

(Translation)

Progress Report on Albert House Case
As at 10 January 2005

Since the High Court ordered the Owners' Corporation (OC) of Albert House to wind up, the Home Affairs Department (HAD) has been in close contact with the owners of the building and made every effort to help alleviate their difficulties. A progress report is as follows:

(1) Meeting and Briefing Session Arranged for Owners of Albert House

Immediately after the winding-up order made by the High Court on 8 November 2004, Southern District Officer (SDO) met with the owners of 64 households of Albert House on 9 November to address their concerns.

SDO arranged a briefing session for the owners on 10 November where representatives of the Official Receiver's Office (ORO) and voluntary lawyers were invited to explain to the owners the winding-up procedure and to answer their questions. Owners of 76 households were present at the briefing session.

(2) Setting up a Hotline, Providing a Free Legal Advice Service and Conducting Home Visits

The Southern District Office set up a hotline on 9 November 2004 to answer the enquiries from the owners of Albert House. So far, a total of 44 enquiries have been received from the owners concerned.

HAD also arranged a free legal advice service to the owners between 16 November and 18 November 2004. A total of 10 owners met the voluntary lawyers.

Staff members from the Southern District Office visited owners of Albert House in mid November to ascertain the circumstances of individual owners and their practical difficulties. Moreover, we have been in contact with the Social Welfare Department and asked it to offer assistance, where necessary, to owners who are in distress.

(3) Liaising with LegCo Members and ORO

HAD has maintained a dialogue with LegCo Members on ways to resolve the matter following the special meeting of the LegCo Panel on Home Affairs on 12 November 2004. In addition, SDO has been seeking the advice of ORO on the winding-up procedure. A court order was also obtained by ORO on 8 December 2004 which provided that the monthly management fee received by the management office of Albert House should continue to be used for management purposes.

(4) Convening Another Meeting of Owners and Assisting them to Form a Liaison Team

On 30 November 2004, ORO convened an owners' meeting to discuss the winding-up arrangements. SDO met a group of owners (39 households) again on 1 December 2004 to address their concerns over the uncertainties related to the winding-up procedure. They also requested SDO to assist in convening a meeting of owners for the formation of an owners' liaison team.

SDO convened another meeting of owners on 9 December 2004 at their request and assisted the owners in electing a team of representatives, who would be responsible for liaising with owners of the building and other stakeholders. Representatives of 68 households attended the meeting and a voluntary lawyer was present to answer questions. A Deputy Director of Home Affairs also attended the meeting. Apart from expressing sympathy and informing owners of the latest developments, he arranged immediately a meeting between members of owners' liaison team and staff of Hong Kong Mediation Council (HKMC) on 11 December 2004.

(5) Inviting HKMC to Provide Assistance

At the invitation of the Director of Home Affairs, HKMC has provided voluntary assistance to facilitate dialogues and strengthen communication between creditor and debtor through mediation, with a view to reaching settlement. Mediation is an attempt to resolve disputes through negotiation instead of legal proceedings. The mediator is an impartial third party, who is responsible for assisting the parties in dispute to discuss and understand their disagreement, to identify their interests and needs and to work out a solution

acceptable to all parties.

As the order for the winding up of OC of Albert House is the result of a number of civil proceedings and claims, the determination of civil liabilities is a matter for the courts. Given that the legal proceedings cover a wide spectrum of matters, it will not only take a long time to complete the winding-up procedure, but also involve substantial costs. As such, to resolve the disputes through mediation is well worth trying.

On 11 December 2004, mediators of HKMC held the first meeting with the owners' liaison team. During the three-hour meeting, members of the liaison team suggested that another meeting with the mediators be arranged after the Christmas holidays. Since then, several informal meetings and talks have been held. The mediators also met the solicitors of Aberdeen Winner Investment (AWI) to learn more about the developments of the case in the past ten years and find out AWI's views on the matter.

To get a full understanding of the case, the mediators studied the pleadings and judgments of the case and calculated the amount of compensation, costs and interests to be borne by the owners as ordered by the court. They then prepared a brief for the second meeting with the liaison team on the evening of 6 January 2005. At the meeting, they explained to members of the liaison team the events leading to the court case, the causes of various claims and how the costs were incurred.

(6) Providing a Loan with Favourable Terms

In order to render assistance to the needy owners of Albert House who may be in financial difficulties, we have been in touch with some institutions to explore the possibility of providing a loan scheme with favourable terms for those owners in financial difficulty. We expect that details of the loan scheme will be announced soon.

Home Affairs Department
January 2005