

16 December 2019

The Honourable Jeffrey Lam Kin-fung, GBS, JP
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

Dear ,

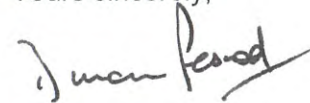
**Termination of M+'s small sub-contract with
Lee Tack Building Services Limited**

On 16 December 2019, the West Kowloon Cultural District Authority (the Authority) announced, on the advice of both our Management Contractor (Gammon Construction Limited) and our Contract Administrator (Atkins China Limited) for the M+ project, the immediate termination of a small sub-contract with Lee Tack Building Services Limited (LTBS).

LTBS has repeatedly breached the sub-contract and in particular has failed to meet the sub-contract's requirements in respect of timely payment of wages to its employees. This is a serious matter and, despite trying to work with LTBS to help resolve the problems over the last three months, LTBS's failure to take appropriate steps leaves the Authority with no choice but to terminate the contract with LTBS with immediate effect. The Authority has a robust monitoring system in place, ensuring deliverables of construction works meet the compliance demands and the construction progress of M+ will not be affected as the related installation work is close to its completion.

A copy of the full media statement issued by the Authority today is enclosed for your information and also for circulating to members of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project's information.

Yours sincerely,



Duncan Pescod
Chief Executive Officer
West Kowloon Cultural District Authority

Encl.

c.c. Home Affairs Bureau

West Kowloon Cultural District Authority Statement

(16 December 2019, Hong Kong) The West Kowloon Cultural District Authority (the Authority or WKCDA) announced today, on the advice of both the Management Contractor (Gammon Construction Limited) and the Contract Administrator (Atkins China Limited) for the M+ project, the immediate termination of a small sub-contract with Lee Tack Building Services Limited (LTBS).

LTBS has repeatedly breached the sub-contract and in particular has failed to meet the sub-contract's requirements in respect of timely payment of wages to its employees. This is a serious matter and, despite trying to work with LTBS to help resolve the problems over the last three months, LTBS's failure to take appropriate steps leaves the Authority with no choice but to terminate the contract with LTBS with immediate effect.

Blue Poles Limited, a wholly owned subsidiary of WKCDA, had executed a Deed of Transfer and Assignment of a sub-contract with LTBS to undertake HVAC pipework and ductwork installation on the M+ project, after the Authority terminated the employment of Hsin Chong Construction Company Limited under the M+ main works contract in August 2018. The Authority has a robust monitoring system in place, ensuring deliverables of construction works meet the compliance demands.

The Authority reiterated that the construction progress of M+ will not be affected as the related installation work is close to its completion. The Authority, together with the Management Contractor and the Contract Administrator will ensure the remaining work will be completed on time. The Authority is aware that several LTBS workers have recently contacted the Labour Department over alleged unpaid wages. The Authority and its wholly-owned subsidiary Blue Poles Limited will closely liaise with the Labour Department and every action will be taken to ensure that they are paid in accordance with the relevant legislation.

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For Media Enquiries

Communications and Public Affairs Department

Cathy Wong +852 2200 0017 / +852 5275 6002
William Chan +852 2200 0559 / +852 9191 1009

cathy.wong@wkcda.hk
william.lm.chan@wkcda.hk