

17 August 2018

Hon LAU Kwok-fan, MH
Chairman of the Joint Subcommittee to Monitor the Implementation of
the West Kowloon Cultural District Project
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

(By Fax: 2628 3367)

Dear Mr Lau,

M+ Main Works Contract

I am writing to notify you that, following a decision made by the Board of the West Kowloon Cultural District Authority (“WKCDA”) at the 74th Board meeting on 16 August 2018, Hsin Chong Construction Company Limited’s (“HCC”) employment under the M+ main works contract between WKCDA and HCC has been terminated. Action has been taken to close the M+ construction site pending the appointment of a new management contractor to oversee the remaining work on site.

WKCDA will urgently identify a management contractor to take over the M+ Project and to see it through to completion. We intend to use best endeavours to secure all the current subcontracts for the M+ project by way of novation. We anticipate that this will take about six to eight weeks to arrange. In the meantime, the site will remain closed and only essential maintenance and safety management will be carried out. Access to the site will be restricted.

I would like to request an opportunity to brief members of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project. I suggest that the special meeting already called on 11 September 2018 be used for this purpose.

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This has not been an easy decision to take but the Authority is convinced it is in the best interest of the project. We have been working over a number of months to try to keep the project moving on track. This has proven to be impossible in light of the serious financial situation facing Hsin Chong Construction Co. Ltd. and its parent company.

Despite the termination decision, I want to emphasise that WKCDA will complete the M+ Project and WKCDAs remain fully committed to finishing the M+ Building. Our goal to build a world class museum in the West Kowloon Cultural District for the people of Hong Kong remains unchanged.

Yours sincerely,



Duncan Pescod
Chief Executive Officer
West Kowloon Cultural District Authority