

**Select Committee to Inquire into the Background of and Reasons for  
the Delay of the Construction of the Hong Kong Section of the  
Guangzhou-Shenzhen-Hong Kong Express Rail Link  
3 November 2015**

**Opening Statement for Mr Lincoln Leong,  
Chief Executive Officer of MTR Corporation Limited**

Honourable Chairman and committee members:

1. Thank you for giving me the opportunity to provide information to the Select Committee on the Express Rail Link project. I would start off with an update on progress of the project.
2. Subsequent to the Select Committee hearing on 15 July, we have provided supplementary information requested by the Select Committee to the best of our ability. To address members' concerns, the supplementary information covers a wide range of issues, including project management and monitoring, as well as details of the delay recovery measures.
3. With the continuous efforts of our Projects team, I am pleased to report to members that as of today, the overall completion progress of the XRL project is 74%. We have made significant progress in a number of key areas. The 25km twin track underground tunnels are over 99% bored through with only approximately 120 metres left to go. It is expected that full tunnel breakthrough will be achieved before the end of this year. The structural works for all 14 buildings in Shek Kong Stabling Sidings and Emergency Rescue Siding have been completed and the architectural builder's works are progressing steadily.
4. Progress has also been made at the West Kowloon Terminus. By adopting blasting in parallel with mechanical methods, the overall excavation of the Terminus is 95% complete, whilst 63% of the concrete structure has been cast. The pace of steelwork fabrication and erection has also been improving. For the rooftop structures, fabrication of all temporary steel has been completed, while fabrication of the permanent steel is 61% complete. The on-site erection of both is now well underway.

5. The electrical and mechanical, or E&M, works are also making good progress with overall completion at 50%. About 75% of the track areas are available for overhead line installation and track-laying with half the tracks now laid. At West Kowloon Terminus, E&M contractors now have access to about 95,000 square metres of work space and building services installation has commenced in the platform areas on level B4.

6. As you are aware, the Express Rail Link is a large, complex and challenging project. It is the world's first all-underground high-speed railway project, which includes a fully underground terminus in the heart of the city at West Kowloon. The WKT site occupies 11 hectares of reclaimed land. It is bounded by Kowloon Station to the west, Austin Station to the east and the West Kowloon Cultural District to the south. The terminus is the largest deep excavation undertaking ever carried out in Hong Kong. The presence of operating railway lines, high rise buildings and busy main roads nearby adds to the complexity of the engineering challenges.

7. The Project also involves 25km of twin track underground tunnels connecting WKT with the boundary between Hong Kong and Shenzhen. The degree of engineering difficulty is significant.

8. As previously reported, the key causes of the delay in the construction of the Express Rail Link include tunnel boring machine issues, the fast-tracked front end of the project and late site possessions. Furthermore, unfavourable ground conditions, such as higher than expected rock head levels, weak seams and the presence of cobbles and boulders, have also been a significant cause of delay.

9. At the same time, overall labour shortage of about 20% has significantly impacted the five railway projects which were being constructed concurrently, including the Express Rail Link. Since the commencement of construction, works sites have experienced difficulties in filling vacancies across all skill sets. As mentioned in the Second Report by the Independent Board Committee, a shortage of workers and

supervisors has posed significant challenges to the construction programme of the Express Rail Link.

10. Despite all these challenges, we have always taken our role and responsibility as the Project Manager very seriously. The Corporation has all along acted in accordance with the Entrustment Agreements, which require us to oversee the design, construction and commissioning of the Project. To this end, we have used our best endeavours to bring the Project forward, and at the same time, provide regular updates and progress reports to the Government, as well as the LegCo Subcommittee on Matters Relating to Railways.

11. While there are still challenges in the remaining construction works, as the Project Manager, we continue to use our best endeavours to deliver the Project according to the revised timetable. We have submitted the latest estimates of the cost-to-complete and programme-to-complete to Government at the end of June. The Government has since requested additional information which we have provided accordingly.

12. Please be assured that the Corporation and Government share the same objective of delivering the Project as quickly as possible in the most cost effective manner. Although the Project may not have progressed as originally planned, more than 7,000 men and women are working hard day and night to push it forward. The MTR Corporation remains fully focused on the important task of delivering a world-class high speed railway to support Hong Kong's continual development and growth.

13. Thank you very much, Chairman and members.

Lincoln Leong Kwok-kuen  
Chief Executive Officer, MTR Corporation Limited  
3 November 2015