

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

Evidential Hearing

**The Honourable Mr Justice David Lok
The Honourable Mr Chan Kin-por, GBS, JP
Dr Rex Auyeung Pak-kuen, GBS, JP**

**On:
Day 24
Friday, 08 May 2026**

**Mr Victor Dawes SC, Mr Jason Yu, Mr SW Lee, Mr Jonathan Fung and
Mr John Cheung appeared on behalf of the Independent Committee**

**Mr Jenkin Suen SC, Mr Michael Lok and Mr Calvin Cheuk appeared on
behalf of the Government**

**Mr Mike Lui SC and Mr Ross Yuen appeared on behalf of the Urban
Renewal Authority**

Representatives of Department of Justice

Representatives of Competition Commission

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<p>1 Friday, 8 May 2026</p> <p>2 (10.00 am)</p> <p>3 MR JASON YU: Chairman, good morning. The first witness is</p> <p>4 Mr Te Chi Wang.</p> <p>5 Mr Te, good morning. Like other witnesses, please</p> <p>6 stand up and read out the declaration before you.</p> <p>7 (10.00 am)</p> <p>8 MR TE CHI WANG (affirmed)</p> <p>9 Examination by MR JASON YU</p> <p>10 MR JASON YU: Thank you. Mr Te, in November 2022 you joined</p> <p>11 the Home Affairs Department and you assumed the role of</p> <p>12 deputy director; right?</p> <p>13 MR TE CHI WANG: Yes.</p> <p>14 MR JASON YU: You submitted a witness statement to the</p> <p>15 Committee. I believe that you confirm the content is</p> <p>16 true and correct?</p> <p>17 MR TE CHI WANG: Yes.</p> <p>18 MR JASON YU: As the deputy director of the HAD, are you</p> <p>19 responsible for formulating the policies on building</p> <p>20 management and its execution?</p> <p>21 MR TE CHI WANG: Yes. Properties and building management</p> <p>22 policy.</p> <p>23 MR JASON YU: At the same time, you are an ex officio</p> <p>24 director of the URA; correct?</p> <p>25 MR TE CHI WANG: Yes.</p>	<p>1 MR TE CHI WANG: Yes.</p> <p>2 MR JASON YU: Subparagraph (iv), if the HAD identified any</p> <p>3 non-compliance, then relevant persons will be requested</p> <p>4 to rectify the problems as soon as possible and if</p> <p>5 necessary you will advise owners to seek independent</p> <p>6 legal advice. But you're not going to offer advice.</p> <p>7 MR TE CHI WANG: Correct, or make use of the free legal</p> <p>8 advice service on building management that we provide,</p> <p>9 in subparagraph (iv).</p> <p>10 MR JASON YU: Right. Please go to subparagraph (vi). It is</p> <p>11 said that you also organise training courses and</p> <p>12 briefings on building management for MC members and</p> <p>13 owners.</p> <p>14 You have given us a list at G1-2/1325. Here we see</p> <p>15 the free legal advice service you mentioned.</p> <p>16 MR TE CHI WANG: Right.</p> <p>17 MR JASON YU: Let's scroll down. We see a Central Platform</p> <p>18 on Building Management.</p> <p>19 MR TE CHI WANG: Yes.</p> <p>20 MR JASON YU: This may be relevant to the case in question.</p> <p>21 Because we see that ICAC, the Competition Commission and</p> <p>22 URA are involved in this Central Platform. For</p> <p>23 bid-rigging, are you going to offer briefings on this by</p> <p>24 the Central Platform?</p> <p>25 MR TE CHI WANG: Let me explain it. Every month, in all 18</p>
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<p>1 MR JASON YU: Mr Te, I'd like to talk to you about the</p> <p>2 duties of HAD as mentioned in paragraph 7 of your</p> <p>3 witness statement.</p> <p>4 MR TE CHI WANG: Yes.</p> <p>5 MR JASON YU: You say that if the building is owned</p> <p>6 privately, say, for example, Wang Fuk Court, then the</p> <p>7 owners have to be responsible for discharging the duties</p> <p>8 on building management; correct?</p> <p>9 MR TE CHI WANG: Yes.</p> <p>10 MR JASON YU: In the same paragraph you said that the HAD is</p> <p>11 responsible for offering advice and assistance to the</p> <p>12 OCs on building management.</p> <p>13 MR TE CHI WANG: Yes.</p> <p>14 MR JASON YU: You also said that government intervention and</p> <p>15 private property management should be premised on</p> <p>16 safeguarding public interest and should be exercised</p> <p>17 with caution and restraint.</p> <p>18 MR TE CHI WANG: Yes.</p> <p>19 MR JASON YU: In paragraph 10 you gave us some examples as</p> <p>20 to how HAD assists the owners.</p> <p>21 MR TE CHI WANG: Yes.</p> <p>22 MR JASON YU: In subparagraph (iii) it says that HAD is</p> <p>23 going to attend owners' meetings and provide advice and</p> <p>24 information to owners according to the provisions of the</p> <p>25 Building Management Ordinance.</p>	<p>1 districts, we organise briefings on building management.</p> <p>2 Not only HAD is involved. As mentioned, the Buildings</p> <p>3 Department, the Fire Services Department, CEDD, police,</p> <p>4 ICAC, URA, Competition Commission are invited to the</p> <p>5 briefing sessions to inform owners of the relevant</p> <p>6 information under the purview. So issues relating to</p> <p>7 bid-rigging will also be introduced in those sessions.</p> <p>8 I've attended this meeting once. The Competition</p> <p>9 Commission and the ICAC will talk about bid-rigging in</p> <p>10 the briefing sessions, too.</p> <p>11 MR JASON YU: So this is a regular meeting?</p> <p>12 MR TE CHI WANG: Correct. We invite the MCs and the owners</p> <p>13 of buildings to attend them.</p> <p>14 MR JASON YU: And it is also mentioned that you also offer</p> <p>15 free legal advice service.</p> <p>16 MR TE CHI WANG: Correct.</p> <p>17 MR JASON YU: Let's go to page 1326.</p> <p>18 There is a panel of advisors on building management</p> <p>19 disputes.</p> <p>20 MR TE CHI WANG: Yes.</p> <p>21 MR JASON YU: This is made up by a group of professionals to</p> <p>22 help deal with complicated disputes over building</p> <p>23 management, and it's also mentioned in paragraph 14 and</p> <p>24 paragraph 15 of your witness statement.</p> <p>25 MR TE CHI WANG: Yes.</p>

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<p>1 MR JASON YU: In this case of Wang Fuk Court, it is true</p> <p>2 that there is disputes among owners and MCs.</p> <p>3 MR TE CHI WANG: Yes.</p> <p>4 MR JASON YU: Owners have complaints against the</p> <p>5 contractors. Representatives of the OC have given</p> <p>6 evidence in the hearing. They said that they did not</p> <p>7 have professional knowledge to resolve disputes.</p> <p>8 I wonder if this panel offered any assistance regarding</p> <p>9 this Wang Fuk Court case?</p> <p>10 MR TE CHI WANG: Well, there are three kind of services for</p> <p>11 dispute resolution. The first one, we make use of</p> <p>12 professional mediators. The second one, we hire retired</p> <p>13 judges and judiciary officers. For the third type of</p> <p>14 service, we involve professionals. If disputes is about</p> <p>15 works, then we may invite works-related professionals to</p> <p>16 be involved in the resolution. Owners and the owners'</p> <p>17 corporation can apply to receive such services from the</p> <p>18 HAD.</p> <p>19 I'm not sure if Wang Fuk Court have applied for such</p> <p>20 service, but district officers will definitely promote</p> <p>21 such service to the owners.</p> <p>22 MR JASON YU: I see in the letters that these kind of</p> <p>23 services have been mentioned.</p> <p>24 MR TE CHI WANG: Right.</p> <p>25 MR JASON YU: But as far as I understand, applications have</p>	<p>1 MR TE CHI WANG: It's mediation rather than arbitration.</p> <p>2 MR JASON YU: Before mediation, the members of the OC, they</p> <p>3 are just laymen, they may need professional advice.</p> <p>4 MR TE CHI WANG: Right.</p> <p>5 MR JASON YU: They need to know what their rights are</p> <p>6 legally before they go for mediation.</p> <p>7 MR TE CHI WANG: Right.</p> <p>8 MR JASON YU: So perhaps instead of just letting the owners</p> <p>9 know that there is such a service available on the</p> <p>10 letters, maybe you should be more proactive.</p> <p>11 MR TE CHI WANG: We have been proactive. We informed the</p> <p>12 owners and the residents that there is such a service</p> <p>13 available.</p> <p>14 MR JASON YU: Let's go into this in detail.</p> <p>15 MR TE CHI WANG: Right.</p> <p>16 MR JASON YU: Let me talk about the enhancement measures.</p> <p>17 On to complaints, the HAD received complaints from</p> <p>18 residents often.</p> <p>19 MR TE CHI WANG: Right.</p> <p>20 MR JASON YU: In paragraphs 12 and 13 of your witness</p> <p>21 statement you also mention this point, page 488. You</p> <p>22 talk about this DBMLT, that is the district building</p> <p>23 management liaison team.</p> <p>24 MR TE CHI WANG: Correct.</p> <p>25 MR JASON YU: Ms Or from this team has given evidence before</p>
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<p>1 to be made in advance and the District Affairs Office</p> <p>2 will make referrals if the panel of advisors are to be</p> <p>3 involved.</p> <p>4 MR TE CHI WANG: Right. We will provide assistance.</p> <p>5 MR JASON YU: So you have not referred the Wang Fuk Court</p> <p>6 case to this panel of advisors?</p> <p>7 MR TE CHI WANG: No applications have been received but we</p> <p>8 did inform them of such an option.</p> <p>9 THE HON MR JUSTICE DAVID LOK: I'm very interested on this</p> <p>10 topic. Is this service being used very often? I used</p> <p>11 to work in the court. I saw many such disputes, I saw</p> <p>12 libel cases, many housing estates are problematic.</p> <p>13 MR TE CHI WANG: Right.</p> <p>14 THE HON MR JUSTICE DAVID LOK: I know this is a difficult</p> <p>15 problem to solve. Is it possible for us to extend the</p> <p>16 scope of service for owners and residents?</p> <p>17 MR TE CHI WANG: I completely agree with you. We encourage</p> <p>18 owners and residents to make use of our service because,</p> <p>19 if they don't make use of our service, very often the</p> <p>20 case will go to the court. Time and resources are</p> <p>21 involved substantially. Very often, when these kind of</p> <p>22 disputes go to the court, the court usually asks the</p> <p>23 owners and the contractors to go for mediation.</p> <p>24 THE HON MR JUSTICE DAVID LOK: So this is about mediation,</p> <p>25 it's not about arbitration?</p>	<p>1 the Committee.</p> <p>2 MR TE CHI WANG: Right.</p> <p>3 MR JASON YU: And according to your witness, the team will</p> <p>4 look into whether the cases are substantive.</p> <p>5 MR TE CHI WANG: Right.</p> <p>6 MR JASON YU: And you will offer advice in accordance with</p> <p>7 the relevant provisions of the BMO.</p> <p>8 MR TE CHI WANG: For Wang Fuk Court, if you look at the</p> <p>9 record, we received 44 relevant complaints. I saw my</p> <p>10 colleagues trying their best to resolve those</p> <p>11 complaints. If BMO is involved, including the</p> <p>12 5 per cent voting in person threshold, I saw my</p> <p>13 colleagues following up on them to the best of their</p> <p>14 capabilities. If complaints are not relevant to BMO, my</p> <p>15 colleagues make referrals and they sometimes call up the</p> <p>16 relevant departments, make sure that they receive the</p> <p>17 complaints and follow up on them.</p> <p>18 MR JASON YU: I see that you've mentioned this in</p> <p>19 paragraph 13 of your statement.</p> <p>20 MR TE CHI WANG: Right.</p> <p>21 MR JASON YU: To put it simply, the Home Affairs Department,</p> <p>22 after receiving the complaints, the relevant DBMLT will</p> <p>23 look into whether the complaints is true.</p> <p>24 MR TE CHI WANG: Right.</p> <p>25 MR JASON YU: And then you will follow up on it, and if it's</p>

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<p>1 not relevant to BMO, you refer it to other departments?</p> <p>2 MR TE CHI WANG: Correct.</p> <p>3 MR JASON YU: In paragraph 17 you mentioned some code of</p> <p>4 practice.</p> <p>5 MR TE CHI WANG: Correct.</p> <p>6 MR JASON YU: We will not go into the content of the code of</p> <p>7 practice but to facilitate everyone, I will read out</p> <p>8 their names. The first one is the Code of Practice on</p> <p>9 Procurement of Supplies, Goods and Services and the</p> <p>10 second is the Code of Practice on Building Management</p> <p>11 and Safety.</p> <p>12 The first code of practice has something to do with</p> <p>13 the procurement of contractors for maintenance. The</p> <p>14 second one is about fire services safety.</p> <p>15 MR TE CHI WANG: Correct.</p> <p>16 MR JASON YU: There is a note saying that some of the FSIs</p> <p>17 can only be handled by FS contractors.</p> <p>18 MR TE CHI WANG: Correct.</p> <p>19 MR JASON YU: So these two codes of practice are to assist</p> <p>20 the owners' corporation?</p> <p>21 MR TE CHI WANG: Correct.</p> <p>22 MR JASON YU: You provided the June to July 2025 version to</p> <p>23 the OC; correct?</p> <p>24 MR TE CHI WANG: Yes. The BMO last year was amended. On</p> <p>25 13 July it came into operation. Because of the</p>	<p>1 statutory requirements, we issue a letter to the</p> <p>2 chairman asking him to act in accordance with the law.</p> <p>3 MR JASON YU: First of all, you may have to look into it.</p> <p>4 According to your witness statement, you have to look</p> <p>5 into whether the complaint is substantiated.</p> <p>6 MR TE CHI WANG: Right.</p> <p>7 MR JASON YU: Can you confirm that in February 2024 the HAD</p> <p>8 did confirm that there was enough residents asking the</p> <p>9 OC to convene an EGM?</p> <p>10 MR TE CHI WANG: I believe my colleagues at the district did</p> <p>11 make such a confirmation because signatures have to be</p> <p>12 submitted, and I believe my colleagues have looked into</p> <p>13 the matter.</p> <p>14 MR JASON YU: So the procedure is that after the colleagues</p> <p>15 have substantiated the petition, then you will talk to</p> <p>16 the OCs?</p> <p>17 MR TE CHI WANG: Well, we did see what happened and in</p> <p>18 February no EGM was convened. According to the record,</p> <p>19 the convener withdrew the request.</p> <p>20 MR JASON YU: In July there was 5 per cent of the owners</p> <p>21 asking to convene an EGM --</p> <p>22 MR TE CHI WANG: Correct.</p> <p>23 MR JASON YU: -- removing the OCs and to look into the</p> <p>24 matters of maintenance project.</p> <p>25 MR TE CHI WANG: Correct.</p>
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<p>1 amendment ordinance, we updated the code of practice.</p> <p>2 MR JASON YU: But the code of practice had always been</p> <p>3 there?</p> <p>4 MR TE CHI WANG: Correct.</p> <p>5 MR JASON YU: I will talk to you about the amendment later</p> <p>6 on.</p> <p>7 Let's look into what HAD did before the Wang Fuk</p> <p>8 Court fire. We looked at Ms Chan Hau Man's witness</p> <p>9 statement, paragraphs 23 to 24. She said that in</p> <p>10 February 2024 the HAD received 19 complaints and</p> <p>11 enquiries saying that 5 per cent of owners of Wang Fuk</p> <p>12 Court asked for the residents' meeting to be convened,</p> <p>13 but chairman of the OC did not act in accordance with</p> <p>14 the statutory requirements to respond in 14 days.</p> <p>15 MR TE CHI WANG: Right.</p> <p>16 MR JASON YU: You issued four letters to Chairman Tang at</p> <p>17 that time.</p> <p>18 MR TE CHI WANG: Right.</p> <p>19 MR JASON YU: But it seems that in the letters the HAD</p> <p>20 repeated only the statutory requirements; is that right?</p> <p>21 MR TE CHI WANG: That's the design of the law. It's in</p> <p>22 schedule 3: if no less than 5 per cent of the owners ask</p> <p>23 for an EGM, then the chairman of the OC has to convene</p> <p>24 it. So when we receive complaints from residents saying</p> <p>25 that the OC had not convened an EGM according to the</p>	<p>1 MR JASON YU: You received seven complaints. That's</p> <p>2 mentioned in paragraph 24 of Ms Chan's witness</p> <p>3 statement. You sent four letters to the chairman of the</p> <p>4 OC. I believe that you've read the content. I will not</p> <p>5 repeat it.</p> <p>6 MR TE CHI WANG: Right.</p> <p>7 MR JASON YU: It seems that the HAD only offered a warning.</p> <p>8 They were quite stern in the choice of wording in their</p> <p>9 letters.</p> <p>10 MR TE CHI WANG: Right.</p> <p>11 MR JASON YU: I'm not trying to criticise the HAD. There</p> <p>12 was 5 per cent of the owners who wanted to convene</p> <p>13 a meeting, they wanted to unseat the OC.</p> <p>14 MR TE CHI WANG: Right.</p> <p>15 MR JASON YU: Does the HAD have statutory power to force the</p> <p>16 OCs to convene a meeting? So you only rely on the</p> <p>17 owners to go to the OC?</p> <p>18 MR TE CHI WANG: Well, let me talk about the existing</p> <p>19 systems and the way forward. According to existing</p> <p>20 regulations, it's true that the OC chairman has the</p> <p>21 power to convene a meeting. Owners, if the OC chairman</p> <p>22 does not convene meeting, can apply to the</p> <p>23 Lands Tribunal. We saw cases where residents and owners</p> <p>24 request for an order from the Lands Tribunal. That's</p> <p>25 the design of the existing legislation.</p>

Page 13	<p>1 In February this year we went to the Legislative 2 Council and made a proposal. We proposed to empower the 3 authority to, upon receipt of 5 per cent owners' 4 request, identify a property management committee to 5 convene a meeting if the OC chairman is not willing to 6 organise such a meeting. That's the proposed way 7 forward. 8 MR JASON YU: We will look into this later on. You said 9 that at that time the HAD's power is not enough, at the 10 time of the Wang Fuk Court fire. We will go through it 11 later on. I just want to look into why you did what you 12 did at that time. 13 MR TE CHI WANG: Right. 14 THE HON MR JUSTICE DAVID LOK: Who are you going to empower? 15 MR TE CHI WANG: The authority, that is the secretary; 16 that's the plan. Can I add something? We plan to 17 empower the secretary to assist in convening the 18 meeting. We will not take part in the decision-making 19 process. We may help the owners convene a meeting, but 20 the owners have the right to make a decision. 21 MR JASON YU: According to the BMO, there is a Building 22 Authority. 23 MR TE CHI WANG: That's right. 24 MR JASON YU: That's the authority that you're referring to? 25 MR TE CHI WANG: Yes.</p>	Page 15
Page 14	<p>1 MR JASON YU: The authority is the Secretary for Home and 2 Youth Affairs. 3 MR TE CHI WANG: Right. 4 MR JASON YU: According to paragraph 8 of your witness 5 statement, the Secretary for Home and Youth Affairs is 6 the authority under the BMO. 7 MR TE CHI WANG: Yes. 8 MR JASON YU: You said that after receiving complaints you 9 will make referrals because sometimes the complaints may 10 not be about building management. 11 MR TE CHI WANG: Right. 12 MR JASON YU: Let's look at an email. G1-1/679. This is an 13 email dated 17 March 2024. Let's look at paragraph 3. 14 You can take the time to read it. It's about 15 complaining, having written to URA asking if they know 16 that Prestige have been prosecuted or subject to 17 disciplinary actions 140 times. They quoted the reply 18 from URA: 19 "Regarding the litigation records regarding 20 Prestige, it's to be offered by the consultant in the 21 tender analysis report. For details, please refer to 22 the works consultant." 23 So a complainant has complained regarding the 24 contractors and the HAD asked them to go to the 25 consultant. This email was also addressed to you.</p>	Page 16
	<p>1 MR TE CHI WANG: This email was sent to Buildings 2 Department, Director of Lands and the HAD. 3 MR JASON YU: So, as you can see, that's a reply from your 4 department; that's page 677. This is the reply provided 5 by Ms Or on your behalf. If you turn to paragraph 3, 6 I think this point is covered by what you just said. 7 The email has been forwarded to different departments 8 and the reply will be given. 9 MR TE CHI WANG: Right. 10 MR JASON YU: This is just one of the examples. I'm not 11 trying to say if this is done correctly or not, but 12 since you are one of the directors of URA, in relation 13 to Smart Tender, if there is a complaint against the 14 works consultant on tender assessment on its accuracy 15 and on whether it misleads owners, which department 16 should be responsible to handle these issues? 17 Now, I'm asking this question because you mentioned 18 basically the HAD is a bridge between residents and the 19 Government. So you should know which department should 20 be responsible for handling the case. 21 MR TE CHI WANG: Among the 44 complaints, very often 22 referrals were made. In my recollection, the case was 23 referred to, say, the URA, the police and also the 24 Competition Commission. So that depends on the 25 individual emails. We checked if this is something that</p>	
	<p>1 the URA should respond to and should look further into. 2 MR JASON YU: About this tender assessment and accuracy of 3 information, you're not able to tell which department or 4 whether it's the URA which should be responsible for 5 handling it? 6 MR TE CHI WANG: I suppose the URA has provided a response 7 because on page 679 the URA provided a response, it 8 seems, so I suppose the URA handled the case. There may 9 be different views on how the case should be handled but 10 I suppose the URA did handle it. 11 MR JASON YU: So you suppose the URA handled it? 12 MR TE CHI WANG: I see that the URA handled the case. 13 MR JASON YU: Now let's take a look at enhancement of the 14 Building Management Ordinance. I think it's in your 15 statement, but before we come to that, let's discuss the 16 law, and that is the Building Management Ordinance. 17 MR TE CHI WANG: Right. 18 MR JASON YU: In G1-1/103 we see this 40A, and this is 19 something that you are very familiar with. 20 MR TE CHI WANG: Yes. 21 MR JASON YU: This is the version in English. I'm going to 22 read out the provisions in Chinese. 23 Now, the "Authority" here means the authority 24 chairman just mentioned. 25 MR TE CHI WANG: Right.</p>	

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<p>1 MR JASON YU: And then 40A: 2 "The Authority or an authorised officer may, for the 3 purpose of ascertaining the manner in which a building 4 is being controlled, managed or administered -- 5 (a) enter and inspect any common parts of 6 a building; 7 (b) attend any general meeting of a corporation; 8 (c) require a corporation or any person managing the 9 building to furnish him with such information in the 10 possession of the corporation or that person, as the 11 case may be, as the Authority or authorised officer may 12 specify in relation to the control, management and 13 administration of the building; 14 (d) inspect the books or records of accounts ..." I 15 come to (e): 16 "inspect any other documents or records kept by 17 a corporation in relation to any of its functions, 18 duties or powers." 19 MR TE CHI WANG: Right. 20 MR JASON YU: I checked the BMO and I don't see any 21 provisions specifically empowering the department to 22 take enforcement action except this one. 23 MR TE CHI WANG: Right. 24 MR JASON YU: So 40A, this section here, empowers the 25 secretary, and that's the authority, to request for</p>	<p>1 information. In some particular cases in which the 2 parties are not cooperative, for example, they are 3 required to prepare financial statements and make known 4 to the owners and if they fail to do so we can exercise 5 the power to ask for information. 6 MR JASON YU: On how many occasions did you exercise the 7 power? 8 MR TE CHI WANG: Well, that depends on the individual cases. 9 During the period when I assumed this position, a few 10 times. 11 MR JASON YU: You mentioned Star Mansion. 12 MR TE CHI WANG: That's right. 13 MR JASON YU: WS, footnote 2, page 149, you mentioned Star 14 Mansion. 15 MR TE CHI WANG: Right. 16 MR JASON YU: Do you remember under what circumstances the 17 power was exercised? 18 MR TE CHI WANG: Judging from what's written here, I think 19 that relates to the financial statements. 20 MR JASON YU: Right, perhaps they prepared the statements. 21 MR TE CHI WANG: They didn't release in the public domain so 22 the power was invoked. 23 MR JASON YU: So under most circumstances, the parties would 24 be cooperative, they would provide you with information, 25 you do not need to invoke section 40A.</p>
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<p>1 information; right? For the purpose of ascertaining 2 whether the owners' corporation has duly fulfilled its 3 duties. 4 MR TE CHI WANG: Right. 5 MR JASON YU: After collecting evidence, is there anything 6 empowered by the law that allows you to take follow-up 7 action? 8 MR TE CHI WANG: I mentioned in my statement that when it 9 comes to policy formulation, we need to consider public 10 interest. That's the top priority. 11 But on building management, we need to respect 12 private property rights as well. So we want to strike 13 a balance. We want to safeguard public interest and 14 safeguard private property rights, including owners' 15 rights on building management. The HAD plays its role 16 when it comes to building management and that is we 17 assist owners in coordinating and fulfilling the duties 18 of building management. That is why we help owners with 19 coordinating building management works. 20 In most cases, owners are cooperative, the 21 management committees, owners' corporations are 22 cooperative. Some are assisted by licensed property 23 management companies and they are cooperative as well. 24 So when we ask for information, we do not usually 25 need to invoke section 40A in order to get the</p>	<p>1 MR TE CHI WANG: That's right. 2 MR JASON YU: That's the case for most OCs. 3 MR TE CHI WANG: Right. 4 MR JASON YU: For non-cooperative ones, such as the one in 5 Star Mansion, you will invoke section 40A and request 6 information. 7 MR TE CHI WANG: Correct. 8 MR JASON YU: After getting the information, what is the 9 next step? Is it that under the current law there is no 10 power for you to follow up on it? 11 MR TE CHI WANG: That depends. Because for some 12 non-compliance circumstances, the action may attract 13 penalties and we may initiate prosecution. We did so in 14 relation to the third party insurance. We prosecuted 15 the secretary of the owners' corporation for failing to 16 comply with the BMO's requirement. That provision came 17 with a penalty. 18 MR JASON YU: Right. Coming back to this point, you 19 mentioned private property rights and that is why 20 paragraph 22 in your statement says section 40A serves 21 mostly as a last resort for exceptional cases. 22 MR TE CHI WANG: Yes, in order to strike a balance. 23 MR JASON YU: The other section that empowers the department 24 is section 31, that's G1-1, page 85. 25 MR TE CHI WANG: Right.</p>

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<p>1 MR JASON YU: The secretary may apply for the OC to be 2 dismissed with the Lands Tribunal and appoint an 3 administrator. 4 MR TE CHI WANG: Correct. 5 MR JASON YU: On 6 January 2025, as you know, the secretary 6 applied to the Lands Tribunal according to this 7 provision to dismiss the OC of Wang Fuk Court and 8 appointed Hop On as the administrator? 9 MR TE CHI WANG: Correct. The authority has the power to 10 apply for this and it's for the tribunal to make the 11 decision. 12 MR JASON YU: Now, did you participate in the application? 13 Did you know anything about it? 14 MR TE CHI WANG: The HAD was involved. 15 MR JASON YU: So if you believe section 40A, request for 16 information on document, is the last resort, then 17 section 31 is the last last resort; right? 18 MR TE CHI WANG: I think this is unprecedented. That is the 19 first time we invoked 31(1)(d). 20 MR JASON YU: Is it that your subordinate, Ms Li Ka Yuen, 21 provided an affirmation? Let's go to G1-2, page 2522. 22 At paragraphs 17 to 19 she explains the background of 23 the application. The first reason is that in light of 24 the Wang Fuk Court fire, the unprecedented complex issue 25 surrounding building management issues surfaced and the</p>	<p>1 In fact this phrase pops up four times. What it 2 meant by "imminent", can you explain? 3 MR TE CHI WANG: After being appointed on 6 January, Hop On 4 has taken up a lot of work and we had meetings with 5 Hop On about handing over some 800,000 documents which 6 are involved and that's about several TB of computer 7 files. They need to go through the files. There are 8 also a lot of contracts involved. They need to engage 9 an accountant and lawyer to check the financial 10 position. Because of the fire, some contracts are 11 already frustrated, so these contracts have come to an 12 end. 13 Let me give you one example: the lifts -- there is 14 another contract -- and it's still running in one of the 15 blocks. They need to carry on with that. 16 The next step is to deal with the very difficult 17 financial situation. They need to get info from the 18 banks, for example. 19 For the works contract, it's ongoing. It entails 20 the contingency provision. We need the guarantee. 21 There is some \$30 million involved so they need to make 22 sure that this goes back to the OC's account and some 23 funds are raised and there is a balance in the account. 24 So they need to check how much, say, each household has 25 chipped in and whether payments have been made in</p>
Page 22	Page 24
<p>1 Wang Fuk Court management committee lacked the capacity 2 or technical knowledge, experience to handle the matter. 3 MR TE CHI WANG: Right. 4 MR JASON YU: We don't need to read through all the 5 paragraphs. There may be a conflict of interest in 6 relation to the two terms of management committee. 7 MR TE CHI WANG: Right. 8 MR JASON YU: Let me ask this question -- 9 MR TE CHI WANG: What do you mean by "conflict of interest"? 10 Where do I find it? 11 MR JASON YU: Let's go to following paragraph, 22, 12 paragraph 23. Do you see that? Oh, paragraph 24 and 13 the ensuing ones. Just very broadly, that's the idea. 14 MR TE CHI WANG: Right, just to refresh my memory. Thank 15 you. 16 MR JASON YU: The Lands Tribunal gives an order. The order 17 provides that Hop On submits monthly report to the HAD 18 on its progress. 19 MR TE CHI WANG: Right. 20 MR JASON YU: So I suppose Hop On is under your watch. 21 MR TE CHI WANG: Right. 22 MR JASON YU: So if we take a look at A7/863, that's the 23 judgment handed down by the Lands Tribunal. Now, the 24 Wang Fuk Court fire happened and the relief work 25 afterwards is complex and is imminent.</p>	<p>1 a timely manner. They need to sort out things like 2 this. 3 A briefing session will soon be held. Refund will 4 be a major topic in this briefing session and there is 5 also another issue about refund of the deposit of the 6 management fees. But it's again very complex. It seems 7 that different arrangements were put in place during 8 different periods of time. Say before 1997 there was an 9 arrangement, say to demand a deposit that is several 10 times of the management fee, so they need to check, for 11 example, how much each of the 1,984 households paid for 12 the deposit. 13 There is also a relief or waiver of the energy bill, 14 so -- and they managed to ask for a waiver of the 15 electricity charges from the power company. 16 MR JASON YU: Right. I'm asking these questions because 17 this may be of interest for the public. 18 MR TE CHI WANG: Right. 19 MR JASON YU: The next point is about sections 40A and 31 of 20 the BMO. 21 MR TE CHI WANG: Right. 22 MR JASON YU: If the HAD is to provide assistance to owners 23 or owners' corporation on building management, those 24 seem to be the issues covered and you don't seem to have 25 the power to prosecute.</p>

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<p>1 MR TE CHI WANG: Right.</p> <p>2 MR JASON YU: Let's see if this is correct. You say that</p> <p>3 section 40A is a last resort, but this last resort only</p> <p>4 relates to the request for information. It doesn't deal</p> <p>5 with the difficulties encountered by owners'</p> <p>6 corporation's large-scale renovation; it's only about</p> <p>7 the request for information.</p> <p>8 MR TE CHI WANG: Well, according to the design of the law,</p> <p>9 I think this section relates to compliance.</p> <p>10 MR JASON YU: Section 31, as you said, is unprecedented.</p> <p>11 It's an exceptional tool used during exceptional times.</p> <p>12 MR TE CHI WANG: Yes. Invoked for the first time.</p> <p>13 MR JASON YU: So, coming back to the enhancement measures,</p> <p>14 paragraph 31(5), page 496, this is your recommendation:</p> <p>15 "To grant the Authority [through amendments to the</p> <p>16 BMO] greater powers to intervene ..."</p> <p>17 MR TE CHI WANG: Right.</p> <p>18 MR JASON YU: It doesn't spell out exactly what powers they</p> <p>19 are, so please elucidate. You mentioned the 5 per cent</p> <p>20 threshold for a general meeting. Specifically what</p> <p>21 powers do you have in mind in terms of enhancement?</p> <p>22 MR TE CHI WANG: It's actually a consultation. Legislative</p> <p>23 amendments are usually proposed on the basis of</p> <p>24 difficulties that we faced. So one of the difficulties</p> <p>25 is to get 5 per cent owners' consent for general</p>	<p>1 usually take up positions of the owners' corporation on</p> <p>2 a pro bono basis and voluntary basis. If we raise the</p> <p>3 penalties, we may deter owners from becoming OC members.</p> <p>4 The other point is about protection for owners. For</p> <p>5 some serious offences, say relating to recordkeeping,</p> <p>6 which is essential to avoid future disputes, then we</p> <p>7 need to consider that. In fact, in the last legislative</p> <p>8 amendment, we introduced a penalty provision. In the</p> <p>9 past, we demanded recordkeeping but we did not impose</p> <p>10 penalty. After the legislative amendment came into</p> <p>11 effect on 13 July last year, the offenders may be</p> <p>12 penalised. As for other provisions relating to more</p> <p>13 serious matters, we are going to consult the public.</p> <p>14 This is a balancing exercise.</p> <p>15 MR JASON YU: This is very true. You are considering some</p> <p>16 bottom-line cases; that is, if the OC fails to do its</p> <p>17 job, what should be done. There should be amendments to</p> <p>18 clarify their responsibilities.</p> <p>19 MR TE CHI WANG: Correct.</p> <p>20 MR JASON YU: Now, in fact, at the evidential hearing we</p> <p>21 heard, for example, that OC members are generally just</p> <p>22 ordinary residents.</p> <p>23 MR TE CHI WANG: Right.</p> <p>24 MR JASON YU: They take up this position on a voluntary</p> <p>25 basis. They do not have the expertise or professional</p>
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<p>1 meeting.</p> <p>2 In the event of the chair of an OC cancelling</p> <p>3 a meeting for no reason, then is it possible that the</p> <p>4 property management company be directed to convene the</p> <p>5 meeting instead?</p> <p>6 Another example: say the agenda proposed by the</p> <p>7 chairman may be in conflict with what owners want, so is</p> <p>8 it possible for the authority to be given greater powers</p> <p>9 to help with the discussion of, say, an agenda item?</p> <p>10 If the chairman for unknown reasons refuses to</p> <p>11 discuss the item, then say the authority should be</p> <p>12 empowered to ask for this item to be discussed. The</p> <p>13 chairman should not shun the item. So it's</p> <p>14 a consultation process.</p> <p>15 MR JASON YU: We're going to explore this further. This is</p> <p>16 about meeting procedures.</p> <p>17 MR TE CHI WANG: Right.</p> <p>18 MR JASON YU: But if they do not follow the meeting</p> <p>19 procedures, will the department be able to take</p> <p>20 enforcement action? Will there be penalty?</p> <p>21 MR TE CHI WANG: This is something we mull over. In every</p> <p>22 legislative amendment exercise we want to make sure that</p> <p>23 for parties with greater responsibilities, in the event</p> <p>24 of non-compliance, they may face penalties.</p> <p>25 But we need to consider two matters. First, owners</p>	<p>1 knowledge to handle matters such as large-scale</p> <p>2 renovation.</p> <p>3 MR TE CHI WANG: Right.</p> <p>4 MR JASON YU: Say if the consultant is not reliable and if</p> <p>5 there is a dispute on suspected collusion during</p> <p>6 tendering process, the ordinary residents will not be</p> <p>7 able to handle them. For private buildings, under the</p> <p>8 current regime, it's up to the owners to handle the</p> <p>9 matter.</p> <p>10 Does the department have any recommendation to help</p> <p>11 owner handle these issues?</p> <p>12 MR TE CHI WANG: Well, the property management company, if</p> <p>13 you look at Hong Kong, across the 40,000-odd private</p> <p>14 buildings, about 70 per cent of them have hired licensed</p> <p>15 property management companies. Especially for the</p> <p>16 larger housing complexes, there will be property</p> <p>17 management companies to assist them. For the single</p> <p>18 building, normally it will be handled by the OC.</p> <p>19 As you're talking about the day-to-day operations,</p> <p>20 they would be able to take care of that, but still some</p> <p>21 of them will consider hiring licensed property</p> <p>22 management companies to take care of that.</p> <p>23 MR JASON YU: True, but they might not be professional</p> <p>24 architects.</p> <p>25 MR TE CHI WANG: Right.</p>

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<p>1 MR JASON YU: And Mr Kong Cheung Fat has a comment. He</p> <p>2 asked if the government can offer some independent</p> <p>3 architectural advisor or professional teams to support</p> <p>4 the OC.</p> <p>5 MR TE CHI WANG: I don't believe that this is appropriate</p> <p>6 for HAD to hold a view. Perhaps it has to be conferred</p> <p>7 with the Development Bureau.</p> <p>8 MR JASON YU: Agree. But you have offered similar services.</p> <p>9 MR TE CHI WANG: That was mediation services.</p> <p>10 MR JASON YU: I don't think it's just mediation services.</p> <p>11 You have also an advisory panel for building management</p> <p>12 disputes.</p> <p>13 MR TE CHI WANG: True. Normally we will be focusing on</p> <p>14 particular cases like water leaking.</p> <p>15 MR JASON YU: Yes. As chairman has asked, is it possible</p> <p>16 for you to expand the scope? Now you're relying on the</p> <p>17 residents to apply for it and you will consider whether</p> <p>18 or not you will refer it, and normally you will refer</p> <p>19 the case.</p> <p>20 MR TE CHI WANG: True.</p> <p>21 MR JASON YU: Perhaps you can consider expanding the scope.</p> <p>22 MR TE CHI WANG: We will discuss it with the Development</p> <p>23 Bureau.</p> <p>24 THE HON MR JUSTICE DAVID LOK: I think it is a long-lasting</p> <p>25 and complex problem. Since it is a private property,</p>	<p>1 will be different opinions.</p> <p>2 MR TE CHI WANG: Right.</p> <p>3 THE HON MR JUSTICE DAVID LOK: From my experience, certainly</p> <p>4 people will hold different views.</p> <p>5 MR TE CHI WANG: Right.</p> <p>6 THE HON MR JUSTICE DAVID LOK: How can we resolve these kind</p> <p>7 of disputes? I believe that what the residents require</p> <p>8 is more consultation or assistance so that they can</p> <p>9 understand better before they make the decision.</p> <p>10 MR TE CHI WANG: Right.</p> <p>11 THE HON MR JUSTICE DAVID LOK: Perhaps you should spend some</p> <p>12 thought on it, who should take the lead. I'm not saying</p> <p>13 that it is the responsibility of HAD. However, can you</p> <p>14 take the lead to line up different organs so that such</p> <p>15 help can be offered?</p> <p>16 MR TE CHI WANG: Right. I completely agree with the</p> <p>17 chairman. There are a lot of cases we need to follow up</p> <p>18 after the fire. We have been working with the</p> <p>19 Development Bureau, also the URA. I think we are also</p> <p>20 engaging Hong Kong Institute of Surveyors. As an</p> <p>21 industry body, I hope they can offer some comments about</p> <p>22 how the cases shall be handled. This kind of work has</p> <p>23 begun.</p> <p>24 THE HON MR JUSTICE DAVID LOK: I believe that he has a lot</p> <p>25 of experience.</p>
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<p>1 that's why I can understand the position of the</p> <p>2 government. It is hard for government to make the</p> <p>3 decision on their behalf. I think there have been</p> <p>4 people sharing such views. I don't think it is</p> <p>5 workable. The government cannot make decision on their</p> <p>6 behalf and there will also be people who disagree.</p> <p>7 Therefore, your role can be making a decision for them</p> <p>8 in a lawful way.</p> <p>9 MR TE CHI WANG: Or we can offer them a legal framework so</p> <p>10 the owners can make a corporate decision.</p> <p>11 THE HON MR JUSTICE DAVID LOK: The issue is now we have</p> <p>12 encountered a lot of problems. The residents do not</p> <p>13 have such subject knowledge. That's why when they</p> <p>14 participate in the process, it will be very difficult.</p> <p>15 MR TE CHI WANG: Right.</p> <p>16 THE HON MR JUSTICE DAVID LOK: On the other hand, the</p> <p>17 process of dispute resolution is normally lengthy and</p> <p>18 the court has limited resources. The best solution</p> <p>19 would be assigning a judge to rule over any cases, but</p> <p>20 it is impossible.</p> <p>21 MR TE CHI WANG: Right.</p> <p>22 THE HON MR JUSTICE DAVID LOK: Therefore, it is rather</p> <p>23 tricky.</p> <p>24 MR TE CHI WANG: Right.</p> <p>25 THE HON MR JUSTICE DAVID LOK: Across the buildings, there</p>	<p>1 THE HON MR CHAN KIN-POR: I have been involved in building</p> <p>2 management for over a decade. I was a chair for many</p> <p>3 years and I was participating in the MC. I am aware</p> <p>4 that we have passed a lot of legislation at LegCo but</p> <p>5 there are a lot of suggestions that we cannot</p> <p>6 incorporate in the legislation before because of</p> <p>7 different reasons.</p> <p>8 MR TE CHI WANG: Right.</p> <p>9 THE HON MR CHAN KIN-POR: I believe that they already have</p> <p>10 a very complete system at the property management</p> <p>11 council.</p> <p>12 My question is assume that you have established the</p> <p>13 OC but sometimes the residents would find the OC</p> <p>14 incapable. There are people with good intention, but</p> <p>15 there are also people looking for interest. As members</p> <p>16 of the OC, they have heavy workload with no salary.</p> <p>17 Let's say in a residential complex there will be over</p> <p>18 2,000 units and only require nine people for a quorum,</p> <p>19 or five.</p> <p>20 MR TE CHI WANG: Right.</p> <p>21 THE HON MR CHAN KIN-POR: If there are three out of the five</p> <p>22 make a decision, then the resolution can already be</p> <p>23 approved. This is a problematic system.</p> <p>24 In Hong Kong, we have a lot of talented people, but</p> <p>25 very few are willing to make effort.</p>

Page 33	<p>1 MR TE CHI WANG: Yes.</p> <p>2 THE HON MR CHAN KIN-POR: So they will spare their effort in</p> <p>3 their own businesses instead of sharing these kind of</p> <p>4 responsibilities. After this incident, it will be even</p> <p>5 more difficult for you to look for someone with good</p> <p>6 intention, with integrity, to become members of an OC.</p> <p>7 From what I understand, after establishing an OC, if</p> <p>8 you are to dissolve it, it will be very difficult unless</p> <p>9 you seek help from the Lands Tribunal. They will not</p> <p>10 approve for a dissolution unless there are some</p> <p>11 critical issues. If we do not solve this problem at</p> <p>12 root, the problem will still come up. There are up to</p> <p>13 hundreds of complaints against the OC every year.</p> <p>14 MR TE CHI WANG: Right.</p> <p>15 THE HON MR CHAN KIN-POR: In the future, can you rely more</p> <p>16 on the property management companies, because there is</p> <p>17 already an ordinance in place to monitor them? And we</p> <p>18 are talking about a large-scale maintenance work. There</p> <p>19 are a lot of professional issues involved, including</p> <p>20 tendering, et cetera. If the property management</p> <p>21 company is of good quality, they can actually take up</p> <p>22 this responsibility because, if necessary, they can</p> <p>23 engage professional bodies and they will be speaking on</p> <p>24 the same level. It would certainly be better than just</p> <p>25 any members from an OC.</p>	Page 35	
Page 34	<p>1 I think it's worth considering.</p> <p>2 MR TE CHI WANG: Right.</p> <p>3 THE HON MR CHAN KIN-POR: I am aware that it is very</p> <p>4 difficult for us to resolve a management committee or an</p> <p>5 OC.</p> <p>6 Perhaps the best way is since we have monitoring</p> <p>7 mechanism over the property management company. I am</p> <p>8 aware that these kind of management companies will</p> <p>9 respect the management committee because they truly</p> <p>10 become a channel to collect the opinions of residents.</p> <p>11 If the property management companies are treating the OC</p> <p>12 as an IO, it will be very different because the owners</p> <p>13 do not have to share this kind of legal</p> <p>14 responsibilities. The residents are the most important</p> <p>15 stakeholders. Whether or not you manage the property</p> <p>16 well depends on your listening to the residents.</p> <p>17 MR TE CHI WANG: Right.</p> <p>18 THE HON MR CHAN KIN-POR: Sometimes there will be dozens of</p> <p>19 residents sharing their complaints, holding the meeting</p> <p>20 to midnight. However, if you have a good</p> <p>21 representation, perhaps the meeting can complete within</p> <p>22 two hours because there is no dispute.</p> <p>23 MR TE CHI WANG: Right.</p> <p>24 THE HON MR CHAN KIN-POR: I think people are the most</p> <p>25 important element in all things. I hope that you will</p>	<p>1 consider it.</p> <p>2 MR TE CHI WANG: Right.</p> <p>3 THE HON MR CHAN KIN-POR: If you really want to resolve it,</p> <p>4 then even the system of an owners' corporation needs to</p> <p>5 be reconsidered. Do residents have that kind of</p> <p>6 capability? To be honest, I don't think they have it.</p> <p>7 But if it is on the property management company, they</p> <p>8 can engage the professional bodies even if we have to</p> <p>9 pay fees for them. If it is worthwhile, we will still</p> <p>10 be willing to consider it.</p> <p>11 MR TE CHI WANG: Right.</p> <p>12 THE HON MR CHAN KIN-POR: Sorry, I have been speaking at</p> <p>13 length. I also worry that some owners might disagree,</p> <p>14 they might disagree to hand it over to the property</p> <p>15 management company.</p> <p>16 DR REX AUYEUNG PAK-KUEN: Just now chair and Mr Chan have</p> <p>17 already spoken and I don't want to repeat.</p> <p>18 Speaking from the perspective of a resident, upon</p> <p>19 listening to your explanation, I would like to seek some</p> <p>20 clarifications. I am aware that you are already</p> <p>21 discussing a lot of new measures. It seems that we are</p> <p>22 going in circles.</p> <p>23 Citizens, we are aware that you will be referring to</p> <p>24 other government departments.</p> <p>25 MR TE CHI WANG: Right.</p>	Page 36

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<p>1 A lot of residents have shared their views at this 2 evidential hearing. Actually, somebody was saying 3 things like, "Had I known about this, I would 4 participate more." 5 MR TE CHI WANG: Right. 6 THE HON MR JUSTICE DAVID LOK: This is exactly where the 7 problem is. I believe a lot of residents are being 8 awakened by this incident. Property management is 9 indeed something that affects them deeply but they might 10 not have that subject knowledge. If they observe an 11 access opening, they might not know it is going to be so 12 problematic. 13 Through this evidential hearing, I hope that both 14 government departments and residents can take care of 15 this issue properly. This is truly tricky. 16 I understand that on certain issues the government 17 cannot make decisions on their behalf. Otherwise, there 18 will be other complaints because when bad things happen, 19 they will have to hold the government accountable. 20 We have observed a lot. Mr Chan has a lot of 21 experience at LegCo and I myself have experience in the 22 court, and Mr Auyeung, he works in MTRC, so we have all 23 seen a lot of similar issues. We do know how difficult 24 it is. 25 Through this evidential hearing I hope that the</p>	<p>1 instruments. Now, the legislature has been revised. If 2 large-scale maintenance works are involved, the quorum 3 will be 10 per cent, but 5 per cent has to be in-person 4 voting or 100 people, whichever is less. 5 If Mr Chan still remembers, actually we wanted to 6 even raise the threshold higher, to be more than 7 5 per cent. However, considering the practicalities, we 8 know that it is quite challenging to ask so many 9 residents to vote in person. Therefore, we start with 10 just 5 per cent. 11 After the fire, perhaps people would be more alert 12 about large-scale maintenance work. The owners might 13 believe that they have to vote in person instead of 14 through proxy instruments. 15 MR JASON YU: So now you might consider raising the 16 threshold. At this moment it's 5 per cent or 100 17 people. Do you have any views on that? 18 MR TE CHI WANG: We are still listening to people's 19 opinions. Because if the threshold is too high, it 20 might be impossible for people to make decisions. To be 21 honest, proxy votes is necessary. 22 THE HON MR CHAN KIN-POR: Even for the associations of 23 lawyers and accountants, they all have proxy votes. The 24 key is to prevent abuse. This is a disastrous incident. 25 That's why people are all on high alert, but the fact is</p>
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<p>1 government could take care of this issue properly, so 2 would the residents. However, there needs to be 3 a proper channel so that the residents can be aware of 4 the issues. They also need a platform so that they can 5 step up. 6 Like Wang Fuk Court, a lot of owners are elderly. 7 How can we support them better? From this painful 8 lesson, I think we should all reconsider each of our 9 roles. 10 MR TE CHI WANG: Agreed, chairman. 11 MR JASON YU: Thank you for your questions. I still have 12 one last topic. 13 Mr Te, please give us some clear suggestions 14 regarding bid-rigging and other issues. It is in the 15 witness statement paragraph 31. Here you have mentioned 16 about how we can further optimise issues of bidding. 17 Decisions on large-scale maintenance works and major 18 procurements, you suggest to raise the threshold for 19 attendance and in-person voting. That is point (1) in 20 paragraph 31. Is it because you find proxy instruments 21 problematic? 22 MR TE CHI WANG: Before the fire, actually we have already 23 revised it once. I believe that Mr Chan is well aware 24 of that. Before the amendment, there was no requirement 25 on voting in person. They could just vote through proxy</p>	<p>1 the owners would not come to the meeting in person if 2 they believe that you are doing a good job. If you 3 raise a quorum, it will be impossible for you to call a 4 meeting. 5 per cent is already very difficult because 5 if you have 3,000 units across the residential complex, 6 then it will be already very hard. But as residents, we 7 have to care about where we're living. You can't just 8 rely on the government. 9 MR TE CHI WANG: Yes. 10 THE HON MR CHAN KIN-POR: So you have put it correctly, you 11 really have to discuss with the property management 12 company whether or not you should raise from 5 to 7.5 or 13 from 5 to 8. As the government body, you really have to 14 get to the bottom of things and to consider the full 15 picture, so that you would not be causing more problems 16 by solving one. 17 MR TE CHI WANG: I agree. 18 THE HON MR JUSTICE DAVID LOK: I have a suggestion. 19 In dispute resolutions, can there be a more speedy 20 mechanism? 21 MR TE CHI WANG: Right. 22 THE HON MR JUSTICE DAVID LOK: How about we consider other 23 parties to be involved? We cannot prevent disputes 24 altogether. 25 MR TE CHI WANG: Right.</p>

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<p>1 THE HON MR JUSTICE DAVID LOK: But disputes have to be 2 resolved as early as possible.</p> <p>3 MR TE CHI WANG: Right.</p> <p>4 THE HON MR JUSTICE DAVID LOK: We find it very difficult to 5 look for what actually happened at the meetings years 6 ago, therefore disputes shall be resolved as soon as 7 possible, but who should be resolving it? How should we 8 resolve it? Of course we encourage people to resort to 9 mediation. How about arbitration? Perhaps it is needed 10 by the residents.</p> <p>11 MR TE CHI WANG: I agree. Apart from timing, we also need 12 consent of both parties. If any party refuses to 13 participate, it will also be difficult. If it is from 14 a court order, then both parties have to be there. It 15 is one direction that we are considering.</p> <p>16 THE HON MR JUSTICE DAVID LOK: If we do not resolve the 17 dispute early on, it might be very difficult. This time 18 we have the worst-case scenario. Sometimes there might 19 be litigations.</p> <p>20 MR TE CHI WANG: Right.</p> <p>21 THE HON MR JUSTICE DAVID LOK: For more serious cases, it 22 could be this severe. Perhaps we should consider 23 resolving disputes as early as we can. However, after 24 making our decisions, we are worried that there might be 25 no one who wants to be IO or the property management</p>	<p>1 MR TE CHI WANG: First of all, we of course want to 2 encourage owners to participate in the meetings in 3 person. If they cannot attend the meeting in person, 4 they may appoint a proxy to attend it on their behalf. 5 These are some preliminary suggestions of ours. There's 6 views in the community saying that if someone holds 7 a few hundred proxies, they may be able to affect the 8 decisions of the owners. So we may want to set a cap on 9 the number of proxies an individual may hold.</p> <p>10 The second suggestion is more of a sunshine policy. 11 We already have such a requirement. We ask the OC to 12 put up a list of units that have appointed proxies. But 13 we want to go beyond the meetings because the deadline 14 is within 48 hours. Regarding the submission of 15 proxies, we may ask the OCs to put up a notice after 16 48 hours so that owners, if there is any 17 misunderstanding, can make corrections.</p> <p>18 MR JASON YU: I have some follow-up questions. In the list, 19 can we include which owners have appointed proxies and 20 the proxies appointed?</p> <p>21 MR TE CHI WANG: We've heard such suggestions. There are 22 diverging views. Some people ask us to be more 23 transparent. They say we need to include in the list 24 the proxy appointed and the owner appointing the proxy. 25 There are also different views regarding saying that</p>
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<p>1 company. Society has to pay a high price for that. 2 At a later stage, we shall look into this further. 3 We need to see how much power we have to resolve this. 4 This is truly some long-standing and complicated issues. 5 We shall try our best.</p> <p>6 MR JASON YU: As Mr Chan said, proxy vote itself is not 7 a problem. The problem is whether a proxy has truly 8 been appointed.</p> <p>9 MR TE CHI WANG: Right.</p> <p>10 MR JASON YU: You said that you have two suggestions 11 regarding proxy instrument. First, you may set a cap on 12 the number of proxies an individual may hold for 13 large-scale maintenance procurements.</p> <p>14 MR TE CHI WANG: Right.</p> <p>15 MR JASON YU: Your second suggestion is that there will be a 16 requirement that the status of proxy instruments lodged 17 by each unit be posted within the building. 18 There is some similar requirements under the 19 existing legislation. When a meeting is convened, the 20 list of proxy instruments has to be displayed at the 21 meeting venue.</p> <p>22 MR TE CHI WANG: Right.</p> <p>23 MR JASON YU: You said that you want to require the status 24 of proxy instruments logged be posted within the 25 building. What do you mean?</p>	<p>1 they have concerns on privacy.</p> <p>2 THE HON MR CHAN KIN-POR: Mr Te, one way to do it is that 3 you should inform the owners that they have appointed 4 a proxy, but very often residents or owners don't really 5 care about these meetings, so I think the best way to do 6 is to conduct a random check, maybe do a random check on 7 20 or 30 per cent of the proxy instruments. If you see 8 problems, then you may raise the percentage of random 9 check. You may not be able to call everyone but you 10 should try your best. If someone knows that there is 11 such a check, then they may be more alert and, if you 12 see problems, you may try to call up everyone.</p> <p>13 I think that this proxy system is one of integrity 14 but you can consider doing random check.</p> <p>15 MR TE CHI WANG: I know PMCs are doing it. Some of them 16 call everyone.</p> <p>17 THE HON MR CHAN KIN-POR: I think that you need to tighten 18 up the requirements. There is no such requirement in 19 the law.</p> <p>20 MR JASON YU: That's my last question on proxy instruments. 21 Do you conduct random check to make sure that the 22 appointment of proxy is actually true?</p> <p>23 MR TE CHI WANG: We've heard some discussions relating to 24 this.</p> <p>25 MR JASON YU: If you don't do random check, maybe you should</p>

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<p>1 ask the owners to submit the proxy instruments directly</p> <p>2 in person to the PMCs or the Secretariat?</p> <p>3 MR TE CHI WANG: Of course it's good to do random check, but</p> <p>4 we need to decide on who to do the check, because we</p> <p>5 don't have the list of owners. Maybe we ask the PMCs to</p> <p>6 do it. Maybe we, through amending the guidelines on</p> <p>7 PMC, ask them to do the random check.</p> <p>8 MR JASON YU: In subparagraph (4) you said that you proposed</p> <p>9 to further clarify the arrangements for convening</p> <p>10 meetings.</p> <p>11 MR TE CHI WANG: Right.</p> <p>12 MR JASON YU: So what is unclear about the arrangement of</p> <p>13 meetings?</p> <p>14 MR TE CHI WANG: For Wang Fuk Court, in September 2024, the</p> <p>15 owners' meeting, there is so much controversy. That is,</p> <p>16 at a certain point in the meeting it is said that the</p> <p>17 venue rental period was expired so the meeting had to be</p> <p>18 ended. There is a case law saying that the owners'</p> <p>19 meeting in progress, whether it should be postponed or</p> <p>20 adjourned, it should be decided by the owners instead of</p> <p>21 the chairman.</p> <p>22 Our colleagues at that time offered such</p> <p>23 information. If I remember correctly, the owners asked</p> <p>24 to continue with the meeting and they appointed</p> <p>25 a convener to continue to host the meeting. Some</p>	<p>1 Just now chairman and members have some suggestions for</p> <p>2 you and I hope that the Government and the other</p> <p>3 involved parties can look into it.</p> <p>4 I have a question. We just talked about the voting</p> <p>5 in person threshold. If a large-scale maintenance is</p> <p>6 involved, then there is a 5 per cent or 100 persons</p> <p>7 voting in person threshold, that is either 5 per cent or</p> <p>8 100 people should vote in person.</p> <p>9 On the amendment directions for the Building</p> <p>10 Management Ordinance, in February this year there was</p> <p>11 a paper submitted to the Legislative Council, LC paper.</p> <p>12 This was submitted to a panel on home affairs, culture</p> <p>13 and sports. That's about the amendment directions for</p> <p>14 Building Management Ordinance.</p> <p>15 MR TE CHI WANG: Yes.</p> <p>16 MR JENKIN SUEN: This paper may not be included in the</p> <p>17 bundle of ours, but it talks about some proposed</p> <p>18 amendments regarding large-scale maintenance project in</p> <p>19 BMO. There may be a tiered system. That is, depending</p> <p>20 on cost of the large-scale maintenance project involved,</p> <p>21 there may be different voting in person threshold and it</p> <p>22 is mentioned that there will be a briefing session to</p> <p>23 make sure that owners and residents know what the</p> <p>24 maintenance or repair project is about.</p> <p>25 Can you explain to us your amendment directions?</p>
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<p>1 decisions were passed. We may further clarify such an</p> <p>2 arrangement. Because some chairmen may try to take</p> <p>3 advantage of some loopholes. If we clarify the</p> <p>4 arrangement, then such things may not happen again.</p> <p>5 If I remember correctly, there was an occasion when</p> <p>6 owners wanted to discuss item 1. The chairman said that</p> <p>7 "We should discuss whether to discuss item 1", but that</p> <p>8 is not in line with the requirements. The owner want</p> <p>9 you to discuss item 1 and the chairman said, "We should</p> <p>10 vote on whether we should discuss item 1", this is not</p> <p>11 in line with the guidelines. We propose to amend the</p> <p>12 legislation. If the owners want to discuss item 1, then</p> <p>13 item 1 needs to be discussed.</p> <p>14 MR JASON YU: Thank you, Mr Te.</p> <p>15 THE HON MR JUSTICE DAVID LOK: The owners may have</p> <p>16 responsibilities, but in this case I believe that the</p> <p>17 government also has the responsibility to offer good</p> <p>18 consultant. If owners are explained about the risk and</p> <p>19 what they should do, then things may be resolved.</p> <p>20 Other involved parties, any questions?</p> <p>21 If not, Mr Suen.</p> <p>22 Examination by MR JENKIN SUEN</p> <p>23 MR JENKIN SUEN: Thank you, chairman.</p> <p>24 Mr Te, just now Mr Yu asked you about the</p> <p>25 enhancement measures. You've touched on some of it.</p>	<p>1 MR TE CHI WANG: Thank you. In July 2025 we amended the</p> <p>2 legislation. There's only one tier. That is if every</p> <p>3 owner has to pay, say, \$30,000 for the maintenance</p> <p>4 works, then the voting in person threshold is 5 per cent</p> <p>5 or 100 people.</p> <p>6 But if each owner needs to pay up more, then perhaps</p> <p>7 the threshold should be higher. If each owner has to</p> <p>8 pay \$100,000, maybe we need to raise the voting in</p> <p>9 person threshold to more than 5 per cent.</p> <p>10 Each owners' meeting is limited in terms of its</p> <p>11 time, sometimes there are many discussion items, and</p> <p>12 maybe before the owners' meeting there should be</p> <p>13 a briefing session. We need the works people, the</p> <p>14 consultant, the URA may need to attend these briefing</p> <p>15 sessions to make sure owners know what they need to vote</p> <p>16 for in the owners' meeting, how much is involved, what</p> <p>17 tenderers are involved.</p> <p>18 Many estates and buildings well managed do offer</p> <p>19 briefing sessions on works to make sure owners know what</p> <p>20 decisions need to be made in the owners' meeting. This</p> <p>21 is the amendment directions that we have in mind.</p> <p>22 MR JENKIN SUEN: Understood. So through the legislative</p> <p>23 amendment, you will able to make sure that there is</p> <p>24 a clear requirement that the PMC need to abide by.</p> <p>25 Thank you very much. No further questions.</p>

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<p>1 THE HON MR JUSTICE DAVID LOK: Any re-examination?</p> <p>2 MR JASON YU: No.</p> <p>3 THE HON MR JUSTICE DAVID LOK: Thank you very much.</p> <p>4 (The witness was released)</p> <p>5 (11.11 am)</p> <p>6 THE HON MR JUSTICE DAVID LOK: Perhaps it's time for</p> <p>7 a break. We will break for 10 minutes.</p> <p>8 (11.11 am)</p> <p>9 (A short adjournment)</p> <p>10 (11.26 am)</p> <p>11 MR JASON YU: Chairman, members, the next witness is Mr Lau</p> <p>12 Fu Kwok.</p> <p>13 Good afternoon, Mr Lau Fu Kwok. Please rise and</p> <p>14 read the declaration.</p> <p>15 (11.26 am)</p> <p>16 MR LAU FU KWOK (affirmed)</p> <p>17 Examination by MR JASON YU</p> <p>18 MR JASON YU: Thank you. Mr Lau, we know that you submitted</p> <p>19 one witness statement to the Committee; right?</p> <p>20 MR LAU FU KWOK: Right.</p> <p>21 MR JASON YU: Do you confirm the statement as true and</p> <p>22 correct?</p> <p>23 MR LAU FU KWOK: Yes.</p> <p>24 MR JASON YU: You joined the ICU from 1 January 2022.</p> <p>25 MR LAU FU KWOK: Correct.</p>	<p>1 find your duties in paragraph 1 of your witness</p> <p>2 statement. Let's go to 1(b):</p> <p>3 "To study, formulate and develop policies in</p> <p>4 relation to the regulatory compliance of Housing</p> <p>5 Authority projects consistent with those required by the</p> <p>6 BO and in consultation with the Buildings Department."</p> <p>7 Right?</p> <p>8 MR LAU FU KWOK: Correct.</p> <p>9 MR JASON YU: Look at 1(c):</p> <p>10 "To review and develop independent checking</p> <p>11 practices for (i) all submissions and approvals ..."</p> <p>12 Right?</p> <p>13 MR LAU FU KWOK: Right.</p> <p>14 MR JASON YU: And then 1(d):</p> <p>15 "To formulate the appropriate organisation</p> <p>16 structure, manpower requirements and practices of ICU,</p> <p>17 seeking BD's advice as necessary ..."</p> <p>18 Is that right?</p> <p>19 MR LAU FU KWOK: Yes.</p> <p>20 MR JASON YU: So you confirm that your duties then were to</p> <p>21 ensure that ICU is sufficiently staffed to fulfil the</p> <p>22 relevant duties. And then 1(f):</p> <p>23 "To oversee the building control work on Home</p> <p>24 Ownership Scheme ... courts ... under delegated</p> <p>25 authority from the Director of Buildings ..."</p>
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<p>1 MR JASON YU: And then you were promoted to the rank of head</p> <p>2 of ICU on 1 July?</p> <p>3 MR LAU FU KWOK: Right.</p> <p>4 MR JASON YU: So before you joined ICU, what was your work</p> <p>5 about?</p> <p>6 MR LAU FU KWOK: I worked in the development and</p> <p>7 construction branch of the Housing Department and I took</p> <p>8 up various duties over the span of 30 years, including</p> <p>9 contract management, project management, construction</p> <p>10 design, as well as procurement.</p> <p>11 MR JASON YU: So in your 30 years or so of work, the first</p> <p>12 time you joined the ICU was in 2022.</p> <p>13 MR LAU FU KWOK: Right.</p> <p>14 MR JASON YU: So you became head of the ICU on 1 July 2022</p> <p>15 and you are no longer the head from February this year</p> <p>16 and you were replaced by Ms Haroon Hamidah?</p> <p>17 MR LAU FU KWOK: Yes.</p> <p>18 MR JASON YU: From your witness statement, paragraph 16,</p> <p>19 I learned that there are altogether 333 staff of ICU and</p> <p>20 you are in charge of managing them?</p> <p>21 MR LAU FU KWOK: Yes.</p> <p>22 MR JASON YU: What is your current duty?</p> <p>23 MR LAU FU KWOK: I'm retired.</p> <p>24 MR JASON YU: As head of the ICU, I'd like to know from you,</p> <p>25 Mr Lau, what your duties entailed. In fact, we will</p>	<p>1 MR LAU FU KWOK: Yes.</p> <p>2 MR JASON YU: So as we can see, especially from 1(b), your</p> <p>3 responsibilities include study, formulate and develop</p> <p>4 policies. So, in other words, ICU do not just blindly</p> <p>5 follow the BD's practices. ICU and you, personally,</p> <p>6 were responsible for reviewing ICU's policies. Do you</p> <p>7 agree?</p> <p>8 MR LAU FU KWOK: I do not fully agree. May I supplement?</p> <p>9 MR JASON YU: Yes.</p> <p>10 MR LAU FU KWOK: In 1(b) and 1(c), in terms of the scope of</p> <p>11 responsibilities, these refer to administrative control.</p> <p>12 My statement refers to administrative building control</p> <p>13 and statutory building control. For administrative</p> <p>14 control, it refers to undivested properties of the</p> <p>15 Housing Authority. They are exempted from the Buildings</p> <p>16 Ordinance. So for these properties, we exercise</p> <p>17 administrative control to regulate the development</p> <p>18 consistent with the practices of the Buildings</p> <p>19 Department and the Buildings Ordinance.</p> <p>20 We also have an MOU which I submitted that refers to</p> <p>21 the same. For 1(b) and 1(c) they refer to properties</p> <p>22 under our administrative control. Based on BD's</p> <p>23 practices and the Buildings Ordinance, we exercise and</p> <p>24 formulate control policies and, as such, we formulate</p> <p>25 policies and draw up procedures suited for these</p>

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<p>1 developments.</p> <p>2 MR JASON YU: So your answer is, in relation to Wang Fuk</p> <p>3 Court, your responsibilities did not include reviewing</p> <p>4 policies, you just blindly followed BD's practices?</p> <p>5 MR LAU FU KWOK: For Wang Fuk Court, it's divested</p> <p>6 properties with units sold, so there is no difference to</p> <p>7 private property. So it's still subject to Building</p> <p>8 Ordinance control.</p> <p>9 If you take a look at subparagraph (f), it refers to</p> <p>10 HOS and TPS estates. For these properties, building</p> <p>11 control is exercised under the delegated authority from</p> <p>12 the Director of Buildings according to the Buildings</p> <p>13 Ordinance.</p> <p>14 MR JASON YU: So according to what you said, the answer to</p> <p>15 my question is "yes"; right?</p> <p>16 MR LAU FU KWOK: Yes.</p> <p>17 MR JASON YU: Despite that, as head of the ICU, when your</p> <p>18 frontline staff encountered real issues, would you</p> <p>19 reflect the same to the authority or would you just</p> <p>20 follow suit?</p> <p>21 MR LAU FU KWOK: If problems are affected and if we are not</p> <p>22 able to decide whether to comply with the provisions in</p> <p>23 the Buildings Ordinance or not, we will seek advice from</p> <p>24 the Buildings Department.</p> <p>25 MR JASON YU: Let me go back to your witness statement,</p>	<p>1 departments seem to agree at the evidential hearing that</p> <p>2 the ICU should be responsible for monitoring the safety</p> <p>3 of works in large-scale renovation of housing estates.</p> <p>4 Do you agree?</p> <p>5 MR LAU FU KWOK: Yes, I agree, but let me supplement. Being</p> <p>6 the delegated authority in relation to the</p> <p>7 implementation of building control work of housing</p> <p>8 estates like Wang Fuk Court, indeed the ICU has the main</p> <p>9 responsibility to ensure safety of the works.</p> <p>10 MR JASON YU: Right. Say for section 16 of the building</p> <p>11 maintenance regulation at the evidential hearing, we</p> <p>12 referred to provision a number times, we need to adopt</p> <p>13 adequate measures, we need to ensure safety, et cetera.</p> <p>14 These are things that the ICU should look at.</p> <p>15 MR LAU FU KWOK: Right.</p> <p>16 MR JASON YU: So as the head of the ICU, you should have</p> <p>17 this knowledge or you should at least have the idea that</p> <p>18 for registered inspectors, contractors, building</p> <p>19 professionals, not all of them are law-abiding. They</p> <p>20 may try to cut corners, they may resort to different</p> <p>21 means to cheat the ICU. At least you should have this</p> <p>22 in mind.</p> <p>23 MR LAU FU KWOK: Yes, you could say that. But let me</p> <p>24 supplement. For the large-scale renovation of Wang Fuk</p> <p>25 Court, it stemmed from the Mandatory Building Inspection</p>
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<p>1 paragraph 31. You just now agreed that you would</p> <p>2 blindly follow the Buildings Department's practices but</p> <p>3 in paragraph 31, after the fire, it is said that the ICU</p> <p>4 will propose enhancements for BD's consideration, so you</p> <p>5 will not blindly follow the Buildings Department's</p> <p>6 practices; right?</p> <p>7 MR LAU FU KWOK: Correct. But I want to supplement. If we</p> <p>8 want to invoke the Buildings Ordinance, we need to</p> <p>9 follow the Buildings Department's manual guidelines or</p> <p>10 procedures. In exercising the powers, if we come across</p> <p>11 cases which the Buildings Department may consider</p> <p>12 introducing enhancements or reviewing the relevant</p> <p>13 provisions and look for room for improvement, we will</p> <p>14 reflect these issues to the Buildings Department and see</p> <p>15 if improvements can be made.</p> <p>16 MR JASON YU: We just referred to building control. Did you</p> <p>17 reflect these issues to look for room for improvement</p> <p>18 within your term?</p> <p>19 MR LAU FU KWOK: After the fire, we conducted a review along</p> <p>20 with the Buildings Department. Before that, on and off</p> <p>21 we gave feedback to the Buildings Department, say on how</p> <p>22 the legal provisions should be interpreted, we ask for</p> <p>23 advice.</p> <p>24 MR JASON YU: Right. Let's take a look at issues</p> <p>25 surrounding the fire. Other witnesses from government</p>	<p>1 Scheme. The large-scale renovation also involved minor</p> <p>2 works submissions. I want to highlight that these are</p> <p>3 two mechanisms that are streamlined mechanisms and as</p> <p>4 such there is no need for ICU to vet the applications.</p> <p>5 This is a facilitation measure for the sector to engage</p> <p>6 their own professional staff and contractors to carry</p> <p>7 out works in a legal manner.</p> <p>8 MR JASON YU: I think we have heard the same version again</p> <p>9 and again at this evidential hearing; there is no need</p> <p>10 to repeat. But please answer my question. Whatever the</p> <p>11 mechanism, there is always the black sheep of the</p> <p>12 family. As the head of the ICU, this is something you</p> <p>13 must know.</p> <p>14 MR LAU FU KWOK: Yes.</p> <p>15 MR JASON YU: In order to ensure public safety the ICU</p> <p>16 should be proactive in exercising, monitoring and</p> <p>17 exposing non-compliances.</p> <p>18 MR LAU FU KWOK: I agree. If improper conduct or suspected</p> <p>19 contravention of the BMO is found, we need to follow up</p> <p>20 on them.</p> <p>21 MR JASON YU: I'm sure you won't agree with this; let's take</p> <p>22 a look at this. I1-3/9884. This is an internal</p> <p>23 document of ICU. I believe that this is applicable</p> <p>24 before the fire?</p> <p>25 MR LAU FU KWOK: Correct.</p>

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<p>1 MR JASON YU: In Chinese we call it directive number 15 of 2 ICU. It refers to the works of site monitor team. 3 These are the guidelines for this particular team. 4 MR LAU FU KWOK: Correct. 5 MR JASON YU: Let's go to paragraph 6. It says: 6 "The objectives of site monitoring and auditing 7 are ..." 8 Like section 16, during the works there shall be 9 some monitoring over the site safety issues? 10 MR LAU FU KWOK: Correct. 11 MR JASON YU: Let's move on. Please stop. In paragraph 7, 12 "The SM team", that means the site monitoring team. 13 MR LAU FU KWOK: Yes. 14 MR JASON YU: They will look at items like 7(b), use of 15 materials, and 7(c) is talking about what's mentioned in 16 section 16, that is the precautionary measures. And 17 7(d), issues of management. 18 Let's move on. In paragraph 9 and paragraph 10, 19 I believe this is what the Committee is concerned about. 20 In paragraph 9, site monitoring and auditing will be 21 doing the checks in a surprise manner. 22 MR LAU FU KWOK: Correct. 23 MR JASON YU: This is something very important. It shall be 24 determined according to the risks. It is also clearly 25 stipulated in paragraph 10.</p>	<p>1 agree that during the course of work of minor works 2 carried out no site check, then ICU cannot discover if 3 the contractor is in compliance with section 16 or not. 4 MR LAU FU KWOK: Under these circumstances, according to the 5 mechanism back then, we will not be able to note that. 6 I would like to supplement. For this mechanism, it 7 relies on the professionals, including RI or AP/RSE, to 8 conduct the site supervision. They have the major 9 responsibility to supervise the contractor. They would 10 check the materials as well as the course of work to see 11 if it is safe. They also have the responsibility to 12 report to us if they have doubt. 13 MR JASON YU: But you also agree that there are RI or RSE 14 black sheep, not all of them are law-abiding. Under 15 these particular circumstances, according to your 16 mechanism back then, you just leave it; is that true? 17 MR LAU FU KWOK: Well, we don't have such mechanism to allow 18 us to take initiative and conduct site supervision. 19 MR JASON YU: Well, in retrospect, have you ever thought 20 that since there is no mechanism for you to spot any 21 black sheep to see if any of them has contravened 22 section 16 during the course of work, when you were 23 still the head of ICU, had you ever thought of that? 24 MR LAU FU KWOK: On one hand we have to rely on the 25 professionals. Also, if we have received any</p>
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<p>1 And we know that this directive is related to MBIS 2 as well as minor works. It is related to A&A works for 3 both new and existing buildings. 4 MR LAU FU KWOK: Correct. 5 MR JASON YU: Therefore, ICU does have a risk-based site 6 inspection. However, it is only restricted to A&A works 7 and new buildings. As you have heard from your two 8 colleagues, Mr Yung Siu Lun and Mr Ku Siu Ping, they 9 both admitted that before the fire, for MBIS and minor 10 works, during the course of work the ICU will not 11 conduct any site safety check unless that is complaint 12 before the completion of work, otherwise they would not 13 go onto the site. I believe that you are aware of that? 14 MR LAU FU KWOK: Yes, that was the existing mechanism back 15 then. 16 MR JASON YU: Yesterday, Mr Yung Siu Lun agreed that 17 although there are scaffolding, it covers the eight 18 blocks and it is covering the facade of the building, 19 and truly that is a fire hazard. However, according to 20 the mechanism, ICU cannot be aware of such danger unless 21 there is a complaint. 22 We also agree that the ICU has the basic 23 responsibility to ensure the methodologies, procedures 24 and preventive measures are in compliance with the 25 section 16 of buildings regulations under BO. If you</p>	<p>1 complaints -- my apologies. If we receive any report or 2 complaints, we will also carry out follow-up actions. 3 If we discover any problems, we will also follow up. 4 MR JASON YU: In other words, you have or you have not 5 thought of that when you were still the head of ICU? 6 After knowing about this problem, have you thought of 7 that? 8 MR LAU FU KWOK: I did think of that. Actually, there are 9 ways for us to follow up. 10 MR JASON YU: What were the ways; you have to rely on 11 complaints and self-regulations? 12 MR LAU FU KWOK: Yes, yes. 13 MR JASON YU: You only rely on complaints, you only rely on 14 self-regulations; right? 15 MR LAU FU KWOK: Yes, it was mainly so. 16 MR JASON YU: Not just mainly so; it is only so. 17 MR LAU FU KWOK: Can I supplement? 18 MR JASON YU: Yes. 19 MR LAU FU KWOK: After the fire we have done a lot of 20 reviews. We have also proposed a series of improvement 21 measures that target at the strengthening of our site 22 inspections during the course of work. 23 MR JASON YU: Because there is a death of 168, surely you 24 had to review. My question is why didn't you review it 25 before that? Simply put, you have thought about whether</p>

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<p>1 or not it is sufficient, but back then you think it is</p> <p>2 enough. You just rely on self-regulations and the</p> <p>3 complaints of residents. You think that was enough back</p> <p>4 then?</p> <p>5 MR LAU FU KWOK: Yes. Under the framework of this</p> <p>6 mechanism, yes.</p> <p>7 MR JASON YU: Let us cite one example. Yesterday counsel</p> <p>8 Dawes discussed with Mr Yung Siu Lun about the access</p> <p>9 opening at the staircase. It is unacceptable from the</p> <p>10 perspective of FSD. Mr Yung agreed that, since ICU has</p> <p>11 never investigated the site, they would not be able to</p> <p>12 spot this contravention of law and this shows a critical</p> <p>13 issue within the system. Do you agree?</p> <p>14 MR LAU FU KWOK: I agree that in terms of the system it</p> <p>15 might not be that easy for us to pick up this kind of</p> <p>16 problems.</p> <p>17 MR JASON YU: So you agree that there is an issue with the</p> <p>18 system?</p> <p>19 MR LAU FU KWOK: Yes. Now, in hindsight, yes. May</p> <p>20 I supplement? There are a series of improvement</p> <p>21 measures targeting minor works.</p> <p>22 MR JASON YU: Well, we can talk about that at the end. We</p> <p>23 just want to focus on what happened back then and then</p> <p>24 you can talk about your improvement measures.</p> <p>25 You have mentioned that you are relying on</p>	<p>1 the contractors for self-regulations.</p> <p>2 Would you agree, if they intentionally contravene</p> <p>3 the law, after they create this access opening, they</p> <p>4 would not report it to you? Right? That's just common</p> <p>5 sense.</p> <p>6 MR LAU FU KWOK: Yes.</p> <p>7 MR JASON YU: So on the other hand, you are delegating the</p> <p>8 supervision power to the residents and you rely on the</p> <p>9 contractors to be self-regulated. In hindsight, it is</p> <p>10 unreasonable; right?</p> <p>11 MR LAU FU KWOK: Well, at that time there are some blind</p> <p>12 spots with our system.</p> <p>13 MR JASON YU: Mr Ku Siu Ping has explored those blind spots</p> <p>14 with senior counsel Mr Dawes. Mr Dawes asked for the</p> <p>15 MBIS team, when they just look at the documents, it will</p> <p>16 be impossible to see if there is any contravention of</p> <p>17 the regulations just on paper, and there is no record on</p> <p>18 the construction works. Systematically ICU has no</p> <p>19 supervision over the RI. He also said that although ICU</p> <p>20 really rely on the RI, RI plays an important role.</p> <p>21 However, ICU had never communicated with the RI of</p> <p>22 Wang Fuk Court, that is Mr Ng Yeuk. And Mr Ku says</p> <p>23 systematically, since the commencement of work to its</p> <p>24 completion, there is no requirement of site inspection.</p> <p>25 ICU has responsibility to supervise whether RI is</p>
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<p>1 complaints and self-regulations of the professionals as</p> <p>2 well as the contractors. Do you agree that the</p> <p>3 residents do not have the professional subject</p> <p>4 knowledge? When they spotted an access opening, they</p> <p>5 would not know that it is an issue, they would not know</p> <p>6 that they have to file a complaint? In hindsight</p> <p>7 you would know that is problematic.</p> <p>8 MR LAU FU KWOK: Yes, in hindsight it is so. I would like</p> <p>9 to highlight something. According to the information</p> <p>10 we had back then, we were unable to spot the situations</p> <p>11 with the staircase. In the evidence of Mr Ku, he said</p> <p>12 they did not receive any complaints targeting at access</p> <p>13 opening and they did not conduct any site inspection.</p> <p>14 MR JASON YU: Let's take a pause. Number one, Mr Ku said</p> <p>15 that he had never entered the staircase. Of course he</p> <p>16 did not spot it.</p> <p>17 MR LAU FU KWOK: Right.</p> <p>18 MR JASON YU: Second, you talk about complaints and that</p> <p>19 refers to my point. A general resident, when they see</p> <p>20 an access opening, they would not be able to spot it as</p> <p>21 an issue. Only you as a professional architect or</p> <p>22 professional construction consultant, you will be able</p> <p>23 to tell that it is a problem.</p> <p>24 MR LAU FU KWOK: Right.</p> <p>25 MR JASON YU: You said that you have to rely on the RI or</p>	<p>1 doing their job. Mr Ku agreed. I believe you will also</p> <p>2 agree. However, he said the system at that time does</p> <p>3 not have this provision. There is no need for auditing</p> <p>4 or vetting over the RI. But of course Mr Ku cannot deny</p> <p>5 that in terms of the design of the system it is</p> <p>6 problematic. If the RI is not doing their job, the</p> <p>7 residents would not know how to complain, then no one</p> <p>8 would spot a problem. In hindsight Mr Ku agreed there</p> <p>9 is much room for improvement in the system. Basically</p> <p>10 it matches with your evidence, but yours is slightly</p> <p>11 different from Mr Ku. You are the head of ICU. If</p> <p>12 there is a problem with the system, if the system is not</p> <p>13 sound, you have to bear the responsibility. Agree?</p> <p>14 MR LAU FU KWOK: Yes.</p> <p>15 MR JASON YU: You have mentioned about the blind spot within</p> <p>16 the system. There is one problem that you failed to</p> <p>17 spot or you did spot it but you don't think it is a big</p> <p>18 deal. Anyhow, do you agree as a gatekeeper at ICU you</p> <p>19 have fallen short?</p> <p>20 MR LAU FU KWOK: I cannot agree with that.</p> <p>21 MR JASON YU: Can you explain?</p> <p>22 MR LAU FU KWOK: The problems with the system is that --</p> <p>23 I mean, this fire has exposed the problem within the</p> <p>24 system. Given the situation back then, we have</p> <p>25 colleagues focusing on the systems and there is no</p>

Page 65	<p>1 reflection of such a potential severe problem in the</p> <p>2 system. If we can foresee that, surely we would have</p> <p>3 carried out appropriate follow-up action.</p> <p>4 MR JASON YU: So your answer is you did not spot these</p> <p>5 loopholes within the system but now you admit that it is</p> <p>6 a loophole?</p> <p>7 MR LAU FU KWOK: Yes. It is some large-scale loopholes.</p> <p>8 MR JASON YU: Let's talk about the communications between BD</p> <p>9 and ICU. As the head of ICU, you had the responsibility</p> <p>10 to have close communications with BD and ensure your</p> <p>11 supervision level is aligned with that of BD.</p> <p>12 MR LAU FU KWOK: Right.</p> <p>13 MR JASON YU: According to paragraph 8 of your witness</p> <p>14 statement, you said that HA and BD has set up an open</p> <p>15 guarantee for this kind of public housing and they have</p> <p>16 signed the MOU. That is what you had mentioned.</p> <p>17 MR LAU FU KWOK: Right.</p> <p>18 MR JASON YU: Let's look at the MOU. Bundle J1-1/2043.</p> <p>19 This is the MOU; right?</p> <p>20 MR LAU FU KWOK: Correct.</p> <p>21 MR JASON YU: This is signed on 1 July 2022. Let's go to</p> <p>22 2.1 and 2.2 on page 2045. It talks about the purpose of</p> <p>23 ICU is to ensure independent administrative building</p> <p>24 control over HA buildings is in line with the BO and</p> <p>25 related requirements.</p>	Page 67	<p>1 development of buildings. So it is just a collective,</p> <p>2 overall description.</p> <p>3 MR JASON YU: That's your view. Let's be fair to you.</p> <p>4 Let's move on to 2.4 which focuses on statutory control;</p> <p>5 correct?</p> <p>6 MR LAU FU KWOK: Yes.</p> <p>7 MR JASON YU: Simply put, although in clause 2.3 it was not</p> <p>8 stipulated that it is targeting the new or existing</p> <p>9 buildings A&A works, and it did not mention it is only</p> <p>10 those type of buildings required site monitoring, but</p> <p>11 that is how you interpreted it. Is that what you mean?</p> <p>12 MR LAU FU KWOK: Yes. Because it is targeting at Housing</p> <p>13 Authority's buildings.</p> <p>14 MR JASON YU: No problem. We will look into it later. We</p> <p>15 were taking a brief look at the MOU. Please go to 3.1.</p> <p>16 In 3.1 it talks about how can ICU stay in line with BD.</p> <p>17 Sometimes certain senior members will be seconded to ICU</p> <p>18 and they will serve as a bridge, that is they will serve</p> <p>19 the bridging function.</p> <p>20 MR LAU FU KWOK: I see it.</p> <p>21 MR JASON YU: Line 4.</p> <p>22 In paragraph 17 you have explained these kind of</p> <p>23 secondees will not just sit at your office. They are</p> <p>24 not just here to dispatch official guidelines/documents</p> <p>25 to you, they will also provide relevant information to</p>
Page 66	<p>1 MR LAU FU KWOK: Right.</p> <p>2 MR JASON YU: Let's look at 2.3. It mentions here that,</p> <p>3 according to this MOU, ICU's work includes carrying out</p> <p>4 site monitoring. Can you see that?</p> <p>5 MR LAU FU KWOK: Yes.</p> <p>6 MR JASON YU: Carrying out site monitoring, that is to</p> <p>7 supervise the site; correct?</p> <p>8 MR LAU FU KWOK: Yes.</p> <p>9 MR JASON YU: Let's look at paragraph 9 of your witness</p> <p>10 statement. You quote clause 2.3 of the MOU. For 9(c):</p> <p>11 "Carrying out site monitoring for buildings under</p> <p>12 construction and existing buildings with [A&A] works in</p> <p>13 progress ..."</p> <p>14 Let's compare paragraph 9(c) with J1-1. Would you</p> <p>15 agree that actually there are no such wordings in</p> <p>16 clause 2.3? It just says the ICU had to carry out site</p> <p>17 monitoring. It did not specify which types of works</p> <p>18 required such monitoring. Would you agree with that?</p> <p>19 MR LAU FU KWOK: Can I look at the paragraph before</p> <p>20 paragraph 2.3?</p> <p>21 MR JASON YU: Yes.</p> <p>22 MR LAU FU KWOK: 2.1, please. It was not mentioned.</p> <p>23 MR JASON YU: It was found in your witness statement.</p> <p>24 MR LAU FU KWOK: For clause 2.3, it is describing</p> <p>25 administrative control, that is the control on HA's</p>	Page 68	<p>1 you. So not restricted to some proper guidelines.</p> <p>2 Sometimes there might be some informal exchange;</p> <p>3 correct?</p> <p>4 MR LAU FU KWOK: They will give us advice.</p> <p>5 MR JASON YU: Let me cite an example. If the staff of ICU</p> <p>6 receive a complaint, they have spared effort to the site</p> <p>7 and checked it, when they see the contractors sealing</p> <p>8 the windows with foam board, and there are a lot of foam</p> <p>9 materials left on the ground prepared to be used, under</p> <p>10 these circumstances should the colleague of ICU write an</p> <p>11 inspection report or at least there should be some</p> <p>12 written record jotting down what did they talk about</p> <p>13 with the contractors?</p> <p>14 MR LAU FU KWOK: It has to be determined case by case. The</p> <p>15 best practice is to have clear record. However, in</p> <p>16 certain cases, sometimes it is simple or there is</p> <p>17 a record in other forms. And when our staff handle</p> <p>18 these cases, they will adjust accordingly.</p> <p>19 MR JASON YU: Well, we will look at this response later.</p> <p>20 All right. After inspection, maybe the ICU staff is not</p> <p>21 100 per cent clear about the provisions, so they talk to</p> <p>22 the secondees from BD and they ask, "Is it a</p> <p>23 contravention to the law if they use foam board to seal</p> <p>24 the windows?"</p> <p>25 After listening to their advice, should they put</p>

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<p>1 down a written record stating what advice they received?</p> <p>2 MR LAU FU KWOK: This is about the exchange among colleagues</p> <p>3 or advice. In practice, in our office we don't have</p> <p>4 such kind of hard and fast guidelines telling colleagues</p> <p>5 when records need to be made.</p> <p>6 MR JASON YU: So when you were the head of ICU there were no</p> <p>7 guidelines stipulating that colleagues need to make</p> <p>8 a written record after inspections and there was no</p> <p>9 requirements asking the ICU staff to make a record after</p> <p>10 seeking advice from the BD secondees?</p> <p>11 MR LAU FU KWOK: I was talking about the letter. You said</p> <p>12 that after the ICU staff have sought advice from the BD</p> <p>13 secondees, should they make a clear written record?</p> <p>14 There are different needs and sometimes we need detailed</p> <p>15 records. If, say, layout plans, calculations are</p> <p>16 involved, then we understand that there will be some</p> <p>17 plans, there will be written submissions. These are the</p> <p>18 things that we need detailed records about because --</p> <p>19 well, but for simple questions that require only a "yes"</p> <p>20 and "no" answer, it happens very frequently during our</p> <p>21 daily work.</p> <p>22 MR JASON YU: So for a simple issue such as sealing of</p> <p>23 windows with foam boards, no one should be able to make</p> <p>24 records, and the Committee rely on the testimony of your</p> <p>25 staff. There's no written records about it.</p>	<p>1 MR LAU FU KWOK: Right.</p> <p>2 MR JASON YU: Let's look at report 41. That's the latest</p> <p>3 report. They are about policy or overall issues. Some</p> <p>4 numbers are included. So the report does not cover</p> <p>5 details of individual projects?</p> <p>6 MR LAU FU KWOK: Right.</p> <p>7 MR JASON YU: In clause 3.2 of the MOU, we've asked the</p> <p>8 witnesses of BD about that. It is said that, when</p> <p>9 necessary BD may conduct audit checks on ICU when</p> <p>10 necessary to ensure the standards of checking by ICU are</p> <p>11 consistent with those of BD. Do you see that sentence?</p> <p>12 MR LAU FU KWOK: Yes.</p> <p>13 MR JASON YU: The deputy director of BD, Ms Cheung, said</p> <p>14 that as far as she understands the BD never conducted</p> <p>15 any audit checks on ICU. Do you agree with that?</p> <p>16 MR LAU FU KWOK: I don't agree 100 per cent.</p> <p>17 MR JASON YU: When you were the head, did BD conduct any</p> <p>18 audit checks on ICU according to clause 3.2?</p> <p>19 MR LAU FU KWOK: As far as I understand, the BD secondees</p> <p>20 who are advisors play the role of auditor as well during</p> <p>21 their daily work. For addition and alteration works,</p> <p>22 when submissions are received we need to vet them. When</p> <p>23 we review these submissions, we seek these advisors out</p> <p>24 to conduct vetting for us, and they gave advice to the</p> <p>25 vetting team on the interpretation of the Buildings</p>
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<p>1 MR LAU FU KWOK: There was no clear guidelines at that time.</p> <p>2 MR JASON YU: There was no guidelines at all. As Mr Ku Siu</p> <p>3 Ping said, there's no requirements to make written</p> <p>4 records because there is not such a requirement. So you</p> <p>5 agreed with what he said?</p> <p>6 MR LAU FU KWOK: Yes. It was the practice at that time.</p> <p>7 After reviewing the incident internally, we are going to</p> <p>8 have some enhancement.</p> <p>9 MR JASON YU: What kind of enhancement are we talking about</p> <p>10 here?</p> <p>11 MR LAU FU KWOK: If safety or major concerns, high-risk</p> <p>12 issues or complaints are involved, then we ask our</p> <p>13 colleagues to compile comprehensive records, and when</p> <p>14 they do inspections, they need to complete the</p> <p>15 inspection forms.</p> <p>16 MR JASON YU: So, looking back, I believe that you would</p> <p>17 agree that lives are involved and these are no simple</p> <p>18 matters.</p> <p>19 MR LAU FU KWOK: Now in hindsight, true.</p> <p>20 MR JASON YU: Let's look at clause 3.2 in the MOU. It is</p> <p>21 said that BD has been reviewing regularly the report to</p> <p>22 ICU every six months. In paragraph 21 you described</p> <p>23 these reports. They are about macro and policy issues.</p> <p>24 Details of individual projects will not be included,</p> <p>25 such at Wang Fuk Court case. Right?</p>	<p>1 Ordinance. On those occasions, the advisors did give us</p> <p>2 advice and played gatekeeper role.</p> <p>3 MR JASON YU: But that was a very specific case that you</p> <p>4 mentioned. That's about the A&A works. For this case,</p> <p>5 Ms Cheung was talking about the MBIS. As far as you</p> <p>6 understand there was no audit checks done?</p> <p>7 MR LAU FU KWOK: If we're talking about MBIS, then no.</p> <p>8 MR JASON YU: Clause 5.1, it is said that the HA and the BD</p> <p>9 will review the MOU bi-annually. The MOU was dated</p> <p>10 July 2022. Has any amendment been made to the MOU?</p> <p>11 MR LAU FU KWOK: I believe that there has been a discussion</p> <p>12 about the review and amendment. Every two years we talk</p> <p>13 to the BD about whether there is a need to amend the</p> <p>14 MOU. But I don't think that it's necessary for us to</p> <p>15 regularly update the MOU.</p> <p>16 MR JASON YU: Did you participate in the discussion?</p> <p>17 MR LAU FU KWOK: Yes.</p> <p>18 MR JASON YU: What suggestions were made?</p> <p>19 MR LAU FU KWOK: We did amend the MOU from time to time. On</p> <p>20 one occasion we added an extra paragraph to the MOU on</p> <p>21 how we refer problematic AP or consultants of projects</p> <p>22 to BD for disciplinary action, because at that time the</p> <p>23 Housing Authority adopted some new procurement model.</p> <p>24 We were talking about design and build model. AD need</p> <p>25 to hire AP/RSE to carry out some project. For those</p>

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<p>1 contract type, we added some few paragraphs to the MOU.</p> <p>2 MR JASON YU: But for MBIS and minor works, no amendment has</p> <p>3 been made?</p> <p>4 MR LAU FU KWOK: No amendment has been made to those two</p> <p>5 areas.</p> <p>6 MR JASON YU: There are mechanisms in the MOU to make sure</p> <p>7 that the practice of BD and HA practice are consistent.</p> <p>8 I'd like to give you some examples.</p> <p>9 First, the BD introduced a new system, that is if</p> <p>10 some minor works submissions have been selected for</p> <p>11 fundamental check, audit fundamental check, and if there</p> <p>12 is a monitoring plan, then the BD will select</p> <p>13 20 per cent for site inspection. I believe that you are</p> <p>14 aware of that. You mentioned it in the witness</p> <p>15 statement.</p> <p>16 According to you and Mr Yung, the BD, in</p> <p>17 December 2025, informed ICU about this new arrangement?</p> <p>18 MR LAU FU KWOK: Right.</p> <p>19 MR JASON YU: That is, from 2023 to 2025, in these two-odd</p> <p>20 years, ICU and BD's practice were in consistent. Do you</p> <p>21 agree with that?</p> <p>22 MR LAU FU KWOK: Yes, there is a gap.</p> <p>23 MR JASON YU: Let's look at II-4/9179. Please go to</p> <p>24 paragraph 16. We just talked about the site monitoring</p> <p>25 team. You said that the duties are only carried out for</p>	<p>1 and inspection according to the manual.</p> <p>2 In December 2025 -- well, prior to that, the site</p> <p>3 monitoring exercise was conducted based on the site</p> <p>4 monitoring manual. There is no such 20 per cent site</p> <p>5 safety inspections requirement.</p> <p>6 MR JASON YU: You said that there is a problem with</p> <p>7 communication.</p> <p>8 MR LAU FU KWOK: Yes.</p> <p>9 MR JASON YU: You have to make sure that the practice</p> <p>10 between you and BD are consistent because you are the</p> <p>11 head. If you told the BD that you have changed your</p> <p>12 practice, then they would have the chance to correct</p> <p>13 you.</p> <p>14 MR LAU FU KWOK: I agree. We did realise that we have some</p> <p>15 communication problems, but this is a two-way issue. We</p> <p>16 will not evade our responsibility. We proactively reach</p> <p>17 out to BD to step up communications at different levels.</p> <p>18 It's already set out in my witness statement.</p> <p>19 MR JASON YU: There's no way for you to evade</p> <p>20 responsibility.</p> <p>21 Let's look at A8. Can we enlarge this? This is the</p> <p>22 website of BD. This is a 2019 version. We use the</p> <p>23 Wayback Machine to look up past records. This is how BD</p> <p>24 describe their site monitoring team. We know that the</p> <p>25 ICU have an SMT. The BD have a relevant site monitoring</p>
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<p>1 projects that need to be approved by the ICU; right?</p> <p>2 MR LAU FU KWOK: Correct.</p> <p>3 MR JASON YU: These are the duties that we want the SMT to</p> <p>4 have carried out for Wang Fuk Court but they were not</p> <p>5 done. Because you said that before December 2025 you</p> <p>6 didn't know that BD adopted such practice; right?</p> <p>7 MR LAU FU KWOK: Correct.</p> <p>8 MR JASON YU: If I were from the Buildings Department, just</p> <p>9 based on this paragraph, it seems that we wouldn't be</p> <p>10 able to tell SMT's duties are only relevant to works</p> <p>11 that meets prior approval.</p> <p>12 MR LAU FU KWOK: These are just general descriptions.</p> <p>13 MR JASON YU: Did you tell BD what your practice was? Say,</p> <p>14 for example, your works are only limited to A&A works to</p> <p>15 existing buildings and new buildings, you only conduct</p> <p>16 site inspections for those types of buildings and works?</p> <p>17 MR LAU FU KWOK: They're not included in this paragraph.</p> <p>18 I'd like to add this. Site monitoring teams all along</p> <p>19 need to comply with the site monitoring manual of the</p> <p>20 Buildings Department. The manual was published by the</p> <p>21 BD to their own colleagues and us. This is an internal</p> <p>22 manual. It sets out under what circumstances site</p> <p>23 monitoring need to be conducted, the frequency. There</p> <p>24 are clear descriptions as to how those monitoring need</p> <p>25 to be done. Our colleagues just conduct site monitoring</p>	<p>1 section; right?</p> <p>2 MR LAU FU KWOK: Yes.</p> <p>3 MR JASON YU: Let's look at how they describe their duties.</p> <p>4 Scroll down. Stop here.</p> <p>5 Can you see:</p> <p>6 "Site monitoring section handles projects that meet</p> <p>7 prior approval and consent under the Buildings Ordinance</p> <p>8 and our staff will carry out audit inspections to all</p> <p>9 these construction sites."</p> <p>10 Can you see it?</p> <p>11 MR LAU FU KWOK: Yes.</p> <p>12 MR JASON YU: You were not aware of this description on the</p> <p>13 BD website; am I right?</p> <p>14 MR LAU FU KWOK: I did not pay particular attention to this</p> <p>15 paragraph.</p> <p>16 MR JASON YU: You were not aware of it?</p> <p>17 MR LAU FU KWOK: Not true. Because from time to time we did</p> <p>18 go to BD's website. I'm not sure if I paid particular</p> <p>19 attention to this paragraph.</p> <p>20 MR JASON YU: If you did read the paragraph then you would</p> <p>21 know that there is inconsistency in your practices.</p> <p>22 MR LAU FU KWOK: Let me explain. As far as we understand,</p> <p>23 the website explains about the duties of BD for the</p> <p>24 general public. But for audits and checks of minor</p> <p>25 works, we need to also refer to the operational manual.</p>

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<p>1 We did comply with the operational manual in auditing</p> <p>2 class I minor works. For supervision plans, minor works</p> <p>3 team, if they have referred some supervision teams of</p> <p>4 minor works class I to us, then our site monitoring team</p> <p>5 did vet those submissions. For site safety inspections,</p> <p>6 we did not see it in the manual so we did not do it.</p> <p>7 MR JASON YU: You did not see it in the manual so you did</p> <p>8 not do it. Big problems arose because of that. I asked</p> <p>9 you just now if you blindly follow the manual. You only</p> <p>10 followed certain documents. Is that problematic in</p> <p>11 hindsight?</p> <p>12 MR LAU FU KWOK: As I said, when we carry out duties, we</p> <p>13 have to follow the manual and guidelines of the</p> <p>14 Buildings Department. At that time we did follow the</p> <p>15 guidelines available when we carried out our work.</p> <p>16 MR JASON YU: According to your witness statement, the</p> <p>17 problem is that the BD did not clearly set out the</p> <p>18 duties in the manual and they did not know that you only</p> <p>19 follow the manual without reading the website. This</p> <p>20 website is what everyone can see but you did not read</p> <p>21 it.</p> <p>22 MR LAU FU KWOK: That's not what I meant. We are of the</p> <p>23 view that we need to enhance communications. In order</p> <p>24 to avoid inconsistency in our practices, we have adopted</p> <p>25 some enhancement measures.</p>	<p>1 MR JASON YU: Would you agree that the practice of only</p> <p>2 checking 16 submissions is inconsistent with the</p> <p>3 practice of BD?</p> <p>4 MR LAU FU KWOK: Disagreed.</p> <p>5 MR JASON YU: Why?</p> <p>6 MR LAU FU KWOK: In Mr Ku Siu Ping's statement, explanation</p> <p>7 has been given. Let me explain further. This</p> <p>8 16 submissions check has been decided a long time ago.</p> <p>9 Based on the total number from the BD, coupled with the</p> <p>10 ratio of works submission, we conducted the random</p> <p>11 check. We changed the practice of issuing statutory</p> <p>12 notice. We have lowered the number of SN issued because</p> <p>13 for each common area we issue one SN. When the number</p> <p>14 of SNs issued have been lowered, the percentage of</p> <p>15 checking have been lowered but we did not lower the</p> <p>16 number of random check we conduct. We still select 16</p> <p>17 for checks and inspections.</p> <p>18 MR JASON YU: I understand your explanation. You only</p> <p>19 follow the -- well, BD follow the international</p> <p>20 standards; you do not. There is inconsistency. There's</p> <p>21 no way for you to disagree with this.</p> <p>22 MR LAU FU KWOK: Sorry, I don't quite agree. As</p> <p>23 I explained, we set the number at 16 following this</p> <p>24 standard. Let me supplement. For the final work audit</p> <p>25 check, 1,725 per year, this is based on the Buildings</p>
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<p>1 MR JASON YU: For safety audit issues, the ICU have major</p> <p>2 responsibility. You should not put the blame on BD</p> <p>3 alone.</p> <p>4 MR LAU FU KWOK: Correct. We agree. ICU does not want to</p> <p>5 put the blame on any other parties or departments. We</p> <p>6 proactively detect any deficiencies and we try to</p> <p>7 address them. In December we came to realise the new</p> <p>8 requirement in January; immediately we arranged for</p> <p>9 inspections.</p> <p>10 MR JASON YU: That's after the fire; correct?</p> <p>11 MR LAU FU KWOK: Yes.</p> <p>12 MR JASON YU: On to the second point. The deputy director</p> <p>13 of the BD, when they made the testimony, when they do</p> <p>14 MBIS, they conduct site random inspection. They do that</p> <p>15 according to ISO 28591. Are you aware of that?</p> <p>16 MR LAU FU KWOK: Yes.</p> <p>17 MR JASON YU: According to this ISO standard, you need to</p> <p>18 consider the total amount before you do the random</p> <p>19 check. It means the more the number of submissions, the</p> <p>20 larger number of checks you need to conduct.</p> <p>21 MR LAU FU KWOK: Correct.</p> <p>22 MR JASON YU: So ICU's practice at that time was that</p> <p>23 regardless of the number of submissions received, you</p> <p>24 only checked 16 of them?</p> <p>25 MR LAU FU KWOK: Yes.</p>	<p>1 Department's standards which is set on the basis of ISO.</p> <p>2 Now, as explained by the witness yesterday, based on</p> <p>3 this ratio, that's about one-fourth the total case load.</p> <p>4 So we also adopted the pro rata one-fourth ratio.</p> <p>5 MR JASON YU: So you gave this explanation to the Buildings</p> <p>6 Department; right?</p> <p>7 MR LAU FU KWOK: Yes, they know, yes.</p> <p>8 THE HON MR JUSTICE DAVID LOK: Let's see if my understanding</p> <p>9 is correct. Regardless of the percentage, we're only</p> <p>10 talking about document audit fundamental check and they</p> <p>11 don't include site inspection or site audit. Basically,</p> <p>12 if you don't receive any complaint, you won't go to the</p> <p>13 site.</p> <p>14 MR LAU FU KWOK: We go to the site. Under the mechanism,</p> <p>15 our staff would go.</p> <p>16 THE HON MR JUSTICE DAVID LOK: So that's at the time of</p> <p>17 commencement, completion, but not the interim?</p> <p>18 MR LAU FU KWOK: Correct. That's according to the two</p> <p>19 mechanisms' design.</p> <p>20 MR JASON YU: Your evidence is that the Buildings Department</p> <p>21 changed this design. Not to your knowledge.</p> <p>22 MR LAU FU KWOK: But in relation to site inspection.</p> <p>23 MR JASON YU: Let's come to the final point: surprise</p> <p>24 checks. Ms Cheung Yuk Ching in her evidence made it</p> <p>25 clear that their practice is to conduct the check upon</p>

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<p>1 receiving the complaint and only when there are</p> <p>2 follow-up issues would they approach the RIs or RCs, and</p> <p>3 that's the same practice for different departments, for</p> <p>4 the very simple reason that when you receive a complaint</p> <p>5 and when you visit the site for inspection, before you</p> <p>6 do that, the contractor may play a trick and try to</p> <p>7 mislead the department. You know that?</p> <p>8 MR LAU FU KWOK: Yes.</p> <p>9 MR JASON YU: We know that the MBIS team does it another way</p> <p>10 upon receiving complaint. As Mr Ku Siu Ping explained,</p> <p>11 the RIs and RCs would be informed in eight or 10 cases</p> <p>12 received in advance, to make sure that they would be</p> <p>13 there. And Mr Ku Siu Ping agreed a few days ago that</p> <p>14 the Buildings Department most of the time conducted</p> <p>15 surprise checks and not the same for ICU. And you are</p> <p>16 now bringing your practices to a par with the Buildings</p> <p>17 Department; right?</p> <p>18 MR LAU FU KWOK: In hindsight, yes, we want to prevent</p> <p>19 deception and concealment, so most of our checks will be</p> <p>20 conducted in a surprise manner. We will not disclose</p> <p>21 them in advance.</p> <p>22 MR JASON YU: So when you were the head of ICU, did you know</p> <p>23 that some departments would indeed inform the parties</p> <p>24 before the check?</p> <p>25 MR LAU FU KWOK: I suppose some departments would inform the</p>	<p>1 advanced notice, to physical checks on site over the</p> <p>2 years, the ICU has never realised that their practice is</p> <p>3 different from the BD's? Do you agree, as head of the</p> <p>4 ICU, you should have taken a closer look?</p> <p>5 MR LAU FU KWOK: Yes, in hindsight, agree.</p> <p>6 MR JASON YU: So, to conclude, the ICU and the Buildings</p> <p>7 Department clearly had communication problems. You</p> <p>8 agree that consistency should be maintained. You held</p> <p>9 many meetings and many staff members were seconded to</p> <p>10 the ICU from the Buildings Department, and yet these</p> <p>11 gaps, the shortfalls were not identified. The ICU, as</p> <p>12 the title suggests, is an Independent Checking Unit.</p> <p>13 But Mr Yung yesterday gave evidence, he viewed some</p> <p>14 photos regarding the access openings and he agreed that</p> <p>15 if these situations had been closely looked at and</p> <p>16 considered, there would not be such a problem, it's not</p> <p>17 identified.</p> <p>18 So why is it that powers had to be delegated by the</p> <p>19 Buildings Department to the ICU? Do you think that is</p> <p>20 meaningful?</p> <p>21 MR LAU FU KWOK: The ICU has always done its best to follow</p> <p>22 the Buildings Department's practices and adopt the</p> <p>23 Buildings Department's standards in the monitoring of</p> <p>24 works. A lot of emphasis is placed on the approval and</p> <p>25 consent system involving high risks. As I already</p>
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<p>1 parties in advance, such as the Buildings Department.</p> <p>2 And the MBIS, when they conduct inspections, if they</p> <p>3 need to physically visit the site, they would at least</p> <p>4 inform the IO or the owner. Of course they will not</p> <p>5 inform the contractor. They will do so to make sure</p> <p>6 that they can actually go in and conduct the check.</p> <p>7 MR JASON YU: Let me rephrase my question.</p> <p>8 Mr Ku explained why they did not inspect the site</p> <p>9 upon receiving complaint. At least the MBIS team did</p> <p>10 not do so. Did you know that at the time?</p> <p>11 MR LAU FU KWOK: Can you repeat?</p> <p>12 MR JASON YU: Mr Ku's evidence is that MBIS team back then</p> <p>13 would definitely inform the RI and RC and arrange to</p> <p>14 meet them at the site in advance to make sure they would</p> <p>15 be upon receiving a complaint for site inspection. Did</p> <p>16 you know that?</p> <p>17 MR LAU FU KWOK: When they received a complaint, they would</p> <p>18 conduct a site inspection. I wasn't too sure about the</p> <p>19 Wang Fuk Court case.</p> <p>20 MR JASON YU: Never mind the Wang Fuk Court case. I think</p> <p>21 his evidence applied to all the inspections. Upon</p> <p>22 receiving the complaint, did you have any knowledge?</p> <p>23 MR LAU FU KWOK: No.</p> <p>24 MR JASON YU: Right. We've gone through a number of points.</p> <p>25 I think you would agree, from site inspections with</p>	<p>1 explained just now, be it the BD advisor or our own</p> <p>2 staff, we liaised very closely with each other on</p> <p>3 approval and consent system.</p> <p>4 Because we had to handle a lot of details in the</p> <p>5 approval system, so for this approval and consent</p> <p>6 system, more stringent vetting process and monitoring</p> <p>7 was involved.</p> <p>8 According to the streamlined arrangement of these</p> <p>9 two schemes, that's MBIS, MWIS and minor works system,</p> <p>10 indeed the RI or AP/RSE are primarily responsible for</p> <p>11 supervising the contractors. Our job is to put in place</p> <p>12 audit arrangements and now it's been revealed that when</p> <p>13 works are in progress, audit checks have not been</p> <p>14 sufficiently done. So this is something we need to</p> <p>15 improve.</p> <p>16 The ICU conducts monitoring proactively. But back</p> <p>17 then we placed focus on more complex high-risk projects.</p> <p>18 MR JASON YU: I have no other questions.</p> <p>19 Questioning by THE MEMBERS</p> <p>20 DR REX AUYEUNG PAK-KUEN: Mr Lau, my impression is this. To</p> <p>21 my knowledge, ICU is a supervising unit, but you only</p> <p>22 act on complaints, and that means if nobody complains,</p> <p>23 then it's questionable that you do play a supervisory</p> <p>24 role. Anyway, I have this question.</p> <p>25 From the evidence of your good self, Mr Yung and</p>

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<p>1 Mr Ku, I heard this word quite often, that is the</p> <p>2 "system". On a number of occasions just now you</p> <p>3 emphasised that you worked according to manual. As the</p> <p>4 counsel just now suggested, you would not handle</p> <p>5 anything outside the scope of the manual.</p> <p>6 Now, if this is so rigid and mechanical, then</p> <p>7 perhaps with the advancement of computers and AI</p> <p>8 nowadays ICU could be replaced.</p> <p>9 MR LAU FU KWOK: Thank you. A monitoring system should be</p> <p>10 put in place. In fact, the member made a very good</p> <p>11 point. Is it possible that we leverage on advanced</p> <p>12 technologies to help us with our work? We have</p> <p>13 considered this. For example, we've stepped up site</p> <p>14 inspection and checks, be it MBIS, MWIS or minor works.</p> <p>15 While works are in progress, we conduct checks on</p> <p>16 a random basis. Instead of selecting sites manually, we</p> <p>17 rely on technology.</p> <p>18 Leveraging on technology, we can assess beforehand</p> <p>19 whether this project is a high-risk project. For</p> <p>20 example, if dangerous or high-risk procedures will be</p> <p>21 carried out on site, for example, alteration works at</p> <p>22 the means of escape, that's the back staircase of</p> <p>23 Wang Fuk Court, that involves high risk. For, say, work</p> <p>24 at height, that's not a fire hazard but it's still risky</p> <p>25 because workers may fall off, so we make use of an IT</p>	<p>1 MR LAU FU KWOK: Indeed, that's the case, we will be</p> <p>2 informed once it's launched, not through the meeting.</p> <p>3 And now we have this practice. We review the</p> <p>4 enhancement measures.</p> <p>5 THE HON MR CHAN KIN-POR: Why is it that in 2022 you had no</p> <p>6 idea? Only after the fire were you informed. I'm not</p> <p>7 too sure why.</p> <p>8 MR LAU FU KWOK: I think there was a communication problem</p> <p>9 at the time. As explained just now, three colleagues or</p> <p>10 three advisors were seconded to the ICU. Their job was</p> <p>11 to update us with the latest practices and manuals. At</p> <p>12 that time we had no knowledge of the update.</p> <p>13 THE HON MR CHAN KIN-POR: We really want to make sure this</p> <p>14 is properly done. Regarding the system, once a change</p> <p>15 is made, you should be notified. You're at the higher</p> <p>16 rank. There's no reason we must rely on the three</p> <p>17 secondees because notification must be made or there</p> <p>18 will be a time gap. So, in other words, I want to know</p> <p>19 at the time did you receive the circular? Did you</p> <p>20 receive it and you did not notice it, or what? What's</p> <p>21 the real reason?</p> <p>22 MR LAU FU KWOK: We did not rely on regular meetings for</p> <p>23 updates. As pointed out by the member just now, if you</p> <p>24 hold quarterly meetings, then you might be discussing</p> <p>25 something that happened three months ago, and that's not</p>
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<p>1 system to help us identify the high-risk projects so</p> <p>2 that we use a random system in selecting sites. The</p> <p>3 system will help us identify and this can help address</p> <p>4 human errors and the possibility of falsification.</p> <p>5 DR REX AUYEUNG PAK-KUEN: Thank you. I'm happy to learn</p> <p>6 that you are considering new methods. However, I just</p> <p>7 want to say everything involves humans. The goal is to</p> <p>8 deliver public service and ensure site safety. So in</p> <p>9 devising a new method, please make sure that safety is</p> <p>10 put first.</p> <p>11 Thank you, chair.</p> <p>12 THE HON MR CHAN KIN-POR: Mr Lau, here is my question.</p> <p>13 Paragraph 34 of your statement provides that you hold</p> <p>14 meetings with the Buildings Department every six months</p> <p>15 but for individual subjects, they may happen once a</p> <p>16 year. And now, under the new arrangement, meetings will</p> <p>17 be held more frequently, say, half-yearly or even</p> <p>18 quarterly. However, the ICU's work should be consistent</p> <p>19 with the Buildings Department. Isn't it so that once a</p> <p>20 change is made, a circular should be sent to the ICU?</p> <p>21 So my question is why have you included your reply here</p> <p>22 like this? Is it that you are informed first, or is it</p> <p>23 that it's a stock-taking exercise on a quarterly basis?</p> <p>24 Isn't it that once something is rolled out, you'll be</p> <p>25 informed?</p>	<p>1 the case. Under the current mechanism, the secondees</p> <p>2 would report to us any updates. But on this matter,</p> <p>3 perhaps because of a lapse of communication, we did not</p> <p>4 receive the update.</p> <p>5 THE HON MR CHAN KIN-POR: So you do have a regular</p> <p>6 understanding mechanism that you would be informed but,</p> <p>7 for some unknown reason, on this issue you were not</p> <p>8 informed; it so happened that you were not informed but</p> <p>9 there is a standing mechanism?</p> <p>10 MR LAU FU KWOK: Yes. We checked. Indeed, that was the</p> <p>11 case.</p> <p>12 THE HON MR JUSTICE DAVID LOK: A lot of ground has been</p> <p>13 covered. I think we know the ICU's position and that we</p> <p>14 rely on professionals to do the job. But in actual</p> <p>15 fact, under ICU there are two mechanisms: the MBIS team,</p> <p>16 there is a monitoring mechanism, they submit the MB</p> <p>17 form; and there is also a minor works mechanism, they</p> <p>18 submit MW submissions. You explained that you would</p> <p>19 only check what's been submitted. We understand that.</p> <p>20 About a way forward, you suggest increasing the</p> <p>21 frequency of checks and you've given us a percentage.</p> <p>22 So in the future, when you conduct checks on large-scale</p> <p>23 housing estates such as Wang Fuk Court, instead of just</p> <p>24 giving us a percentage, you should make sure that checks</p> <p>25 are done; right? Because if you say you're short of</p>

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<p>1 manpower, Mr Yung yesterday said had the Buildings 2 Department told you in advance, then there would be 3 a much higher chance of site inspection. 4 So that's not about manpower; right? According to 5 him, you only had so and so number of colleagues to 6 conduct site inspections in that month. So in the 7 future, there should be a risk-based mechanism. For 8 cases such as Wang Fuk Court you should make sure that 9 site inspections are done. For cases that involve 10 mostly large housing estates, you may not have the 11 resources, you may say that, but please make sure checks 12 are done. 13 You are no longer in the same post but wouldn't you 14 agree that in the future, for these kinds of projects, 15 inspections must be carried out? 16 MR LAU FU KWOK: Thank you, chair, for the question. Let me 17 respond to that. For large-scale renovation, in 18 hindsight these are projects that entail high risks. 19 Under our enhancement measures, for these projects 20 we would conduct site inspections once every four months 21 and it's a targeted inspection. It's not just about 22 doing a round on the ground floor. 23 As I explained, we use computers to identify 24 high-risk procedures first. Each project may entail 25 different procedures. It may involve, say, large-scale</p>	<p>1 Based on that, the FSD will also conduct more frequent 2 inspections. 3 The findings of their inspections will be passed on 4 to us for follow-up action. Say for fire hazard 5 abatement notices issued, upon receipt of the 6 information, we will follow that up with the RIs. 7 So this is the communication channel setup. On top 8 of that, we also work with a number of government 9 departments related to large-scale renovation and that 10 is the Buildings Department, Labour Department, there is 11 another mechanism. As mentioned by the assistant 12 director, we will take follow-up action in a timely 13 manner on large-scale renovation. 14 THE HON MR JUSTICE DAVID LOK: Do you think this mechanism 15 needs to be revised? There's BD, ICU, you are all 16 working on different sectors. Should they be all put 17 under the same department? What do you think? 18 MR LAU FU KWOK: I might not be in the right position to 19 comment on this. This concerns government policies. 20 Perhaps I shall leave it to the related bureaus to 21 handle it. 22 THE HON MR JUSTICE DAVID LOK: After listening to all this 23 evidence, we have an impression that since ICU has to be 24 in line with BD, because of that, BD would send 25 secondees to ensure alignment. And it seems that you</p>
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<p>1 renovation of the facade. There may be procedures 2 involving working at height such as replacing windows at 3 height, and there may be additional risk of falling. So 4 for the high-risk procedures we take a random sampling 5 approach. That means on each occasion we check 6 different locations to make sure that at each site 7 inspection we cover these high-risk locations. 8 On top of the regular inspection routes, this will 9 help us make sure that for the high-risk locations in 10 large housing estates they will be covered by our 11 inspection efforts. 12 THE HON MR JUSTICE DAVID LOK: So for this kind of 13 procedure, without particularly high risk, you will 14 conduct site inspections once every four months and you 15 will go on the inspection with other government 16 departments? 17 MR LAU FU KWOK: Yes. This is something I want to explain. 18 In terms of collaborating with other government 19 departments, after the fire, we've actively liaised with 20 a number of government departments. First, we set up 21 a two-way communication channel with the Fire Services 22 Department. The arrangement is in force now. For 23 large-scale renovation involving the ICU, when we know 24 that works will commence or when works have commenced, 25 we will provide a list to the Fire Services Department.</p>	<p>1 are just blindly following the instructions of BD 2 without independent thinking. For HOS projects or other 3 projects that you are supervising, are there additional 4 risk that requires you to not just follow the rules of 5 BD, perhaps you have to check the site more frequently? 6 In terms of your working culture, do you believe 7 that you are overly relying on BD? 8 MR LAU FU KWOK: If we look at the works arrangement, 9 I believe that we can enhance our works, because these 10 are all just administrative measures. After the fire, 11 we have learned our lessons, which have enhanced our 12 works within our scope possible. For example, there 13 will be checks once every four months. Actually, it is 14 already more frequent than that of BD. They are 15 checking once every six months. Given the number of 16 projects that we have as well as our manpower, we 17 believe that we can cater for this workload. That's why 18 we're trying our best to fulfil it. 19 THE HON MR JUSTICE DAVID LOK: Thank you. Other parties, 20 any questions? 21 If not, Mr Suen. 22 Examination by MR JENKIN SUEN 23 MR JENKIN SUEN: Thank you, chairman and members. 24 Mr Lau, apart from Mr Yu, chairman and the two 25 members have offered you a lot of valuable comments.</p>

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<p>1 I hope that the Government and other departments would 2 consider and accept those comments.</p> <p>3 I am aware that there are already some optimisation 4 measures. I would like to clarify a few points with you 5 very quickly.</p> <p>6 First of all, right at the beginning Mr Yu asked you 7 a question a couple of times, that is, would ICU be 8 blindly following the rules on the book targeting the 9 risk of different buildings? He asked you a number of 10 times. Subsequently, he also asked you how can ICU 11 ensure the ways that you conduct your duty is in line 12 with that of BD?</p> <p>13 Just now Mr Chan, committee member, also asked how 14 can you ensure that your methods are in line with that 15 of BD. Likewise, the chairman also asked, apart from 16 seeking alignment, do you think that you are just 17 blindly following BD's guidelines? I would like to 18 explore this with you.</p> <p>19 Just now Mr Yu said that you were just following the 20 rules and following the rules blindly. You mentioned 21 that there are certain manuals and code of practice. In 22 your current practice, if it concerns HOS in the private 23 market, are you authorising other parties to conduct the 24 works?</p> <p>25 MR LAU FU KWOK: Yes. In my witness statement, for the</p>	<p>1 MR LAU FU KWOK: Yes. We can surely do better. We are 2 doing our work in all aspects. For example, the 3 intergovernmental arrangements, if we discover any 4 problems that involve other Government departments, we 5 will immediately inform them so that we can resolve it 6 as soon as possible.</p> <p>7 MR JENKIN SUEN: After the fire, you mentioned that you will 8 inspect it more frequently, especially those large-scale 9 maintenance works, once every four months. If you have 10 sufficient resources, of course the more frequent the 11 better. If you have to follow the BD's rules, do you 12 agree, if possible, you should have flexibility to go an 13 extra mile?</p> <p>14 MR LAU FU KWOK: Yes. As mentioned, the frequency is simply 15 an administrative procedure. You have to make sure that 16 you follow the mechanism. If the situation allows, we 17 can carry out inspections more frequently. It is not in 18 contravention of the ordinance.</p> <p>19 MR JENKIN SUEN: I would like to touch upon two to three 20 more topics. To be fair, just now Mr Yu asked, given 21 the 20 per cent measures, there are actually 22 discrepancies between you and the BD if the 20 per cent 23 is only targeting class I minor works and those cases 24 that submit their supervision plan. After the fire, we 25 discovered that even this 20 per cent is insufficient.</p>
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<p>1 divested properties of HA, including HOS or some TPS, 2 actually it is the same as private properties. They 3 have to be supervised according to BO.</p> <p>4 MR JENKIN SUEN: So you are authorising other parties and it 5 has to be aligned with the supervision of that in the 6 private market. In other words, there shall not be any 7 discrepancies in terms of the standards?</p> <p>8 MR LAU FU KWOK: Correct.</p> <p>9 MR JENKIN SUEN: If there needs to be consistency or 10 alignment, as chairman has put it, at least there should 11 be some basics. Let's say the BD would conduct certain 12 inspections targeting at the new buildings or existing 13 buildings. If there are certain requirements that they 14 need to fulfil, then ICU needs to follow?</p> <p>15 MR LAU FU KWOK: Yes.</p> <p>16 MR JENKIN SUEN: Well, if certain matters need to be handled 17 in a certain way, then ICU needs to handle those cases 18 in the same way?</p> <p>19 MR LAU FU KWOK: Correct.</p> <p>20 MR JENKIN SUEN: Chairman has put it correctly. If you 21 discover that this arrangement might create blind spots 22 or some disadvantages, should ICU, BD or even other 23 government departments improve it when they discover 24 a blind spot? Are you allowed to voice out your 25 comments?</p>	<p>1 MR LAU FU KWOK: Correct.</p> <p>2 MR JENKIN SUEN: If you are only targeting at the class I 3 minor works that have submitted supervision plan, then 4 the number of cases that you will inspect is very 5 limited. If they did not submit SP, then there would be 6 no inspection at all. After the fire, you said that as 7 long as there is a large-scale maintenance works, you 8 will conduct a site check.</p> <p>9 MR LAU FU KWOK: Yes. I would like to supplement on this.</p> <p>10 For the inspections on minor works, we have to do it 11 according to the risk factors because there are over 180 12 minor works. Some is of very low risk, you may just be 13 putting up some drying frames. Some of higher risk, 14 like that of Wang Fuk Court, the maintenance work is of 15 large scale and it involves a lot of procedures that 16 carries fire hazards. It is also works that cover 17 building with residents still living inside.</p> <p>18 Adding all these factors together, the risk is high. 19 So we will consider the risk of each minor works and to 20 increase the frequencies of our check. This is the 21 direction of our inspections regarding minor works. For 22 those high-risk submissions, we will conduct site check 23 plus document check.</p> <p>24 THE HON MR JUSTICE DAVID LOK: I would like to ask you one 25 question. For minor works, they have made several</p>

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<p>1 submissions. For Wang Fuk Court, there are</p> <p>2 48 submissions. 24 are class I minor works, 24 are</p> <p>3 class II minor works. It seems to be some really minor</p> <p>4 works because it's all separated, but adding all</p> <p>5 together it is a major work. Would you be able to</p> <p>6 discover that altogether it is actually a large-scale</p> <p>7 project?</p> <p>8 MR LAU FU KWOK: Yes, in the system we can spot that.</p> <p>9 MR JENKIN SUEN: You also mentioned about improvement.</p> <p>10 I WILL not go into details because it's covered in your</p> <p>11 witness statement. You have mentioned about the site</p> <p>12 monitoring team. Because both BD and ICU has an SMT,</p> <p>13 are there any ways to optimise the communications</p> <p>14 between the two?</p> <p>15 MR LAU FU KWOK: Yes. Every four months we will have one</p> <p>16 regular meeting. The site monitoring team is already</p> <p>17 carrying out such works.</p> <p>18 My apologies. It should be a quarterly meeting,</p> <p>19 that is once every three months. Surely we cannot just</p> <p>20 rely on these regular meetings. Within the site</p> <p>21 monitoring team, the teams of both BD and ICU are</p> <p>22 already in communications. There will be a designated</p> <p>23 person, a high-ranking professional colleague will be</p> <p>24 connecting with the counterparts. If there is any</p> <p>25 update or even if there are arrangements that they want</p>	<p>1 buildings will be subject to the monitoring of Buildings</p> <p>2 Ordinance, so who should be doing the supervision?</p> <p>3 We did have some discussions back then. Since there is</p> <p>4 no approved plan submitted to the BD, internally we</p> <p>5 agree that there needs to be an independent organ to</p> <p>6 assist BD to keep the gates.</p> <p>7 Given the design of the HOS or other buildings under</p> <p>8 HA back then, because the staff at ICU, they're also</p> <p>9 staff of BD and they are familiar with the design of</p> <p>10 Housing Authority and they will have better</p> <p>11 understanding of the design of the buildings, that's why</p> <p>12 we have made such arrangements and that is to establish</p> <p>13 an independent unit to handle these kind of properties.</p> <p>14 THE HON MR JUSTICE DAVID LOK: Thank you. We really</p> <p>15 understand the historical background. We are well aware</p> <p>16 of that, but I think it is good for the public to be</p> <p>17 aware. We surely understand the historical background.</p> <p>18 MR JENKIN SUEN: Thank you, chairman.</p> <p>19 Last question, Mr Lau. As asked by Mr Yu, there are</p> <p>20 problems with the system and it concerns not Mr Ku, but</p> <p>21 it concerns you because you're the head of ICU. To be</p> <p>22 fair, I would like to ask you -- at this time, I would</p> <p>23 touch upon two systems. The first one is the minor</p> <p>24 works. Second one, MBIS. For the minor works, it</p> <p>25 started in 2010. As for MBIS, it started in 2012. When</p>
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<p>1 to try out, they would notify us so that we can feedback</p> <p>2 them. If there are any further communications, this</p> <p>3 designated staff will be carrying out immediate</p> <p>4 communications. This is a channel that we had already</p> <p>5 established.</p> <p>6 MR JENKIN SUEN: I have two more points for you.</p> <p>7 As asked by the chairman, now we have both ICU and</p> <p>8 BD to carry out similar works targeting different types</p> <p>9 of buildings because we have to ensure uniformity. So</p> <p>10 in terms of our coordination, it will cause certain</p> <p>11 difficulties.</p> <p>12 As far as you know, why would ICU be focusing on</p> <p>13 buildings like HOS? If it was sold into the private</p> <p>14 market, it would be ICU who conduct checks on it. Can</p> <p>15 you share more with us on what are the concept, reasons</p> <p>16 and advantages of such division of work?</p> <p>17 MR LAU FU KWOK: I need to share with you some historical</p> <p>18 background. Because the property under HA, before it</p> <p>19 was divested, they are actually exempt from the</p> <p>20 Buildings Ordinance. When it was first built, it was</p> <p>21 built by the Housing Authority. And they do not need to</p> <p>22 make any submissions to the Buildings Department and</p> <p>23 there will be no record of approved plans.</p> <p>24 After the sale of HOS, different government</p> <p>25 departments discovered that after the sales, those</p>	<p>1 the two systems were first established, who are the</p> <p>2 bureaus that are related?</p> <p>3 MR LAU FU KWOK: Development Bureau.</p> <p>4 MR JENKIN SUEN: So there was no involvement on the part of</p> <p>5 ICU back then?</p> <p>6 MR LAU FU KWOK: Yes.</p> <p>7 MR JENKIN SUEN: There needs to be more revision in the</p> <p>8 future.</p> <p>9 I have no further questions. Thank you.</p> <p>10 MR JASON YU: We don't have further questions. I believe</p> <p>11 that we can break for lunch now.</p> <p>12 THE HON MR JUSTICE DAVID LOK: Thank you.</p> <p>13 We don't have any other witness for today?</p> <p>14 MR JASON YU: No.</p> <p>15 THE HON MR JUSTICE DAVID LOK: You may be excused. Thank</p> <p>16 you.</p> <p>17 (The witness was released)</p> <p>18 (12.56 pm)</p> <p>19 THE HON MR JUSTICE DAVID LOK: I believe that there will be</p> <p>20 a hearing this afternoon. We need the presence of all</p> <p>21 legal representatives. These are the questions I would</p> <p>22 like to handle in the afternoon. In the afternoon,</p> <p>23 concerning our second item within our scope, I would</p> <p>24 like to give some directions. So I would listen to your</p> <p>25 comments concerning our directions.</p>

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<p>1 Second, I believe that different parties would have 2 some suggestions. Please submit in advance because we 3 need to see if it is feasible. Especially the 4 Government needs to look into them. I hope that around 5 June different parties will be able to exchange your 6 submissions. I would like to set up a timetable. So in 7 the afternoon I want to see, if I put together such 8 directions, is it going to cause you any difficulties. 9 It would not take long, just 15 to 30 minutes and it can 10 be properly handled. 11 So this is what we will handle in the afternoon. We 12 are adjourned to 2.15. 13 (12.57 pm) 14 (The luncheon adjournment) 15 (2.15 pm) 16 D I R E C T I O N S 17 THE HON MR JUSTICE DAVID LOK: First of all, I'd like to 18 talk about the progress of our investigation. The 19 progress is ideal, it has exceeded the Committee's 20 expectation. 21 Something that's not ideal is that I lost my voice 22 since the first hearing and I have not fully recovered 23 today. This is not very ideal. 24 The Committee started its work four and a half 25 months ago. We have uncovered many things and I hope</p>	<p>1 In the hearing we have heard evidence regarding 2 bid-rigging and irregularities. However, we observe 3 that these testimony or evidence are mostly about 4 Wang Fuk Court. We want to understand why that is, 5 because we are concerned about what happened with 6 Wang Fuk Court. In the hearing we allow victims of the 7 fire to state their views regarding the maintenance, but 8 they are not about large-scale building maintenance and 9 renovation works in the entire territory. 10 The evidence that we have heard has not 11 substantiated any acts of bid-rigging or irregularities. 12 We know that the relevant law enforcement agencies are 13 investigating into these allegations. So after talking 14 to the legal teams, we are of the view that we will 15 convene the hearing regarding the second terms of 16 reference in another manner. Based on the report 17 submitted to us by the law enforcement agencies, based 18 on the conclusions in his report and the information 19 received from the public, we would treat them as the 20 blueprint for factual adjudication. In other words, 21 according to the report from the law enforcement 22 agencies, bid-rigging and relevant irregularities have 23 always taken place in Hong Kong and these irregularities 24 involve triad societies very often. So based on this 25 conclusion, we will treat this as the blueprint before</p>
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<p>1 that the members of the public would accept that we are 2 not afraid of uncovering anything. This hearing is open 3 and fair. 4 Let me talk about the arrangement for the next few 5 weeks. We will not have any hearing in the next few 6 weeks. The next round of the hearing will begin in mid 7 to late June. There are two reasons for that. First, 8 we need to wait for the witness statement from the 9 expert. The cross-departmental task force looking into 10 the fire have submitted just the mid-term report to us 11 or interim report to us. In mid-May they are going to 12 submit to us the final report. We need time to read 13 into the report. Experts of the Committee also need to 14 read the reports before they can compile their final 15 report. This takes time. That's why the next round of 16 the hearing will happen in mid or late June. 17 The second reason is that we hope that as we take 18 a break we can make arrangements for the second item in 19 the terms of reference. We have two major terms of 20 reference, the first one being investigating the cause 21 of the fire and the reason why it spread so quickly and 22 the rules and responsibilities issue. The second terms 23 of reference is that we have to look into whether there 24 is any bid-rigging or irregularities with large-scale 25 building maintenance and renovation works in Hong Kong.</p>	<p>1 we come up with the findings and facts. 2 There are merits. First, we won't need to 3 investigate into every large-scale renovation project of 4 housing estates and determine the facts on each case 5 because, if we were to investigate into every case, I 6 believe we would be calling hundreds of witnesses and it 7 will take years to complete the investigation. 8 If we were to investigate into every case, then for 9 law enforcement agencies, there would be a negative 10 impact on their work and there could be a delay as well. 11 The second merit is that through the years of 12 experience of the law enforcement agencies, we believe 13 that these agencies are very familiar with the relevant 14 issues, including the involvement of triad syndicates. 15 I don't think we would be able to summon triad members 16 as witnesses to tell us the degree of participation. 17 Now, although not every investigation leads to 18 successful prosecution, that report will help us 19 understand whether there are systemic problems relating 20 to bid-rigging, corruption and irregularities. The 21 report will provide valuable information to us. We hope 22 that during the break we will be able to go through 23 these matters. 24 For all the involved parties, I will receive your 25 views in due course and I'm going to make the following</p>

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<p>1 directions in relation to the second matter of 2 investigation.</p> <p>3 First, the Independent Committee will base its work 4 on the conclusion of the report submitted by the law 5 enforcement agencies as well as the conclusion of the 6 public consultation so as to form the blueprint and the 7 basis for finding facts in relation to point 2 of the 8 terms of reference. I don't think it's appropriate to 9 disclose how law enforcement agencies investigate into 10 these cases, so we are not going to call the law 11 enforcement agencies as witnesses to explain their 12 reports.</p> <p>13 The next point is that the Committee will, on or 14 before 15 May, upload the reports submitted by law 15 enforcement agencies and other relevant information to 16 our website for access by the public and the involved 17 parties. If any involved party has views on the 18 conclusion of these reports or the arrangements, then 19 before 8 June please raise your objection in writing to 20 the Independent Committee. Please also provide 21 justifications. Depending on whether objections are 22 received, we will then decide on how to proceed with 23 these issues in the ensuing hearings.</p> <p>24 So in relation to the three directions I just said, 25 that is we are going to use that as the basis; second,</p>	<p>1 Next I'd like to seek your views on the following 2 matter. In relation to points 1 and 2 of the scope of 3 investigation, we are going to put forward our 4 recommendations on areas of improvement in the future. 5 We want to exchange views at the earlier stage so that 6 we can check if these ideas are viable. In the end, 7 whether or not the Independent Committee accepts these 8 views, we will still need to listen to the views of 9 other parties here. So I hope that these views can be 10 exchanged as an earlier stage. I'm thinking 15 June, 11 before this date. Any problem with that, 15 June? 12 Because the Independent Committee will be looking into 13 some proposals; likewise, the Government will do the 14 same. So perhaps in subsequent hearings or before the 15 final submission we need to discuss these proposals. So 16 I think if we leave the exchange of proposals towards 17 the end, we may run out of time.</p> <p>18 So if there is no further comment, I am going to 19 give the fourth direction.</p> <p>20 If any involved party has any proposal or suggestion 21 relating to items 1 and 2 of the terms of reference 22 please give that to the Committee before 15 June.</p> <p>23 If there is no other business -- is there any other 24 business?</p> <p>25 If there is none, then we're going to adjourn the</p>
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<p>1 we're going to upload the documents; and third, any 2 objection will have to be raised in writing before 3 8 June. In relation to these three directions, are 4 there any views from any involved party?</p> <p>5 MR LESTER LEE: Thank you. Chairman, a point of 6 clarification. If my record is correct, for the first 7 direction, the reports will be made public on or before 8 15 May, and then for written submission, it should be 9 submitted before 8 June; is that right?</p> <p>10 THE HON MR JUSTICE DAVID LOK: We are going to make public 11 the relevant information on 15 May. Right now, nobody 12 has access to the reports although we learned about this 13 report during the hearings. We believe, as part of the 14 evidence, the public should also have access to the 15 reports. So if any involved party has opposing views to 16 the reports or if any involved party believes we should 17 not determine the facts on the basis of these reports 18 and if they have alternative views, please raise your 19 objection in writing before 8 June with justifications 20 so that when we resume the hearing, we will know how to 21 proceed with the issues.</p> <p>22 MR LESTER LEE: Right. Understood.</p> <p>23 THE HON MR JUSTICE DAVID LOK: Involved parties, any 24 questions? No. So be it. These will be the 25 directions.</p>	<p>1 hearing and take a break. We will resume the hearing in 2 mid to late June. Thank you.</p> <p>3 (2.27 pm)</p> <p>4 (The hearing adjourned until a date to be determined)</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>