

(Translation)

**Legislative Council Panel on Transport
Subcommittee on Matters Relating to Railways
Meeting on 2 June 2017**

**Supplementary Information Submitted by Highways Department
and MTR Corporation Limited**

Reasons for the increase in the number of claims in respect of electrical and mechanical contracts

Previously, there was slippage in the progress of the civil works of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project due to the unfavourable ground conditions encountered and other external environmental factors. As a result, the subsequent building services works and electrical and mechanical (E&M) works might be delayed. To avoid causing further delays to the overall works, the building services works and E&M works had to be carried out in phases. The works period might need to be shortened, and the design of the works might need to be revised. In view of the successive commencement of the works by the building services and E&M contractors in 2015, the number of claims might have increased accordingly.

When a contractor lodges a claim, it has the responsibility to provide sufficient supporting information justifying the claim. Upon receipt of the relevant information in support of a claim, the MTR Corporation Limited (MTRCL) needs to process, analyse and carefully review each claim so as to determine whether the claim is justified and the final amount of allowed compensation. Before the completion of review of a claim, any figure referred to will only be regarded as an estimate on the part of the contractor alone. It cannot be in any way regarded as the amount payable by the Government nor expenditure of the project. It would not be appropriate for us to further disclose the specific claim figures and details now, lest it might prejudice MTRCL's processing of the claims lodged by individual contractors.

**Highways Department
MTR Corporation Limited
October 2017**