLAI: There's no secondary market.

8 In respect of accumulators, there's no secondary  
9 market, as far as you understand?

10 A. I would not say definitely no, but it's OTC, everything  
11 is negotiable --

12 COURT: I think what he means is if a client wants to exit  
13 an accumulator, you can't sell that accumulator and the  
14 balance position to somebody else easily.

15 A. Not easily.

16 COURT: There's liquidity, isn't it.

17 A. Liquidity issue.

18 MR PILLAI: Yes.

19 We've dealt with downside risk, liquidity. I'll  
20 take his Honour's suggestions. Look at the  
21 classification of the bank in respect of DSPPs. That's  
22 at the fifth page, you'll see at page 2757. Let me know  
23 once you've found the page.

24 A. Yes.

25 Q. Under "structured products", "equity", do you see that,

1 15:35 which is below forex, below derivatives, under  
2 "structured products" it's not very clear, but "Equity".  
3 You see -- unfortunately there's a bit of a blank but  
4 I believe it's supposed to be "DSPP/DSPP extra" and  
5 below that is "PSSP/PSSP Axxess"?

6 A. Yes.

7 Q. The bank rates it as class 3.

8 A. Correct.

9 Q. In respect of securities such as equity, please look at  
10 page 2755, which is just before that earlier page. For  
11 equity at major exchanges, large caps, in Dow Jones,  
12 FTSE 100, the bank has classified it as class 2. Do you  
13 see that?

14 A. Yes.

15 Q. Just looking at the bank classification, accumulators  
16 carry a higher risk because it's classified as class 3;  
17 correct?

18 A. From this classification it's 3.

19 Q. Yes, thank you. Please come back to the second page,  
20 when I did risk classification, and turn overleaf to  
21 page 2749.

22 A. Yes.

23 Q. You have a note there:

24 "It is important to note ..."

25 Do you see that right in the centre?

1 15:37 "It is important to note that:

2 - Risk classes assigned can not be modified to suit  
3 a particular client/situation."

4 Do you see that?

5 A. Yes.

6 Q. "The risk classification is an internal methodology and  
7 should not be communicated to clients."

8 Do you see that?

9 A. Yes.

10 Q. The last one:

11 "Risk issues for a particular client are assessed on  
12 a portfolio basis and not on a single product or  
13 security risk class."

14 Do you see that?

15 A. Yes.

16 Q. The reason why Deutsche Bank has a policy of not  
17 communicating to the client the risk classifications of  
18 each individual product is because, as far as they are  
19 concerned, the risks should be assessed on a portfolio  
20 basis; that's why you don't share with them the risks in  
21 respect of each individual products; do you agree?

22 A. That, I don't know. I cannot tell.

23 Q. You don't know?

24 A. Well, just -- I think it's too general. I think it's  
25 more than that. I could not --

1 15:38 Q. Let me break it up. Do you know why Deutsche Bank  
2 requires you not to disclose to your clients the risk  
3 classification --

4 COURT: No, I think you should go to the last sentence.

5 MR PILLAI: Very well, your Honour. I'll go direct to the  
6 last sentence.

7 Do you accept that as far as your bank is  
8 concerned --

9 COURT: What do you understand by "Risk issues for  
10 a particular client are assessed on a portfolio basis  
11 and not on a single product"?

12 A. Excuse me?

13 COURT: What do you understand by that sentence?

14 A. You cannot just classify a client because he has -- if  
15 has stock, then you set he is a number 2, risk 2  
16 category as client. You have to look at the whole  
17 picture.

18 MR PILLAI: Yes. When you talk about "whole picture", using  
19 the words here, you're talking about the whole portfolio  
20 of the client; would that be correct? That's what you  
21 meant by "whole picture" when you said it just now.

22 A. That means you are not being influenced by only single  
23 products.

24 Q. I just want a clarification, Mr Wan. When you just now  
25 stated to his Honour that you need to see the whole

1 15:39 picture, when you say "the whole picture", you mean the  
2 whole portfolio of investments that he has --

3 COURT: Of a particular client.

4 MR PILLAI: Yes, your Honour.

5 Would that be correct?

6 A. I believe so, yes.

7 Q. In these circumstances, it would be really unnecessary  
8 to disclose to the clients the risk classification for  
9 each particular product? I'll withdraw the question,  
10 your Honour --

11 COURT: You can't ask him to infer what the bank's policy is  
12 about --

13 MR PILLAI: Very well, your Honour.

14 I come to another internal policy, and that's at  
15 tab 19.

16 Do you recognise this document, Mr Wan?

17 A. Yes.

18 Q. This is a policy that deals with the bank's suitability  
19 policy and procedures; correct?

20 A. Correct.

21 Q. I'll go through some of the contents. Please turn to  
22 the second page. Do you see, on top, "Relationship  
23 managers and investment advisors are responsible for  
24 client suitability"?

25 Do you see that?

1 15:41 A. Yes.

2 Q. "Team Heads or Supervisors are expected to ensure that  
3 the respective RMs have made the necessary suitability  
4 assessment for the client's transactions and these must  
5 be documented."

6 Correct?

7 A. Yes.

8 Q. In the context of your case, "team head" refers to  
9 Ms Cecilia Yan; correct?

10 A. Yes.

11 Q. How about "supervisor"?

12 A. If you have team heads, then -- it's "or".

13 Q. I understand. If you report to a team head, then  
14 there's no supervisor who has a role to ensure that you  
15 have done the necessary assessment?

16 A. Yes.

17 Q. Thank you. Can you please look at the next page,  
18 page 3561.

19 A. Yes.

20 Q. At 1.2 "Guiding Principles.

21 The RM is primarily responsible for client  
22 suitability."

23 Do you see that?

24 A. Yes.

25 COURT: 1.3.

1 15:42 MR PILLAI: 1.3, "Applicable Laws and Bank Policies."

2 You see here:

3 "In certain jurisdictions, there may be additional  
4 guidance provided by the relevant Regulatory Authority."

5 There's a reference to Singapore.

6 "In Singapore, the Monetary Authority of Singapore  
7 has issued two notices ..."

8 Do you see that?

9 COURT: More relevant to him is Hong Kong.

10 MR PILLAI: Well, yes, your Honour.

11 Overleaf you see there's a reference to Hong Kong.

12 There are similar rules, and in particular:

13 "The SFC Code of Conduct 5.2 requires KYC for  
14 reasonable advice that the licensed or registered person  
15 should, when making a recommendation ... ensure the  
16 suitability of the recommendation or solicitation for  
17 that client is reasonable in all the circumstances."

18 Do you see that?

19 A. Yes.

20 Q. Just stopping here, what the bank is telling you is that  
21 advice given by relationship managers must be  
22 reasonable, bearing in mind the client's profile,  
23 bearing in mind the client's objective. Would that be  
24 correct?

25 COURT: In your KYC form.

1 15:44 MR PILLAI: Yes.

2 COURT: Which is the form we had been taken through earlier?

3 MR PILLAI: Yes.

4 A. Yes.

5 MR PILLAI: I believe the answer was "yes", your Honour.

6 Now we come to "Suitability". In 2.1, the factors  
7 of suitability are stated there. Do you see that?

8 I don't propose to read it.

9 A. Yes.

10 Q. If we were to look at "Determination of suitability",  
11 just quickly cast your eye on paragraph 2.1 and 2.2.  
12 Once you finish, I will ask you a few questions.

13 COURT: While he is reading, you might want to close the  
14 loop, that tab 10 is a CAPRE document that is referred  
15 to here.

16 MR PILLAI: I will, your Honour.

17 Mr Wan, please look at tab 10. This is what the  
18 bank refers to as a CAPRE form; correct? Tab 10.

19 COURT: The relevant KYC form that's being referred to here  
20 is the document you went through just now, the client  
21 acceptance and profile report, CAPRE.

22 A. Yes.

23 COURT: Correct?

24 A. Yes.

25 MR PILLAI: Please let me know once you've finished reading



1 15:46 paragraph 2.2. Have you finished?

2 A. Yes.

3 Q. Do you see just above 2.3, the last paragraph it says:

4 "There may be times when a client desires an  
5 investment product and insists on an investment even  
6 though the RM ... may think otherwise - in such  
7 circumstances, the RM must explain all relevant risks to  
8 the client and have the matter documented in a call  
9 report and escalated to his/her supervisor. It is  
10 important to consider that the client's investment in  
11 such circumstances does not consist of a significant  
12 proportion (eg 30% as a general guide) of the client's  
13 net worth."

14 Just going back to the facts of this case --

15 A. Yes.

16 Q. -- I've looked at your call reports. You only have one  
17 call report between 19 November 2007 and 4 February  
18 2008, and that's a call report that you put up on  
19 19 November 2007. Do you accept that?

20 A. I didn't count it.

21 Q. I beg your pardon?

22 A. I didn't count it.

23 Q. You can take it from me then, because I don't propose to  
24 show that, but I'm confident of the facts, that on  
25 19 November you had put up one call report, and that's

1 15:48 in relation to a purported telephone conversation you  
2 had with Dr Chang --

3 A. Right.

4 Q. -- where he suggested he wanted to purchase  
5 accumulators; do you remember that?

6 A. Yes.

7 Q. My learned friend this morning went through with the  
8 call report that you put up, which was dated 20 November  
9 2007. Do you remember that? This morning.

10 MS TAN: Just to clarify, we went through the March 2007 --

11 MR PILLAI: My apologies, I stand corrected.

12 So as far as the 19 November 2007 report is  
13 concerned, this records a conversation that you  
14 apparently had with Dr Chang, where he expressed his  
15 intention to purchase shares through an accumulator  
16 programme.

17 That's the facts as we have seen from your reports.  
18 Really, going back to this paragraph, as a matter of  
19 fact, by 12 December 2007, according to our expert  
20 Prof Ho, whom you heard, Dr Chang was already exposed to  
21 more than 84 per cent of his entire wealth. That's the  
22 evidence of Dr Chang's expert, Prof Ho.

23 You did not put up any call report or escalate it to  
24 your supervisor, did you? "Yes" or "no"?

25 A. I had a call report on the 19th --

1 15:50 Q. Sorry. My question was a bit different. I was stating  
2 a fact when I told you that all I found between  
3 19 November 2007 and 4 February 2008 was one call  
4 report, and that's a report dated 19 November 2007.

5 Then I put another fact to you, which is that  
6 according to Dr Chang's expert, by 12 December he was  
7 already exposed to a percentage of 84 per cent of his  
8 entire wealth through his accumulator positions.

9 My question is: you did not put up any call report  
10 and escalate the matter to your supervisor arising from  
11 this exposure, did you? It's a "yes" or "no" question.  
12 It's either a "yes" or "no".

13 A. There's no call report.

14 Q. Thank you. So as far as your evidence is, at no point  
15 in time, between this period 19 November 2007 and  
16 4 February 2008, did you escalate the matter to your  
17 supervisor -- because Dr Chang had wanted to purchase  
18 accumulators, you thought it was risky, you explained  
19 the risk to him, and because of the concentration risk,  
20 you escalated that matter to your supervisor. You did  
21 not do that?

22 A. I don't think that's the case. I do not agree with  
23 that.

24 COURT: What did you not agree with? The policy or that you  
25 did?

1 15:52 MR PILLAI: Mr Wan, just before that, we are talking about  
2 19 November 2007 to 4 February 2008, so please stick to  
3 that period.

4 Sorry, your Honour.

5 A. But 19 November, I had a call report.

6 Q. Mr Wan, I told you that you had a call report on  
7 19 November, but my point is different. I went through  
8 this paragraph with you. This paragraph says, if  
9 a client desires an investment product and insists on  
10 that investment product, which you think otherwise, then  
11 you, as a relationship manager, must explain all  
12 relevant risks and have the matter documented in a call  
13 report and escalated to the supervisor.

14 A. That was exactly what I did. I did it on 19 November.  
15 I escalated to my supervisor, Cecilia Yan.

16 COURT: What did you --

17 A. About Dr Chang is, all of a sudden, going to buy  
18 accumulator programme.

19 COURT: Refer him to the report.

20 MR PILLAI: Very well, your Honour.

21 I'll show you the report. Please take up 14AB 6496.

22 Do you have the page, Mr Wan?

23 A. Yes.

24 Q. At this point in time, Mr Wan, when this conversation  
25 took place -- that means on 19 November at lunch time --

1 15:55 not a single accumulator was entered into at that point  
2 in time; correct?

3 A. Correct.

4 Q. According to you -- and I really want to make sure that  
5 I get your evidence correctly -- I asked you just now  
6 whether you have escalated the matter to your  
7 supervisor, because:

8 "... a client desires an investment product and  
9 insists on an investment even though the RM ... may  
10 think otherwise - in [those] circumstances, the RM must  
11 explain all relevant risks ... and have the matter  
12 documented ... and escalated to ... supervisor."

13 And, pursuant to that question, you said, "Yes, I  
14 did it, this is the call report, I escalated it to the  
15 supervisor". That's your evidence; correct?

16 A. You have -- you have to also --

17 Q. No, I just want to understand, that is your evidence;  
18 right?

19 A. Partially correct, because I haven't finished it yet.

20 Q. Let's take it in stages. You say "partially correct";  
21 at least, do you accept that according to you, this call  
22 report is a report that you escalated to your supervisor  
23 because, pursuant to the policy, the client desires  
24 something which you felt was risky, and therefore you  
25 had to explain all the risks and escalate it to the

1 15:56 supervisor?

2 A. It's -- it's different. It's different, okay.

3 Q. Hold on. So now you're saying it's different.

4 A. May I explain?

5 Q. No, hold on. We will get to your explanation. Once we  
6 get the answers we'll certainly be happy to hear your  
7 explanation.

8 Earlier you identified this call report as an  
9 example arising from that policy I read out. Now you  
10 say that it's different. Can you please explain to the  
11 court what is the difference?

12 A. Your Honour, I received a call from Dr Chang, all of  
13 a sudden, said that he wants to do DSPP.

14 COURT: What do you mean by "all of a sudden"? Out of the  
15 blue?

16 A. Yeah, it's just like, afternoon he call, and he said  
17 "I want to do this". I -- "Okay". Then -- okay, then  
18 I said, would --

19 COURT: He took you by surprise?

20 A. Yeah, a little surprised, because I did not talk to him  
21 about the DSPP. I did not recommend him to buy DSPP,  
22 and he all of a sudden took me surprise. So, okay, I --  
23 okay. But this is, to us, this is happens all the time  
24 because this is an unsolicited trade. We didn't ask  
25 for, the client called and they want to do.

1 15:58 But I remember Dr Chang said he wants to balance his  
2 portfolio, he has shares, he wants to ask me about  
3 bonds. So I was working on the bond, working on the  
4 Australian bond, other bond, so just a little surprised  
5 at the time.

6 So I talked to my supervisor, then my supervisor  
7 said "Okay, is the risk classification correct?"

8 I said, "Yeah, he's balanced", so it's a 3, risk  
9 classification, and the DSPP at the time was 3, and we  
10 consider all other factors. He has the net worth, the  
11 academic backgrounds, we explained to him the features,  
12 then. That's why we --

13 COURT: On the 19th, on the 15th or over a period of time?

14 This is 19 November 2007.

15 A. Yeah, this is 19 November.

16 COURT: So it is your evidence that when he suddenly said  
17 "I'm interested in DSPP", did you explain to him how  
18 they work and what the risks are and everything else?

19 A. I just told him -- because that was a period of time  
20 that -- because every morning we had investment  
21 meetings --

22 COURT: In the bank?

23 A. In our bank.

24 COURT: Yes.

25 A. In our bank. Some internal people, they will share with

1 15:59 us, like the ratings, so I would just remember at the  
2 time he suddenly said, "Okay, I want to do the  
3 Citibank". I remember Citibank was actually was in  
4 the --

5 COURT: "Sell" rating.

6 A. -- "sell" rating at that time. So I told him, you know,  
7 "It's the 'sell' rating, you sure you want to go for  
8 it?"

9 "Yeah, I want to do it, I want to do it".

10 I said, "Okay, then you --" we had a conversation  
11 regarding that.

12 That's why I go back and then I talked to my  
13 supervisor, I said, "Oh, okay, all of a sudden Dr Chang  
14 wants to do this".

15 At that moment of time, at that moment of time,  
16 investors really rush in to buy different shares through  
17 accumulator programmes, so we -- of course we do not  
18 see, but for someone that, you know, we haven't talked  
19 about accumulator, all of sudden he said that, it just  
20 caught my attention.

21 COURT: So you got a cold call from a customer who opened an  
22 account in August, suddenly, around 19 November, telling  
23 you, "I would like to buy bank shares when they are in  
24 trouble using DSPPs because they offer some discount"?

25 A. Yeah. Yes.



1 16:01 COURT: Then you tell him, "There are risks in DSPPs and  
2 Citibank is a 'sell' as far as we are concerned".

3 A. Because there are other shares that he mentioned, but  
4 particularly, I just remembered --

5 COURT: So the house has taken a view, you are supposed to  
6 tell the customer, you better know we have a "sell"  
7 side, a "sell" recommendation.

8 A. Right.

9 COURT: All right, fine.

10 A. So I just talked to my supervisor --

11 COURT: And took the precaution of filing this report.

12 A. Yes. Then she suggest me to have a call report.

13 COURT: Yes.

14 A. So that's what I did.

15 MR PILLAI: The point is this. First and foremost, let me  
16 just clarify, Mr Wan. You put up this call report as  
17 a result of the paragraph in the policy that I referred  
18 to; is that your evidence?

19 COURT: And this call is in your mobile phone?

20 A. At that time --

21 MR PILLAI: Sorry, his Honour asked --

22 COURT: According to your report, the call came from  
23 a mobile phone?

24 A. It's my mobile phone.

25 COURT: Dr Chang called you on the mobile phone?

1 16:02 A. Dr Chang usually called on my mobile phone.

2 COURT: Carry on.

3 MR PILLAI: My question remains: this call report was put up  
4 by you pursuant to your requirements in this policy that  
5 I read out just now? Is that your evidence?

6 A. I wasn't think --

7 COURT: He wasn't going through a tick-the-box kind of  
8 thing.

9 A. I think you have to be very careful, because  
10 I haven't --

11 MR PILLAI: My question is very clear. Thank you for your  
12 advice --

13 COURT: The bank has a policy but one doesn't read all the  
14 fine print and commit it to hard memory.

15 A. Yeah.

16 MR PILLAI: Again, Mr Wan, so that we don't lose track of  
17 the thrust of my question --

18 A. Okay.

19 Q. -- my question to you originally was that whether you  
20 had put up a call report pursuant to these requirements,  
21 and you mentioned "Yes, it's the report dated for the  
22 call on 19 November 2007". That was your answer.

23 A. Yes.

24 Q. Then after that, you said "It may be different", so let  
25 me just clarify: is that call report put out pursuant to

1 16:03 this requirement; "yes" or "no"?

2 A. For what requirement? For the --

3 Q. Mr Wan, there's only one requirement I've been  
4 discussing for so long. The requirement in the policy  
5 which I read out just now.

6 A. At the -- I told you at the time, I wasn't think about  
7 the part. It's just a common sense of me that I've been  
8 in this business for many years. My experience tells me  
9 that I need to look at different things, different  
10 aspects, different issues. That's the reason why, you  
11 know. It's not because of --

12 Q. Thank you for the clarification, because earlier you  
13 appeared to have said something else.

14 Your Honour, I wonder whether this would be an  
15 appropriate time for a break.

16 (4.04 pm)

17 (A short adjournment)

18 (4.25 pm)

19 MR PILLAI: May it please your Honour. May I proceed.

20 Grateful, your Honour.

21 Mr Wan.

22 A. Yes.

23 Q. Coming back to the paragraph in the policy I referred  
24 you to, so you accept, now, that you have not put up any  
25 call report explaining relevant risks to the client, and

1 16:25 having that matter documented in a call report, and  
2 escalating it to your supervisor insofar as Dr Chang is  
3 concerned, at any time between 19 November 2007 and  
4 4 February 2008?

5 COURT: After the 19th?

6 MR PILLAI: After.

7 COURT: Apart from the 19 November call report.

8 MR PILLAI: That's correct, your Honour, apart from the  
9 19 November call report -- but the 19 November call  
10 report is not pursuant to this policy, as we have  
11 already established.

12 COURT: No, he does not recall having done a checklist, but  
13 he spoke to his supervisor, and the supervisor advised  
14 him that it's prudent for him to put in that call report  
15 in, which he did. So you can either drill down on that  
16 call report as to what it means, what does it say, what  
17 did he do.

18 MR PILLAI: Yes, which I'll do, your Honour. I'll take it  
19 in the context of another discussion on the --

20 COURT: You are basically trying to figure out, apart from  
21 this, are there any others.

22 MR PILLAI: That's correct, your Honour. Grateful, your  
23 Honour.

24 Mr Wan, do you understand the question?

25 COURT: Apart from this 19 November call report, did you

1 16:26 file any other call reports with respect to Dr Chang's  
2 trading?

3 A. No, but I had a conversation with my supervisor during  
4 that period.

5 COURT: Conversation?

6 A. Yes. Because my supervisor will ask me "Oh, how's your  
7 client doing?" I said he was doing wonderful. He  
8 was -- the best investor -- at the time he had daily  
9 knock-out. I have never seen anyone can do this before.

10 Then my supervisor said, "Wow, okay". And then --

11 COURT: November 2007 to February 2008?

12 A. We had -- we had some conversations, because usually  
13 that was the slow season of the month, so we had time to  
14 check and she was sitting just right next to my desk, so  
15 that's why we sometimes we share, we talk. But at the  
16 time he was really doing really great at the time.

17 COURT: That's not the question. The question is, did you  
18 file any call reports --

19 A. No.

20 COURT: -- during that period, and your answer is "No".

21 A. No.

22 MR PILLAI: Thank you, your Honour.

23 Mr Wan, we can put aside the policy.

24 Let me just ask you, just before you met Prof Lim  
25 and Dr Chang on 15 March 2007, at that point in time as

1 16:28 a private banker of Deutsche Bank private bank --

2 COURT: Relationship manager.

3 MR PILLAI: Sorry.

4 As a relationship manager of Deutsche Bank's private  
5 bank -- I'm guided, your Honour -- generally you were  
6 offering two levels of service: advisory service and  
7 discretionary service. Would that be correct?

8 A. We call that a non-discretionary services, and the  
9 discretionary services.

10 Q. Yes. Could you please explain; what does  
11 "non-discretionary services" mean?

12 A. Non-discretionary services usually it's for  
13 execution-only. The client came to us and if they want  
14 to buy something, we execute the order for them.

15 The discretionary services -- and we charge -- let  
16 me just -- your Honour, let me just add a little bit  
17 more.

18 Q. Sure.

19 A. The non-discretionary services, it's charged by  
20 commissions, so when the client buy and sell stocks,  
21 bonds, mutual funds, we charge on the per trade basis.

22 Q. Yes.

23 A. For the discretionary services that we provide, it's  
24 a fee-based services account. We have certain mandates  
25 set out and then the account could be conservative,

1 16:30 growth, or balanced, and we usually let the clients to  
2 select, and then they commit a certain amount of money  
3 to us, and then we, DB, manage it for them, and --

4 COURT: For a fee based on the portfolio size?

5 A. For a fee-based, yes. For a fee-based.

6 COURT: Based on the asset size?

7 A. That's correct.

8 MR PILLAI: Thank you, Mr Wan. You refer to  
9 non-discretionary accounts. The bank calls  
10 non-discretionary accounts "advisory accounts"; isn't  
11 that correct?

12 A. Correct.

13 Q. As a relationship manager, you would have been set  
14 targets in terms of how much assets under management you  
15 need to bring in for yourself -- do you understand my  
16 question, Mr Wan?

17 A. Targets?

18 Q. Targets set by your supervisors.

19 A. Yes, we -- we do have asset targets.

20 Q. I take it that in 2007, when you joined, I believe on  
21 22 January 2007, Ms Cecilia Yan would have informed you  
22 of your asset target.

23 A. Correct.

24 COURT: Are you going to be moving into this compensation  
25 package?

1 16:32 MR PILLAI: Yes, your Honour. Grateful.

2 Could you please tell us how --

3 COURT: What's the mix between fixed and performance?

4 MR PILLAI: Absolutely, your Honour.

5 Mr Wan, could you please explain to the court your  
6 compensation package.

7 COURT: At Deutsche Bank.

8 A. Your Honour, my compensation package, it's a fixed  
9 salary, plus a discretionary bonus from the bank.

10 COURT: Without going into sensitive detail, what's the  
11 relationship between the two? An annual fixed as  
12 opposed to your discretionary. Historical.

13 A. I'm sorry, I'm not quite understand the questions.

14 COURT: Let me give you an example, entirely hypothetical.

15 Let's say you get a fixed monthly allowance or  
16 payment of US\$10,000. So your annual fixed is  
17 US\$120,000. By reference to your historical position in  
18 the bank, on an average, what's the range of the  
19 relationship between the year end performance bonus and  
20 that base? 1:1, 1:5, 1:20?

21 A. If you break it up into 12 months' basis, it's about  
22 average one to two months extra.

23 COURT: So it's like a 14th month, 15th month package, per  
24 year?

25 A. Depends on whether -- the bank's performance itself and



1 16:34 our division. There are many factors, factors in.

2 I would say average about 1.5 to 2 months.

3 COURT: So private banking relationship managers are not

4 investment bankers in Goldman Sachs.

5 A. No, we're not.

6 MR PILLAI: Now, Mr Wan, could you please look at

7 a document. Go to tab 5.

8 A. Yes.

9 Q. Turn to the second page there. You see an e-mail dated

10 5 March 2007 from yourself to Prof Lim. Do you see

11 that?

12 A. 5 March? What time, the 5.21?

13 Q. At 2.49, just below the e-mail timed at 5.21. The one

14 in the middle.

15 A. This one (indicating)?

16 Q. Yes. You sent an e-mail to Prof Lim asking to meet up

17 with her between 14 to 15 March, would that be correct?

18 A. I said I had a business trip on 14, 15 March, would like

19 to stop by at her convenience.

20 Q. So you want to meet up with her. The last sentence:

21 "Thank you and look forward to meeting with you."

22 Do you see that?

23 A. Yes.

24 Q. So you wanted to meet up with her?

25 A. Yes.

1 16:36 Q. Overleaf, the next page, you have an e-mail dated  
2 6 March 2007. Do you see that?

3 A. Page 6259?

4 Q. 6 March 2007 -- yes. From Prof Carmay Lim to yourself.

5 A. Correct.

6 Q. Copied to Dr Chang, where, basically, she said that she  
7 would be free to meet you on 15 March afternoon. Do you  
8 see that?

9 A. Yes.

10 Q. Then we come to the next e-mail, at page 6260, it's your  
11 reply. I'll skip the part about the fixed deposit  
12 because I've gone through it. Then you say:

13 "... March 15, 2007 in the afternoon will be fine  
14 with me. May I go to your office at around  
15 2:30-3:00PM?"

16 Do you see that?

17 A. Yes.

18 Q. You then asked Prof Lim:

19 "Is your office located at 128 Academia Road,  
20 Section 2, Nangang, Taipei?"

21 Do you see that?

22 A. Yes.

23 Q. Next page, on 6 March 2007, 4.03 pm, Prof Lim replies:

24 "All cab drivers know ..." I'll skip the Chinese  
25 phrase "... the nearest subway stop is Kunyang."

1 16:37 Then she gave some instructions. Then she says:

2 "When you arrive, ask the security guard to call

3 me ..."

4 Do you see that?

5 A. Yes.

6 Q. This was the last communication you had when are until  
7 you met her on 15 March; correct?

8 A. Last e-mails, correct.

9 Q. Between this e-mail and the time you met up when are on  
10 15 March, there's no further correspondence between  
11 yourself and Prof Lim; correct?

12 A. "Correspondence" means the --

13 Q. Letters.

14 A. E-mails?

15 Q. Yes, inclusive of e-mails.

16 A. Does it include phone?

17 Q. Correspondence doesn't include phone.

18 A. No.

19 Q. Mr Wan, you met Prof Lim at about 2.30 pm on 15 March;  
20 would that be correct?

21 A. Not correct.

22 Q. Mr Wan, again we are trying to get an understanding --

23 A. May I explain?

24 Q. Before you explain, it's a fairly short point. We've  
25 established that there's no further e-mail or other

1 16:39 correspondence between you and her; correct? For this  
2 period.

3 A. Except phone calls; right?

4 Q. Yes.

5 A. Correct.

6 Q. Would you at least accept that the original appointment,  
7 from your perspective, was at 2.30 pm on 15 March?

8 A. Correct.

9 Q. This was an appointment fixed at Prof Lim's convenience;  
10 correct? Because she said she wasn't free on the 14th,  
11 and she was only free in the afternoon of 15 March;  
12 correct?

13 A. She told me, yeah, she told me she wants to change to  
14 the 15 March.

15 Q. She was free on 15 March afternoon; that's her request,  
16 correct?

17 A. That's her e-mail request, correct.

18 Q. You said that you did not meet her at 2.30 pm. To the  
19 best of your recollection, what time did you meet her?

20 A. I met her around 12.30 to 12.45 pm on that 15 March  
21 2007.

22 Q. I suggest to you that it would not make sense because  
23 Prof Lim had already stated on e-mail that she's only  
24 free to meet up with you on 15 March afternoon, and she  
25 gave you a time as well.

1 16:41 A. Your Honour, may I explain?

2 Q. You can answer the question and then you can explain.

3 A. I did not meet -- I did not meet her at 2.30 pm.

4 Q. What's your explanation?

5 A. Your Honour, actually Ms Lim called me -- I forgot the  
6 date -- but she called me, she said that she couldn't  
7 make it that afternoon because she was busy, so she  
8 suggested a lunch meeting at the Howard Plaza Hotel, and  
9 likely Dr Chang will also be -- may be available at the  
10 time.

11 So I had to change my flight schedules to  
12 accommodate their needs, and I remember, I arrived the  
13 hotel at around 12 o'clock, noon. I changed my flight  
14 from -- the flight was originally scheduled at 12.25,  
15 and then I believe I changed it to 8 o'clock something.  
16 So I arrived the hotel around 12 -- I remember I had to  
17 rush to the Howard Plaza Hotel because my hotel was Far  
18 East Hotel, and it's about seven minutes away from the  
19 Howard Plaza Hotel. That's why I remember it, it was  
20 a lunch, it's not a dinner.

21 Q. Mr Wan, if you can so positively recollect this  
22 telephone conversation where Prof Lim, after arranging  
23 a meeting with you in the afternoon at around 2.30 pm on  
24 15 March, then telephoned you and asked that you meet  
25 her earlier, you changed your flights and so on and so

1 16:43       forth, can you give at least the court a reason as to  
2               why all these things are not stated in your affidavit?

3       A. Yeah, because the reason is, when I was sitting at the  
4       court, actually that was not a big deal. I remember it  
5       was a meal, but it seems like Prof Lim and Dr Chang are  
6       so insist that it was a dinner, so I went back and I  
7       checked with my e-ticket, and then I show it to my  
8       counsel. I remember it was a lunch, it's not a dinner.

9       COURT: E-ticket or boarding pass?

10      A. E-ticket.

11      MS TAN: Your Honour, if it may assist the court, he has  
12             indeed handed us copies of his electronic ticket. If it  
13             assists my learned friend.

14      COURT: No --

15      MR PILLAI: It would not assist because I've not seen  
16             anything.

17      COURT: In any event, e-tickets and boarding passes are  
18             different.

19      MR PILLAI: Absolutely, your Honour.

20      COURT: The other question is very simple.

21             When did this change of venue and time take place  
22             between 6 March and 15 March?

23      A. I remember it was very close to the flight departure  
24             time, so --

25      COURT: The same day, on the 15th?

1 16:45 A. No, no, not on the same day, but at least I could not  
2 remember, but when I -- when I checked my e-ticket and  
3 the hotel check-in time, it was at the time, and  
4 I remember I have to rush to the -- to the place. And  
5 also --

6 COURT: No. The fact that you have to check in to the hotel  
7 at the time, and you would have a time, as far as the  
8 hotel is concerned, as to when you checked in on that  
9 date?

10 A. If my original -- my original ticket was supposed to  
11 arrive Taipei at around 2 o'clock, but I checked in my  
12 hotel at 12, so how could that be --

13 COURT: How do you know that?

14 A. I have a receipt of the hotel receipt.

15 COURT: Which tells you the time of your checking in?

16 A. Yes.

17 COURT: Is it in evidence?

18 MR PILLAI: No, your Honour. I've not seen all that.

19 COURT: The second question I have is: assuming you're  
20 correct that there was a change over the phone of the  
21 time and venue of the meeting, you didn't send an e-mail  
22 to confirm the time?

23 A. It was quite rushed at the time, so I just changed  
24 immediately, and then I just go.

25 Another reason why I remember it was -- it was not

1 16:46 a dinner, because -- I don't know whether this is  
2 appropriate, but please allow me to say that, your  
3 Honour. I remember it was a lunch because it was  
4 a congee, congee lunch for the -- for my size, it's  
5 considered light.

6 COURT: You don't eat porridge at night? I do.

7 A. I mean, yeah, but for ...

8 MR PILLAI: All right. Mr Wan, let me pick it up from  
9 there.

10 A. Okay.

11 Q. I will not go into your appetite preferences.

12 If you look at page 6259, which is, I believe, the  
13 second page, the e-mail dated 5 March 2007.

14 A. Page 6259?

15 Q. Yes, at tab 5 as well. When you wrote to Prof Lim -- if  
16 you look at tab 5, this is the second document on your  
17 left-hand side.

18 A. Okay.

19 Q. You inform Prof Lim that you'll been in Taipei for  
20 a business trip between 14 March and 15 March. So  
21 there's a business trip already lined up. So it's not  
22 that you are going purposely to see Prof Lim; you  
23 already have a business trip lined up, and you wanted to  
24 stop by at her convenience. That's according to your  
25 e-mail.



1 16:48 A. Correct.

2 Q. Really, Mr Wan, if you are to be believed, you have  
3 a business trip on the 14th, you only arrived in Taipei  
4 on the 15th at 12 pm, that's a big difference in the  
5 facts; do you agree?

6 A. Well, I can swap times and --

7 Q. Sorry, what did you say? What do you mean by "swap  
8 times"?

9 A. I mean I try to -- I try to accommodate different needs,  
10 so I just switch time to see whether I can --

11 COURT: Did you see any other client on this trip?

12 A. Yeah -- correct.

13 MR PILLAI: Wait. Do you understand his Honour's question?  
14 Have you replied to his Honour's question?

15 A. I'm sorry.

16 COURT: Did you see any other client on this trip?

17 A. Yes.

18 COURT: Apart from Dr Chang and Prof Lim.

19 A. Yes.

20 MR PILLAI: Again, one has to have a bit of perspective in  
21 terms of going too deep, your Honour, because I know  
22 that I have quite a lot of other ground to cover as  
23 well.

24 COURT: The fact that both of you have spent some time on  
25 whether it's lunch or dinner, I assume it's of some

1 16:50 importance apart from credibility.

2 MR PILLAI: Yes, your Honour. Yes.

3 COURT: You're not suggesting that there were dim lights and  
4 nobody could read anything.

5 MR PILLAI: No, your Honour. There is certainly  
6 a relevance --

7 COURT: Okay.

8 MR PILLAI: -- and in fact, I can cut to that right away.

9 You see, Mr Wan --

10 A. Yes.

11 Q. -- on your own evidence, this is a prearranged meeting  
12 between you and Prof Lim, and the purpose of the meeting  
13 is to discuss the services that you can provide to her  
14 on the private wealth management side; correct?

15 A. Correct, because she told me at the time, you know, I  
16 can contact her.

17 Q. If that is true, when you arrived at Taipei, you already  
18 knew that the agenda of the meeting is to discuss what  
19 you, on behalf of Deutsche Bank, can offer to her;  
20 correct?

21 A. Correct, but may I explain?

22 Q. There's nothing to explain yet. Maybe another question  
23 more, then you can explain.

24 In those circumstances, can I suggest to you that it  
25 does not make sense for you to separately courier the

1 16:52 bank's presentation, the bank's product information, all  
2 the way to Taipei in the afternoon of 15 March.

3 A. Why is that?

4 Q. Because when you leave Hong Kong for Taipei, you already  
5 know that you're meeting her, and the purpose of the  
6 meeting is to present these services of Deutsche Bank  
7 Private Wealth Management unit to her.

8 A. Maybe I answer your -- this way, is, since it's the  
9 first meeting, basically I don't have a big agenda. It  
10 was just a touch-base meeting, and it's a casual  
11 introductory, but the -- the feeling that I got, your  
12 Honour -- I would like to elaborate a little bit more --  
13 is -- usually if we go to see client, normally our  
14 practice is we want to go to their office, we want to go  
15 to their office so that they have serious time with us  
16 to sit down together so that we can go through some of  
17 the materials, we can discuss.

18 My feeling at that time was, I was a guest, and  
19 dinner is a little serious for the first meeting in  
20 Taipei. A lunch, usually paid for by the host, it's  
21 very normal. It's a matter of courtesy. So I'm flying  
22 all the way from Hong Kong to Taipei to see them, as  
23 a courtesy, I believe they will just say, "Okay, I buy  
24 you a lunch", and then make sure that the host pay for  
25 it, and then if we want to open an account, we open an

1 16:54 account; we don't open an account, we don't open an  
2 account, but as a host, you know --

3 COURT: So lunch is no-obligation, dinner has obligations?

4 A. Yeah, it's more serious -- to us. To the office also.  
5 So actually, I didn't have any agenda at the time  
6 because we didn't discuss what to talk, we didn't have  
7 a set schedule to see what's going to discuss. It was  
8 just a touch base, very casual one.

9 So the moment that I know it was a lunch meeting,  
10 then I say, "Okay, it's okay, all right, I just bring my  
11 stuff to the restaurant".

12 I realise that Dr Chang and Prof Lim said that I had  
13 a laptop. Actually, I don't have a laptop.

14 COURT: You didn't have one then with you or you never ever  
15 have one?

16 A. I -- because Deutsche Bank did not assign a laptop to  
17 me, and normally we don't have laptops. There are  
18 reasons that we don't bring laptops to see clients,  
19 especially during a meal, because it's very practical  
20 for us. We are bankers. We are very practical. We --  
21 the laptop itself, the battery could go wrong, spill of  
22 food could go wrong, the software itself could crash, so  
23 if we take those into considerations, the easiest way  
24 for us is just print out the material, personalise it,  
25 and we go and see clients.

1 16:56 COURT: The question is, what are you saying?

2 A. That's what I --

3 COURT: "The bank never permits us to use laptops for client  
4 presentations"? "I don't use laptops for client  
5 presentations, I print out all, I bring the relevant  
6 material in hard copy"? Try to clarify, what exactly  
7 are you saying?

8 A. The bank never assigned me a laptop --

9 COURT: That doesn't mean that you don't have one.

10 A. I don't have one.

11 COURT: You don't have a laptop?

12 A. I have a personal one.

13 COURT: Yes.

14 A. At home.

15 COURT: Yes. You don't carry it around with you? It's not  
16 portable?

17 A. No, it's not portable because it's just too big, and --

18 MR PILLAI: A laptop which is too big?

19 A. My one was too big. And then, we don't commingle our  
20 business with personals, because I have photos, I  
21 have -- I mean, many personal stuff in it. If --

22 COURT: Let me clarify. You do not take a laptop with you  
23 on client development or client meetings; is that what  
24 you're saying? You never carry a laptop with you,  
25 anywhere, for any client development or business

1 16:57 development --

2 A. No.

3 COURT: -- or client meetings?

4 A. No.

5 COURT: That's your basic evidence. And to support that,  
6 you say "The bank does not provide us with one, and  
7 neither do I have one which I brought with me".

8 A. Correct.

9 MR PILLAI: Mr Wan, you mentioned that according to you,  
10 a dinner meeting would be more formal, whereas a lunch  
11 meeting would be informal. Do you remember your  
12 evidence to that effect just now?

13 A. It's -- it's my feeling that --

14 Q. You don't have to repeat it. I'm just reminding you of  
15 your evidence just now.

16 Before I pursue that point, just to close one issue.  
17 I don't think you have answered my question as to why  
18 you found the need to courier documents to Taiwan when  
19 you already knew, before you left Hong Kong, that the  
20 purpose of the meeting is to present the bank services  
21 to Prof Lim.

22 A. It's just the documents are heavy.

23 Q. When you say "documents", you're referring to the  
24 brochure, the PowerPoint brochure?

25 A. The general marketing --

1 16:59 Q. I think it's in the same tab. Please look at tab 7.

2 A. And also, it's a -- just a general practice of us.

3 Q. According to you, you decided to use courier service  
4 because (a) the documents are heavy; and (b), you have  
5 a general practice?

6 A. Correct.

7 COURT: You courier as opposed to taking it with you?

8 A. Courier.

9 COURT: How many customers were you going to meet or  
10 potentials in Taipei, over these two days?

11 A. A few. Not a lot.

12 COURT: Okay. So you are taking this bank presentation  
13 document, the brochure. You're taking the account  
14 opening documentation.

15 A. I couriered.

16 COURT: And the signature pages.

17 A. Usually whole set.

18 COURT: Two sets?

19 A. The whole set.

20 COURT: The whole set. All right. And you say that you get  
21 this printed out in Hong Kong and you courier them to  
22 Taipei in advance of your trip.

23 A. Correct.

24 COURT: Carry on.

25 MR PILLAI: Mr Wan, did you get -- and I'm not getting into

1 17:00 the issue of advice -- advice on your exposure under  
2 Taiwan law if you had solicited business from Taiwanese  
3 residents for Deutsche Bank?

4 A. I think that's a legal question. I don't think --

5 Q. It's not a legal question. It's a factual question.  
6 Did you or did you not get advice --

7 MS TAN: I have to object to this question because in the  
8 course of proceedings there were amendments to remove  
9 all -- well, all references to Taiwan law issues,  
10 actually.

11 COURT: What was the question?

12 MR PILLAI: Your Honour, the question is, just to reiterate,  
13 did you get advice --

14 COURT: Before you went?

15 MR PILLAI: That's a good point, your Honour. I did not put  
16 in the reference to time, but the reference would be  
17 after the event.

18 Perhaps I'll restate the statement and I'll deal  
19 with my learned friend's objections. The question is  
20 this: did you get advice, after the proceedings had  
21 commenced, on your exposure under Taiwan law if you had  
22 solicited business from Taiwanese residents for Deutsche  
23 Bank? That's the question.

24 My learned friend objected on the basis that we have  
25 made some amendments to the pleadings, removing the



1 17:02 Taiwan law angle.

2 But really, your Honour, it's relevant from the  
3 perspective of whether this courier business is to be  
4 believed or not. I can just put it generally. There's  
5 a significance.

6 COURT: I get it.

7 MR PILLAI: Yes.

8 Now, Mr Wan --

9 A. Yes.

10 Q. -- could you please answer the question?

11 A. I don't usually go that often, and then Carmay Lim was  
12 my previous client, so I was invited by my previous  
13 client --

14 Q. Sorry, my apologies for interrupting you, Mr Wan, but  
15 that's not my question.

16 Let me reiterate the question.

17 COURT: He's giving you a legal defence.

18 MR PILLAI: Yes. It may be useful if we were practising in  
19 Taiwan.

20 The question is this, and let me reiterate for  
21 you: did you get advice after the proceedings had  
22 commenced, on your exposure under Taiwan law if you had  
23 solicited business from Taiwanese residents for Deutsche  
24 Bank? I just to know --

25 COURT: In Taiwan?

1 17:03 MR PILLAI: In Taiwan.

2 Solicited business in Taiwan from Taiwanese  
3 residents for Deutsche Bank.

4 A. But I did not think I was solicit business. I was  
5 invited.

6 Q. Sorry, my question is whether you received advice or you  
7 did not receive advice.

8 A. I received advice from where? From who?

9 Q. I wouldn't know. The point is: did you receive legal  
10 advice, upon the commencement of these proceedings,  
11 about your personal exposure under Taiwan law if you had  
12 solicited business in Taiwan?

13 A. I think it's -- I really don't understand the meaning of  
14 "receive advice", and -- it's just a casual meeting,  
15 I mean.

16 Q. I'm not talking about a meeting. I understand where  
17 you're coming from, and we're not talking about really  
18 your explanations here. It's a factual point, Mr Wan,  
19 and really, there's no need to be defensive.

20 A. No, no, no.

21 MS TAN: Your Honour, maybe I can save everyone a little bit  
22 of pain --

23 MR PILLAI: I hope my learned friend is not going to proffer  
24 an explanation because this is a factual point which  
25 only the witness must answer.

1 17:04 COURT: You have some anxiety?

2 MS TAN: No, your Honour. They are asking about whether he  
3 received advice --

4 COURT: Being a securities lawyer, I understand where he's  
5 headed. So the question is, do you have some anxiety?

6 MS TAN: I think my problem is actually that the answer  
7 is --

8 COURT: -- if anybody is here as a reporter, do not report  
9 this portion.

10 MS TAN: Perhaps the witness could leave the room first so  
11 that I can explain where I'm coming from.

12 COURT: You have an anxiety beyond --

13 MS TAN: No, it's not an anxiety, your Honour, but more of  
14 a factual situation of what happened in these  
15 proceedings.

16 COURT: If I catch the drift of counsel's questions, he's  
17 not satisfied with the explanation so far that there was  
18 not a PowerPoint presentation, and he's attempting to  
19 come to this question through another angle.

20 Is that where you are?

21 MR PILLAI: Absolutely, your Honour. Your Honour has read  
22 me like a book.

23 COURT: Do you have an anxiety in that respect?

24 MS TAN: I don't have an anxiety. I was just thinking of  
25 the facts --

1 17:06 COURT: The facts, you will have an opportunity in  
2 re-examination to clarify, but if you are anxious,  
3 I will ask the reporters not to report this portion.

4 MR PILLAI: I take it that the anxiety has been at least  
5 addressed.

6 Mr Wan, could you please answer the question --

7 A. You do not --

8 COURT: Do you understand what he's trying to get at? He's  
9 still trying to establish whether you are to be believed  
10 when you say "I didn't have a PowerPoint presentation,  
11 and what I did was I mailed these documents, couriered  
12 them first to Taiwan". He's trying to probe whether you  
13 should be believed when you say that.

14 A. Okay, I --

15 COURT: For a reason which has to do with securities  
16 regulations in Taiwan.

17 A. I did what I did, that's the fact, that I courier it  
18 and --

19 MR PILLAI: Mr Wan, my question is in relation to whether or  
20 not you received legal advice.

21 I ask you this for the last time: did you or did you  
22 not receive legal advice about your personal exposure  
23 under Taiwan law if you had solicited business in  
24 Taiwan?

25 A. I do not know how to answer legal question --

1 17:07 COURT: You're not a licensed person in Taiwan to sell  
2 securities or provide investment advice for private  
3 banking, are you?

4 A. I'm not licensed.

5 COURT: In Taiwan.

6 A. No.

7 COURT: That's where he's --

8 MR PILLAI: Yes.

9 You're not prepared to answer the question, Mr Wan?

10 A. The advice?

11 Q. No, for the record, you have not answered my question.

12 I'll move on because I've asked you so many times  
13 already; I'm not going to ask you another time.

14 A. Because I have -- I don't know.

15 COURT: Do you understand the question?

16 A. Not quite --

17 COURT: You may wish not to answer. You are free to do so.

18 You may answer, you may explain, you may ask him for  
19 clarification, but first of all, do you understand the  
20 question?

21 A. Not really.

22 MR PILLAI: Mr Wan, let me try. The question is this: after  
23 these proceedings had started, did you take legal advice  
24 about your personal exposure under Taiwan law if you had  
25 solicited business in Taiwan from clients?

1 17:09 A. I'm not sure.

2 MR PILLAI: Your Honour, I've probed enough and I'll just  
3 take his answer for submissions.

4 COURT: What do you mean, you are not sure? Did you receive  
5 advice, or did you not? You can say, "I don't want to  
6 answer", that's fine.

7 A. Because I don't know. I don't know whether it's advice  
8 or I don't know. To the best of my knowledge, I just --  
9 really, I don't know how to answer that.

10 COURT: Did you receive legal advice under Taiwan law --

11 A. You mean -- your Honour, you mean -- legal advice is --

12 COURT: Did a lawyer advise you after -- the question is  
13 very simple -- these proceedings had started? Not then,  
14 not before. Did you receive legal advice?

15 A. To my best recollection, probably not.

16 MR PILLAI: I suggest to you, Mr Wan, that this circuitous  
17 way of bringing documents by courier to Taiwan, when you  
18 easily had the opportunity to bring it directly, by way  
19 of a laptop, suggests that you have taken legal advice  
20 on your personal exposure under Taiwan law, if you had  
21 indeed solicited Dr Chang's custom by presenting, either  
22 by way of a brochure or by way of a PowerPoint, the bank  
23 services. You can agree or disagree.

24 A. I just don't have a laptop. I -- what do you mean by --

25 Q. I'll break it up.

1 17:11 COURT: Do you get the gist of what counsel is suggesting to  
2 you?

3 A. I'm confused.

4 COURT: All he's saying is you are not to be believed  
5 because your evidence, as of now, is carefully  
6 constructed in the light of Taiwan law.

7 MR PILLAI: Yes.

8 A. It was just a practice, and -- I don't know whether it's  
9 advice or not advice that --

10 Q. Let me try it another way.

11 Who pays for courier charges?

12 A. The company.

13 Q. Yes. So you charged the company -- meaning the bank --  
14 courier charges because you have a general practice of  
15 couriering documents. Is that your evidence?

16 A. If you check my records, I only -- I only go to Taiwan  
17 twice in the --

18 Q. Mr Wan, that's not my question. The point is this: even  
19 if you go once, every dollar that's paid by the company  
20 is supposed to be of proper purpose. I hope you agree  
21 with that.

22 My question to you stands: you charged the company  
23 courier charges because you say you have a general  
24 practice of couriering documents. That's why you  
25 charged the bank. That's your evidence.

1 17:12 A. Yes.

2 Q. I put it to you that the reality of the matter is, you  
3 came up with this story about couriering documents to  
4 Taiwan because you knew that you have an exposure under  
5 Taiwanese law. Agree or disagree?

6 COURT: When he puts it to you, you can agree or disagree  
7 and you can explain.

8 A. I disagree.

9 MR PILLAI: I further put it to you that you had a meeting  
10 over dinner with Dr Chang and Prof Lim because, in your  
11 words, it was actually a pretty formal meeting?

12 A. Disagree.

13 Q. Mr Wan, at the point in time when you went to Taiwan on  
14 15 March 2007 to meet with Prof Lim and Dr Chang, your  
15 intention was to solicit them to be the clients of  
16 Deutsche Bank; correct?

17 A. Well, let me put it this way, is --

18 Q. It's a simple question, Mr Wan.

19 A. Prof Lim invited me to Taiwan.

20 Q. That's not my question. Even if she had invited you,  
21 I'm asking about your purpose, and you are capable of  
22 giving a direct answer to this question, Mr Wan.

23 Your purpose in meeting Prof Lim and Dr Chang was to  
24 solicit them to be the clients of Deutsche Bank; "yes"  
25 or "no"?



1 17:14 A. No. Let me explain. May I explain, your Honour?

2 I think if you put the word "solicit", I do not  
3 really agree. I mean --

4 COURT: That is a legal expression which carries some --

5 A. I mean, we had a meeting, we touched base, and if they  
6 want to open account, they open account. They don't  
7 want to open account, it's entire -- to them, because  
8 they know I'm in this business, and --

9 MR PILLAI: Yes. Let me put the word "solicit" aside, and  
10 let me choose my words carefully.

11 Your intention was to share information of the  
12 bank's services so that Dr Chang and Prof Lim would  
13 become clients of the bank.

14 A. I disagree. May I explain further? It's -- I was  
15 invited by Lim, and then said that once you settle down,  
16 can come, you know, that's my impression, that she  
17 actually invite me to give her some information.

18 Q. Mr Wan, really, you can take it that everybody in this  
19 courtroom are people of some commercial experience.

20 You go to Taiwan, you charge your bank the airfare,  
21 you charge the bank the courier charges. Tell me: you  
22 went to Taiwan to see Dr Chang and Prof Lim; really, it  
23 was to provide information about the bank services in  
24 the hope that they become the bank's clients. "Yes" or  
25 "no"?

1 17:16 A. Well, I can say I communicate with them to the -- we had  
2 discussions about the bank's services, but they can  
3 always come to Hong Kong too.

4 COURT: You sound to me like you have taken legal advice.

5 A. Excuse me?

6 COURT: You sound to me like you've taken legal advice.

7 A. No, I ...

8 COURT: You are very careful in your answers.

9 MR PILLAI: Right. Your Honour, may I just probe that.

10 Mr Wan, the discussions about the bank's services.

11 When you are discussing bank services, in particular  
12 Deutsche Bank's services, your focus is on conveying  
13 Deutsche Bank's reputation, would that be correct, in  
14 this private wealth management industry?

15 A. No.

16 Q. So the purpose of the discussion was not to convey  
17 anything about Deutsche Bank's reputation in this  
18 private wealth management industry?

19 A. What do you mean by "to convey anything about" -- I'm  
20 not quite sure.

21 Q. I'll rephrase, Mr Wan. We're talking about the purpose  
22 of the discussion. That's the focus.

23 I just want to establish what is the purpose for the  
24 discussion and what you want to convey to Dr Chang and  
25 Prof Lim. Do you follow so far, Mr Wan?

1 17:18 A. Yes.

2 Q. Would it be right to say that one objective you had in  
3 mind was to convey Deutsche Bank's reputation in the  
4 private wealth management space?

5 A. It's really a too deep -- I --

6 COURT: What don't you understand about the question?

7 A. I don't understand the meaning of "convey Deutsche  
8 Bank's reputation in the private wealth" --

9 COURT: You want to share with them.

10 MR PILLAI: Yes.

11 Maybe you can use the word "share" --

12 COURT: Put it in your own words.

13 A. Yeah, put it in my own words, is just want to let them  
14 know that I change job, this is --

15 COURT: You told them that before.

16 A. Yeah, this is my -- my cards, this is the service that  
17 we provide. I think that way will be easier.

18 MR PILLAI: Mr Wan, we are talking about the point -- and  
19 really, I would be guided by you -- when you have  
20 arrived in Taipei, you have made this special  
21 arrangement for courier of documents, according to you.  
22 You must have a purpose in meeting up with Dr Chang and  
23 Prof Lim, so I just want to understand what the purpose  
24 is. Really, that question is capable of a simple  
25 answer.

1 17:19 A. Yeah, just in case they ask me about the services that  
2 we provide, so that I can communicate with them.

3 COURT: If they didn't ask you?

4 A. They asked me.

5 COURT: If they didn't.

6 A. Then we just --

7 MR PILLAI: Have lunch?

8 A. Have lunch, I guess, I just go.

9 COURT: It would be a social lunch.

10 A. Yeah.

11 MR PILLAI: Mr Wan, you must have had at least a confident  
12 expectation that you would be discussing the bank's  
13 services over the meal, because otherwise you would not  
14 have -- according to you -- done all these elaborate  
15 preparations.

16 A. We, over the meal, usually it's really touch base --  
17 I mean, the lunch. Of course, you know, if they discuss  
18 about it, that's fine; if they don't, then I just go  
19 back. I mean, there's no really a big deal of it,  
20 because that's the way it is.

21 Q. I hear you, Mr Wan. What you're basically saying is  
22 that it's a no-obligations kind of a presentation.  
23 I hear you. But my question is a different one. My  
24 question is: what are you going to share with them by  
25 way of information?

1 17:21 I started off by saying you would share with them  
2 the bank's reputation in the private wealth management  
3 space, would that not be correct?

4 A. No, I don't think that's exactly the correct -- because  
5 usually when we go to lunch, we will not just present  
6 a whole bunch of material and then we discuss, because  
7 it's not polite.

8 And if it's a lunch, then it's -- it's just a very  
9 casual one. We touch base, we say hi and then they ask  
10 me about my new jobs -- you know, it's just -- because  
11 we are private banking. We are not high pressure  
12 salesperson, you know -- it's really up to the client  
13 that they want open, they open, they don't want to  
14 open -- you know, I had experience with potential  
15 clients, three years, five years, just don't open. We  
16 had many lunch and many meeting, but -- just in  
17 Hong Kong, everywhere, I mean, just the -- not necessary  
18 to be a big commitment. It's just the way our business  
19 is running.

20 Q. Thank you, Mr Wan.

21 I think your sensitivity is really on the point that  
22 you presented without any request from the other side.  
23 Let me try and -- because I think I already have enough  
24 on that particular issue -- allow you to assume that it  
25 is Prof Lim and Dr Chang who requested some information

1 17:23 on the bank, because I really want to move on.

2 In those circumstances where Prof Lim and Dr Chang  
3 say "Oh, you came from Hong Kong, you are a Deutsche  
4 Bank relationship manager, yes, we want to hear about  
5 Deutsche Bank".

6 Now, you tell me, Mr Wan: what did you share with  
7 Dr Chang and Prof Lim? Didn't you share information  
8 pertaining to Deutsche Bank's reputation in the private  
9 wealth management space?

10 A. We had an introductory brochure that normally share with  
11 our potential clients.

12 Q. Yes. It would help if you were to answer my question,  
13 Mr Wan. Really, it's capable of a simple answer.

14 Let me just put it another way. Deutsche Bank, as a  
15 reputable private wealth management unit -- do you agree  
16 with that? As at 2007, at least.

17 A. Yes.

18 Q. In your view, what sets Deutsche Bank apart from other  
19 private banks would be, amongst others, its reputation;  
20 agree?

21 A. Of course there's something else --

22 Q. I did say "amongst others". I meant, would you agree  
23 amongst others, reputation is certainly one  
24 consideration?

25 A. Agree.

1 17:25 Q. Thank you. So when you meet a person, and assuming that  
2 the person asks you, "Tell me about Deutsche Bank's  
3 services", and the implication that they may be  
4 interested, this part about Deutsche Bank's reputation  
5 is something you would be willing to share; correct?

6 A. Not correct, not -- not exactly correct. But may  
7 I explain?

8 COURT: Carry on.

9 A. When they asked me about --

10 COURT: These are the easy parts of the cross-examination,  
11 you know.

12 MR PILLAI: Yes, I haven't even --

13 COURT: He hasn't gone into the heart of where he is going  
14 to go --

15 MR PILLAI: Yes, if I were to use my learned friend Mr Ang's  
16 words --

17 COURT: -- so I'm a bit puzzled. I understand you are  
18 cautious. That's fair enough. I want to make sure you  
19 understand the question, and then if you want to  
20 explain, by all means.

21 A. Okay. I think, yeah, reputation plays an important  
22 role, but a lot of the time it's because the other  
23 reasons may be -- whether it's the timing or -- I mean,  
24 too many things can --

25 COURT: No, listen to his question. His question is very

1 17:26 narrow: amongst other things, the reputation of Deutsche  
2 Bank is something you would share? That's all. He  
3 didn't say, nothing else did you talk about --

4 A. Yes, yes, yes.

5 COURT: So don't expect to be tricked before he has even  
6 started.

7 A. Your Honour, actually, I -- I --

8 COURT: All right? Relax a little bit.

9 A. I do not understand --

10 COURT: Try to understand the question, because the  
11 questions are pretty long in the way they are  
12 formulated. If you want him to be more precise, ask  
13 him, and if you don't understand, ask him to explain,  
14 then think about it and answer as best as you can.

15 A. Right, your Honour. I apologise, because I -- I'm  
16 nervous --

17 COURT: You are nervous. I understand you are very nervous,  
18 yes.

19 A. It's just --

20 COURT: You've never been here before.

21 A. Never been here before.

22 COURT: Yes, I understand that too.

23 A. Yeah, and --

24 MR PILLAI: But you are familiar with legal proceedings,  
25 since I note that you have served jury duty in



1 17:27 Hong Kong.

2 COURT: That's on a different part of the bench.

3 MR PILLAI: On the left or right.

4 A. I was sitting there, listening.

5 COURT: Listening?

6 A. Listening, yes.

7 MR PILLAI: Very well.

8 Again, thank you for that answer, Mr Wan.

9 Let me just also go to another area --

10 COURT: Do you have your answer?

11 MR PILLAI: Yes, he said that reputation would be one --

12 thanks -- sorry. After your Honour clarified the

13 question, he did give an answer, and I see that in my

14 transcript.

15 Yes, he did give an answer, your Honour.

16 Apart from reputation, the financial strength of the

17 bank would be something you would also share; agree?

18 If you don't understand, let me know.

19 A. I understand.

20 Q. Yes.

21 A. I don't know whether I can remember that many things,

22 because --

23 Q. Just generally. Generally. To be fair to you --

24 COURT: You're not asking him what exactly did he speak

25 about at this stage, you're just highlighting a few.

1 17:28 MR PILLAI: Absolutely, your Honour.

2 COURT: He's not asking you to remember what exactly you  
3 said on 15 March.

4 A. Yeah, in general, yes, I believe so.

5 MR PILLAI: I'll move on to another area.

6 The bank's commitment to quality service, that's an  
7 area that you would talk about. Agree? We're talking  
8 about high net worth individuals here.

9 A. I partially agree, because the -- the quality service,  
10 yes, it's important to a lot of high net worth  
11 individuals.

12 Q. I understand that, but would you convey, on behalf of  
13 Deutsche Bank, its commitment to provide quality service  
14 to its clients? Really, these are simple questions.

15 A. I didn't think I would go that far. I --

16 Q. So as far as you're concerned --

17 A. -- many things.

18 Q. Sorry to interrupt. Did you say "I didn't think I would  
19 go so far"?

20 So according to you, it would be going too far to  
21 say that Deutsche Bank is committed to provide quality  
22 service to its clients? That's your evidence?

23 A. The meaning is, what I was saying is, it's a casual  
24 meeting, we would discuss about the service that we  
25 provide, you know, the reputations -- but may not be

1 17:30 a list because I don't know my agenda, and I don't know  
2 what's going to happen --

3 Q. Yes.

4 A. -- and --

5 Q. Mr Wan, I have relieved you of those problems. I'm not  
6 talking about 15 March, as his Honour has clarified. We  
7 are talking generally here, because there were some  
8 problems in you providing straight answers when we went  
9 straight to 15 March, and we understand why.

10 I'm talking generally, when you have people coming  
11 to you and saying, "I'm interested to become a client,  
12 share with us your information". I'm just going through  
13 categories. Let me assure you, these are not plucked  
14 from the air. I'll show you why.

15 A. Yeah, I -- actually, the reason why it's difficult for  
16 me is I -- it's just my experience is -- we seldom  
17 talked that many things. Because if the -- take for an  
18 example, okay, private banking business is, people come  
19 to you, or they are a referral. Yeah, it has something  
20 to do with the bank, but yes, I believe it plays some  
21 role, but not as an agenda; this, this, communicated  
22 this, that, communicated.

23 I'm sorry, but that's just the way I understand.

24 Q. I, of course, have to just rely on your answers, Mr Wan.  
25 Just for the record, as far as commitment to provide

1 17:32 quality service is concerned, you won't go so far;

2 that's your answer? That's your best answer?

3 A. That's my best answer.

4 Q. Thank you. How about commitment to provide personalised  
5 service to clients?

6 A. I can say a lot of service are personalised already.

7 Q. So you would convey that message to anybody who is --

8 A. Well, in general, you would talk about it.

9 Q. Yes.

10 A. But not -- I mean not necessary every time, or --

11 Q. Yes, in general. That's all I asked.

12 A. In general.

13 Q. Really, by conveying this basket of information, what  
14 you're effectively doing is to say Deutsche Bank is  
15 a serious player in this private wealth management  
16 space, and this is how this bank differentiates itself  
17 from its competitors?

18 A. I don't know whether I can -- if I can come up something  
19 like that, I mean, I could be --

20 COURT: You would be in marketing.

21 A. Yeah. Okay, I'm a very simple salesperson, okay, I  
22 don't have that many --

23 MR PILLAI: We'll see how simple you are.

24 But really, the point is you, as part of your duties  
25 to Deutsche Bank, are supposed to get clients for the

1 17:33 bank. That's why you joined Deutsche Bank private --

2 A. That's correct.

3 Q. So, really, this is a matter well within your scope, and  
4 I reiterate the question: by sharing with prospects this  
5 basket of information, what you are effectively trying  
6 to do is to say that Deutsche Bank is a serious player  
7 in the private wealth management space, and  
8 differentiates itself from other competitors through  
9 provision of these services, and through its reputation  
10 and strength. Would you agree with that?

11 A. Well, as I said, if I can come up with this much,  
12 it's -- really, I could be in the marketing department.

13 Q. Sorry, with that answer are you agreeing with me or are  
14 you not agreeing with me?

15 A. I don't agree with you.

16 Q. Perhaps --

17 COURT: With any or all of the above, or in those words?

18 Because you have agreed in each one of them, and now you  
19 end up saying "I don't agree". So what is it that you  
20 don't agree with? You could not recall all these five  
21 propositions in one breath, or you couldn't express it  
22 as well as counsel here has?

23 A. Because some -- your Honour, sometimes we talk about  
24 this and sometimes we talk about that --

25 COURT: Other things, yes.

1 17:35 A. I'm not like a recording machine, to --

2 COURT: Right now I don't think he is suggesting to you that  
3 you went and said this, this, this. He hasn't come to  
4 that yet.

5 A. No, no. So that's why --

6 COURT: You are anticipating a question that has not been  
7 asked. If you listen to the question that's been asked,  
8 it will be less painful.

9 MR PILLAI: Yes.

10 A. Okay, I'll listen to his questions.

11 MR PILLAI: Do you want me to repeat it, Mr Wan?

12 A. Yes.

13 Q. Let me repeat.

14 COURT: You should take him to the last question where he  
15 said it.

16 MR PILLAI: Very well, your Honour.

17 What you are effectively trying to do is to say that  
18 Deutsche Bank is a serious player in the private wealth  
19 management space, and differentiates itself from its  
20 competitors through the provision of these services, and  
21 through its reputation and strength.

22 Do you agree with that?

23 A. I agree with that for --

24 Q. Let me just summarise for you. You have already agreed  
25 with me that generally, when people ask you about

1 17:36 Deutsche Bank's services with a view to be their  
2 clients, you would talk about Deutsche Bank's  
3 reputation, you would talk about Deutsche Bank's  
4 financial strength, you probably wouldn't go so far to  
5 say that it's committed to give quality service, but you  
6 would certainly talk about Deutsche Bank's commitment to  
7 provide personalised service to its clients.

8 So as far as these areas that you are in agreement  
9 with --

10 A. Yeah.

11 Q. -- would you not agree that effectively, what you are  
12 trying to say is that Deutsche Bank is a serious player  
13 in the private wealth management space, and  
14 differentiates itself from its competitors through  
15 provision of these services, through its reputation, and  
16 its financial strength?

17 A. I -- I said partially agree with you, because sometimes  
18 we talk about that, but not as organised as you did, so  
19 I partially agree. I covered that area, but --

20 Q. Yes, thank you, Mr Wan.

21 Your Honour, I wonder if this is an appropriate  
22 time.

23 MS TAN: Before we stand down for the day, your Honour, I've  
24 just been informed by my colleague that in addition to  
25 giving us a copy of his e-ticket which shows the change

1 17:37 in the itinerary, he had actually given us a copy of his  
2 hotel receipt which shows his arrival time and departure  
3 dates. I'm just wondering if that is something that --

4 COURT: That's fine.

5 MS TAN: There's only one copy, unfortunately, so --

6 COURT: You may submit it tomorrow.

7 MS TAN: Much obliged, your Honour.

8 MR PILLAI: Your Honour, perhaps the witness can be reminded  
9 not to discuss his evidence with others, including  
10 lawyers.

11 Mr Wan, you are not supposed to discuss your  
12 evidence with others, including your lawyers.

13 A. Oh, of course.

14 MR PILLAI: Grateful, your Honour.

15 (5.38 pm)

16 (The hearing adjourned to Thursday, 11 November 2010 at  
17 10.00 am)

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I N D E X

P A G E

MR WAN FAN TING JOHNNY (sworn) .....1  
    Examination-in-chief by MS TAN .....1  
    Cross-examination by MR PILLAI .....21