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**Joint Subcommittee to Monitor the Implementation of the  
West Kowloon Cultural District Project**

**Meeting on 18 January 2021**

**Background brief on the development of Zone 3 of  
the West Kowloon Cultural District**

**Purpose**

This paper provides background information on the development of Zone 3 of the West Kowloon Cultural District ("WKCD"), including M+ and Lyric Theatre Complex ("LTC"), and summarizes the major views and concerns expressed by Members on the subject at meetings of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project ("the Joint Subcommittee") and relevant committees of the Legislative Council ("LegCo").

**Background**

Zone 3 development

2. The integrated basement ("IB") of WKCD is divided into five zones (2A, 2B and 2C (collectively referred to as "IBZ2"), and 3A and 3B) and its zoning plan is in **Appendix I**. IB is being implemented by stages to tie in with the phased development programme of WKCD.<sup>1</sup> On top of IB Zones 3A and 3B is an area around the Artist Square (hereinafter referred to as the Artist Square Development Area ("ASDA")), which includes M+, LTC and some hotel/office/residential sites.

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<sup>1</sup> In respect of the construction of IB for WKCD, the Finance Committee ("FC") approved \$2,919.5 million for the first and second stages of design, site investigation and construction works, \$3,178.4 million for the third stage of construction works and \$17,472.3 million for the remaining works in July 2015, January 2018 and March 2020 respectively, totalling \$23,570.2 million.

3. According to the Administration,<sup>2</sup> ASDA presents a good opportunity for early development into a "mini-WKCD". ASDA is being implemented in phases for completion in around 2023 to form a precinct supported by a balanced mix of land uses including core arts and cultural facilities, offices, other arts and cultural facilities and retail/dining/entertainment ("RDE") facilities. The public open spaces in ASDA, including the interfacing area with the Art Park, the Artist Square and the waterfront promenade, will be developed to create a sense of place for the general public and to bring vibrancy to the area. With the funding approval of the Finance Committee in March 2020, the Artist Square Bridge ("ASB"),<sup>3</sup> which will provide a direct connection between ASDA and developments above the MTR Kowloon Station, is under construction.

### M+

4. The M+ project comprises the construction of the M+ building, the Conservation and Storage Facility, the West Kowloon Cultural District Authority Tower ("WKCD Tower") (i.e. a 16-storey building with RDE and other arts and cultural facilities), an interfacing car park and some related public infrastructure works.

5. The main works of the M+ project started in the fourth quarter of 2015. In June 2020, WKCD advised that the M+ main contract works were close to completion, and the works site was undergoing statutory inspections. In December 2020, WKCD announced that it was continuing to make progress with the final statutory inspections for M+. It was hoped that the occupation permit ("OP") for the M+ museum could be obtained upon the completion of the statutory inspections.<sup>4</sup> The M+ museum was expected to be open to the public nine to 12 months after obtaining OP.

### Lyric Theatre Complex

6. LTC comprises a dance-focused 1 450-seat Lyric Theatre, a theatre-focused 600-seat Medium Theatre, a theatre-focused 250-seat Studio Theatre, a Resident Company Centre ("RCC") and RDE facilities. The LTC project is split into two works contracts, namely L1 for the excavation and

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<sup>2</sup> Source: [PWSC\(2018-19\)46](#)

<sup>3</sup> The relevant funding proposal ([FCR\(2019-20\)38](#)) was approved by FC on 20 March 2020. According to the Administration, the construction of ASB has been scheduled to commence in first half of 2020 with a target to complete in 2022.

<sup>4</sup> Source: [Press release](#) of WKCD on 16 December 2020

essential basement structure and L2 for the superstructure of the facility and part of the underground road.

7. The L1 and L2 works contracts commenced in January and November 2018 respectively. In December 2020, WKCDA announced that the L1 works contract was in its final stage and the L2 works contract was under construction.<sup>5</sup> The target was to complete LTC in 2023 for opening in 2024.

### **Major views and concerns of Members**

8. The major views and concerns expressed by Members on the subject are summarized in the ensuing paragraphs.

#### Phased development of the integrated basement

9. Members enquired whether IB and its topside developments could only be commissioned until the completion of IB in all zones. In response, the Administration advised that in designing IB Zones 3A and 3B and their topside developments, it had taken into account the need for phased development of WKCD to ensure that the various zones of IB and their topside developments could operate independently and interface well with the developments at neighbouring zones. Hence, IB Zones 3A and 3B and their topside developments could be operated upon their completion without the need to complete the whole IB.<sup>6</sup>

#### Progress and monitoring of M+ project

10. Members were very concerned about the repeated delays in the M+ project, and the impact of the termination of Hsin Chong Construction Company Limited ("HCC")'s employment under the M+ main works contract<sup>7</sup> and associated disputes on the development progress of M+. Having noted the failure of HCC to make timely wage payments, members questioned the

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<sup>5</sup> Source: [Press release](#) of WKCDA on 16 December 2020

<sup>6</sup> Source: [LC Paper No. PWSC31/17-18\(02\)](#)

<sup>7</sup> The M+ main works contract was awarded to HCC in September 2015 after a selective tendering process. In light of the default in the repayment of US\$300 million 8.75% senior notes due 2018, HCC's inability to pay its subcontractors and the continued failures to advance the project in line with the agreed timetable, the WKCDA Board decided at its meeting on 16 August 2018 to terminate HCC's employment under the M+ main works contract with effect from 17 August 2018.

effectiveness of the system put in place by WKCDA to monitor its contractors/subcontractors.

11. WKCDA advised that the delay of the M+ project was due to a number of factors, including the termination of HCC's employment, complexity of the project and uncertainties during construction. The outbreak of coronavirus disease-2019 had a further negative impact on the works progress. WKCDA had been closely monitoring the situation and endeavouring to pull back any lost time. Moreover, a system of independent contract management had been put in place by WKCDA and functioning well in ensuring the funding requests submitted by main contractor based on the works carried out by the subcontractors were all checked and verified.

### M+ collections

12. Members hoped that the current percentage of Hong Kong works and items of about 20% to 28% in the M+ collections could be further increased. With \$1.2 billion tranche of funds earmarked for collection acquisition of M+, members urged WKCDA to exercise caution in selecting and acquiring artworks as the prices of M+ acquisitions would be used in the art market to influence the prices of artworks.

13. WKCDA stressed that the M+ collections would be deeply rooted in Hong Kong. M+ would also acquire artworks from South and Southeast Asia to enhance its Asia perspective. In expanding its acquisitions, all proposed acquisitions (both purchases and donations) would be carefully reviewed in accordance with the strategy and acquisition criteria laid down under the M+ acquisition policy, and had to be approved by different tiers of authority according to the value of the artworks.

### Construction progress and residency arrangement of Lyric Theatre Complex

14. Members noted with serious concern about a flooding incident occurred at the construction site of L1 works contract for LTC and the Extended Basement in WKCD in the early morning of 25 July 2019 resulting in a shallow sinkhole of around 25 metres in diameter adjacent to the site.

15. According to WKCDA, the water leakage was brought under control by grouting works and stopped the same morning. An additional clutch-pipe-pile vertical steel barrier system was installed to strengthen the water cut-off performance of the cofferdam. The flooding incident had not caused any safety issues or injuries or any impact on the construction works, and the works at L1 site fully resumed on 17 January 2020.

16. On members' suggestion of appointing the resident companies of LTC on a rotation basis to give opportunity for budding art groups to take on a residency role, WKCDA advised that it would solicit views from the art community to draw up a residency arrangement most suitable for LTC. Tentatively, long-term residency with an opt-out arrangement would be offered. The resident art groups would be provided with the administration, rehearsal and other supporting facilities in RCC, have priority access to the three theatres in LTC and participate in the operation of the venue.

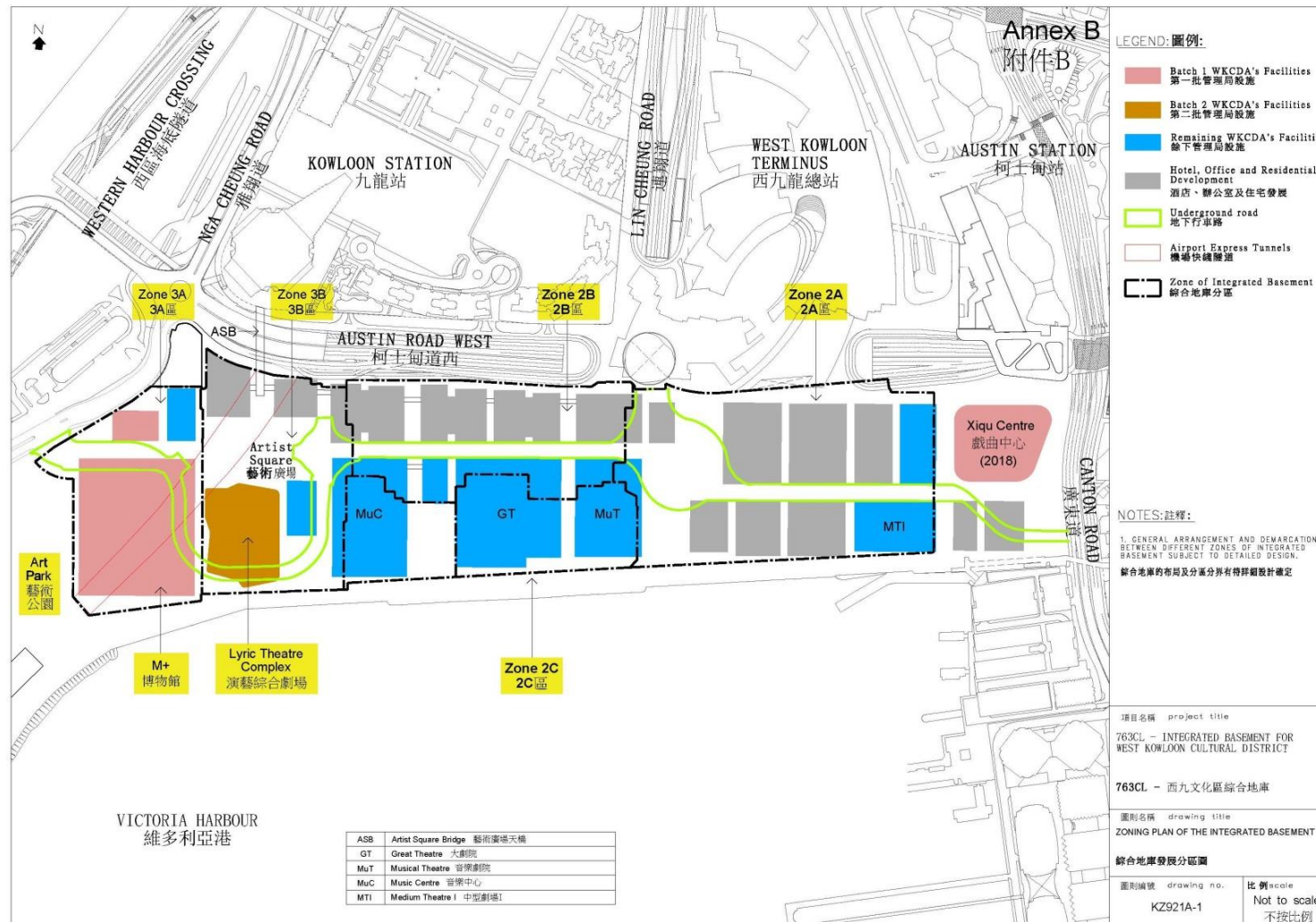
### **Latest development**

17. At the meeting of the Joint Subcommittee to be held on 18 January 2021, the Administration and WKCDA will update members on the development progress of Zone 3 of WKCD, including M+ and LTC.

### **Relevant papers**

18. A list of the relevant papers on the LegCo website is in **Appendix II**.

西九文化區綜合地庫分區圖  
Zoning plan of the West Kowloon Cultural District Integrated Basement



資料來源: [立法會 CB\(1\)512/19-20\(01\)號文件的附件 B](#)  
Source: Annex B to [LC Paper No. CB\(1\)512/19-20\(01\)](#)

**Development of Zone 3 of  
the West Kowloon Cultural District**

**List of relevant papers**

Committee	Date of meeting	Paper
Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project	20.12.2016 Item III	<a href="#">Agenda</a> <a href="#">Minutes</a>
	21.2.2017 Item III	<a href="#">Agenda</a> <a href="#">Minutes</a>
	21.4.2017 Items II & III	<a href="#">Agenda</a> <a href="#">Minutes</a>  <a href="#">Response of the Administration/WKCDA to members' concerns raised at the meeting</a>
	29.5.2017 Item II	<a href="#">Agenda</a> <a href="#">Minutes</a>  <a href="#">Response of the Administration/WKCDA to members' concerns raised at the meeting</a>
	13.6.2017 Item III	<a href="#">Agenda</a> <a href="#">Minutes</a>  <a href="#">Response of the Administration/WKCDA to members' concerns raised at the meeting</a>
	21.11.2017 Item V	<a href="#">Agenda</a> <a href="#">Minutes</a>

Committee	Date of meeting	Paper
	11.5.2018 Item IV	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>
	11.9.2018 Item I	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>  <a href="#"><u>Response of the Administration/WKCDA to members' concerns raised at the meeting</u></a>
	6.11.2018 Item III	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>  <a href="#"><u>Response of the Administration/WKCDA to members' concerns raised at the meeting</u></a>
	29.4.2019 Item IV	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>  <a href="#"><u>Response of the Administration/WKCDA to members' concerns raised at the meeting</u></a>
	10.6.2019 Item III	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>
	25.11.2019 Items IV & V	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>  <a href="#"><u>Response of the Administration/WKCDA to members' concerns raised at the meeting</u></a>
	1.6.2020 Item IV	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>