

**Legislative Council Panel on Transport
Subcommittee on Matters Relating to Railways**

**Progress Update of the Construction of the
South Island Line (East)**

Introduction

This paper reports to Members on the progress of the main construction works of the South Island Line (East) (“SIL(E)”) (as at 31 December 2016).

Background

2. SIL(E) is a new railway corridor running from South to North of Hong Kong Island. It starts from South Horizons on Ap Lei Chau to Admiralty via Lei Tung, Wong Chuk Hang and Ocean Park with a total length of about seven kilometres (the alignment is at **Annex 1**). SIL(E) will connect the MTR Island Line, Tsuen Wan Line and the future Shatin to Central Link (“SCL”) at Admiralty Station. The existing Admiralty Station will be expanded to form an integrated station for the four lines to provide seamless interchanges for passengers. In 2011, the estimated capital cost of SIL(E) was \$12,400 million (in December 2009 prices) or \$13,520 million (in money-of-the-day prices).

Project Implementation and Funding Mode

3. SIL(E), being the extension of the existing railway networks owned by MTRCL, is a ‘ownership’ project. Under the ‘ownership’ approach, MTRCL will be responsible for the financing, design, construction and operation of this railway project, and will own the railway. The Government and MTRCL signed the Project Agreements for SIL(E) in May 2011. The original target commissioning date was December 2015.

4. The construction cost of the railway is so enormous that SIL(E) is not considered financially viable based on its fare and non-fare revenues alone. Funding support to MTRCL is needed from the Government to bridge the funding

gap¹ of the project.

5. To implement SIL(E) project, the Government granted the property development right under the 'Rail-plus-Property Model' to bridge the funding gap of the project with caution that the land to be granted to MTRCL should not be more than what is required to bridge the funding gap. As such, the Government granted in 2011 the topside property development right at Wong Chuk Hang Depot for the implementation of SIL(E) project.

6. Being granted the property development right, MTRCL is responsible for all the costs of the property development as well as the construction and operating costs of the railway project. In addition, it has to bear long term risks in financing the project, operating the railway, and market fluctuations in rail and property developments. The design philosophy of the 'Rail-plus-Property Model' is to strike a fair balance of risks and benefits between the Government and MTRCL. As the SIL(E) is a ownership project, MTRCL is responsible for the additional expenditure arising from the delay of the railway works. According to the report submitted by MTRCL to the Legislative Council ("LegCo") Subcommittee on Matters Relating to Railways ("RSC") in August 2015, the estimate of the construction cost of SIL(E) had been further adjusted upward to \$16,900 million (in money-of-the-day prices) due to the complexity of the project and continued challenges encountered.

Essential Public Infrastructure Works related to Railway Projects

7. In order to tie in with the commissioning of SIL(E), the Government also entrusted the implementation of the associated 'Essential Public Infrastructure Works' ("EPIW") to MTRCL. They include construction and improvement of the pedestrian and linking facilities for providing convenient access to railway stations so that the consequential social and economic benefits of the railways can be fully realised. The EPIW (the layout plan is at **Annex 2**), which are constructed in parallel with the railway works, include:-

¹ A railway is considered not financially viable if the present value of all its projected revenues net of projected expenditures falls short of the expected return on capital. During the initial public offering ("IPO") of MTRCL in 2000, the Government acknowledged to investors through the IPO Prospectus that the return required by MTRCL for any new railway project would ordinarily be between 1% and 3% above the Weighted Average Cost of Capital ("WACC"). This shortfall is known as the funding gap.

- (i) construction of public transport facilities underneath Wong Chuk Hang Station; improvement of the road network in the vicinity of Ocean Park Station and Wong Chuk Hang Station;
- (ii) modification of a section of Wong Chuk Hang Nullah between Ocean Park Road and Nam Long Shan Road;
- (iii) construction of a covered footbridge connecting Wong Chuk Hang Station with the adjacent industrial area and a covered footbridge linking the western part of Ap Lei Chau Estate to Yi Nam Road near Precious Blood Primary School; and
- (iv) construction of a pedestrian link to Aberdeen Channel Promenade and improvement of the road junctions of Ap Lei Chau Drive and Ap Lei Chau Bridge Road.

Latest Progress of the Works

8. MTRCL has submitted a progress report on SIL(E) (as at 31 December 2016) at **Annex 3**. The analysis and supplement made by the Highways Department (“HyD”) on this progress report is provided below.

9. In order to tie in with the commissioning of SIL(E), the necessary civil works, electrical and mechanical works, and fire services installation works had been completed. The statutory inspections had also been conducted by the relevant government departments in stages as scheduled. SIL(E) was commissioned on 28 December 2016 to serve the people living and working in the Southern District.

10. Following the completion of construction works of SIL(E), MTRCL is now carrying out the remaining road reinstatement and road surface improvement works on Heung Yip Road, Nam Long Shan Road and Shum Wan Road in Wong Chuk Hang, which are expected to be completed in mid-2017. In South Horizons, the remaining footpath reinstatement works and road surface improvement works

are expected to be completed in the first quarter of 2017. The overall progress of the above works is generally in line with the MTRCL's programme.

11. For the EPIW to facilitate the commissioning of SIL(E), entrusted by the Government to MTRCL mentioned in paragraph 7 above, the works were completed and opened to the public in stages from January 2015 to August 2016. The covered footbridge linking the western part of Ap Lei Chau Estate to Yi Nam Road near Precious Blood Primary School and the new slip road completed under the improvement works of the road junctions of Ap Lei Chau Drive and Ap Lei Chau Bridge Road were opened in January and July 2015 respectively. The covered footbridge for connecting Wong Chuk Hang Station with the adjacent industrial area; and the public transport facilities underneath Wong Chuk Hang Station and the improvement works of the adjacent nullah and road network were completed and opened to the public in April and June 2016 respectively. The pedestrian link to Aberdeen Channel Promenade was also opened to the public in August 2016

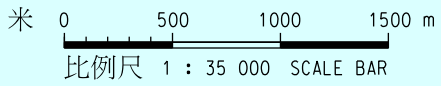
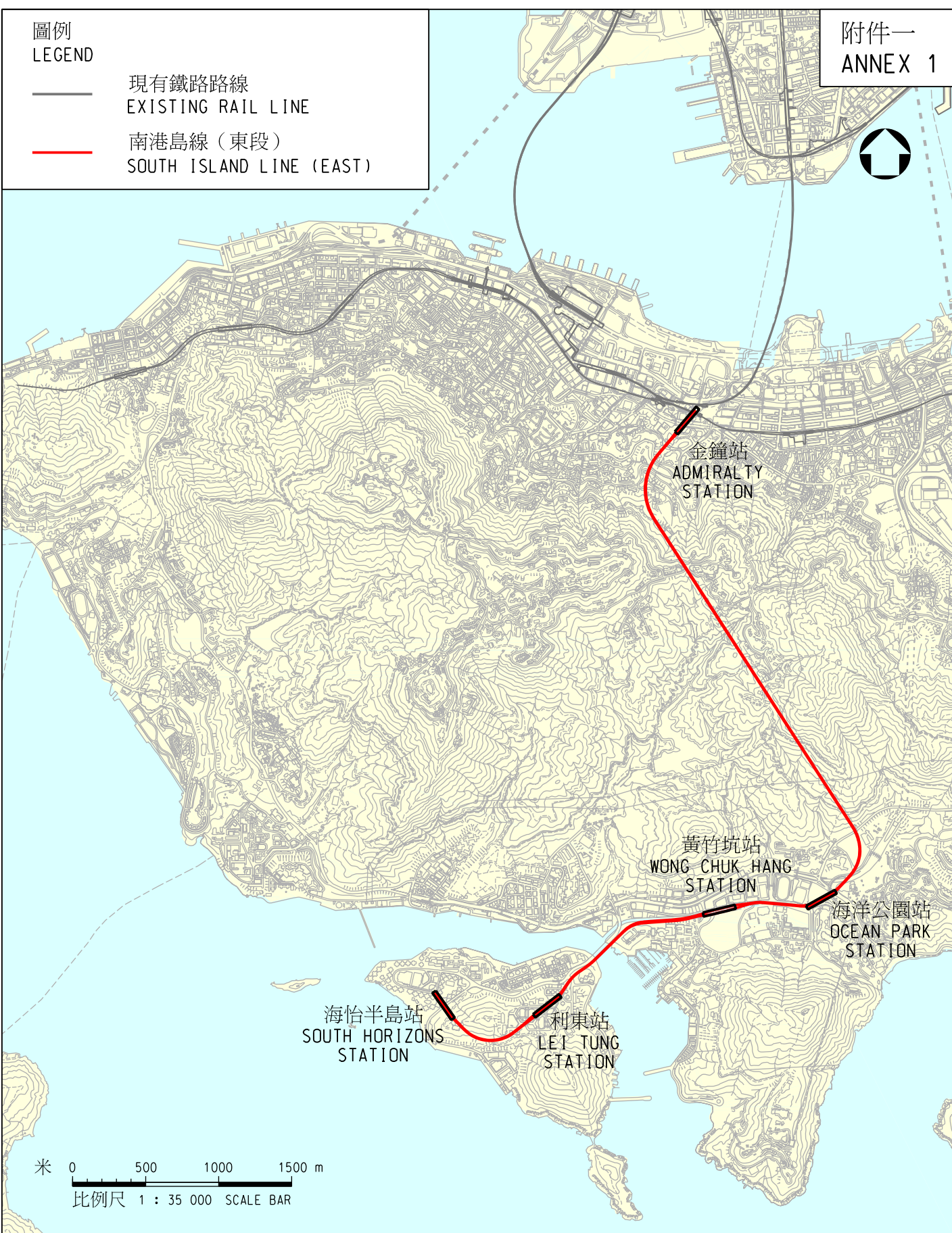
Conclusion

12. Following the commissioning of SIL(E) on 28 December 2016, the railway services have extended to the Southern District of Hong Kong Island, providing fast and convenient railway services linking the Southern District with other areas. This progress report is also the last quarterly progress report on the progress of the construction works of SIL(E) submitted to this Subcommittee.

**Transport and Housing Bureau
Highways Department
February 2017**

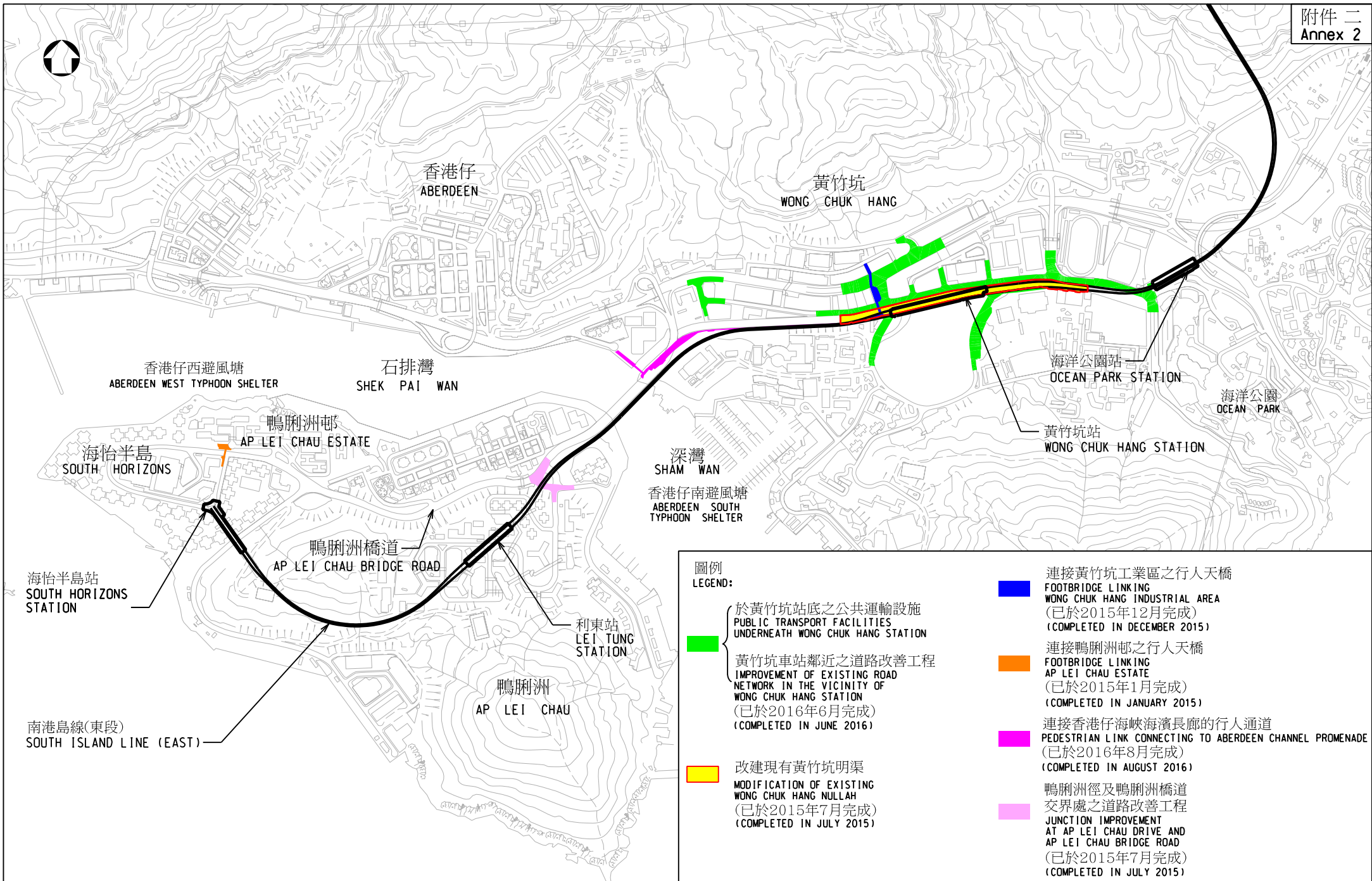
圖例
LEGEND

- 現有鐵路路線
EXISTING RAIL LINE
- 南港島線（東段）
SOUTH ISLAND LINE (EAST)



南港島線（東段）

SOUTH ISLAND LINE (SIL) (EAST)



南港島線(東段) - 主要基建工程
SOUTH ISLAND LINE (EAST) - ESSENTIAL PUBLIC INFRASTRUCTURE WORKS

圖例
LEGEND:

<ul style="list-style-type: none"> 於黃竹坑站底之公共運輸設施 PUBLIC TRANSPORT FACILITIES UNDERNEATH WONG CHUK HANG STATION 黃竹坑車站鄰近之道路改善工程 IMPROVEMENT OF EXISTING ROAD NETWORK IN THE VICINITY OF WONG CHUK HANG STATION (已於2016年6月完成) (COMPLETED IN JUNE 2016) 改建現有黃竹坑明渠 MODIFICATION OF EXISTING WONG CHUK HANG NULLAH (已於2015年7月完成) (COMPLETED IN JULY 2015) 	<ul style="list-style-type: none"> 連接黃竹坑工業區之行人天橋 FOOTBRIDGE LINKING WONG CHUK HANG INDUSTRIAL AREA (已於2015年12月完成) (COMPLETED IN DECEMBER 2015) 連接鴨脷洲邨之行人天橋 FOOTBRIDGE LINKING AP LEI CHAU ESTATE (已於2015年1月完成) (COMPLETED IN JANUARY 2015) 連接香港仔海峽海濱長廊的行人通道 PEDESTRIAN LINK CONNECTING TO ABERDEEN CHANNEL PROMENADE (已於2016年8月完成) (COMPLETED IN AUGUST 2016) 鴨脷洲徑及鴨脷洲橋道交界處之道路改善工程 JUNCTION IMPROVEMENT AT AP LEI CHAU DRIVE AND AP LEI CHAU BRIDGE ROAD (已於2015年7月完成) (COMPLETED IN JULY 2015)
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**Legislative Council Panel on Transport
Subcommittee on Matters Relating to Railways**

**Progress Update of the South Island Line (East) Project
(As at 31 December 2016)**

Purpose

1. This paper provides an update on the works progress of the South Island Line (East) (SIL(E)) project as at 31 December 2016.

Background

2. South Island Line (SIL) is a 7-kilometre, medium-capacity railway that connects the Southern District with the existing railway network in Hong Kong through tunnels and viaducts with stations at Ocean Park, Wong Chuk Hang, Lei Tung and South Horizons. A train maintenance depot is located in Wong Chuk Hang.

Project Progress

3. SIL commenced passenger service on 28 December 2016, extending railway service to the Southern District. The journey time between Admiralty and South Horizons stations is approximately 11 minutes.

4. Before the commissioning of the new rail line, all statutory inspections by relevant government departments in respect of railway services and operational safety are completed. Extensive pre-opening trial operation, emergency drill exercises and stress tests were also thoroughly conducted before the opening.

Works in Southern District

5. Following the completion of construction works of SIL, the Corporation is now carrying out the remaining road reinstatement and improvement works in

Southern District. In Wong Chuk Hang, road reinstatement and road surface improvement works continue on Heung Yip Road, Nam Long Shan Road and Shum Wan Road in stages and are expected to be completed in mid-2017. In South Horizons, the carriageway reinstatement works have been completed, while the remaining footpath reinstatement works and road surface improvement works will continue until the first quarter of 2017.



Remaining footpath reinstatement works in progress in South Horizons

Essential Public Infrastructure Works (EPIW)

6. To enhance convenience for the residents of Southern District, the Corporation was also entrusted to carry out of a number of EPIW under the SIL(E) project. These include (i) the construction of public transport facilities at Wong Chuk Hang Station; improvement of the existing road network in the vicinity of Ocean Park Station and Wong Chuk Hang Station; (ii) modification of a section of Wong Chuk Hang Nullah between Ocean Park Road and Nam Long Shan Road; (iii) the construction of a covered footbridge connecting Wong Chuk Hang Station with the adjacent industrial area; and a covered footbridge crossing Ap Lei Chau Bridge Road to link the western part of Ap Lei Chau Estate to Yi Nam Road near the Precious Blood Primary School; and (iv) the construction of a pedestrian link to the Aberdeen Channel Promenade and improvement of the road junctions of Ap Lei Chau Drive and Ap Lei Chau Bridge Road. All the EPIW have been completed and opened to public.

Admiralty Station Extension

7. Admiralty Station is undergoing expansion to become an interchange station for the Island Line, Tsuen Wan Line, SIL and Shatin to Central Link

(SCL). The structural, fitting-out, electrical and mechanical, and building services installation works under the SIL(E) project have been completed.

8. Following the opening of SIL, passengers can now reach the Admiralty Station extension by means of the existing station entrances. A new lift is provided near Rodney Street, connecting the station concourse, ground level, and the landscaped deck level of Harcourt Garden for the convenience of persons in need. A covered walkway on the landscaped deck level of Harcourt Garden near Rodney Street connecting CITIC Tower Footbridge and United Centre Footbridge has been opened for public use. The new Admiralty Station Entrance E on Rodney Street will be fully operational when SCL is commissioned.



SIL platform level at Admiralty Station

Conclusion

9. Members are invited to note the above information.

MTR Corporation Limited
February 2017