

## Transcript of remarks by CE at media session before ExCo (with video)

Following is the transcript of remarks by the Chief Executive, Mr John Lee, at a media session before the Executive Council meeting today (April 16):

Reporter: Good morning Mr Lee. Firstly, with regards to the fire in Jordan earlier, you mentioned that there would be some adjustments in terms of penalties and how the Government will be doing things and that'll be handed to the Legislative Council (LegCo). Will you be able to provide some more details and also the timeframe on what these changes will be? And also, just following up on what you said earlier as well, does the Government also have any sort of plan on more strictly enforcing fire safety orders, building inspection orders and even perhaps adjusting the guesthouse policy in Hong Kong following this fire? And the second question, with the recent news surrounding Sheikh Ali Rashed Ali Saeed Al Maktoum setting up of a family office here in Hong Kong, the incident sort of suggested the Government did not do any vetting before inviting guests to come and meet you. Would such practice be changed in the future, and also perhaps will the Government worry that this whole saga will affect its overall plan in attracting overseas investment? Thank you.

Chief Executive: In respect of the fire at Jordan, I think it is a tragic incident that everybody tried to prevent it from further happening. In regard to what we should do as we identify the issues in the handling of this fire, we know that there have been delays in some buildings in improving the fire installation or structural change, even though they may have received directions issued by the Buildings Department or the Fire Services Department. We will be, first of all, enhancing our enforcement action by making our enforcement action procedure more efficient. We will be trying to shorten the duration of time that will be taken for actual action against those who have not complied. We will also set priorities on prosecution. For those which have been posing quite immediate fire hazard or structural hazard, then of course, they will be put in priority. And for those cases in which the buildings' conditions are undesirable, of course, we will set high priority or, on some incidents, we will actually move in to do the work quickly and then we will have the responsible people shoulder the cost and also to add some penalty.

What we will do in regard of this is to strengthen, first of all, enforcement action, which includes prosecution, and also the penalty in respect of non-compliance, and we will be increasing penalties in two areas. First of all is under the Fire Safety (Buildings) Ordinance (Cap. 572), there will be a legislative proposal to be made to LegCo for the Government to be empowered to carry out the necessary works to improve fire safety and fire installation if the responsible person delays for a long time, or when the hazard is of a type that we think we need to move in. It will ensure that

some of the delays will not happen. And also we will be making a legislative proposal to increase the penalty for non-compliance with, for example, directions issued by the Buildings Department. Increasing the penalty will ensure that the right deterrence effect will ensure that people will be complying and not causing delay. But it is important for all to note that ensuring buildings are maintained in a satisfactory condition, in terms of reducing fire hazard or ensuring building safety, is the responsibility of the owners of the units. There are so many units in Hong Kong, and it is to our own good that we maintain them in a satisfactory condition.

There have been many subsidy schemes and assistance schemes to help owners or corporations to do this if they come across difficulties. But I do notice in some cases it is because of sudden increase of costs or charges that are required by some of the bidders for the construction work. If there are incidents where you think you need help, please go to the responsible government departments. If there are instances you think somebody is doing it illegally or there are ulterior motives for private gain, report it to the authorities. I think it is a collective effort for all of us to improve our structural and also fire safety.

You talked about guesthouse policies. I think under the present law, when a guesthouse applies to be given the license, then the responsible authorities actually look at a lot of conditions for the applicants to satisfy. And of course, when fire exits are taken together as a whole in all the consideration in issuing the license, then the number of people that may be staying in the guesthouses within the building will be taken into consideration. So the present law actually allows this to be addressed. How this can be improved, of course, the responsible authorities can listen to views, but I think under the present policy and the present law, there already exists the examination of sufficiency of fire exits in this regard.

In regard to family offices, I think family offices are an area that all cities, all economies, strive to attract them to come because they are all super-valued asset owners and they create very strong positive economic and financial benefits to the city, to Hong Kong, for example. So we will do our best to invite as many to come, and provided that the money are legitimate money, we welcome it, whether he is a man in the street, or he comes from a wealthy family, or it is a sovereignty fund. I think that is the idea that we should take. And also I think the Government should not always just be passive in this competitive world for family offices to be set up. We have done a lot to improve Hong Kong's attractiveness in this regard, for example, we have introduced legislation to give tax concessions to family offices, businesses and investment, and this is an area that all cities are fighting for to get. Provided that they are legitimate businessmen, legitimate asset owners, they are always welcome. And in all the things we pursue, we have to balance the benefit with the risks. I think in this overall thing, provided that the money is legitimate money, we should take all reasonable actions to attract them to come.

(Please also refer to the Chinese portion of the transcript.)