

Building Consultancy Services

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Your ref.: LL/IC:141095

Our ref.: J293/Response to Maxwellisation Letter/L01

Date: 28 August 2026

By Email Only (icsols@loandlo.com)

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7/F., World-Wide House,
19 Des Voeux Road Central, Hong Kong

Dear Sirs,

Independent Committee in relation to the fire at Wang Fuk Court in Tai Po (the "Committee")

Written Response of RS Surveyors to your letter dated 14 August 2026

A. Introduction

1. We refer to your letter dated 14 August 2026 and note that the Committee has provided us with an opportunity to put forward a written response to those criticisms contained in the written and/or oral closing addresses of the Involved Parties and of Counsel for the Committee and hence set out our responses below for the consideration of the Committee again.

2. This response is provided to the best of our knowledge and based on the records presently available to us. As stated in our earlier replies of May and June 2026, the relevant events took place more than eight years ago; since then, the Director and Project Manager responsible for the Wang Fuk Court assignment, the late Mr. Peter Lee, sadly passed away in 2025; and several of the colleagues who handled the matter have also left the firm. This response supplements and should be read together with our earlier replies which we maintain.

3. In this response: "Tripartite Agreement" means the agreement dated 16 June 2018 executed between the former Incorporated Owners ("Former IO"), the Urban Renewal Authority ("URA") and this firm ("RS SURVEYORS"); "Smart Tender" means the URA's Building Rehabilitation Facilitating Services (Pilot) Scheme; "Closing Submissions" means the written closing submissions of Counsel for the Committee dated 17 July 2026; "Residents' Closing" means the written closing address of Counsel for the nine residents; and transcript references are in the form [T-day/page:line].

B. The work this firm actually performed, and its effect

4. This firm served as the independent consultant designated by the URA under the Smart Tender scheme pursuant to the Tripartite Agreement. We were not the project consultant, the Registered Inspector, the Authorized Person or the registered contractor for the project who were all appointed separately without our involvement. Within the functions defined for the independent consultant, we completed every following deliverable required of us, on time, and each deliverable in fact served its intended purpose and was ultimately received by the URA, which raised no adverse comments..

5. (a) Initial Assessment Report (August 2018). Based on a visual inspection of the accessible common areas, we provided the Former IO with a preliminary technical assessment and a preliminary cost indication of HK\$102,077,704, to assist owners in understanding the building repair needs and forming some initial concepts of scope of work and budget before any tender documents were worked out by others later.
6. (b) Pre-tender Assessment Report Part 1 (November 2022). Against the draft tender documents prepared by the project consultant after nearly/more than 4 years since we prepared the Initial Assessment Report in 2018, we (i) checked for discrepancies or omissions, in particular whether the mandatory works under the MBIS notices had been fully incorporated, and (ii) provided an independent cost assessment of HK\$224,916,383, flagging items with a variance of 30% or more (Closing Submissions ¶86). Paragraph 2.3 of that report recorded, at the time, the reason accounting for the difference from our initial indication: the tender documents prepared by the project consultant adopted a different and more extensive scope of works than that assumed in the Initial Assessment Report. Counsel for the Committee has actually recorded that explanation (Closing Submissions ¶86.3, footnote 63; [T21/19:23-26]).
7. (c) Independent Cost Estimate (April 2023). We prepared an independent, bottom-up estimate based on the tender documents finalised in 2023 by applying unit rates from the schedule of rates maintained and periodically updated for URA-related projects (principally the version effective as at 8 August 2022) to our own measured quantities, priced separately for each of the three external-wall options put to owners for their consideration. The estimate was sealed and deposited into the URA's tender box on 4 July 2023 and was unsealed only after the tenders were opened on 5 July 2023, in the presence of URA officers and an independent certified public accountant (Closing Submissions ¶¶87, 95, 97). Paragraph 4 of the Pre-tender Assessment Report was deliberately withheld from the owners, the project consultant and all tenderers precisely to prevent bid-rigging (ibid. ¶87) according to the established practice.
8. (d) The benchmark worked. Owners subsequently resolved to adopt Option 3 on their own. Our sealed estimate for the works on an Option 3 basis was HK\$399,660,164. The contract was ultimately awarded at HK\$336,616,277 (Closing Submissions ¶113) — sufficiently below our sealed independent estimate. Whatever else may be said about the tendering exercise, it is crystal clear that the independent pricing benchmark this firm provided was not exceeded by the accepted tender.
9. (e) Review of the Tender Assessment Report (October–November 2023). We re-priced the tender summary independently, checked the project consultant's tender assessment against the scoring criteria and framework prescribed under the scheme and in accordance with the contractual requirements stipulated in the Tripartite Agreement, and expressly identified one tender which deviated significantly from our independent estimate — a fact recorded by Counsel for the Committee (Closing Submissions ¶101.1). Separately, our representatives attended the meeting with the URA and the Former IO on 15 December 2022 to present and explain the findings of the Pre-tender Assessment Report and answer queries in person.

C. The framework within which that work was defined

10. The functions of the independent consultant under Smart Tender were designed, defined and communicated to owners by the URA, not by this firm. The evidence before the Committee presented by the URA itself establishes the following, none of which depends on any assertion made by this firm:

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11. (a) The scheme's stated objective was to reduce the risk of bid-rigging, not to eliminate or police it: "我哋嘅任務係減低被圍標風險，政府冇要求我哋去打擊圍標" (Mr Wong Sze King, URA).

12. (b) The independent consultant ensures that the works cover the mandatory requirements under the building inspection notices; decisions on non-mandatory works rest with owners, with which the URA and the independent consultant "cannot and will not interfere" (URA closing address ¶¶20-21; [T28/10:26-30]).

13. (c) The URA's own witness defined the limits of our role in terms: the independent consultant would not be asked to review or comment on the fifty-seven tenders received, "因為呢個並非係佢嘅工作範圍" [T21/65:34-66:5; T21/66:10-11]; the review function was to check that the prescribed scoring criteria had been fully applied, not to re-mark the project consultant's scoring [T21/66:21-26].

14. (d) Prior to 2019, Smart Tender did not extend to the selection of Registered Inspectors or consultants at all (Closing Submissions ¶64); no function of vetting tenderers' backgrounds, cross-shareholdings or litigation records was assigned to any party under the scheme; and no unified disciplinary database then existed against which such vetting could practicably have been performed — Counsel for the Committee has himself acknowledged that the cost of such searches was "非常之高" [T30/37:8-10], and the URA acknowledged that, receiving some 17,000 tenders a year across 442 registered contractors, it likewise had no resources for systematic cross-checking [T28/10:3-13]. In any case, this firm, in the capacity of the Independent Consultant, had not been required nor instructed to carry out such vetting under the subject Tripartite Agreement.

15. We make these points not to criticise the URA, whose officers cooperated professionally with us throughout the process, but because the Committee cannot fairly assess what the independent consultant could do without first identifying what the independent consultant was designed and instructed to do — and by whom under the specific contract requirements.

D. The specific criticisms

(1) The increase from HK\$102 million to HK\$224.9 million

16. The two figures measure entirely different scopes of works at different times. The Initial Assessment Report figure (HK\$102,077,704) was a purely preliminary indication of cost based on visual inspection to the accessible common areas with an aim to address the mandatory repair needs, which was a common and prevailing approach for handling such Initial Assessment Report, produced well before any tender documents were prepared. The Pre-tender Assessment Report Part 1 figure (HK\$224,916,383) was priced wholly against the draft tender documents as prepared by the project consultant a few years after the Initial Assessment Report was prepared during which the conditions of the building might likely change or even deteriorate. The scope of works adopted in those tender documents was substantially more extensive than that assumed in the Initial Assessment Report (for example, full external wall painting works in place of patch repairs), and that scope had been discussed and agreed between the project consultant and the Former IO without our involvement. We recorded this explanation contemporaneously in paragraph 2.3 of the report itself, as Counsel for the Committee has noted (¶86.3, footnote 63). The URA's own witness also confirmed that an increase of this kind between the two stages is common: "常見，個個大廈都會出現呢個情況" [T21/18:9-22]. The subsequent progression to the contract sum of HK\$336.6 million likewise reflects the owners' adoption of Option 3; as noted at paragraph 8 above, the contract sum came in below our sealed estimate for that option.

(2) Alleged failure to assess whether the scope contained superfluous items

17. The functions assigned to the independent consultant at the pre-tender stage were those described at paragraph 6 above: to check that the mandatory works had not been omitted, and to flag material price variances. Whether to include non-mandatory improvement items was a matter of discretion for the owners as advised by their appointed project consultant; the URA has confirmed that neither it nor the independent consultant would interfere with those decisions (URA closing ¶¶20–21). Under our engagement, our function was confined to preparing the cost estimate on the basis of the tender documents drafted by the project consultant, the scope of which had been discussed and settled between the Former IO and the project consultant beforehand; making recommendations or comments on any alternative or minimum scope formed no part of the functions assigned to us — still less were we involved in the preparation of the tender documents. We would respectfully observe that the factual basis for this criticism in the Closing Submissions is itself the URA's evidence as to what the scheme required (¶86.1: "The URA's evidence is that..."), and that evidence accords with our understanding of the scheme's design.

(3) The Works Cost Estimate Report bearing the signature of the late Mr Shum Kui Chung

18. The report was received by the URA on 29 September 2022 and passed to us in the ordinary course (Closing Submissions ¶¶84–85). Counsel for the Committee has fairly recorded that the URA and this firm were alike unaware of Mr Shum's passing at that time (¶85; [T21/17:17-26]). The substance of our engagement under the contract was to assess submissions made under the Integrated Building Rehabilitation Assistance Scheme, including the provision of cost-related and technical advice and recommendations; we had no means, no duties and no function under the scheme, of verifying the personal circumstances of the project consultant's signatories. Indeed, the party with actual knowledge was under a statutory obligation to notify the change of the Registered Inspector within seven days but did not do so [T30/19:10-13]; absent that notification, no one in this firm was in a position to know. Nor would or should this firm have undertaken proactive in-depth investigation of such personal circumstances: investigations of that kind are time-consuming, involve substantial consultancy work of another discipline; would materially alter the scope of the services engaged and would generate significant additional fees; no such investigative work was ever included in the contractual services between the URA and this firm. Had the URA required such work, that requirement ought to have been raised and expressly specified in the contract in advance. Indeed, the URA's own Independent Checking Unit learned of the matter as late as in 2024 only upon a complaint was received.

(4) The review of the Tender Assessment Report being "only a few pages" with no anti-bid-rigging content

19. The substance and quality of a review are not measured by its page count. Within the review function described at paragraph 13 above, we had independently re-priced the tender summary, verified the application of the prescribed scoring criteria, and identified one tender which deviated significantly from our sealed independent estimate — precisely the kind of price deviation the sealed estimate was intended to detect (Closing Submissions ¶101.1).

20. As to tenderers' inter-connections and disciplinary records: we were not aware, at the time we prepared our review, of any linkage between Mr Hau Wa Kin and other tenderers; no tenderers' supporting documents were referred to us by the URA and no request to examine them was received; and the letter dated 7 March 2023 from Pansy Leung Tang & Chua Solicitors (Closing Submissions ¶102.3) was never provided to us. There was, in short, no information before us, no channel by which it would arrive, and no database against which it could then have been checked (paragraph 14(d) above). Checks of that kind were not a responsibility of the independent consultant; they fell properly within the functions of the project consultant appointed by the Former IO or other professionals. Our work in respect of this report was confined to reviewing technical documents, providing cost-related advice, and attending meetings where required; it did not include investigating inter-connections between tenderers or their disciplinary records. These are statements of fact, consistent with our replies of May and June 2026.

(5) The "referee and player" observation (Sui Wo Court)

21. We have to address this point directly and clearly. This firm is one of the firms on the URA's panel of independent consultants under Smart Tender, to which cases are assigned by the URA; we had not solicited the Wang Fuk Court appointment by any means.

22. At Sui Wo Court, this firm acted as the registered inspector — the Residents' Closing (¶96) describes the role as "顧問公司" while the URA's witness described it as that of the RI [T21/63:33-64:7]; the response will state the role precisely. The two separate engagements involve entirely different estates, different owners' corporations, different project consultants and different contractors; there are no overlapping stakeholders between them. This was not a case of acting as independent consultant ('referee') and project consultant ('player') in one and the same 'match'; it was one distinct role in each of the two entirely separate 'matches', unconnected with each other. It is regretted to note that The 'referee and player' label has been used which is misleading and unfair to us.

23. The scheme itself permits panel firms to undertake external engagements; the URA's evidence is that it cannot and does not prohibit them, the only restriction being that a firm must not accept work at the very estate to which it is assigned [T21/63:12-30]; and the safeguard adopted by the scheme is the per-building declaration of no conflict of interest, which this firm duly made for Wang Fuk Court by the declaration and undertaking submitted under the contract, together with the email confirmation of 14 February 2018 [T21/64:10-26; E1-1/273, 275]. Nothing was concealed from the very beginning.

24. We note that Counsel for the nine residents, having raised the metaphor, stated expressly in oral closing that the residents do not suggest there is any evidence that this firm acted improperly: "我唔係話富邦，即係我哋有啲咩證據話佢有問題" [T29/4:33-36]. As the URA's witness accepted, the point is one of scheme-level perception capable of improvement [T21/65:10-13]; we support the recommendations directed to it (Section E below).

(6) The caveats in the Independent Cost Estimate

25. Paragraphs 3.3 to 3.5 of the estimate state that it was prepared on a visual-inspection basis without detailed design or testing and is therefore a general reference. Such statements are standard professional practice for estimates of that nature and exist to describe the estimate for that purpose, not to disclaim the function it served. Detailed condition surveys and testing are matters for the project consultant appointed by the Former IO later; they do not form part of the independent consultant's engagement.

26. The estimate in fact served that function: sealed before tender opening, it provided owners with an independent pricing benchmark, and the accepted tender of HK\$336,616,277 came in below our Option 3 estimate of HK\$399,660,164.

(7) The suggestion that the review provided "no substantive help" to owners against bid-rigging

27. We refer to paragraphs 19 to 20 above, which set out what the review did contain — including the identification of a tender deviating significantly from the sealed benchmark — and the factual position that no information concerning tenderers' connections was available to us, provided to us, or capable of being checked against any then-existing database. We further note the URA's evidence that the independent estimate was never designed as an instrument for the detection of bid-rigging [T21/25:11-17], and Counsel's own recommendation in Chapter 10 for the creation of a unified disciplinary database reflects what follow-ups should be done because none existed at the material time.

(8) The suggestion that market-wide bid-rigging inflated independent estimates

28. Our estimates were built bottom-up: measured quantities priced against a schedule of rates maintained and periodically updated for URA-related projects, principally the version effective as at 8 August 2022 — fixed months before tenders were invited — and sealed before tender opening. Structurally, the estimate could not have been influenced by the tenders returned in this exercise. If, as suggested, market price levels generally have been distorted over time by collusive conduct, that is a market-wide phenomenon which no individual estimator could unilaterally correct; it is properly addressed at the level of scheme design, and we would support a review, jointly by the Competition Commission and the URA, of the reference price mechanisms used across the industry. Empirically, and in this project, the accepted tender fell below our sealed estimate (paragraph 8 above): the benchmark was not inflated into ineffectiveness in this case.

(9) The conclusion that "the URA and the independent consultant carried out no real scrutiny" and that the Smart Tender label lent legitimacy

29. This is the gravest of the criticisms, and we have to answer it squarely. This firm never represented to owners, at Wang Fuk Court or elsewhere, that its functions extended beyond those defined in the Tripartite Agreement; each of our reports stated, in its declarations section, its purpose and what had not been done. The functions we were assigned, we performed — fully and on time — and where the scheme's design gave the independent consultant a pricing instrument against collusion, that instrument operated (paragraph 8 above). At the material time, this firm had no knowledge whatsoever of any bid-rigging, and no such information ever reached us; this was in no sense a case of knowing and failing to follow up. Our responsibilities were confined to those defined in the Tripartite Agreement and did not include any investigation or suppression of bid-rigging. The combating of bid-rigging is a matter for the law enforcement agencies (including the ICAC) working together with the industry; it is not a contractual function of an individual independent consultant. As an independent consultant, this firm took no part in communicating with any tenderers; and even had it done so, it would not necessarily have been able to detect bid-rigging.

30. If owners nonetheless understood the scheme to promise a comprehensive, investigative safeguard against bid-rigging, that expectation arose from the design, naming and public presentation of the scheme — matters within the URA's domain, as the residents' own closing recognises in its analysis of the URA's self-limitation of its functions. The remedy for a gap between what a scheme promises and what it assigns to its participants may form a subject during the reform of the scheme, to which we now turn.

(10) The observation that the URA and the independent consultant "could at least have made suggestions on the scoring criteria"

31. The chronology here is decisive, and it emerges from Counsel's own account (Closing Submissions ¶¶91–92). The scoring criteria were drafted by the project consultant and submitted to the Former IO and the URA in March 2023; the URA's comments of 15 March 2023 were confined to wording and time-limits; and the Former IO adopted the criteria on 17 March 2023. This firm was not involved at any point in that formulation stage, and nothing in the record suggests otherwise. The criteria first came to this firm on 17 October 2023, enclosed with the Tender Analysis Report provided by the URA, by which time they had already been adopted by the owners; they served as the prescribed framework against which we were bound to review that report — as stated in our reply of June 2026, paragraph 5(a). At the point in time when suggestions on the criteria could meaningfully have been made, this firm had no involvement; by the time of our involvement, the criteria were a settled fact adopted by the owners, with which the scheme required us to follow and work.

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E. Constructive support for reform

32. We support the thrust of the recommendations in Chapter 10 of the Closing Submissions, including the prohibition of independent consultants tendering for works under the scheme, the expansion and clearer statutory definition of the independent consultant's functions, integrity vetting and pre-vetted panels, and the establishment of a unified disciplinary and litigation database. Several of these recommendations would supply precisely the information channels and instruments whose absence at the material time is described above. We would further suggest that anti-bid-rigging measures can usefully begin at the stage of engaging the consultant itself: for example, a due diligence study on consultants at appointment; a requirement that consultants submit a manning schedule so that their staffing allocation can be examined; and the engagement of a Clerk of Works, employed directly by the owners' corporation rather than by the project consultant, to supervise the works on site. This firm would be pleased to contribute on inputs to any working group taking these recommendations forward.

F. Closing

33. For the reasons set out above, we respectfully invite the Committee, when finalising its report, to assess the work of this firm against the functions actually assigned to the independent consultant under the scheme as designed, and to take into account the matters of record identified in this response, including those recorded by Counsel for the Committee and by the URA's own witnesses. We remain fully committed to assisting the Committee and are willing to provide further information or clarification if needed.

34. This response is provided without prejudice to this firm's rights and positions, all of which are expressly reserved.

Should you require any further clarification, please contact our Mr Stephen Chow at 2114 [REDACTED] or Mr Jeremy Ng at 2114 [REDACTED].

Yours faithfully,
For and on behalf of
RS SURVEYORS