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For Immediate Release

Competition Commission and Hong Kong Police conduct joint operation on maintenance project of an industrial building in Tuen Mun

The Competition Commission (Commission) and the Organized Crime and Triad Bureau (OCTB) of the Hong Kong Police today conducted a joint operation which involved a search of two office premises of a property management company (Company). The Company is suspected of having engaged in anti-competitive conduct in the tender exercise conducted for a building maintenance project of an industrial building in Tuen Mun, in contravention of the First Conduct Rule of the Competition Ordinance.

During the course of the tender exercise, information has emerged that a representative of the Company had engaged in a series of suspicious behaviours which can be considered as attempts to manipulate the outcome of the tender. Such conduct, coupled with the suspected triad affiliation of the individual concerned, led the Commission to reasonably suspect that the tender exercise was the target of collusion between certain parties.

During the joint operation, the Police arrested four persons, for their alleged involvement in criminal intimidation, criminal damage, and being a senior officer of a company, consent or connive the company to commit such crimes. One of the suspects is the senior management of the Company. Another suspect is suspected to have triad background.

Separately, the Commission is also investigating into the conduct of some of the contractors that have submitted bids in the tender exercise. In particular, the Commission has found irregularities in the tender submissions that led the Commission to suspect the presence of anti-competitive conduct involving contractors as well. Search of certain contractors' office premises have also been conducted with the assistance of the Police.

Cartel conduct in the building maintenance market has been a matter of grave public concern and combating cartels in this sector is an enforcement priority for the Commission. Anti-competitive conduct such as bid-rigging may sometimes involve elements that contravene different areas of law and can therefore come under the jurisdiction of different law enforcement agencies. In order to ensure an effective and concerted approach to tackling cases involving multiple contraventions, the Commission has been working closely with fellow law enforcers.

Since 2017, the Commission has actively participated in the RenoSafe Scheme led by the OCTB which aims at preventing any person from using unlawful means to affect the tendering or implementation of building management or renovation projects. Other participants include relevant Government departments and public organisations.

Today's joint operation between the Commission and the Police exemplifies the effectiveness of the strengthened cross-agency exchange and collaboration through the RenoSafe platform in general, and demonstrates the determination of the two law enforcement agencies in

combating anti-competitive conduct in the building maintenance sector in particular. The Commission will continue to collaborate with the Police, other law enforcement agencies and relevant organisations in appropriate cases to protect all Hong Kong property owners from unlawful conduct.

No further comment will be made at this stage as investigations are still ongoing.
