

IN THE MATTER OF
Independent Committee in relation to the fire at Wang Fuk Court in Tai Po

WITNESS STATEMENT OF
WONG SE KING PETER

I, WONG Se King Peter of 26/F COSCO Tower, 183 Queen's Road Central, Hong Kong, do say as follows:

1. I am a Director, Building Rehabilitation, of the Urban Renewal Authority ("**URA**"). I am duly authorised by the URA to make this witness statement on its behalf. Unless otherwise stated, the facts stated in this witness statement are within my knowledge and true, and where the facts are not within my knowledge they are based on the specified sources (including available records of the URA) and true to the best of my knowledge, information and belief, by reason of the veracity of the informant and documentation.
2. I make this witness statement in response to the request of the Independent Committee in relation to the fire at Wang Fuk Court in Tai Po ("**Committee**") to the URA by letter from Messrs. Lo & Lo, solicitors for the Committee, to the URA dated 29 December 2025 ("**Letter**"). A host of questions and requests have been made in Sections A to F of the Letter pertaining to both the systemic features of the tendering process for the Wang Fuk Court renovation works and the events specifically concerning those works.
3. With the assistance from solicitors acting for the URA, I attach to this witness statement marked "**WSKP**" a bundle of true copy of documents which I will refer to below or the Committee has requested the URA to provide. These references will take the format of, e.g., WSKP#n, p.n. For ease of reference, an index of the documents has been prepared with the same arranged in chronological order.
4. I understand that Mr. CHAN Yat Ho Matthew ("**Mr. Matthew Chan**"), Case Manager of the URA assigned to Wang Fuk Court, will also make a witness statement in response to the request from the Committee by the Letter. Mr. Matthew Chan at all times played a more direct and stakeholder-facing role in the matters relating to the Wang Fuk Court renovation works, so he has personal involvement in and knowledge of those matters. I believe he is a more suitable officer to explain those matters.

5. In this witness statement, I will explain the relevant systemic features of the tendering process for the Wang Fuk Court renovation works. I will give a holistic overview of the background to, and evolution of, the URA's facilitative role in building maintenance and rehabilitation. In particular, I will explain the issues arising from the procurement process of building repair works and the URA's responses addressing them, resulting in the implementation of the "Smart Tender" Building Rehabilitation Facilitating Services Scheme ("**Smart Tender**"); and the development of Smart Tender over the years.
6. Given the time constraint in gathering information and collating relevant documents for the purpose of preparing this witness statement, I may not be able to explain all relevant matters and events in detail, including but not limited to all aspects in operating Smart Tender. That said, the URA will do its best to collate and provide relevant information and documents to assist the Committee in its investigation, if so directed.

A. Role of the URA

7. The URA was established under the Urban Renewal Authority Ordinance (Cap.563) ("**URAO**") as the statutory body for the purpose of carrying out urban renewal and for connected purposes. Pursuant to section 5 of the URAO, one of the URA's purposes is to prevent the decay of the built environment in Hong Kong by promoting maintenance and improvement of individual buildings as regards their structural stability, integrity of external finishes and fire safety, as well as improvement of the physical appearance and conditions of that built environment.
8. In 2011, the Development Bureau published the Urban Renewal Strategy ("**URS**"), a government strategy which tasks the URA to adopt "Rehabilitation" as one of its core businesses. The URS provides, among other things, the URA will provide technical and financial assistance to owners in order to promote proper maintenance of buildings.¹

B. Issues surrounding building repair works

9. On 30 June 2012, full implementation of the Mandatory Building Inspection Scheme ("**MBIS**") commenced. The statutory provisions in relation to the MBIS are in Part 2A of the Buildings Ordinance (Cap.123) ("**BO**"), as a result of the relevant enactment of the Buildings (Amendment) Ordinance 2011 in June 2011 and the Building (Inspection and Repair) Regulation in December 2011. Under the MBIS, owners of buildings aged 30 or above are required to carry out inspections of their buildings (including common

¹ WSKP#1, pp.11-12.

parts, external walls, projections and signboards) once every 10 years. In this respect, the Buildings Department (“**BD**”) (or the Independent Checking Unit under the Office of the Permanent Secretary for Housing, in relation to the properties developed by Hong Kong Housing Authority that have been sold or divested) has been empowered to issue statutory notices to building owners to require inspections and necessary repairs.

10. The typical stages of a building inspection and repair (if necessary) project pursuant to the MBIS are as follows:
 - a. Building owners are served with a statutory notice.
 - b. Building owners or the Owners’ Corporation(s) (“**OC(s)**”), if any, on their behalf appoint a *registered inspector*, whose name is on the inspectors’ register kept by the Building Authority (“**BA**”)², to carry out the prescribed inspection in respect of common parts, external walls and projections or signboards of the buildings. Section C of the Letter referred to such inspector in the “*Inspector Stage*”.
 - c. If prescribed repair works (and other improvement works, if the OC so decides) are considered necessary, owners of the building or the OC appoint a *registered consultant*, whose name is similarly on the inspectors’ register kept by the BA³ described above, to supervise the carrying out of repair works by the contractor (to be appointed, see below). Section D of the Letter referred to such consultant in the “*Consultant Stage*”. Such consultant can and may at times be the same as the inspector described above and as observed by the URA, this indeed has been the situation in most cases. In practice, the consultant prepares tender documents for the appointment of a registered contractor.
 - d. A *registered contractor* is appointed to carry out the repair works (whether the prescribed works only, or together with other improvement works considered by owners of the building or the OC to be necessary). It is the duty of the contractor to ensure the relevant part of the building for repair has been rendered safe⁴.
11. Unfortunately, as observed, ill-intended parties made use of the requirement to conduct massive building repair and maintenance works as opportunities to take advantage of building owners. The procurement processes for inspectors, consultants and contractors

² Section 30D(1)(a) of the BO.

³ Section 30D(1)(b) of the BO.

⁴ Section 30F of the BO.

were and perhaps still are prone to be abused by ill-intended parties acting unfairly or illegally, such as undue interferences, collusion, manipulation and most seriously, bid-rigging. Conduct as such may take the form of:

- a. Internal collusion – members of the management committee of the OC colluding with bidders, with the latter being provided insider information or with members making biased decisions in favour of certain bidders.
 - b. Tender documents manipulation – consultants setting (unreasonable) criteria in tender documents with the intended effect of filtering out non-colluding bidders.
 - c. Bid suppression – selectively distributing tender invitations, unduly influencing or pressuring competitors to not submit bids or withdraw submitted bids.
 - d. Tenders return/opening manipulation – members of the management committee of the OC disregarding bids from non-colluding bidders, despite they offer more competitive pricing.
 - e. Tenders analysis manipulation – consultants preparing tender analyses in such a way as to favour colluding bidders or disadvantage non-colluding bidders, and thereby unduly influencing owners' decision-making.
12. In the 2016 Policy Address, the then Chief Executive Mr. Leung Chun Ying expressed concern about the issue of bid-rigging in certain building repair and maintenance works. The Government thereafter engaged in discussions with the URA about a pilot scheme operated by the URA to enhance technical support for building owners, envisaging such scheme to include, among others, the provision of guidelines and contract samples, the arrangement of professionals to provide independent advice, and the establishment of a platform for submission of tenders.⁵ This initiative culminated into Smart Tender.

C. Smart Tender

13. On 18 January 2016, the URA Board endorsed the implementation of Smart Tender, as a fee-based service scheme. The Memorandum for Members of the URA Board outlined, among others, the purpose of Smart Tender to reduce the exposure of building owners and OCs to bid-rigging, and the scope of services to be provided under that scheme.⁶

⁵ WSKP#2.

⁶ WSKP#3.

Smart Tender was launched on 10 May 2016 with three initial core offerings described in Sections C1 to C3 below.

C1. “DIY Tool-kits”

14. First, the URA published a Chinese “DIY Tool-kits” to guide building owners and OCs joining Smart Tender through the process of arranging and carrying out building repair works. The version of “DIY Tool-kits” that I now produce is also the applicable version when Wang Fuk Court applied to join Smart Tender in 2018.⁷
15. The “DIY Tool-kits” is divided into two parts:
 - a. Part 1 gives a brief introduction to the noteworthy points in the preparation and management of building repair works. In particular, it sets out certain guidelines to prevent bid-rigging, and standard templates and/or clauses to be included in tender documents (see, for example, Appendices 3 to 9 in Chapter 3 of Part 1).
 - b. Part 2 gives the details of various services offered by Smart Tender and explains the role played by an “Independent Consultant” (see below) and includes sample templates of the reports to be prepared by an Independent Consultant (see, for example, Appendices 1 to 5 in Chapter 2 of Part 2).
16. Separately, the URA has, at the material time, uploaded on its official website a standard template of tender documents for appointment of inspector and consultant. The sample template is for reference by the OCs, which are free to decide whether to use it or modify it, or not adopt it at all. The URA has prepared these templates in consultation with professional building and legal consultants, so as to maximise the standardisation of terms in tenders and contracts with fair standards formulated for use by the OCs. In the years where the URA co-administered the Mandatory Building Inspection Subsidy Scheme with Hong Kong Housing Society, the two bodies collaborated and shared the same templates.⁸
17. In the view of the URA, the “DIY Tool-kits” has reduced the information gap between building owners and building services providers and the likelihood of tender documents manipulation. In particular, the templates also provide a good and reliable reference for

⁷ WSKP#13.

⁸ WSKP#7.

building owners and the OCs to fend off unreasonable and/or unnecessary repair items which may be proposed or recommended to them that exacerbate repair costs.

C2. Independent Consultant, inspector, consultant and contractor

18. Second, for building owners and OCs successfully applying for participation in Smart Tender, the URA would assign an independent consultant (“**Independent Consultant**”, referred to as “*Independent Advisor*” in the Letter) to be appointed by building owners or OCs so that they could obtain independent third-party advice for reference. However, it must be stressed that an Independent Consultant is not intended to and thus would not replace the role and responsibilities of the inspector and/or consultant to be appointed by building owners or OCs.
19. At this stage, upon appointment, the URA will enter into a bi-partite service agreement with the building owners/OC; and a tri-partite agreement with the building owners/OC and Independent Consultant.
20. For illustration, the scope of services provided by the Independent Consultant is set out in the Annex to the template tri-partite agreement.⁹ A more detailed illustration can be found in Chapter 2.2 in Part 2 of the “DIY Tool-kits”.
21. I would further elaborate on the role played by the Independent Consultant below.
22. In the initial stage, the Independent Consultant will prepare an **Initial Assessment Report** which includes (i) basic repair/maintenance works proposal and (ii) preliminary cost estimate, for the reference of the building owners/OC.
23. If the building owners/OC decide to pursue the repair/maintenance works, a registered inspector in the Inspector Stage and a registered consultant in the Consultant Stage will need to be appointed by tender. As explained below and by Mr. Matthew Chan, the URA and the Independent Consultant appointed for Wang Fuk Court had limited involvement in the tendering processes for inspector and consultant appointed for Wang Fuk Court.
24. After appointment, the inspector and consultant will prepare (i) **Inspection Report**, (ii) **draft Tender Documents**, and (iii) **Cost Estimates of Works**. Then, the Independent Consultant will prepare a **Pre-tender Assessment Report Part 1** (“**PAR1**”).

⁹ WSKP#15, pp.891-892.

25. In preparing the PAR1, the Independent Consultant's duty is to identify discrepancies, omissions and technical inadequacies, and to highlight any mandatory repair items that are missing. Except those mandatory items, the building owners/OC and the consultant are at liberty to adopt (or reject) comments of the Independent Consultant in the PAR1, for the purpose of finalising the tender documents and sending them to the building owners/OC. It is not the role of the Independent Consultant to comment on the necessity of any repair works additional to the prescribed ones, or on technical specification such as repair methodology or choice of materials. These are matters within the purview of the inspector/consultant appointed by the building owners/OC on which they will make recommendation; and it is for the building owners/OC to decide as to whether to adopt the recommendation in owners' general meeting(s).
26. If the building owners/OC have resolved to accept the finalised tender documents, they will send the same to the URA together with a letter confirming their acceptance of the same. The Independent Consultant will then prepare a **Pre-tender Assessment Report Part 2 ("PAR2")** to confirm four (mandatory) matters in relation to the finalised tender documents: (i) they are accepted by the building owners/OC, (ii) they do not reveal the identity of the inspector and/or consultant, (iii) they do not require the tenderers to pay administration fee, and (iv) they require the tenderers to comply with the law.
27. Based on the scope/nature of repair works set out in the finalised tender documents, the Independent Consultant will prepare an **Independent Cost Estimate**. This document will **not** be disclosed to any third party (including the consultant, building owners/OC, potential bidders and the URA) to avoid bid-rigging. The Independent Cost Estimate will be put into a tender box, which will be opened (with the Independent Cost Estimate disclosed) after the bids have been opened, to give a *benchmark comparison* to assist building owners/OC in considering whether any bids submitted are unreasonably priced.
28. After opening all tenders, (i) the consultant will prepare a **Tender Assessment Report ("TAR")** and (ii) the Independent Consultant will prepare an **Assessment Report on the TAR** (prepared by the consultant). Thereafter, the building owners/OC will convene an owners' general meeting for the purpose of considering and, if considered fit, passing a resolution to appoint a particular contractor. Upon the passing of such resolution, the services of the Independent Consultant under Smart Tender essentially come to an end.
29. That, however, concerns the services of the Independent Consultant under Smart Tender. If the building owners/OC have successfully applied for subsidy under the Operation Building Bright 2.0 ("**OBB2.0**"), the Independent Consultant will, outside Smart Tender,

further prepare a **Contract Assessment Report** commenting on the draft contract to be signed by the building owners/OC and the contractor resolved to be appointed.

30. In sum, the key report deliverables by the Independent Consultant under Smart Tender are (i) the Initial Assessment Report, (ii) the PAR1, (iii) the PAR2, (iv) the Independent Cost Estimate, and (v) the Assessment Report on the TAR (prepared by the consultant).
31. In this regard, I wish to explain how an Independent Consultant is engaged by the URA. Internally within the URA, an Independent Consultant is called a “Building Surveying Consultant” (“**BSC**”) – I will make reference to BSC below where appropriate for ease of referencing the relevant documentation produced. In 2017 (i.e. the material time for Wang Fuk Court), the selection procedures adopted by the URA that led to appointment of **RS Surveyors** (operated by Rich State Management Limited) and its assignment to Wang Fuk Court were as follows:
- a. The URA approved a shortlisting and selection criteria including but not limited to being on the pre-approved URA or Government building surveying, structural engineering and architectural consultant lists (which contained around 60 firms), having a minimum company size and working experience, and not having been subjected to disciplinary proceedings by their relevant professional bodies.
 - b. On 29 May and 2 June 2017, the URA put up advertisements in two newspapers and on the URA website respectively to invite the return of Express of Interest (“**EOI**”) by consultancy firms for appointment as term BSCs.
 - c. Upon receipt of EOIs sent by consultancy firms indicating their interest as such, the URA included consultants satisfying the aforesaid shortlisting and selection criterion on the tenderers’ list – there were 7 such firms in total. An invitation to tender for the provision of BSC services was sent to each of these consultants.
 - d. On 31 August 2017, based on submissions received, the three lowest conforming tenders were selected with the consultancy firms appointed as term BSCs for the URA – they were Multiple Surveyors Limited, RS Surveyors, and KC Surveyors Limited. In this regard, the rationale for selection was that the potential tenderers were already on the URA’s list or Government’s list of consultants and therefore considered sufficiently competent to provide the required services, hence a price only assessment was done because it would give the best value for money.

- e. On 15 September 2017, the URA further issued a (signed) Letter of Acceptance for the BSC Services for Smart Tender to RS Surveyors – this letter constituted a contract between RS Surveyors and the URA (“**BSC Contract**”).¹⁰
32. As to the assignment of selected BSCs (i.e. Multiple Surveyors Limited, RS Surveyors, and KC Surveyors Limited) to building owners/OCs, it was at all times done on a **roster** basis. Relevantly, RS Surveyors was assigned to Wang Fuk Court.¹¹
33. All BSCs (including RS Surveyors) are contractually obliged, under Clause 4.3 of their respective BSC Contracts, to require their employees involved in the relevant services to declare, in writing, any conflict of interest in connection with any services provided under the assignment with the URA. This is to ensure no improper connections between the relevant BSCs and bidders for the OC’s consultants and contractors. In case of any known conflict of interest, the relevant BSC must take immediate measures to mitigate or remove the conflict disclosed and record the relevant declaration(s), and such records are open to inspection by the URA. Clause 4.3 of the BSC Contracts set out the details.
34. The URA evaluates and monitors the performance of BSCs *continually*. The URA holds a progress meeting with each BSC every 3 months, and does a performance evaluation for each BSC every 6 months. As regards Wang Fuk Court, the records of such progress meetings with and performance evaluations of RS Surveyors are now produced.¹²
35. For reference of the Committee, Annex I to the template service agreement in the “DIY Tool-kits” sets out the scope of services of the URA under Smart Tender. Also, the role played by the URA is explained in Clause 3 of the template tri-partite agreement in the “DIY Tool-kits”. I would wish to stress that *by design and in actual practice*, the URA only acts as an agent of building owners/OCs to instruct, liaise with and coordinate with the Independent Consultant. In particular, it has never been the policy objective or duty of the URA to advise building owners/OCs on the reasonableness of the terms of tender.
36. To the contrary, the URA has always refrained in practice from making value judgment on the terms of tender, especially as regards the tender price. There are two main reasons. First, the URA simply does not have any “objective” benchmark for assessing whether a tender price is too high or too low – for instance, as regards contractor tenders, though the Independent Consultant will compare its own cost estimate with the tender price, it

¹⁰ WSKP#8.

¹¹ WSKP#14.

¹² WSKP#10 and 11.

will only highlight which tender prices are *significantly* higher or lower than its own cost estimate without commenting on whether a higher price is good or a lower price is bad, or vice versa. Second, the URA has always been anxious not to provide any substantive comment on the tender price because of the concern that any such comment will easily be perceived as the URA seeking to interfere in independent consideration by building owners/OCs, or even deliberately favouring or disadvantaging certain bidders. This has always been an important concern, so the URA had and still has the practice of having internal briefings with its officers to remind them that no substantive comments should be made on the reasonableness of the terms of tender.

C3. Electronic tendering platform

37. Third, Smart Tender provides an electronic tendering platform and a URA-administered centralised tender collection point and tender opening mechanism.
38. The rationale for creating an electronic tendering platform is to prevent the exploitation of vulnerabilities in the traditional tendering process.
 - a. The traditional tendering process often starts with the OC (on behalf of building owners) issuing a tender invitation. The problem is that since the OC essentially controls how and to whom such invitation is sent, in cases of collusion, the OC may only send invitations to colluding bidders, or impose administrative hurdles (such as demanding payment of administrative fee) or create inconvenience for the submission of tender documents, to deter non-colluding bidders. Conduct as such obviously compromises the integrity of the entire tendering process. In any event, even if there is no collusion between the OC and bidders, the traditional method of advertising tender invitations on newspapers has limited reach and is not conducive to facilitating healthy competition among bidders.
 - b. If bidders have queries in relation to the tender documents or the work required, they inevitably need to contact the OC or the consultant thereby revealing their identity. Such communication opens the door for undue interference.
 - c. The traditional tendering process also involves the OC itself arranging the venue for *submission* of tenders. There were rumours and allegations that submissions by non-colluding bidders had been physically obstructed. In case of misconduct as such, the process lacks credibility and building owners lose confidence in it.

- d. In the traditional tendering process, the OC normally controls the mechanism of *opening* submitted tenders and it is difficult for building owners to supervise or ascertain the actual number of bids submitted, identity of tenderers, whether any bids submitted have been withdrawn, or particulars of each of the bids submitted. The lack of transparency as such discredits the entire process.
39. Under Smart Tender, the electronic tendering platform has been designed to address the vulnerabilities or issues observed in the traditional tendering process described above. Such platform reduces the risks of bid-rigging, and ensures or enhances the integrity of tendering process by adopting the measures described in the subsections below.

C3a. Encouragement of broad participation

40. First, the electronic tendering platform aims to expand the pool of bidders and minimise outside interference. Contractors are encouraged to register in order to participate in the electronic tendering platform and upon registration, they can bid via Smart Tender. It is considered that a larger pool of contractors facilitates healthy competition and reduces the likelihood of interference during the tendering process.
41. When the electronic tendering platform was launched in 2016, the eligibility criteria for registration as a participating contractor in Smart Tender were that the contractor must (i) hold a valid Business Registration Certificate and (ii) be a registered general building contractor (“**RGBC**”) whose name was on the register of general building contractors kept by the BA.¹³
42. On 1 April 2016, as part of the preparatory work for setting up Smart Tender, the URA wrote to all RGBCs registered under the BO to invite them to make application to join via registration in the electronic tendering platform under Smart Tender.¹⁴
43. Since September 2018, the URA has been refusing applications from consultants and contractors for registration in the electronic tendering platform if it has been drawn to the attention of the URA that a consultant or contractor is under prosecution or has been convicted for any offence under the Prevention of Bribery Ordinance (Cap.201) or the Competition Ordinance (Cap.619); and if the consultant or contractor has already been registered, the URA has been suspending such registration if it has the information that the consultant or contractor is under prosecution, or (as the case may be) removing such

¹³ Section 8A of the BO.

¹⁴ WSKP#4.

registration if it has the information that the consultant or contractor has been convicted, for any offence under those two legislations. In doing so, the URA considers that Smart Tender must encourage participation as broad as possible to maximise competition after discussion with the Competition Commission; and that service providers with a history or suspicion of having engaged in corrupt or anti-competitive behaviour should not be allowed to participate, when the scheme's main purpose is to prevent such behaviour.

C3b. Anonymity of tenderers until bids-opening

44. Second, the electronic tendering platform allows (indeed, compels) tenderers to remain anonymous until bids-opening with a view to minimising the risks of collusion or undue influence. Tenderers are each given an individual user account to access, download and submit documents without revealing their identity. All tenderers making queries are also anonymised. Regarding contractors wishing to conduct site visits, they are each given a randomised number granting their staff access to the site without revealing to which contractor they belong.

C3c. Sharing of tender information

45. Third, all contractors duly registered on the electronic tendering platform will receive from the URA invitations to tender via the platform. All tender documents, queries and responses are uploaded on the platform and are accessible by all registered contractors. This ensures all tender information is shared and accessible by all registered contractors with a view to eliminating the risks associated with selective information distribution.

C3d. Involvement of building owners

46. Fourth, the electronic tendering platform provides a "Owners Download Centre" where building owners can directly access relevant documents and better supervise the process.

C3e. Centralised collection and opening of tenders

47. Fifth, the URA administers a centralised collection venue for the submission of tenders. A tender must be physically submitted to designated URA offices, rather than individual consultants or any other locations. The opening of tenders is conducted by professional accountants (or independent professionals) in the presence of representatives from the OC. There are also the mandatory requirements of live streaming and video recording.

C3f. Expanded scope of and refinements to Smart Tender

48. At the initial implementation of Smart Tender, the electronic tendering platform covered tendering exercises for contractors only, but not inspectors and consultants.¹⁵ For Wang Fuk Court, since it was in early 2018 that the OC applied to participate in Smart Tender, the engagements of inspector and consultant for Wang Fuk Court were *not* done via the electronic tendering platform, hence the URA's involvement in that process was limited. Although it is strictly not relevant to the case of Wang Fuk Court, I briefly explain below the background to the expansion of the electronic tendering platform, as well as various other refinements introduced to Smart Tender.
49. Encouraged by positive responses from building owners about Smart Tender, the URA expanded it in late October 2016 to cover all multi-owned private residential/composite buildings with more than three storeys in Hong Kong.¹⁶
50. Building owners/OC are generally free to choose whether to participate in Smart Tender. However, for buildings participating in rehabilitation subsidy schemes such as OBB2.0, contractors must be procured via Smart Tender.¹⁷
51. The discussion papers submitted by the Development Bureau to the Legislative Council Panel on Development on 20 December 2017 stated the URA was then exploring the feasibility of extending the electronic tendering platform for procuring consultancy.¹⁸
52. On 16 July 2018, anticipating extending the electronic tendering platform for procuring consultancy, the URA invited all consultancy firms that were Authorised Persons (“AP”) or Registered Inspectors (“RI”) (as defined in the BO), regardless of their professional capacity as architects, engineers or surveyors, to participate in Smart Tender.¹⁹
53. To provide more options for building owners/OCs to procure from, on 21 January 2019, the URA further invited all Minor Works Contractors (Class 1) registered under the BO to participate in Smart Tender.²⁰

¹⁵ WSKP#5.

¹⁶ WSKP#6.

¹⁷ WSKP#12, p.691.

¹⁸ WSKP#12, p.693.

¹⁹ WSKP#16.

²⁰ WSKP#17.

54. Starting from about June 2019, arrangements have been put in place for the procurement of APs or RIs via the electronic tendering platform in Smart Tender.²¹
55. Noting that some OCs (or building owners) may already have the capability to procure service providers themselves but still wish to use the electronic tendering platform of Smart Tender to invite tenders, or some OCs are not eligible to join the URA's subsidy schemes, the electronic tendering platform has since April 2021 been made available for use by public free-of-charge in view of its obvious advantages.²² These users will not enjoy the other services provided under Smart Tender, such as the assignment of the Independent Consultant and the reports provided by the Independent Consultant.
56. On 3 May 2021, the URA also invited all Minor Works Contractors (Class 2) registered under the BO to participate in Smart Tender.²³
57. To address the concern that parties involved in bid-rigging may avoid using the standard templates offered by Smart Tender for use in the submission of tenders of contractor, and bypass the contractual protections for OCs set out in the templates, the use of contract templates have been made mandatory since 31 October 2022 for building owners/OCs participating in rehabilitation subsidy schemes. Other applicants are also encouraged to use the templates, given the benefits and protection offered to building owners/OCs.
58. In February 2024, the URA launched live streaming arrangement for the tender opening process to enhance transparency, allowing all building owners to witness the process.²⁴
59. As seen above, the URA has refined and expanded the scope of Smart Tender over the years after receiving feedback from stakeholders on potential improvements.

C4. Building Rehabilitation Company Registration Scheme (“BRCRS”)

60. In 2021, the URA introduced the BRCRS, a one-stop platform which building owners can use to search for different categories of service providers in building rehabilitation. As of now, it includes APs, RIs, RGBCs, Registered Minor Works Contractors (Class I), and Registered Fire Service Installation Contractors (Class 1 & 2).

²¹ WSKP#18.

²² WSKP#20, pp.899-900.

²³ WSKP#19.

²⁴ WSKP#24, p.907.

61. The BRCRS is *outside* the scope of Smart Tender. Regarding RGBCs, they should not be mixed up with those contractors registered under the electronic tendering platform in Smart Tender. The BRCRS was introduced after consultation and proposals from 22 professional bodies and professionals in the building industry.
62. To be eligible to take part in the BRCRS, a service provider must:
- a. be qualified under the BO in the category of service that it provides;
 - b. declare that it has not been convicted of bribery, anti-competition, professional misconduct or subject to disciplinary actions for the past 3 years; and
 - c. take part in assessment by Hong Kong Quality Assessment Agency (“HKQAA”) as appointed by the URA.
63. HKQAA performs the task of rating service providers. In practice, it randomly selects a project completed by the service provider in the past 5 years to check if certain items of project management measures were implemented in that project. However, the rating is not meant to be assessing the quality of their works or services. There are 24 items of project management measures for rating consultants, and 21 items for rating contractors. For example, a “YES” would be given to a contractor if an item of project management measure was implemented; and if a contractor has all “YES” for all 21 items, it would be given 100%. At the material time concerning Wang Fuk Court, Prestige Construction & Engineering Co., Limited (“Prestige”) was a contractor in the BRCRS given 100%.²⁵

D. What Smart Tender is not and its limitations

64. Despite the many benefits offered by Smart Tender and the URA’s continuous efforts to refine the scheme to stamp out undue connected interests, conflicts of roles, or improper collusion across all stages of the works, the URA acknowledges Smart Tender as it now stands may not be an end-all-be-all solution to the issues encountered in the process of tendering for large-scale building maintenance/renovation works.
65. As stated in the Application Notes for Smart Tender²⁶, the URA acts as a facilitator and equips owners with more information for reference when conducting procurement. The mandate of the URA in designing and operating Smart Tender is to prevent bid-rigging.

²⁵ WSKP#25.

²⁶ WSKP#9, pp.383 and 385.

The statutory remit of the URA does not extend to overseeing building management or the quality and safety of building maintenance/renovation works, and assuming the duty of resolving all issues arising from the same. In particular, the URA cannot allow itself to participate in or influence the decision-making by building owners and OCs so as to preserve their autonomy. The most and best that the URA has been doing is to advise building owners and OCs to seek assistance from law enforcement agencies, if they are aware of or suspect illegal activities such as tender-rigging or bribery have occurred.

66. It is also not the purpose of Smart Tender, nor is the URA equipped, to take up the roles and assume the responsibilities of the APs or RIs employed by the building owners/OCs. While the URA will from time to time remind the APs and RIs to observe the relevant statutory requirements during the carrying out of maintenance/renovation projects, the URA is in no legally empowered position to supervise or take legally effective measures to enforce those statutory requirements.
67. In reality, there has been and still is a practical constraint on the role as facilitator played by the URA. The following is a table showing the outstanding cases handled by Smart Tender in the six financial years from 2018 to 2024.

	Year	Total number of cases handled in the financial year
1.	2018-2019	1,760
2.	2019-2020	2,445
3.	2020-2021	2,460
4.	2021-2022	3,270
5.	2022-2023	5,990
6.	2023-2024	6,841

68. The number of cases handled by Smart Tender increased significantly, from 1,760 cases (in 2018) to 6,841 cases (in 2023). Before the third quarter of 2024, each Smart Tender case was managed by a single case officer from beginning to completion. At that time, approximately 120 URA staff served as case officers, with each officer handling around 57 cases at different stages concurrently. The operational process within the URA for Smart Tender was re-engineered starting from the fourth quarter of 2025, adopting a specialisation approach, where different teams would manage different stages of each case, and the case officer's role has shifted to focusing on customer coordination.
69. As to finances, Smart Tender is largely funded by the Government. The fees payable by Smart Tender users have remained unchanged since the scheme's launch. For applicants

eligible for Government rehabilitation subsidy schemes, concessionary fees range from \$1,250 to \$3,750, depending on the size of the project. Applicants who are not entitled to Government subsidies are charged a fee of \$80,000 for the largest building category.

70. In conclusion, the URA has been tasked to promote urban renewal in discharging the policy objective of the URS for the Development Bureau. Smart Tender was designed and implemented against this background with the objective of reducing the exposure of building owners/OCs to bid-rigging. There is therefore, for instance, the Independent Consultant to comment on the draft tender documents and prepare the Independent Cost Estimate so that building owners/OCs may be in a position to assess objectively whether the tender prices received for the repair works are reasonable. It is thus not the statutory function of the URA to act as the enforcement authority against bid-rigging, a regulator of the relevant professionals (including contractors), or a supervisor in the execution of the entire repair works project to ensure not only the integrity but also the service quality of the consultants and contractors concerned are maintained. Such responsibilities have never been within the mandate, statutory or as a matter of policy, of the URA.

E. Specific responses on Prestige’s litigation record

71. The URA notices that in the Tender Analysis Report dated 18 September 2023 prepared by Will Power Architects Company Limited (“**Will Power**”), Will Power awarded to Prestige (i) a score of 3 for having produced a certificate of no legal proceedings issued by a practising solicitors in the past 2 years; and (ii) a score of 3 for having no litigation record over the past 8 years.
72. In preparing this witness statement, I have checked the tender documents submitted by Prestige. Among the documents is a letter dated 7 March 2023 issued by Messrs. Pansy Leung Tang & Chua²⁷ certifying that Prestige had no record of having been sued by OC and management company in the previous seven years up to that point. It also contained a kind of litigation search²⁸ showing Prestige had been involved in four civil litigations as a plaintiff. It is, however, unknown from that letter whether the search that had been conducted was confined to civil litigation.

²⁷ WSKP#21.

²⁸ WSKP#23.

73. I have also done a quick review of the tender documents submitted by other contractor tenderers. At the moment, I have found several other tenderers each submitting a similar certificate issued by Messrs. Pansy Leung Tang & Chua.²⁹
74. I confirm that at the time of receiving the said Tender Analysis Report from Will Power, there was nothing unusual or suspicious to alert the URA to the need to conduct a review of the underlying tender documents submitted by Prestige in order to check if the scores had been justifiably awarded by Will Power. There was no reason, rightly or wrongly, for the URA to doubt Will Power's capability or integrity in doing that simple task, not to mention the URA was only a facilitator or an agent of the OC of Wang Fuk Court.
75. I wish to reiterate that the very purpose of designing and implementing Smart Tender is to minimise the risks of bid-rigging in the tendering process, and to this end, the URA does not and cannot play the role nor assume the responsibilities of the law enforcement agency. As mentioned above, in maintaining the electronic tendering platform, the URA, with regard to Smart Tender participants, refuses registration applications or suspends or removes registration of consultants/contractors under prosecution for or convicted of corruption or anti-competition offences. Except that, the URA does not have any power, statutory or otherwise, to monitor the service quality of the inspectors, consultants or contractors in the market. It was not the role of the URA, therefore, to submit accurate prosecution or conviction records to building owners/OCs, or proactively take measures to verify whether records submitted to building owners/OCs are accurate.
76. After the event, the URA engaged Messrs. W K To & Co to provide a litigation search concerning Prestige, and I produce the search results of the term "Prestige Construction & Engineering Co., Limited" as at 9 December 2025.³⁰ The search returned 108 results. According to the results, there were "verdicts" and "sentences" prior to the submission of tender by Prestige. It appears that at least the litigation record submitted by Prestige was incomplete. However, I am not aware of publicly available verified official records of conviction concerning Prestige. Although there are private service providers who may offer paid search service, I am unsure if their records are conclusive. I am not aware of any reliable market source which can provide accurate complete prosecution or conviction record of a service provider in the building industry. Therefore, I was not aware that any other bidders involved in Wang Fuk Court have provided false information on prosecution and conviction record.

²⁹ WSKP#22.

³⁰ WSKP#26.

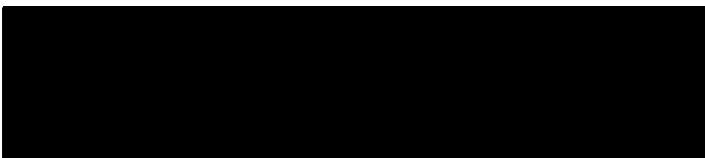
77. To ensure proper and accurate prosecution and conviction records of contractors can be provided to the public, it may be necessary to maintain a centralised database or to make it a licencing requirement of contractors.
78. To facilitate the Committee's understanding and review of the materials produced, the URA has prepared a Flow Chart setting out the relevant documents/events at each stage of the process under Smart Tender. The Flow Chart is annexed to this witness statement.

G. Conclusion

79. I am deeply saddened by the devastating fire at Wang Fuk Court. I understand the URA is willing to assist the Committee in its investigation into the tragedy and its formulation of recommendations on how to safeguard future building rehabilitation projects.
80. The URA has been working closely with the Government to enhance the support given to building owners/OCs in organising building maintenance projects.
81. The URA greatly appreciates the work done and to be done by the Committee.

STATEMENT OF TRUTH

I believe that the facts stated in this Witness Statement are true and the opinion expressed in it is honestly held.



~~WONG~~ Se King Peter
Director, Building Rehabilitation
Urban Renewal Authority
Date: 28 January 2026