

Largest tender-rigging case goes to court

By SHADOW LI in Hong Kong stushadow@chinadailyhk.com

A former engineering company proprietor will appear in court today (Friday) facing charges of HK\$45 million bribery in the city's largest tenderrigging case for years. This is amid industry concerns over widespread malpractice occurring in renovation projects.

Yau Shui-tin, 57, was charged on Tuesday with five counts of conspiracy to offer an advantage to an agent for striking a maintenance project tender of HK\$263 million for Garden Vista, a 25-year-old private housing estate in Sha Tin.

Some 10 people were arrested by the Independent Commission Against Corruption after about 20 flat owners refused to pay the outstanding bills. Each of the 800 households was expected to pay HK\$330,000.

The defendant will appear at the Kowloon City Magistracy. It was reported that Yau conspired with a director and a shareholder from two consultancy firms and a renovation contractor to offer cash of HK\$2.6 million to a property manager, HK\$15 million to a senior executive of the residence's property management company and HK\$26 million to the chairman of its incorporated owners. Yau was also involved in a bid-rigging case over a home in To Kwa Wan.

One of the owners, who refused to pay the renovation fee, Xu Zhaoze, revealed that a HK\$263-million tender was the lowest. The highest was HK\$396 million. Xu said it was a scam so owners would fall for the HK\$263-million deal.

Xu, whose family owns two flats in the estate, is currently being sued by the incorporated owners for refusing to settle the HK\$660,000 renovation bill.

He said he was relieved the ICAC had pressed charges quickly.

In contrast to this astronomical figure, veteran surveyor **Vincent Ho** Kui-yip estimated the renovation project's market price at around HK\$100 million at the most. This was 60 percent less than the HK\$263 million deal.

The chairman of the Council of the Building Surveyor Division of the Hong Kong Institute of Surveyors suggested the government establish a statutory body to supervise the growing

number of renovation projects.

In 2009, the government ordered a mandatory maintenance and renovation scheme for 3,200 buildings over 30 years old. Ho said that after this, market demand had increased by five times. This has led to a lawless atmosphere in the seller-dominated market. Ho said tender-rigging is common in the renovation market as some consultancy firms, monopolizing the market, colluded with contractors to trick property owners.

The body proposed by Ho would have independent power to review renovation tenders by spot checks. It might also be able to revoke the licenses of firms responsible for misconduct