

Government refuses application for renewal of registration of contractor involved in fatal incident at construction site in Yau Tong late last year

A spokesman for the Development Bureau said today (October 18) that the Buildings Department (BD) has refused the application for renewal of registration by a registered general building contractor, Aggressive Construction Engineering Limited, which was involved in a fatal incident caused by the collapse of a steel beam at a construction site in Yau Tong in December 2022.

"The registration of the contractor expired in December 2022. In view of the above-mentioned fatal incident at a construction site in Yau Tong, the BD referred the contractor's application for renewal of registration to the Contractors Registration Committee (CRC) for interview and assessment. The CRC is formed under the Buildings Ordinance (BO) and the majority of its members are nominated by the relevant building professional registration boards and the construction industry. After several rounds of interviews, the CRC was not satisfied that the authorised signatories of the contractor were suitable to act on behalf of the contractor for the purposes of the BO in respect of their abilities and competence in site supervision and safety management matters. Having considered carefully the recommendation of the CRC, the BD decided to refuse its application for renewal of registration. The BD has issued a letter to the contractor, informing it that its name will be removed from the Register of General Building Contractors on November 16, and that it cannot carry out any building works from that date onwards," the spokesman said.

The BD has also requested the contractor to, in accordance with the law, inform the authorised persons (APs) responsible for the relevant construction sites, including delivering to the APs a notice of cessation of its appointment, certifying that the building works carried out are in accordance with the provisions of the BO and its regulations, and demarcating clearly the extent of the completed building works. At the same time, the BD has also issued letters to the APs responsible for the relevant construction sites, informing them that the contractor's application for renewal of registration has been refused and reminding the APs that they should make arrangements for the remaining works as soon as possible, including advising the developers to appoint another registered contractor to follow up on the remaining building works and ensuring that the building works comply with the provisions under the BO and its regulations. The letters were copied to the developers of the projects concerned. It is believed that the developers will properly handle and hand over matters regarding the remaining building works with the

original contractor and appoint as soon as possible another suitable registered contractor to continue carrying out the relevant works.

The spokesman continued, "According to information in hand, as at October 16, Aggressive Construction Engineering Limited was carrying out building works for five private residential and residential/commercial development projects (see Annex) involving about 4 900 domestic units, amongst which about 1 700 units of three projects had been pre-sold. The decision to refuse the application for renewal of registration may cause inconvenience to the ongoing works, but the Government must strike a balance between ensuring construction site safety and facilitating the carrying out of works, as well as to allow the renewal system to act as a gatekeeper to ensure that only contractors that are competent and comply with the regulations will be allowed to renew registration. In fact, with reference to past experience, as long as the project developers and APs make good use of the coming one month or so to appoint as soon as possible another registered contractor to take over the remaining works, the impact of changing contractor on the project progress should be manageable. Regarding cases of pre-sold units, noting that there is still some time before the dates of delivery of possession set by the developers, we believe the developers and APs will be able to make suitable arrangements and to report progress according to the contracts signed with the purchasers."

In addition, it is roughly estimated that currently around 900 site staff are involved in the five projects of the contractor. The spokesman said that the current regulatory action is only targeted at the main contractor involved. As the development projects will continue to be taken forward, it is possible that the contractor to be appointed by the developer may continue to engage the same project sub-contractors and construction workers. In addition, given the current labour shortage in the construction industry, it is believed that there will not be a significant impact on the employment of the workers at the construction sites concerned. If affected workers need assistance or have enquiries in respect of matters of employment or employees' rights, they may call the Construction Industry Recruitment Centre (tel: 3428 3303) or the Labour Relations Division (tel: 2927 6080) of the Labour Department during office hours.

The spokesman added, "Refusing the application for renewal of registration of Aggressive Construction Engineering Limited is only one of the follow-up actions taken by the Government regarding the fatal incident at the construction site in Yau Tong last year. The Labour Department had instigated prosecution against the contractor and the relevant subcontractors. The investigation by the BD on whether the contractor had contravened the provisions of the BO is still ongoing."

The contractor being refused renewal of registration is not the one involved in the fatal incident at the construction site on Anderson Road last year and the fatal incident at the construction site in Yau Ma Tei last week. The contractor involved in those two incidents is Aggressive Construction Company Limited, which is a different registered contractor from Aggressive Construction Engineering Limited (although they are both under the same holding company). The registration of Aggressive Construction Company Limited

expired in April this year and the BD is processing its application for renewal of registration as soon as possible in accordance with the established mechanism, including collating information of the two fatal construction site incidents. An assessment will then be conducted by the CRC. After taking into account the CRC's recommendation, the BD will make a decision in a prudent manner on whether to renew the registration.