

# **Information Paper for LegCo Panel on Housing**

## **Suspected Use of Rejected Substandard Reinforcement in the Home Ownership Scheme Development at Tung Chung Area 30 Phase 3**

### **Purpose**

This paper informs Members of the progress of investigation into the incident concerning suspected use of rejected substandard reinforcement in the Home Ownership Scheme (HOS) development at Tung Chung Area 30 Phase 3, and the preventive actions taken by the Housing Department (HD).

### **Background**

2. Cheung Kee Fung Cheung Construction Co. Ltd. (CKFC) is the main building contractor for the HOS development at Tung Chung Area 30 Phase 3, which comprises four 41-storey residential blocks providing 1,280 domestic flats. The works commenced in July 1998 and were scheduled for completion in November 2000. To date, the domestic flats have not been put up for sale yet.

3. In early 2000, the Independent Commission Against Corruption (ICAC) investigated the building works at Tung Chung Area 30 Phase 3, and six people from CKFC were subsequently arrested for suspected corruption involving substandard reinforcement.

### **Rejected Substandard Reinforcement**

4. The concerned substandard reinforcement bars, which constitute 2-3% of the total delivery, were delivered to site in early 1999. A portion of these bars failed the laboratory tests on yield stress and the rest of them on mass density, both by a small margin. These bars were all rejected by HD and removed from the site. HD is verifying whether these rejected substandard reinforcement bars have been re-employed in the site.

### **Structural Safety of the Buildings**

5. Detailed checks of the building structure have affirmed that the structural safety of the residential blocks has not been compromised, even if the rejected substandard reinforcement bars have been re-employed for construction and used in the same area of the buildings. The results of these checks have been verified by an independent consultant.

6. From the structural safety point of view, there is absolutely no need to demolish or strengthen the blocks, and there is no impact on the durability of the buildings.

### **Progress of Investigation**

7. Some reinforced concrete structures, which are suspected of being affected, of the concerned blocks are being opened up to check for the existence of the rejected substandard reinforcement bars. The investigation will take some time before a conclusion can be drawn because of the technical complexity in removing the reinforcement bars from the existing structures and testing them and the care needed in this process.

8. In the event that any substandard reinforcement is found, the contractor will be responsible for all consequential remedial actions should they prove to be necessary.

9. The buildings will not be certified for completion until HD is satisfied that the construction quality complies with all the standards stipulated in the contract.

### **Preventive Actions Taken by HD**

10. HD has tightened the procedure in handling rejected reinforcement with a view to preventing any rejected steel from being re-employed, so that in future -

- (a) HD will inform the corresponding reinforcement supplier of details of any removal of rejected steel.
- (b) Details of rejected steel will be copied to all relevant parties.
- (c) HD will make regular photographic records of all reinforcement bars stockpiling on site.
- (d) The contractor's reinforcement supplier will be required to report to the Housing Authority details of the disposal of rejected batches.

11. In addition, a review is being undertaken on the mechanisms of marking rejected batches and monitoring steel suppliers' performance.

Housing Department  
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