

Translation

For Information

February 2016

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

**Progress and Financial Situation of the
Construction of the Hong Kong Section of the
Guangzhou-Shenzhen-Hong Kong Express Rail Link**

(Quarterly Report for the Period ending 31 December 2015)

INTRODUCTION

This paper aims to brief Members on the major works progress and financial situation of the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (“XRL”) and the relevant monitoring work carried out by the Highways Department (“HyD”) for the period ending 31 December 2015.

BACKGROUND

2. At the meeting of the Subcommittee on Matters Relating to Railways (“RSC”) under the Legislative Council (“LegCo”) Panel on Transport in April 2010, Members agreed that reports on progress update and financial situation of the construction of the Hong Kong section of the XRL should be submitted at six-month intervals. To enhance the reporting to the LegCo on the progress update and financial situation of the construction of the Hong Kong section of the XRL, such reports have been submitted to the RSC at quarterly instead of six-month intervals since March 2015.

3. This paper, which is appended with the progress report (**Annex**) of the MTR Corporation Limited (“MTRCL”), reports on the major works progress, indicators and financial situation for the fourth quarter of 2015 (i.e. from 1 October to 31 December 2015).

THE REVISED PROGRAMME TO COMPLETE (“PTC”), THE REVISED COST TO COMPLETE (“CTC”) AND THE LATEST DEVELOPMENT OF THE XRL

4. The MTRCL submitted to the Government on 30 June 2015 the latest assessment of the revised PTC and revised CTC of the XRL. According to the MTRCL’s assessment, the commissioning of the XRL would be the third quarter of 2018, which included a 6-month contingency period. As regards the revised CTC, the MTRCL advised that the amount would have to be revised to \$85.3 billion, which included a sum of \$2.1 billion for contingency. After considerable discussions, the Government and the MTRCL announced on 30 November 2015 the review result. Both sides agreed to reduce the revised CTC from \$85.3 billion by \$0.88 billion to \$84.42 billion, and agreed on the revised PTC of the third quarter of 2018, which includes a 6-month contingency period. The Government entered into an agreement with the MTRCL on the same day regarding the implementation of the XRL (including the proposed arrangements for the additional cost).

5. At the RSC meeting held on 4 December 2015, the Government and the MTRCL explained the agreement signed on 30 November 2015 and the way forward of the XRL. The relevant paper is Paper No. CB(4)280/15-16(02). At the special RSC meeting held on 14 December 2015, Members supported the submission of the proposal for additional funding to Public Works Subcommittee (“PWSC”) for consideration. Later on, the PSWC first considered the proposal for additional funding at its meeting held on 23 December 2015. Although six PWSC meetings were held which spanning a total of 13.5 hours discussion, the PWSC had not completed the deliberation of

the funding proposal. According to the information provided by the MTRCL, the Entrustment Cost of \$65 billion of the XRL will be exhausted in July this year. However, it does not mean that the Government can wait until July this year to secure the approval of the additional funding by the Finance Committee (“FC”) of the LegCo. As a responsible Project Manager, the MTRCL has to issue a suspension notice to its contractors when it foresees that the total cost payable, including the additional cost that may be incurred due to suspension or even termination, may exceed the Entrustment Cost (i.e. \$65 billion) in order to keep the final cost within \$65 billion, unless the additional funding is put in place. The Government and the MTRCL are closely monitoring the expenditure, and will consider by end February this year whether there is a need to issue a suspension notice, depending on the cashflow. In view of this situation, the Government invited the FC on 5 February this year to consider the proposal for additional funding. The Government hopes to obtain the approval for additional funding from the FC by end February 2016 in order to avoid the risk of suspension of XRL.

PROGRESS UPDATE OF THE PROJECT

6. Over the reporting period, HyD, with the assistance of its Monitoring and Verification (“M&V”) Consultant, continued to monitor systematically the implementation of the XRL project by MTRCL under its monitoring mechanism. This includes meetings at various levels (such as meetings of the Project Supervision Committee (“PSC”) chaired by the Director of Highways, Project Coordination Meetings chaired by an Assistant Director of HyD, Contract Review Meetings (“CRMs”) chaired by a Chief Engineer of HyD) and regular site inspections.

7. Starting from the last quarterly report, the HyD and the MTRCL monitor the progress of the remaining works of the XRL project against the revised commissioning target of the XRL in the third quarter of 2018.

8. As stated in MTRCL’s progress report, the overall progress of the XRL was 76.4% as at the end of December 2015, which was ahead of the

planned progress of 74.3% based on the target of commissioning of the XRL in the third quarter of 2018. According to our scrutinisation of MTRCL's PTC which aims at completing the XRL project in the third quarter of 2018, the construction of West Kowloon Terminus ("WKT") North (Contract 810A) is still the most critical contract of the entire XRL project while the construction of Tai Kong Po to Tse Uk Tsuen Tunnels (Contract 823A), construction of Tai Kong Po to Ngau Tam Mei Tunnels (Contract 824) and the construction of Huanggang to Mai Po Tunnels (Contract 826) are the sub-critical contracts. Attention should also be given to the works contracts for the electrical and mechanical ("E&M") systems as their progress is closely inter-linked with the various construction works of the WKT and tunnels, as well as the testing and commissioning ("T&C") works of the entire XRL project. The progress of the above works contracts is set out below.

(a) Construction of WKT North (Contract 810A)

9. According to MTRCL's progress report, about 95.5% of excavation works and 60.8% of concrete structural works for WKT North were completed. As urged by the HyD, the MTRCL continued to thoroughly review the sequence of the remaining concreting works and the monthly concreting rates, especially the progress of the construction of partition walls, so that the installation of E&M and building services ("BS") systems in WKT could commence in accordance with the programme. HyD and the M&V Consultant will continue to conduct regular site inspections and hold monthly CRMs and ad-hoc meetings to follow up and monitor the effectiveness of proposals and measures implemented by the MTRCL.

10. There are three critical paths for the construction of the WKT North, namely (i) excavation works near Jordan Road for the northern portion of the WKT; (ii) steelwork fabrication for the Station Entrance Building ("SEB"); and (iii) construction works for the Lin Cheung Road Underpass. These critical construction activities are being followed up as below.

11. The excavation works for the northern portion of WKT involves the

removal of a significant quantity of rock. To enhance the efficiency of the excavation works, the MTRCL continues with the blasting works and excavation by mechanical means. The progress of the excavation works in this quarter is marginally satisfactory. The MTRCL anticipated that the rock excavation by blasting would be completed in the first quarter of 2016. Since the commencement of the blasting works, the MTRCL's records have shown that the impact due to vibration arising from the blasting works is minimal. The HyD and the M&V Consultant will continue to closely monitor the effectiveness of the blasting works and the impacts on the surrounding buildings.

12. HyD was very concerned about the progress of the steelwork fabrication for the SEB, which was highly complicated. HyD noticed that the MTRCL was working very hard with the contractor to formulate and implement proposals, including the fabrication, delivery and erection of the steelwork, as well as the planning and implementation of the temporary works, in order to overcome the various works-related difficulties and expedite the progress of works. The fabrication and erection of temporary supporting steelwork are now complete, and the erection of the steelwork has been commenced in full swing. The HyD and the M&V Consultant will continue to closely monitor its progress, and the implementation of the programme protection measures, such as the introduction of additional steelwork fabrication yards and resources.

13. As regards the construction works for the Lin Cheung Road Underpass, the contractor demolished part of the temporary steel bridge and started the installation of sheet piles and the excavation works. The HyD and the M&V Consultant will closely monitor the impact on the progress of works.

14. In addition, regarding the MTRCL's proposal for temporary closure of the Wui Man Road southbound in order to facilitate the construction of the underpass at the junction of Austin Road West and Lin Cheung Road, the HyD actively coordinated with the relevant local groups and Government departments, and anticipated that the proposal for temporary road closure would take effect in the first quarter of 2016.

(b) Construction of Tai Kong Po to Tse Uk Tsuen Tunnels (Contract 823A)

15. Since the two tunnel boring machines (“TBMs”) commenced tunnelling works for the uptrack South Tunnel and North Tunnel in late October and late November 2014, the tunnelling operation has been generally smooth. The uptrack South and uptrack North Tunnels were completed in August 2015 and December 2015 respectively. The HyD and the M&V Consultant will continue to closely monitor the progress of the remaining tunnel works.

(c) Construction of Tai Kong Po to Ngau Tam Mei Tunnels (Contract 824)

16. In view of the earlier unsatisfactory progress of the tunnel lining works under Contract 824, the HyD has requested the MTRCL to follow up with the Contractor. There are signs of improvement for the above situation at present. The HyD and the M&V Consultant will continue to closely monitor the progress of the remaining tunnel works.

(d) Construction of Huanggang to Mai Po Tunnels (Contract 826)

17. Regarding the cross-boundary tunnel section, the two TBMs have completed the tunnelling works for the Shenzhen section of the XRL and commenced those for the section within Hong Kong. The tunnelling works for the northbound and southbound were completed in August 2015 and November 2015 respectively. The HyD and the M&V Consultant will continue to closely monitor the progress of the remaining tunnel works.

(e) Electrical and Mechanical Systems and XRL Trains

18. The installation of E&M systems continues in WKT, Shek Kong Stabling Sidings (“SSS”) and the tunnels respectively. In general, the progress of installation in SSS and the tunnels had been satisfactory, while the progress of installation in WKT was comparably critical. The progress is detailed below.

19. At the Shek Kong Operation Control Centre (“OCC”), various E&M

systems (including Main Control System and Fixed Communications System, for monitoring the electricity supply of the SSS, Close Circuit Television, radio, telephone system and video recording system, etc.) were installed and the lifts are now in operation. The installation of various E&M systems were also completed at the other facilities in Shek Kong (such as Running Maintenance Shed, Stabling Sidings, Emergency Rescue Station and Shek Kong Plant Building South and Shek Kong Plant Building North). The Main Control System at the Shek Kong OCC had been installed with a temporary server to connect with the Main Control System at WKT for early stage simulation test.

20. The contractors for Trackwork, Overhead Line and Trackside Auxiliaries had gained access to about 76.2% of the tunnel area for carrying out the installation works. A total of 46 km (about 50%) of long tracks were laid. The trackside facilities for Southbound and Northbound tunnels between Pat Heung and Hoi Ting Road of Mong Kok were being installed by individual contractors which included supports for 25kV overhead lines, 11kV power cables, communication cables, signalling systems, cables for low voltage and lighting, drainage pipe and fire hydrants, etc. The installation works for power cables in the aforementioned southbound tunnel was 80.7% completed.

21. The installation works for ventilation fans and air ducts for tunnel environmental control systems at Kwai Chung Ventilation Building and Nam Cheong Ventilation Building had been completed. The installation works for E&M and BS system at the other ventilation buildings were being implemented as planned. At present, 14 sets of tunnel ventilation fans had been delivered to Shek Kong Plant Building (South) and the site at South of WKT, which would be installed later. The 25kV traction power system at the Mong Kok West Traction Supply Station had been completed which was undergoing testing. The associated 132kV cable trench had been handed over to China Light and Power Company Ltd. for cable laying.

22. At the WKT, the contractors for various E&M systems (including low voltage Electrical Installation, Environmental Control System, Lifts and Escalators and Moving Walkways, Fire Services, Plumbing and Drainage

Systems, etc.) had gained access to about 125,000 m² of the site (about 26.2% of the total site area). The contractors for various BS systems continued their works in the main rooms at Levels B1 to B4. Work sites for five escalators and seven lift shafts had been handed over to the contractor for installation works. In parallel, the contractors had strengthened their plant and manpower resources in order to recover the progress of works and to mitigate the impact caused by the delay of civil works at various zones and levels. The construction of the Telecommunication Equipment Room on Level B2 at North of the WKT was substantially completed. The contractor for Fixed Communications System had commenced the installation of equipment racks. The civil works of the Signalling Equipment Room was substantially completed. It would be handed over to the contractor for trackside signalling equipment for equipment installation upon the completion of BS installation.

23. The first XRL train will undergo high-speed dynamic tests in the Guangzhou-Shenzhen section in 2016 and will be timely delivered to Hong Kong for acceptance tests.

24. The contractor for trackworks and overhead line commenced the concreting work for the first section of the fifth track on Level B4 at South of WKT. However, the works progress was hindered by lack of work fronts and access for materials delivery. There are challenges in concreting works for other trackworks. The respective contractors had to strengthen the coordination in work sequence in order to overcome the challenges in this construction bottleneck. In addition, as the peak of the installation works for E&M systems would be tightly interlaced with the integrated testing and commissioning phase of the whole railway system, different government departments and Mainland parties must maintain close communication and collaboration in order to facilitate the timely completion of the concerned testing and commissioning process. The HyD will continue to take lead in the co-ordination work in this regard.

**Transport and Housing Bureau
Highways Department
February 2016**

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Subcommittee on Matters Relating to Railways**

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Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link**

(Report for the period between 1 October and 31 December 2015)

INTRODUCTION

This report presents the construction progress of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (“XRL”) project up to 31 December 2015.

BACKGROUND

2. The Government with the assistance of its monitoring and verification (“M&V”) consultant has completed a review of the revalidated Cost to Complete (“CTC”) and Programme to Compete (“PTC”) submitted by the Corporation on 30 June 2015 (LegCo paper: (CB(4)1228/14-15(01))).

3. The Corporation has reached an agreement (“XRL Agreement”) with the Government on the Proposed Arrangements to demonstrate the commitment of both parties to take forward the XRL project. Details of the arrangements are set out in LegCo paper CB(4)280/15-16(03).

4. The progress reported below is based on the revised target for project completion by the third quarter of 2018 (“2018 Schedule for Completion”). The project progress, key performance indicators (“KPIs”) and financial status for the period between 1 October and 31 December 2015 are reported in this paper.

MAJOR WORKS PROGRESS OF THE XRL PROJECT

(I) Overall Progress of the Construction Works

5. As at 31 December 2015, the overall progress of the XRL project was 76.4%¹ complete against the 74.3% planned progress according to the 2018 Schedule for Completion.

(II) Key Milestones

6. The southbound track tunnel of the cross-boundary tunnel section (Contract 826) from Huanggang to Mai Po constructed by tunnel boring machine (“TBM”) was broken through on 4 November 2015.

7. In addition, the northern northbound track tunnel from Tai Kong Po to Tse Uk Tsuen (Contract 823A), also constructed by tunnel boring machine, was broken through on 12 December 2015 at Tai Kong Po. This marked a major milestone for XRL as the excavation of the entire 26-km tunnels for the Project has been completed.

¹ sum of all weighted percentage completed of all major contracts



Breaking through of the northern northbound track tunnel from Tai Kong Po to Tse Uk Tsuen under Contract 823A marked the completion of excavation of the entire XRL tunnel system

8. Following the completion of tunnel excavation, tunnel lining, track-laying works, as well as installation of cables, overhead lines, signalling and communications system are being done along the 26-km tunnels.



Installation of overhead lines along the tunnel section

(III) Major Progress with Tunnel Construction

9. For Contract 826, concreting works for tunnel invert slabs and walkways were in good progress. Four out of six cross passages have been completed, with

the remaining two targeted for completion in the first quarter of 2016.

10. For Contract 824, concreting for the tunnel lining works and walkways continued along the main running tunnel between Ngau Tam Mei and Tai Kong Po is targeted for completion in the second quarter of 2016.

11. Further to the completion of structural works for four out of seven Ventilation Buildings along the tunnels in late September 2015, the structural works for Mongkok West Ventilation Building were completed in Oct 2015. The structural works for the two remaining Ventilation Buildings in Ngau Tam Mei and Shing Mun were about 80% and 98% completed respectively.



General view of the Ngau Tam Mei Ventilation Building in Yuen Long

12. The architectural builder's works and finishes (ABWF) works in Shek Kong Stabling Sidings (SSS) and Emergency Rescue Siding (ERS) (Contract 823B) were substantially completed during the fourth quarter of 2015. The contractor is currently working on the remaining road paving and landscape works.



Green roof of the Running Maintenance Shed at Shek Kong Stabling Sidings (SSS) and Emergency Rescue Siding (ERS)

13. Backfilling for the southern section of the approach tunnel area near Jordan Road (Contract 811B) was about 44% completed, and this will remain the case to make way for the construction of the roof section of the approach tunnel and the West Kowloon Plant.

14. Works for the new Public Transport Interchange (PTI) near Jordan Road including ground beams and landscape deck construction progressed steadily. Installation of underground utilities was being carried out in parallel in the West Kowloon area.

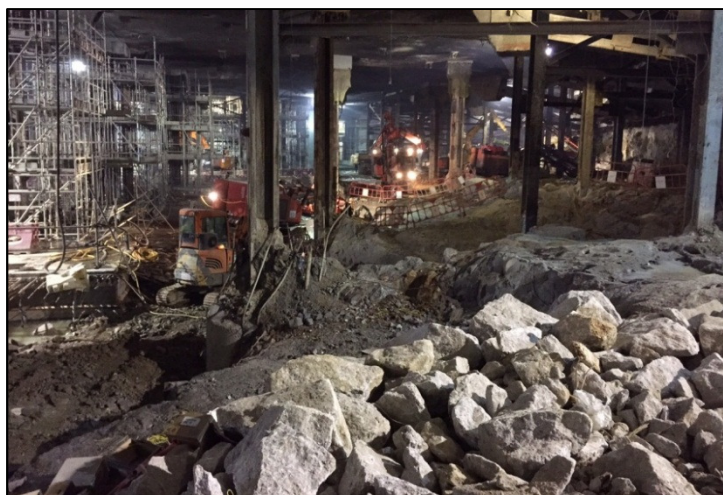


Construction of the new PTI landscape deck

(IV) Major Progress with the Construction of West Kowloon Terminus

15. Overall excavation of the West Kowloon Terminus (WKT) was 97.5% completed, and 69.9% of the concrete structure was cast, which is generally in line with the planned progress of 97.2% and 67.6% respectively.

16. The blasting at Level B4 of the Terminus north-top-down area is progressing satisfactorily. Up to the end of the reporting period, a total of 115,621m³ of rock had been excavated. It is expected that the blasting operation at WKT would complete in the first quarter of 2016. After blasting, the remaining excavation of WKT is expected to be completed in the second quarter of 2016 by mechanical breaking.



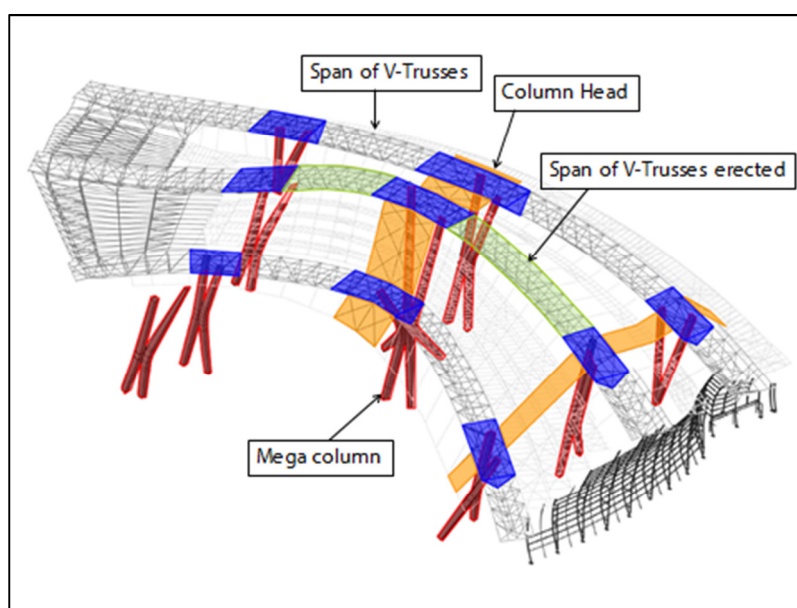
Blasting at station north of the West Kowloon Terminus in progress

17. For the Station Entrance Building (SEB), steelwork fabrication and erection continued steadily. The erection of the temporary steelwork was 100% complete. Permanent steel was 46.9% complete against the planned 35.3%.

18. In addition to the two temporary steel assembly decks that were erected in the third quarter of 2015 to provide physical support for the installation of permanent roof trusses, the remaining seven temporary steel assembly decks were erected in the reporting period. Erection of V-Trusses is being carried out on site, with two out of twelve spans having been erected in December 2015. All V-Trusses are expected to be erected in the second quarter of 2016.

19. Fabrication progress for the remaining six spans of V-Trusses has improved during the period, with one of the spans being fabricated and delivered to Hong Kong in December 2015. The Corporation is closely monitoring the progress and has urged contractors to improve the production rate towards the planned target.

20. The column heads for the last three southern mega column were erected successfully during the reporting period. This marked the completion of all nine permanent mega column heads for the steel roof.



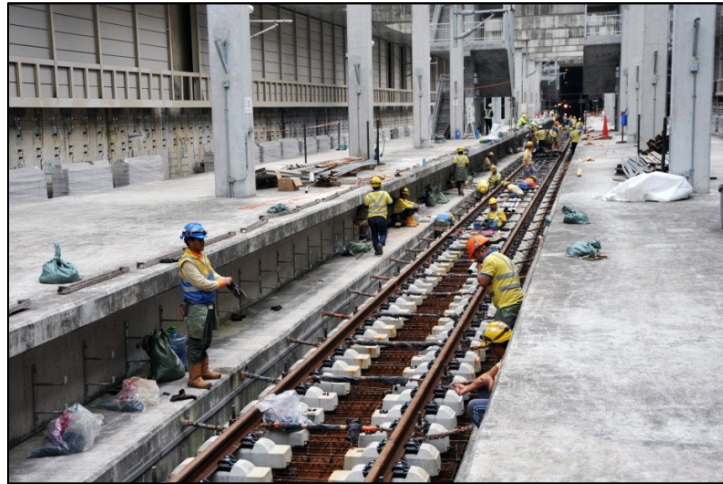
The latest progress of the structural works for the Station Entrance Building at WKT
(items in colour are completed)

(V) E&M and Signaling Systems

21. Works under various Electrical & Mechanical (E&M) contracts are in progress and were 51.8% completed overall.

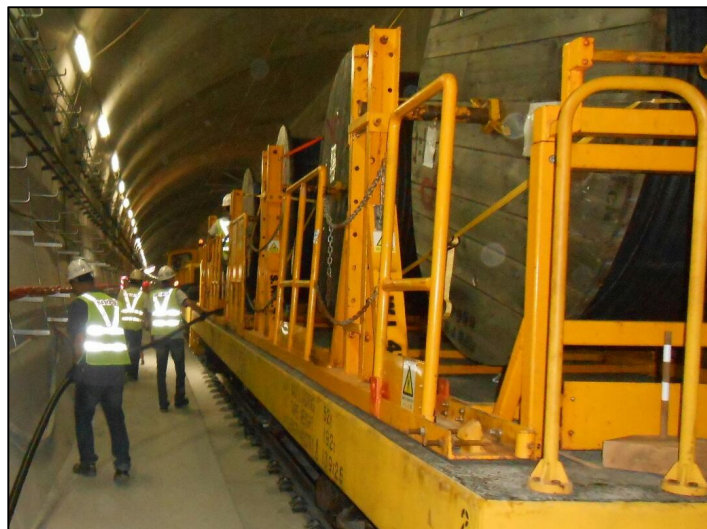
22. The trackwork and overhead line contractor (Contract 830) has been given access to about 76% of the XRL track areas to carry out installation works.

23. Out of the total track length of 72.8km, over 63% of tracks had been laid.



Track-laying in progress

24. Track installation was completed in both tunnels between Pat Heung and Hoi Ting Road, and in the southbound tunnel between Pat Heung and SSS. Works trains are being deployed in these areas to facilitate E&M installation including cabling, 25kV overhead line, telecommunications equipment, signaling system, etc.



Works trains are deployed for cable installation in the tunnels

25. Installation of Building Services equipment with the Ventilation Buildings was 63.7% completed against the planned target of 57.4%.

26. At WKT, E&M contractors have been given access to an area of around 125,000m², i.e. about 26% of the total floor area for E&M installation in Contract 810A, 810B and 811B area. Building services installation continued at Levels B1 to B4. Installation of five escalators and seven lifts at WKT is also in progress.



Installation of escalators and lifts at WKT is in progress

27. Except the north top down area, major structural works at Level B4 of WKT has been substantially completed. Since early December, preparation works for track concreting has started. The first pour of trackbed concrete on Track 5 in Contract 810B area was completed in late December 2015. In parallel, installation of air ducts, chiller plant and dampers was progressing as planned inside the terminus. The progress of building services works is slightly behind schedule as it is affected by the progress of civil works and hence the area that can be made available for building services works. Progress is expected to pick up in the first quarter of 2016 as more areas will be made available.



Installation of condensing water pipe header at Chiller Plant Room in WKT

28. Installation of main control system and communication equipment at the Operations Control Centre in SSS has been substantially completed, whilst the installation of CCTV cameras and PA speakers at the Emergency Rescue Sliding (ERS) is progressing in parallel. The track areas at SSS Running Maintenance Shed have been energized and are ready for train testing.



Track areas at Shek Kong ERS

29. E&M installation works such as tunnel ventilation system with air ducts and telecommunication equipment installation works continued at six ventilation buildings. About 95% of installation works for the radio communication system were completed at Nam Cheong Ventilation Building. Testing was substantially completed for the 25kV gas-insulated switchgear at Mongkok West Ventilation Building. A total of 23 11kV transformers were energized at various ventilation buildings and SSS, whilst 11kV cable laying for the southbound tunnel between SSS and Mongkok West Ventilation Building was in full swing with about 80% completed. High voltage cabling work for Contract 810B area at WKT was completed and ready for energization in the third quarter of 2016 to facilitate subsequent testing and commissioning of other E&M systems.



Resistance test for the jumper cable with the infeed isolator in Mongkok West Ventilation Building

(VI) Construction Challenges

(a) West Kowloon Terminus

30. The complicated works of the Station Entrance Building continued to be one of the major construction challenges facing the project. Upon completion of the erection of V-Trusses, installation of the external wall system will be another challenging process, in which all the glass and aluminum components will require high degree of accuracy in both manufacturing and installation.



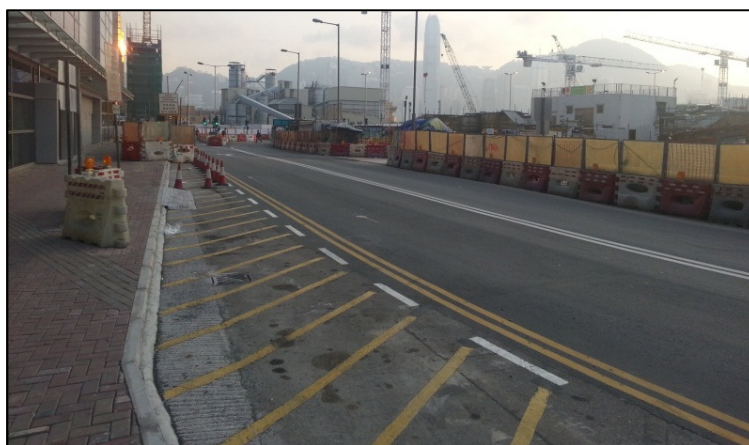
V-Trusses erection in progress at WKT

(b) Labour Shortage

31. As the project is reaching the peak for E&M works, a high demand for skilled labour for E&M contractors is expected. The Corporation continued its efforts in helping contractors on the recruitment of workers through the “First-Hire-Then-Train” Scheme and labour importation under the Supplementary Labour Scheme.

(VII) Preparation and Interface Works

32. We proposed temporary road closure of the Wui Man Road southbound to facilitate construction of the underpass at the junction of Austin Road West and Lin Cheung Road, as well as to minimize associated risks for the construction of the entrance of the West Kowloon Terminus. The proposed scheme is currently being reviewed by relevant government departments.



The temporary closure of Wui Man Road southbound is planned to be put into effect in late Jan 2016 the earliest.

33. Other than individual site meetings with representatives of the residential developments atop MTR Austin Station, a Community Liaison Group (CLG) meeting (WKT Section) was also held on 9 December 2015 to exchange views with local stakeholders on the proposed scheme. With no major adverse comment received, it is expected that the proposed scheme could be put in effect in late January 2016 the earliest. Stakeholders and relevant District Council members

will be kept abreast of the development regarding the proposed scheme.

34. The Corporation arranged a site visit to WKT for members of the Legislative Council Subcommittee on Matters Relating to Railways on 13 December 2015 to view the latest works progress especially E&Ms and excavation on site. We also explained the construction challenges of the Station Entrance Building rooftop structures.

(VIII) Employment Opportunities

35. As at the end of December 2015, a daily average of about 7,712 construction workers and technical / professional staff members were employed for the construction and E&M works for the tunnels and the WKT. The XRL project will continue to actively seek deployment of manpower resources to meet the project needs.

(IX) Updated Financial Situation of the XRL project

36. As at 31 December 2015, the cumulative expenditure for the awarded contracts was \$52.2 billion.

37. The Corporation will continue to monitor closely the costs and progress of the XRL project. Based on the current cash flow estimate, the Cost to Complete at 65 billion for XRL will be used up by July this year. Details of the financial situation of the project are shown at Annex 2.

MTR Corporation Limited
February 2016

Annex 1 – KPIs of Major Works Progress

Summary of the Construction Progress of the XRL Project

Works Commencement Date	26 January 2010
Target Completion Date	Q3 2018, including a 6-month contingency period
Works Progress	Overall completion progress: 76.4% [as at end December 2015]

Progress of Key Civil Works Contracts

Cumulative progress of contracts for WKT construction:

Contract No.	Concrete structural works	Terminus excavation works
	End December 2015	End December 2015
810A	60.8% (57.6%)	95.5% (95.0%)
810B	92.7% (92.6%)	100% (100%)

Percentage in bracket is the planned progress of the Q3 2018 Schedule for Completion

Cumulative progress of contracts for tunnel construction:

Contract No.	Actual progress	Planned progress*
	End December 2015	End December 2015
811A	99.1%	98.3%
811B	72.1%	69.4%
820	100%	100%
821	100%	100%
822	99.8%	99.7%
823A	92.2%	88.5%
823B	99.1%	98.0%
824	90.6%	85.3%
825	98.2%	97.9%
826	98.3%	94.5%

Cumulative progress of E&M works:

E&M Works Progress	Actual progress	Planned progress*
	End December 2015	End December 2015
WKT Building Services	39.7%	38.5%
Track Laid	63.4%	58.8%
Overall installation	26.9%	22.3%
Overall E&M	51.8%	50.1%

** Percentage is the planned progress of the Q3 2018 Schedule for Completion*

Annex 2 – Financial Expenditure

Expenditure report ending 31 December 2015

Table 1 – Situation of Expenditure

	Awarded contract sum for the contracts (\$ million)	Cumulative expenditure (\$ million)
Railway Tunnels	22,473.5	27,995.5
West Kowloon Terminus (“WKT”)	14,596.3	17,552.0
Electrical and Mechanical (“E&M”) Works	8,166.1	6,616.6
Total	45,235.9	52,164.1

Table 2 – Situation of substantiated claims

	Claims resolved			Claims unresolved		
	Number	Amount claimed originally* (\$ million)	Amount awarded (\$million)	Number	Amount claimed* (\$ million)	Interim award (\$ million)
Railway Tunnels	122	3,317	1,732	338	8,873	1,677
WKT	46	247	187	288	11,307	2,434
E&M Works	2	0	0	66	3,177	204
Total	170	3,564	1,919	692	23,357	4,315

*Amount stated in the contractor’s detailed claim report.

2. As at 31 December 2015, the Corporation had received 862 substantiated claims and the amount claimed in total was approx. \$26.9 billion, representing 59.5% of the awarded contract sum for the contracts. The Corporation has been discussing the details of the claims with the contractors concerned, and would thoroughly assess the amount claimed. The Corporation would process each claim in a prudent manner, and the contractors would have to provide sufficient justifications and information. As at 31 December 2015, 170 cases were resolved and about \$1,919 million was awarded, representing about 4.2% of the awarded contract sum for the contracts. Subject to the needs of individual works and progress of the relevant assessment and discussion, interim awards amounting to about \$4,315 million have been made for some cases.