

A Smouldering Crisis: Wang Fuk Court, Structural Bid-Rigging, and the Collapse of Civic Oversight

How a renovation cartel, a captured owners' corporation, and the removal of political oversight produced a preventable disaster

ALRIC LEE EXECUTIVE DIRECTOR, LADY LIBERTY HONG KONG 8 DECEMBER 2025 TOKYO

1. The inferno at Wang Fuk Court

On the afternoon of 26 November 2025, the fragile equilibrium that Hong Kong's ageing residential infrastructure had barely maintained collapsed in a catastrophic event that will be etched deep into the city's collective memory. A fire that broke out in Wang Cheong House (Block F) of Wang Fuk Court — a Home Ownership Scheme (HOS) estate in Tai Po — spread at a terrifying speed and escalated to a "No. 5 Alarm," the highest severity level in Hong Kong's fire-response protocol. Within hours, the blaze engulfed seven of the estate's eight 31-storey residential towers, transforming the New Territories skyline into a scene of destruction not seen since the deadly fires of the post-war era.

The human toll was immediate and immense. At least 159 residents died, trapped in their homes or overcome by smoke in the stairwells. A further 79 were injured, including severe burns and airway burns. The scale of this tragedy — the deadliest single fire in Hong Kong since 1948 — immediately demanded a city-wide reckoning. Yet from the moment the fire was extinguished, after a gruelling 43-hour operation by the Fire Services Department, the focus of inquiry shifted rapidly from the thermodynamics of the fire to the political and economic structures that had fuelled it.

Preliminary forensic analysis revealed that the fire's rapid vertical and horizontal spread had been accelerated by the very materials introduced to improve the building. The estate was in the midst of a large-scale renovation costing a colossal HK\$330 million. The buildings were sheathed in bamboo scaffolding and wrapped in protective green nylon netting. This netting, legally required to be flame-retardant, has turned out to have been, in fact, highly flammable. Furthermore, the expanded polystyrene boards ("styrofoam") installed to seal windows during the works acted as a powerful fuel source. Through these materials, the flames bypassed the building's internal fire compartments and consumed its envelope with uncontrollable ferocity.

The disaster at Wang Fuk Court is not a mere industrial accident. It is the terminal symptom of a structural pathology known in Hong Kong as "bid-rigging" (圍標). This report argues that the tragedy was the inevitable convergence of a series of failures: the predatory economics of the renovation syndicates, the structural defects of the Building Management Ordinance (BMO), the prosecutorial limits of the ICAC, and — decisively — the erosion of civic oversight that followed the 2021 overhaul of the District Councils.

2. The bid-rigging (圍標) phenomenon in Hong Kong

Bid-rigging — 圍標 in Cantonese — has evolved from a mere anti-competitive practice into a sophisticated form of organized crime that gnaws at Hong Kong's private residential sector. It is a mechanism of wealth extraction,

in which property owners' savings are siphoned off through inflated renovation contracts, in exchange for work that is often shoddy and dangerous.

2.1 The "grand renovation" trap

The cycle typically begins with a Mandatory Building Inspection Notice issued by the Buildings Department. Intended to secure building safety, this becomes, for the syndicates, an occasion that creates a market opportunity. In the case of Wang Fuk Court, built in 1983, the time for maintenance had come. But instead of repairing what was necessary, the syndicates often push a "Grand Renovation" — a comprehensive overhaul that maximizes contract value and, in turn, the potential for graft.

At Wang Fuk Court, the approved project cost reached HK\$330 million, equivalent to about HK\$180,000 per unit. This figure markedly exceeded market estimates for comparable estates — a discrepancy that immediately aroused alarm among residents. Yet despite the high cost, the contract was awarded to the highest bidder: an irrational outcome that is the hallmark of a rigged bidding process.

2.2 The tripartite-collusion syndicate

The execution of bid-rigging relies on a "tripartite collusion" involving three principal actors: the consultant, the contractor, and corrupt elements within the Owners' Corporation (OC).

2.2.1 The complicit consultant: Will Power Architects

The role of the engineering consultant is, in theory, to protect the owners' interests through building-condition assessment, preparation of tender documents, and supervision of works. In a rigging scenario, however, the consultant functions as the syndicate's gatekeeper.

At Wang Fuk Court, consultancy was handled by Will Power Architects Company Limited. Post-fire investigation revealed that Will Power had actively misled residents about the bidders' backgrounds — specifically, assuring the Owners' Corporation that the selected contractor had a "clean record" on occupational safety. This concealment is crucial: by screening bidders and filtering the information reaching owners, the consultant steers the decision toward a predetermined winner and neutralizes genuine competition.

2.2.2 The predatory contractor: Prestige Construction

The beneficiary of this operation was Prestige Construction & Engineering Company Limited. Contrary to the consultant's assurance, Prestige had a documented history of safety violations. According to Labour Department records, the company had been penalized on more than ten occasions between 2016 and 2019 for violations such as improper scaffolding and defective electrical connections.

To select a contractor with such a record at a premium price of HK\$330 million runs contrary to rational economic behaviour. It suggests that the surcharge paid by owners went not toward quality or safety, but toward the kickbacks needed to sustain the syndicate. To recover these costs, the contractor cut corners thoroughly, ultimately using the non-compliant, combustible netting and foam boards that turned the estate into a pyre.

2.2.3 "Pig quotes" (dummy bids)

To maintain the appearance of competitive tendering, syndicates use "pig quotes" (dummy bids). The syndicate arranges for affiliated firms to submit deliberately inflated, or technically non-compliant, bids. This makes the syndicate's designated winner — often priced well above the market — appear the only viable, or "reasonable," option. In the Wang Fuk Court case, even though Prestige submitted the highest bid, it is likely that the other bids were engineered to be even less attractive, or that the consultant's scoring system was manipulated to ensure Prestige's selection.

3. A structural enabler: the Building Management Ordinance (Cap. 344)

The success of the bid-rigging scheme at Wang Fuk Court cannot be attributed to criminal intent alone. It was made possible by structural defects in the Building Management Ordinance (BMO, Cap. 344), the legal framework governing Hong Kong's private estates. Designed to promote resident self-governance, the BMO has inadvertently created a mechanism that syndicates can exploit to capture an estate's decision-making power.

3.1 The proxy-vote loophole: weaponizing absence and apathy

The most fatal vulnerability in the BMO lies in the proxy-voting system. The Ordinance permits owners who cannot attend a general meeting to nominate a proxy to vote. In large estates like Wang Fuk Court, with thousands of residents, resident apathy and absence are common. Syndicates exploit this by systematically collecting proxy forms.

3.1.1 Proxy harvesting and "iron votes"

Syndicates run aggressive "proxy harvesting" campaigns. Corrupt property-management staff or hired canvassers approach elderly or indifferent owners under the pretext of "updating records," or by offering small gifts (sweets, rice, and the like), to obtain signed blank proxy forms. These forms are then filled in with the names of the syndicate's operatives (often the management-committee chair or their collaborators), forming a solid bloc of votes known as "iron votes."

These iron votes are mathematically impossible to overturn. Even if hundreds of concerned residents attend a meeting to oppose an expensive renovation, they can be voted down by a single individual holding thousands of proxies. This produces a "sham democracy" in which the outcome of the tender is decided long before the meeting begins.

3.1.2 The absence of verification

The BMO grants the chair of the Management Committee the power to determine the validity of proxies — creating an inherent conflict of interest. If the chair is part of the syndicate, they can invalidate opponents' proxies on technical grounds while accepting the syndicate's harvested proxies without scrutiny. At Wang Fuk Court, residents reported being "misled" or powerless in the voting process — a sentiment typical of estates where proxy manipulation has reduced a physical meeting to a mere formality.

3.2 The autonomy of the Owners' Corporation

The Owners' Corporation (OC) is an independent statutory body. The government — specifically the Home Affairs Department (HAD) — maintains a policy of non-intervention, treating disputes within the corporation as private civil matters. This narrows the remedies available to owners.

- **The Lands Tribunal barrier.** Where owners suspect procedural impropriety or bid-rigging, the only legal recourse is to sue the Owners' Corporation in the Lands Tribunal — a costly and time-consuming process. An individual owner must fund their own legal costs, whereas the corporation uses the estate's management funds (that is, the owners' own money) to hire lawyers for its defence. This financial asymmetry chills challenges and allows a corrupt corporation to operate with effective impunity.

4. The impotence of the ICAC and law enforcement

The ICAC is Hong Kong's celebrated anti-corruption agency. But its effectiveness against bid-rigging is markedly constrained by the legal definition of corruption and the strict burden of proof required under the Prevention of Bribery Ordinance (POBO, Cap. 201).

4.1 The distinction between "collusion" and "bribery"

Bid-rigging is, in essence, a form of collusion in the market: competitors agree not to compete, or to submit manipulated bids. Anti-competitive as this is, under POBO it does not automatically constitute "bribery" unless it can be proven that a specific "advantage" (money, goods, services) passed between the parties. Syndicates are adept at concealing these payments. Kickbacks are often disguised as legitimate consultancy or subcontracting fees, or routed through complex, layered offshore intermediaries. Without a "smoking gun" — evidence of a specific bribe — the ICAC often lacks jurisdiction to prosecute, however blatant the bid-rigging.

4.2 The limits of the Competition Commission

The Competition Ordinance (Cap. 619), fully in force in 2015, was intended to fill this gap by outlawing serious anti-competitive conduct. But the Competition Commission, too, faces its own structural obstacles.

- **Civil vs. criminal.** Most of the Commission's enforcement action is civil proceedings before the Competition Tribunal. These can bring fines or disqualification, but lack the criminal, immediate deterrent — arrest and imprisonment — that the ICAC possesses.
- **Standard of proof.** The Competition Tribunal has ruled that, for cases carrying substantial pecuniary penalties, the standard of proof must be the criminal standard — "beyond reasonable doubt" — even in civil proceedings. This makes it extremely difficult to secure a conviction on economic evidence (price patterns and the like) alone.

4.3 The breakdown of joint investigation

Recognizing these gaps, the ICAC and the Competition Commission signed a Memorandum of Understanding to conduct joint investigations, such as "Operation Shotgun." These operations have produced some results — including arrests after the Wang Fuk Court fire — but are for the most part reactive. In this case, both agencies acted only after the catastrophe had occurred. The timeline shows that, although residents had complained about cost and safety violations for months before the fire, no effective intervention took place. The siloed structure of enforcement — the Labour Department for safety, the ICAC for bribery, the Competition Commission for cartels — allowed the syndicate to exploit the gaps until disaster forced a unified response.

5. The erosion of political checks

Perhaps the most important yet overlooked factor in the Wang Fuk Court tragedy is the degradation of Hong Kong's civic oversight mechanisms following the political overhaul of 2021. The exclusion of the pro-democracy camp from the District Councils removed property owners' "last line of defence" against predatory syndicates.

5.1 The historical role of the opposition

Before 2021, pro-democracy district councillors and activists played a crucial role in the fight against bid-rigging. Organizations such as the Property Owners' Anti-Bid-Rigging Alliance, led by figures like Chiu Yan-loy and Lam Cheuk-ting (a former ICAC investigator), provided essential support to owners.

- **Grassroots audits.** These councillors attended OC meetings, scrutinized tender documents to identify "pig quotes," and mobilized residents to vote in person to counter the "iron votes."
- **Whistleblower protection.** They served as a safe haven for whistleblowers inside the construction industry, using their political platform to pressure the ICAC and police to investigate suspicious bids.
- **Success stories.** This model proved effective at estates such as Garden Vista and Allway Gardens, where activists organized residents to overturn rigged bids and prevent millions of dollars in losses.

5.2 The 2021 political purge and the governance vacuum

The 2021 introduction of a "patriots-only" electoral system, and the requirement that district councillors swear loyalty oaths, led to the mass resignation or disqualification of pro-democracy opposition councillors.

- **The departure of Au Chun-wah.** In Tai Po District, where Wang Fuk Court is located, the long-serving pro-democracy councillor Au Chun-wah resigned in July 2021 amid the oath controversy. Au had been deeply engaged with local livelihood issues and had a record of challenging bureaucratic inertia; his departure left a vacuum of experience and oversight.
- **The loss of institutional memory.** The resignation of hundreds of councillors meant the loss of decades of "institutional memory" about the BMO's loopholes and the syndicates' methods. The new "patriot" councillors aligned with the pro-establishment camp (such as the DAB) tend to prioritize cooperation with the government, and are less inclined to adopt the confrontational tactics needed to challenge entrenched owners' corporations and powerful property-management firms.

5.3 The case of Peggy Wong and the DAB

The consequences of this structural shift are epitomized by the case of the DAB district councillor Peggy Wong Pik-kiu. In the absence of an opposition, Wong had become a key adviser to the Wang Fuk Court Owners' Corporation during the critical period when the HK\$330 million renovation was approved. Although Wong has since distanced herself from the corporation and called for an investigation after the fire, reporting indicates that she was serving as an adviser to the corporation when the controversial contractor (Prestige) was selected.

Critics argue that, in the absence of opposition councillors to scrutinize her relationship with the corporation or audit the tender process, the corporation operated in a "safe harbor" free of political pressure. The checks and balances that might have caught the omissions in Will Power's report, or the gaps in Prestige's safety record, no longer existed. Stripped of their traditional political allies and technical support, residents were forced to fight a sophisticated syndicate alone.

6. Conclusion: a man-made tragedy

The fire at Wang Fuk Court was a thermodynamic inevitability born of a failure of governance. The use of combustible foam boards and netting was the direct consequence of a bid-rigging operation that put the extraction of profit above public safety. That operation was allowed to proceed because the Building Management Ordinance provided the legal mechanism (proxy voting) to force it through, because law enforcement lacked the tools to prevent it, and because the political system had removed the only actors capable of exposing it.

This tragedy is a scathing indictment of the state of building management in Hong Kong. As the city's building stock ages, a crisis of "double-ageing" — crumbling concrete and ageing, vulnerable owners — creates a prime hunting ground for renovation syndicates.

6.1 Recommendations for reform

To prevent a recurrence of the Wang Fuk Court disaster, the following structural reforms are urgently required.

- **Abolish proxy voting.** The BMO should be amended to abolish proxy voting on major financial resolutions (e.g. renovation works exceeding 10% of an estate's annual budget). Voting should be conducted in person, or through a secure, government-managed electronic voting system, to prevent organized "harvesting."
- **Statutory licensing for consultants.** Renovation consultants should be subject to a strict statutory licensing regime, with criminal liability for misrepresentation of tender data.

- **Proactive oversight.** The Home Affairs Department should abandon its non-intervention policy and establish a Building Affairs Tribunal with investigative powers. This would relieve the burden on the Lands Tribunal and allow OC disputes to be adjudicated quickly and cheaply.
- **Political pluralism.** The electoral system has changed, but the government must recognize the value of independent oversight. Establishing an independent "Renovation Ombudsman" — composed of industry experts and civil-society representatives — could help fill the vacuum left by the departure of the district councillors.

Without these changes, the "Grand Renovation" will remain a deadly gamble for Hong Kong's homeowners — one in which the price of corruption is paid not merely in money, but in human lives.

Lady Liberty Hong Kong

An independent research and advocacy institute focused on the Hong Kong democracy movement and the broader human-rights landscape in East and Southeast Asia. Founded 21 August 2019; incorporated in Japan 28 February 2020.

General enquiries: admin@ladylibertyhongkong.com · Secure: llhk-sec@protonmail.com · ladylibertyhongkong.com

The views expressed are those of the author. © Lady Liberty Hong Kong. This brief may be quoted with attribution.