



CHAIRMAN'S REPORT

The 13th Annual General Meeting of The Association of Registered Fire Service Installation Contractors of Hong Kong Limited

Honourable Guests, dear Members, good evening

I am pleased in presenting the annual report on behalf of the 11th Council of The Association of Registered Fire Service Installation Contractors of Hong Kong Limited. This year is the 2nd council year of the 11th Council. After the AGM the 11th Council shall handover their duties for the operation of the Association to the new Council for another two years.

On behalf of the Association, I would like to thank the council members, members and chairmen of twelve committees for their contribution over past two years to lead the Association to serve the members, the community and the industry in different aspects.

The 11th Council Members are:

Council Member	Representative	Position
Chubb Hong Kong Ltd.	Peter O.K. Lam	Chairman
Majestic Engineering Co. Ltd.	Michael M.K. Lam	Vice Chairman
Jardine Technical Services	W.S. Lee	Hon. Secretary (retired in Sep 2004)
Fai Tak Engineering Co. Ltd.	Francis M.F. Tang	Hon. Secretary (joined in Sep 2004)
Yue Sang Engineering Ltd.	Samuel Leong	Hon. Treasurer (retired in Mar 2005)
ATAL Engineering Ltd.	P.S. Ho	Hon. Treasurer (joined in Mar 2005)
Guardian Fire Engineers & Con. Ltd.	Ken C.K. Poon	Director
Shun Yick & Co., Ltd.	Rudolf K.C. Tam	Director
Ryoden Engineering Co., Ltd.	Eric K.Y. Lai WK Hui	Director (retired in April 2006) Director (joined in April 2006)
Johnson Controls H.K. Ltd.	Charles C.M. Law	Director
Shun Cheong Electrical Engg. Co. Ltd.	C.K. Chan	Director
Mansion Fire Services Co. Ltd.	K.C. Lam	Director
Honeywell Ltd.	Wilson C.Y. Yau	Director

The past two years was not easy for business growth in construction sector and our sector as well, however, I am glad to report that we are still able to grow our membership. Nine members retired and ten new members joined the Association.

	2000/2002	2002/2004	2004/2006
Affiliate Members	8	15	18
Full Members	59	66	64
Total	67	81	82



I would like to welcome our new members joined the Association within this council term.

1.	Chun Tat International Group Ltd.	2005
2.	Excel Building Services Co.	2005
3.	First Fire Engineering Co. Ltd.	2005
4.	Hong Kong Oxygen & Acetylene Co. Ltd.	2005
5.	Interconic Engineering Co. Ltd.	2005
6.	Link-Foong Engineering Services Ltd.	2005
7.	Lucky Engineering Co. Ltd.	2005
8.	Newland Engineering Ltd.	2005
9.	GE Security Co Ltd	2006
10.	Wing Cheung Technologies Co Ltd	2006

The 12 committees managed the day-to-day operation of the Association. I would like to thank them for their contributions and invite the chairman of Admin & Finance committee, Technical committee, Training committee, and recreation committee to report to you in summary their activities in the past 24 months.

1. Admin & Finance Committee

1.	Mr. P.S.Ho (Chairman of Committee)	ATAL Engineering Ltd.
2.	Ms. Ling Ho	Administrator of the Association

- * Ms Kathy Li resigned from Administrator in Sept 2005. We must say thank you for Kathy's dedication and contribution that had built a strong foundation on general administration for FSICA during the past three years.
- * Ms. Ling Ho, the new Administrator, joined FSICA on 7 Sept 2005.
- * FSICA was one of the support organizations for Fire Asia 2006 and Asian Elenex in year 2006.
- * Ratio of operation funds in saving account increased from 30% to 70% to gain better return in interests.

2. Technical Committee

1.	Mr. Michael Lam (Chairman of Committee)	Majestic Engineering Co. Ltd.
2.	Mr. C.K.Chan	Shun Cheong Electrical Engg. Co. Ltd.
3.	Mr. Francis Tang	Fai Tak Engineering Co. Ltd.
4.	Mr. Simon Tsang	Chubb Hong Kong Limited
5.	Mr. Wicky Lo	Lik Kai Engineering Co., Ltd.
6.	Mr. Robin Li	External member
7.	Mr. Albert Tang	External member
8.	Mr. C.S.Lam	External member
9.	Mr. Tommy Leung	External member



- * Members of the Technical Committee participated six (6) the Fire Safety Standards Advisory group meeting to advise FSD regarding rules and regulations.
- * FSICA organized a forum in Nov 2005 to review the New Arrangement (Stage 1 & 2) for the Submission of Fire Service Installation Drawings for New Developments. Majority of our members supported this new procedure.
- * Review of BSEN12845 sprinkler rules by FSD/FSICA sub-group was completed in March 2006. Final draft of modified version of BSEN12845 is readily to be issued by FSD for all concerned associations circulation.
- * FSICA attended a workshop organized by M/S Manusell Consultants Asia Ltd in Arpil 2006 regarding review of application inspection of Plumbing Installation in New Building.

3. Training Committee

1.	Mr. Francis Tang (Chairman of Committee)	Fai Tak Engineering Co. Ltd.
2.	Mr. P.S.Ho	ATAL Engineering Ltd.
3.	Mr. C.K.Chan	Shun Cheong Electrical Engg. Co. Ltd.
4.	Mr. Michael Lam	Majestic Engineering Co. Ltd.
5.	Mr. Simon Tsang	Chubb Hong Kong Limited
6.	Mr. Robin Li	External member
7.	Mr. Albert Tang	External member
8.	Mr. C.S.Lam	External member
9.	Mr. Tommy Leung	External member

- * With regard to trial of the new arrangement of submission procedures for fire services installation drawings for new developments issued under the FSD Circular Letter No. 1/2005, FSICA had invited FSD to jointly organize a Forum on 15th Nov, 2005 for the industry to explain the submission criterion and requirement as well as to review the submission findings observed in the trial period. Honourable speaker, Mr. Ho Nai Hoi, SDO, FSD was the representative from FSD who gave us the talk.
- * A new engineering division for fire discipline has been established in HKIE for the appropriate practitioners of the fire industry. Our Association had jointly organized a talk with HKIE on 6th April, 2006 and cordially invited Mr. Albert Chow, Mr. Anthony Lam, Mr. Charles Chu, Mr. Roks Chik from HKIE to explain details of the entrance paths and requirements. Mr. Joe Leung, representative from FSD also explained the probable role of members of HKIE-Fire Discipline who might involve in the future policy of FSD regarding the third party certification.
- * Safety Supervisor Training Course was jointly organized with Industrial Technology Consultants Ltd and successfully held on 7 Mar 2006 to 4 May 2006 with all candidates completed the course satisfied the requirement and qualified as safety supervisors.
- * Asian Elenex 2006 was successfully held on 7 June, 2006 to 9 June, 2006 and Chairman of our Association, Mr. Peter Lam was one of the guest speakers who gave the talk on “Elimination of Unnecessary Construction Cost-Application of Flexible Sprinkler Dropper” using a case study to evaluate the flexibility and commercial consideration of applying the innovative product-sprinkler droppers to meet the industrial needs.



4. Legal & Contract Committee

1.	Mr. Michael Lam (Chairman of Committee)	Majestic Engineering Co. Ltd.
2.	Mr. C.K.Chan	Shun Cheong Electrical Engg. Co. Ltd.
3.	Mr. Tommy Poon	Guardian Fire Engineers & Con. Ltd.

- * ASD implemented the checking process for Identification of Make and Origin for BS/E&M materials & equipment in all works contracts started from 1 April 2006.
- * After having reviewed the stand point of FEMC, FSICA agreed that if the PBSC (Principal Building Services Contractor) is to be direct contract with ASD, FSICA shall support the trial of PBSC contract.

5. Membership Committee

1.	Mr. K.C.Lam (Chairman of Committee)	Mansion Fire Services Co. Ltd.
2.	Ms. Ling Ho	Administrator of the Association

- * In order to grow membership, the committee sent our newsletter to non-members together with membership application form in order to attract new member.

6. Safety Committee

1.	Mr. Charles Law (Chairman of Committee)	Johnson Controls Hong Kong Ltd.
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- * The Association has joined the Hong Kong Federation of Electrical and Mechanical Contractors to hold an E&M industry safety walk in past 3 years with total participants more than 5,000.

7. Recreation Committee

1.	Mr. Ken Poon (Chairman of Committee)	Guardian Fire Engineers & Con. Ltd.
2.	Ms. Ling Ho	Administrator of the Association

- * The Association held four golf tournaments last two years and sponsorship by Honeywell Ltd, Tyco Fire & Building Products, Bun Kee (International) Limited & Notifier Far East.
- * FSICA golf team won the FEMC Inter-Association "President James Cup" in Dec 2005.



8. Newsletter and Internet Committee

1.	Mr. Wilson Yau (Chairman of Committee)	Honeywell Ltd.
2.	Mr. Simon Tsang	Chubb Hong Kong Ltd.
3.	Mr. Raymond Tsui	External member
4.	Ms. Ling Ho	Administrator of the Association

- * The newsletter and Internet committee issued two newsletters, supplement and designed FISCA 30th anniversary Mugs in the commemorative occasion of 30th anniversary for the association last year.
- * To kept the website of the Association being updated monthly.
- * Statistics of www.fsica.org.hk (Jan 2005 to Jun 2006) listed below:

Unique Visitors	18445
Number of visits	25546

9. Architectural Services Department Liaison Committee

1.	Mr. Peter Lam	Chubb Hong Kong Ltd.
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- * Delay on payment of term contracts due to change of computer system
- * Impacts on E&M contractors due to Dickson's case

10. Housing Department Liaison Committee

1.	Mr. C.K.Chan (Chairman of Committee)	Shun Cheong Electrical Engg. Co. Ltd.
2.	Mr. Michael Lam	Majestic Engineering Co. Ltd.
3.	Mr. WK Hui	Ryoden Engineering Co., Ltd.
4.	Mr. Tommy Poon	Chubb Hong Kong Limited

- * Committee joined 4 Sub-Group Meetings and 4 Quarterly Liaison Meetings and 3 Task Group Meetings with Housing Authority in last year.
- * H.A. accepted to adopt the GMS Pipes Index for calculating the material fluctuation in FS/WP term maintenance contracts and nominated sub-contracts, instead of uPVC lined GMS Pipes Index in future, and supported FSICA to request C&S Dept. to continuously publish the GMS Pipes Index.
- * FSICA expressed the opinions on the pay items and furnished the trade specific safety trainings payable to NSC for "Pay for Site Safety, Environmental & Hygiene Scheme" for coming contracts.
- * FSICA proposed H.A. to lower the requirement of percentage of skilled workers & semi-skilled workers to 15% and 30% respectively, and to accept the skilled worker (Provisional) & semi-skilled worker (Provisional) as qualified workers.



- * FSICA expressed the strong objection to the Bank Auto-pay to the sub-contractors' workers. However, due to Dickson's case, such measures will be applicable to coming contracts.
- * H.A. accepted FSICA's request to lower the employed capital requirement under the "Strengthening of Financial Requirements upon Tendering".
- * FSICA expressed the opinions on the change of Contract Requirements and General Specifications.
- * FSICA will fight with HA against the recently proposed requirement of On-demand Bond for the NSC.

11. Fire Services Department Liaison Committee

1.	Mr. Peter Lam	Chubb Hong Kong Ltd.
2.	Mr. Michael Lam	Majestic Engineering Co. Ltd.
3.	Mr. K.C.Tam	Shun Yick & Co., Ltd.
4.	Mr. Francis Tang	Fai Tak Engineering Co. Ltd.

- * There were five (5) communication meeting held between FSD and FSICA. FSICA's rep also attended six (6) Fire Safety Standards Advisory Group (FSSAG) working group meeting.
- * Proof of equipment ownership for FSIC Registration, FSICA expressed that the proof should be practical and doable. i.e. hand tools should not be required to prove ownership.
- * Publicizing information on removal/reprimand of FSICA. FSICA expressed their supports to the initiative of QA however a fair and open mechanism is required.

12. Federation of Electrical and Mechanical Contractors Ltd. Liaison Committee

1.	Mr. Peter Lam (Chairman of Committee)	Chubb Hong Kong Ltd.
2.	Mr. Tommy Poon	Guardian Fire Engineers & Con. Ltd.
3.	Mr. Wicky Lo	Lik Kai Engineering Co., Ltd.

- * The recent Dickson case has prompted two issues - payment mechanism and performance, both covered in meetings with ASD in 3/06 and HA in 4/06. FEMC received complaints from some members on 'warning' from the client to continue delivering service despite the likeliness of getting no payment from the main contractor – Dickson. FEMC has taken up the case to discuss with ASD at coming Communication Meeting. Members who are facing same problems please inform Mr Peter Lam.
- * FSICA has agreed to provide two papers for MOC conference held in Sep 2006 from 11 to 13 September 2005 in Urumqi (烏魯木齊).
 - Paper from Mr. Daniel Chan titled: 酒店賓館消防安全系統的探討
 - Paper from Mr. Peter Lam, Ms. Scholastica Tsoi and Mr. Patrick So titled : 香港機電工程業安全管理-專案討論



From the above report, you may have been aware that we need more members to share the heavy workload of the committees.

In addition to the contributions from our members, I would also like to request our members join me to thank the friends of the Association, who join the different committees as external members, for their valuable time and efforts to help the Association to grow and contribute to the industry.

1. Mr. Albert Tang
2. Mr. Kevin Yau
3. Mr. Tommy Leung
4. Mr. C.S.Lam
5. Mr. Robin Li
6. Mr. Raymond Tsui

Review and Outlook

The construction industry of Hong Kong is still the laggard in recovery (see Figure1 below). The year-on-year growth of overall building and construction expenditure as at Q1 2006 was still 8.7% below Q1 2005.

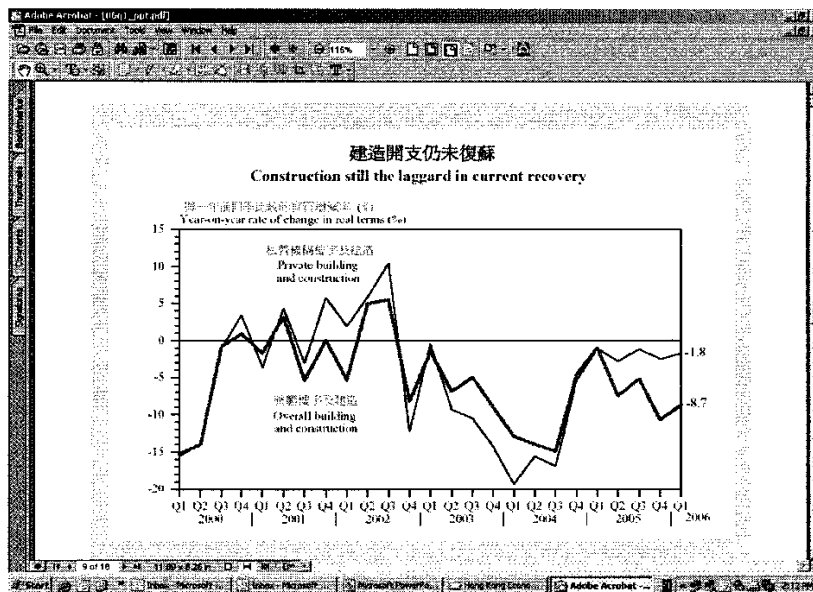


Figure 1: Year-on-year growth of construction expenditure of Hong Kong
Reference: HKSAR, 2006 First Quarter Economic Report, Table pp 92

Hong Kong construction activities performed not so well in past 12 months. However, Macau has fueled Hong Kong business with building about 2,000,000 m² in 2005. In the Q1 2006, Macau started 286,464 m², or up 110.4% over Q1 2005. It is also worth to remark that Q1 2006 was down 45.8% compared with Q4 2005. The surge of demand on one hand has provided opportunity for Hong Kong companies and on the other hand is seen as risk for too aggressive investment in the market.



Graph 1. Buildings started, by quarter

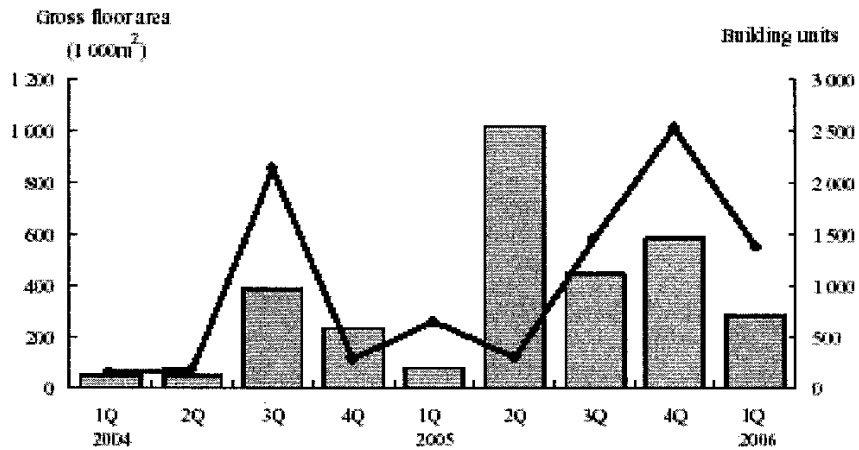


Figure 2: Building Started in Macau 2004 -2006

Reference: Government of Macau SAR, Statistics and Census Services, Graph 1

Conclusion

The association in the coming year shall through its communication with the Government to speed up Government projects for the members to enjoy more work opportunity.

Finally, I must say thank you for all your supports to the Association last year, and wish you fruitful business in coming months and years.

Enjoy your time and the dinner.

Thank you

Peter O K Lam
Chairman
The Association of Registered Fire Service
Installation Contractors of Hong Kong Limited

4th August 2006