

**COMMISSION OF INQUIRY INTO THE DIAPHRAGM WALL AND PLATFORM
SLAB CONSTRUCTION WORKS AT THE HUNG HOM STATION EXTENSION
UNDER THE SHATIN TO CENTRAL LINK PROJECT**

**WITNESS STATEMENT OF DR. WONG NAI KEUNG PHILCO
FOR
MTR CORPORATION LIMITED**

I, DR. WONG NAI KEUNG PHILCO, of [REDACTED]

[REDACTED] WILL SAY AS FOLLOWS:

1. I was the Projects Director of MTR Corporation Limited (“MTRCL”) until 7 August 2018. I was responsible for overseeing MTRCL’s railway network expansion projects in Hong Kong, including the Shatin to Central Link Project (“SCL Project”).
2. I joined MTRCL in November 2011 as the General Manager of the SCL Project. In August 2014, I was appointed as the Projects Director – Designate of MTRCL and in October 2014 I was appointed as the Projects Director and a member of the Executive Directorate of MTRCL.
3. I hold a Bachelor of Science degree in Civil Engineering from the University of Manitoba, Canada, a Master of Engineering degree in Construction Management and Engineering from the University of Toronto, Canada and a Doctor of Business Administration degree from Curtin University, Australia. I am a registered professional engineer in Hong Kong in the civil discipline and am registered with the Engineers Registration Board under the Engineers Registration Ordinance. I am a Fellow member of The Hong Kong Institution of Engineers (“HKIE”) and the Institution of Civil Engineers in the United Kingdom.
4. I am providing this witness statement in response to various matters raised in a letter dated 27 July 2018 from Messrs. Lo & Lo (“Letter”), the solicitors acting for the Commission of Inquiry into the Diaphragm Wall and Platform Slab Construction Works at the Hung Hom Station Extension under the Shatin to Central Link Project

(“Commission of Inquiry”). On request from and as agreed with MTRCL, I address the matters raised in Request Nos. 1, 2, 8(a), 8(d), 11(a)-(d) and 13(a)-(e) of the Letter.

5. Unless otherwise stated, I give evidence based on my personal knowledge, recollection or belief. There are occasions when I can only speak to matters by reference to documents, in which case I shall refer to the documents in question in the course of this statement and I believe the information contained in those documents to be true and correct. In this regard:

- (a) The events in question and which form the subject matter of this Inquiry took place several years ago and my recollection of every detail is not therefore perfect.
- (b) Accordingly, in preparing this witness statement I have reminded myself of the events in question by reference to various hard copy and electronic documents and materials, including contemporaneous e-mail correspondence, meeting minutes and contractual documents and other records. I understand these materials were retrieved by MTRCL’s Legal Department, with the assistance of MTRCL’s external lawyers, Mayer Brown.
- (c) The hard copy documents were: (1) extracted from physical files kept at MTRCL’s Hung Hom site office or MTRCL’s Hung Hom main office; (2) printed from MTRCL’s “Electronic Project Management System” (ePMS); or, (3) printed from other electronic sources in response to the matters specifically raised by the Commission of Inquiry or matters which were discussed in the course of preparing this witness statement.
- (d) I understand from MTRCL that its Legal Department and external lawyers have recently established a database using software named *Relativity* which has captured a large amount of data from hard disk drives, including some of those that stored my e-mails and other electronic documents for the relevant period, and that they have commenced the process of identifying specifically relevant documents by use of search terms and date ranges and that this is an ongoing process due to a large volume of data. My understanding from MTRCL is that the documents referred to in this witness statement have been identified and included in *Relativity*.

- (e) I would like to add, therefore, that there may be matters referred to or stated in other documents which have not been recently placed before me. To that extent, I would be happy to comment on any such other materials at a later date if and when identified and placed before the Commission of Inquiry.
- (f) In view of the above, and in view of my role as Projects Director as described further below, I shall defer to my former colleagues who may be providing witness statements in this Inquiry as to the details of various matters, as at least some of these former colleagues would have been more specifically and intimately involved in the SCL Project, and are therefore more familiar with the day-to-day aspects and/or site operations and matters that had occurred at the relevant time, or were involved in the management and administration of the SCL Project and are more familiar in respect of such matters.

My Appointment and Role as Projects Director

- 6. I joined MTRCL in November 2011 as the General Manager of the SCL Project. In October 2014, the former Projects Director of MTRCL, Mr. TC Chew, retired from his position, and I was appointed by MTRCL as the Projects Director in his place. When I took up the role as the Projects Director, there were five railway expansion projects ongoing, namely: the Express Rail Link (XRL); the West Island Line (WIL); the South Island Line (SIL); the Kwun Tong Line Extension (KTE); and, the SCL Project. The WIL opened shortly after I assumed office as the Projects Director. I also oversaw a railway project in Sydney, Australia in my time as the Projects Director. During my tenure as the Projects Director, there were approximately 2,500 staff members of MTRCL working on the five railway expansion projects mentioned above.
- 7. As the Projects Director, I was a member of the Executive Committee of MTRCL (the “**Executive Committee**”). The Executive Committee was responsible for the management of MTRCL’s business on behalf of the Board of MTRCL (the “**Board**”), reported to the Board at regular intervals on the performance of MTRCL and implemented the overall strategy of MTRCL as recommended to and approved by the Board.
- 8. The Projects Division, under the leadership of the Projects Director, was responsible to the Executive Committee for the planning, design and construction of railway projects.

More specifically, my responsibilities as the Projects Director during my time in the role were essentially in the nature of overall supervision, upward reporting, and overall relationship management with external parties of various projects, rather than the day-to-day, close at hand management of individual projects. In this regard, my duties were more particularly described in section 3.1 of the Project Integrated Management Manual PIMS/MAN/004/A5 of MTRCL's Project Integrated Management System ("PIMS"), including:-

- (a) reporting to the Executive Committee and ensuring, to the extent possible, railway projects are properly planned, completed within budget, on time, according to the specifications, and that they meet the defined performance parameters and the relevant environmental, operational, safety and reliability standards;
 - (b) working closely with the other directors of MTRCL who provide financial, legal, personnel and contract/procurement services to the projects and, in particular, with the Operations Director in defining the operating requirements and the Commercial Director in defining the customer service objectives for new railway projects;
 - (c) directing the project organisational structure, the recruitment and motivation of the Project Team, the procurement and management of consultants and contractors and implementing quality, construction and operational safety and environmental management procedures;
 - (d) maintaining good relations with all external stakeholders;
 - (e) establishing the Project Budget, with the approval of the Board, and attending to cost control management in compliance with the approved budget;
 - (f) maintaining the project organisation structure including the management of Project staff resources.
9. With respect to each of the five railway expansion projects (as mentioned in paragraph 6 above) which I oversaw, there would be one General Manager (Project) responsible for each railway expansion project who directly reported to me. The organisation of the

project management team of a typical new railway project is set out in Exhibit 11.3 of PIMS/MAN/004/A5. However, in 2015, two new positions, namely “General Manager – SCL Civil – EWL” and “General Manager – SCL Civil – NSL” (both of which would otherwise have been titled as “Project Manager” prior to the creation of these titled roles), were created under and reported to “General Manager (SCL)”. Construction matters were assigned to and handled by senior construction professionals who reported directly (in the case of “General Manager (SCL)”) or indirectly (in the case of other positions below “General Manager (SCL)”) to me.

10. In addition to the General Managers in each of the five railway expansion projects, the following persons under the Projects Division also directly reported to me:-
 - (a) General Manager – Projects Management Office;
 - (b) Head of Project Engineering;
 - (c) Head of Project Safety; and
 - (d) Project Manager – Operations Projects.
11. Apart from railway network expansion projects, I also supervised the “Operations Projects”, which are projects relating to the operation of the existing railway network such as universal access in stations and additional and alteration works to existing railway lines. There was a General Manager – Operations Project (GM-OP) (who was formerly known as “Project Manager – Operations Project”) who was directly responsible to me in respect of those Operations Projects. Because of my responsibilities for these Operations Projects, I had to work very closely with the Operations Director and his team in order to deliver these Operations Projects satisfactorily.
12. In discharging my role and duties as Projects Director, I would participate in a number of regular and/or ad-hoc committees and meetings. I set out as follows those that are relevant to the SCL Project and my responses set out in this witness statement:
 - (a) SCL Project Supervision Committee meetings: these meetings would be chaired by the Director of Highways and would be attended by representatives of the Government, MTRCL and Pypun (independent consultant appointed by

the Government) at which the monthly progress of each contract under the SCL Project would be discussed;

- (b) Project Control Group (“PCG”) meetings for the SCL Project: these meetings would be chaired by me, would involve representatives from various other divisions of the MTRCL (such as operations and finance) and representatives from the Government (despite the fact that the Government was not part of the PCG) and would usually cover strategic issues for the entire SCL Project, such as cost (including commercial matters with individual contractors), programming (including the need for delay recovery measures) and major design changes having significant time and cost implication in the SCL Project.
- (c) Executive Committee meetings: these meetings, which were chaired by the Chief Executive Officer, Mr. Lincoln Leong and usually held on a weekly basis, would be a forum at which updates, matters and transactions of a substantive nature would be presented, considered and deliberated by the Executive Committee. In each month, in addition to the weekly meetings, there would be a meeting designated for dealing with current projects that were underway. At that meeting, the Executive Committee received the Monthly Projects Progress and Cost Reports submitted by the Projects Division, as well as updates on the progress of individual new railway projects on a rotational basis [see section 7.5(a) and App B/6 of PIMS/MAN/005/A4];
- (d) Main Executive meetings (i.e. one of the weekly Executive Committee meetings in each month would be designated as a Main Executive meeting): these meetings were chaired by the Chief Executive Officer, Mr. Lincoln Leong and would be a forum at which the Executive Committee would receive the monthly reports submitted by Divisional Directors and would be the primary meeting where updates, matters and transactions to be presented to the Board are considered and deliberated [see section 7.5(b) and App B/5 of PIMS/MAN/005/A4];
- (e) Projects Safety Management Committee and Projects Stakeholder Engagement Steering Committee meetings: these meetings, usually held every 3 to 4 months, would be a forum chaired by me at which Projects Division-wide safety and

stakeholder engagement issues would be discussed, reviewed and monitored[see section 6.3.3 and App A/2.3 of PIMS/MAN/005/A4; section 6.7 and App A/3.3 of PIMS/MAN/005/A4];

- (f) Projects Division Communication meetings: these meetings, usually held bi-weekly, would be a forum (without a fixed agenda, notes or minutes) chaired by me at which general progress, key issues and problems encountered in different ongoing railway network projects and feedback from the Executive Committee would be discussed [see section 10.1 of PIMS/MAN/005/A4];
 - (g) Projects Division Leadership meetings: these meetings, usually held bi-weekly, would be an informal forum (i.e. without fixed agenda, notes, discussion items or minutes) chaired by me at which general issues and problems affecting the Projects Division would be dealt with and progress on previously identified issues and problems would be monitored [see section 10.2 of PIMS/MAN/005/A4];
 - (h) Senior Project Management meetings: these meetings, usually held weekly, would be an informal forum (i.e. without fixed agenda, notes, discussion items or minutes) chaired by me at which Project-wide issues and problems would be dealt with and progress on previously identified issues and problems would be monitored [see section 10.3 of PIMS/MAN/005/A4];
 - (i) Ad-hoc meetings: these meetings usually would not have any fixed agenda, notes, discussion items or minutes and would be called for on a ‘needs basis’.
13. In addition to the above, I would also be copied into the e-mails circulating the minutes of the Technical Management Steering Group meetings [see section 6.1 and App A/1.1 of PIMS/MAN/005/A4] and Monthly Projects Progress meetings [see section 7.3 and App B/4 of PIMS/MAN/005/A4].
14. Specifically in relation to the SCL Project, for example, before I left my role as the Projects Director, I had an overall supervisory role (as described in section 3.1 of PIMS/MAN/004/A5) while the day-to-day leadership and management of this project was headed by those who had direct or indirect reporting lines to me. Mr. TM Lee (General Manager – SCL & Head of E&M Construction) (“**Mr. TM Lee**”), whose

specific leadership project responsibilities were those set out in section 3.21.1 of PIMS/MAN/004/A5, would directly report to me at the regular Projects Division Communication meetings, Projects Division Leadership meetings and Senior Project Management meetings described in paragraph 12 above. Mr. TM Lee would also call for ad-hoc meetings on a 'needs basis' if he needed my advice. Mr. Jason Wong (General Manager – SCL Civil – EWL) (“**Mr. Jason Wong**”) and Mr. Aidan Rooney (General Manager – SCL Civil – NSL) (“**Mr. Aidan Rooney**”), whose specific “project manager” responsibilities by reference to PIMS (notwithstanding their titles as “General Managers – SCL Civil”) were those set out in section 3.21.2 of PIMS/MAN/004/A5, would in turn directly report to Mr. TM Lee at regular intervals during the Departmental Communications meetings at the very least [see section 10.4 of PIMS/MAN/005/A4]. I would not typically engage with Mr. Jason Wong and Mr. Aidan Rooney directly and would typically address issues concerning the SCL Project to Mr. TM Lee (being the General Manager of the entire SCL Project and thus the most senior of the three).

15. As regards the general working relationship between me, Mr. TM Lee, Mr. Jason Wong and Mr. Aidan Rooney, there was a general understanding and expectation that these three General Managers would directly (in the case of Mr. TM Lee or, where they had first notified Mr. TM Lee of their intention to do so, in the cases of Mr. Jason Wong and Mr. Aidan Rooney) or indirectly (in the cases of Mr. Jason Wong and Mr. Aidan Rooney where they might report matters through Mr. TM Lee) report engineering-related issues they consider relevant to my remit as Projects Director and consult me where they consider it to be appropriate having regard to my responsibilities in the PIMS [see section 3.1 of PIMS/MAN/004/A5].

Request No. 1

Describe and explain the respective roles duties and responsibilities of Your Company, the Government (including the Transport and Housing Bureau, HyD and the Buildings Department) (“the Government”), Leighton and its subcontractors in the construction of the diaphragm walls and platform slabs under Contract 1112 (ie. both the EWL platform slab and NSL platform slab), including the respective construction, quality control, supervisory, monitoring, inspection and reporting roles in ensuring the compliance, quality, safety and integrity of the construction works.

Please adduce the relevant Entrustment Agreement(s), contract(s), sub-contract(s), specifications, approved plans and drawings. Drawings and diagrams which may assist the Commission in understanding the relevant works should be provided as well.

Request No. 2

Where contracts and agreements are adduced, please identify the relevant sections, parts and contents pertaining to the diaphragm walls and platform slabs construction works at the Hung Hom Station Extension and the system of supervision, monitoring, inspection and reporting to ensure the compliance, quality, safety and integrity of such works.

16. I set out in this section the respective roles, duties and responsibilities insofar as they appear to be relevant to my area and duties during my time in the role of the Projects Director of MTRCL. My understanding of the arrangement between MTRCL and the Government is by reference to the Entrustment Agreement for Construction and Commissioning of the Shatin to Central Link dated 29 May 2012 made between the Secretary for Transport and Housing for and on behalf of the Government and MTRCL (the “**Entrustment Agreement**”). For other main parties’ obligations under other contractual arrangements, I understand other witnesses will speak to them on behalf of MTRCL.
17. For the purpose of addressing these two Requests, I have been provided with copies of the Entrustment Agreement to refresh my memory and assisted by MTRCL's legal advisers in identifying the relevant / applicable provisions.
18. Pursuant to the Entrustment Agreement:
 - (a) MTRCL agreed to carry out or procure the carrying out of the Entrustment Activities, which include the Railway Works, Essential Public Infrastructure Works, Re-provisioning, Remedial and Improvement Works, the Property Development Enabling Works, and the Interface Works as defined in the Entrustment Agreement (cl. 4.1); and
 - (b) The Government agreed to pay to MTRCL the Entrustment Costs, including, *inter alia*, the Third Party Costs and Project Management Cost and

Miscellaneous Works Fee as defined in the Entrustment Agreement (cl. 2.1 and 2.2).

19. Under the Entrustment Agreement, the Government has a number of duties and responsibilities, including, for present purposes:

- (a) To use reasonable endeavours to provide MTRCL with any information or assistance of a non-financial nature reasonably required by MTRCL, so as to enable MTRCL to meet its obligations under the Entrustment Agreement (cl. 7.1);
- (b) To the extent that it is empowered or otherwise able to do so having taken all reasonable steps, to procure that all necessary licences, consents and other permissions and approvals required for, or in connection with, the design, construction and operation of the SCL Project are given or granted as expeditiously as possible when required and in a manner consistent with facilitating the Government's expectations with regard to the timetable for delivery of the SCL Project, and shall when given or granted be of the duration and on terms required (cl. 7.2);
- (c) To establish a Project Supervision Committee to hold monthly meetings to, *inter alia*, review progress under the Entrustment Agreement and any issues arising as a result of the site inspections (cl. 16.1).

20. Under the Entrustment Agreement, MTRCL has a number of duties and responsibilities, including, for present purposes:

- (a) To carry out or procure the carrying out of the Entrustment Activities in accordance with all applicable laws, regulations, by-laws, the Mass Transit Railway Ordinance (Cap. 556) ("**the Ordinance**"), the Operating Agreement and the Entrustment Agreement (cl. 4.1);
- (b) To comply with and satisfy all relevant statutory or other legal requirements applicable to the Entrustment Agreement, including without limitation the obtaining of all requisite licences, authorisations, permits, approvals or exemptions (cl. 4.4);

- (c) To act in accordance with MTRCL's management systems and procedures, including organisation and management responsibilities, project management and control and relevant project management and procurement procedures (cl. 4.6(C));
- (d) Unless otherwise agreed between the Government and MTRCL, to send a representative or representatives to attend all meetings of the Project Supervision Committee and such representatives shall provide such information, co-operation and assistance as the Government may reasonably require and be entitled to receive any papers which are prepared for consideration at the meetings of the Project Supervision Committee (cl. 16.2);
- (e) To keep the Government informed of all matters which in the opinion of MTRCL are likely to have a material impact on, and provide such financial or other information as the Government shall reasonably require concerning the SCL Project (cl. 17.1 (A));
- (f) To give such assistance as may reasonably be required by the Government regarding the financial or other information supplied by it, including explanation of the methodology or assumptions in such information. MTRCL shall give full and proper consideration to all queries, comments and suggestions put forward by the Government and shall, whenever requested and within a reasonable time, provide written replies thereto or attend briefings or consultation sessions to explain any information supplied by it (cl. 17.2-17.3);
- (g) To provide to the Government monthly progress reports on the Entrustment Activities (cl. 17.4);
- (h) To allow the attendance by representatives of the Government at the meetings specified in the Entrustment Agreement held by MTRCL and to provide such representatives if requested with any papers prepared for consideration at such meetings (cl. 17.9);
- (i) To allow, and procure that its constructors and consultants allow the consultant appointed by the Government and/or the Government's employees and other representatives, on reasonable notice, access to the sites, MTRCL's books and

records and relevant personnel, information systems and reasonable office facilities to verify MTRCL's compliance with its obligations under the Entrustment Agreement (cl. 17.10-17.12);

- (j) To carry out Consultation (consultation as may be stipulated by the Building Authority for a railway project carried out by MTRCL under the ownership approach) in relation to the Railway Works and the Interface Works in substantially the same manner and substantially to the same extent as if the SCL Project were being carried out by MTRCL under the Ownership Approach (cl. 35.1)

21. MTRCL warranted under the Entrustment Agreement that:-

- (a) in the case of those Entrustment Activities that relate to the provision of project management services, such Entrustment Activities shall be carried out with the skill and care reasonably to be expected of a professional and competent project manager whose role includes the procurement, co-ordination, administration, management and supervision (including testing and examining the plant, goods, materials and workmanship) of the design and construction of works and the procurement of goods that are analogous to those being procured under the Third Party Contracts and associated contract management and management and enforcement of claims (cl 5.1(A));
- (b) in the case of those Entrustment Activities that relate to the provision of design services, such Entrustment Activities shall be carried out with the skill and care reasonably to be expected of a professional and competent design engineer (cl. 5.1(B));
- (c) in the case of those Entrustment Activities that relate to the carrying out of construction works, such Entrustment Activities shall be carried out with the skill and care reasonably to be expected of, and by utilising such plant, goods and materials reasonably to be expected from, a competent and workmanlike construction contractor (cl. 5.1(C)).

22. Under the Entrustment Agreement, each of the Government and MTRCL shall use reasonable endeavours to co-operate with the other in relation to the preparation of any

submission or other document to various authorities including, without limitation, the Legislative Council and relevant District Councils. In the event the Government requests MTRCL to provide any information, input or comment in relation to any such submission or other document, the Government shall give MTRCL a reasonable amount of time within which to provide such information, input or comment. The Government shall take account of any information, input or comment provided to it by MTRCL (cl. 9).

23. I should also mention that under cl. 37 of the Entrustment Agreement, any Third Party Contractor (including Leighton Contractors (Asia) Limited (“LCAL”) should provide to the Government a duly executed collateral deed under which the Third Party Contractor covenants that it shall be liable to the Government for any act or omission which constitutes a breach by the Third Party Contractor of any express or implied term of the Contract as if the Government and MTRCL jointly had been named as the employer under the Contract. The Third Party Contractor also agreed that MTRCL and the Government would be entirely reliant upon the Third Party Contractor's skill, care and judgement in carrying out all duties, obligations and responsibilities imposed upon the Third Party Contractor by the Contract.

Request No. 8(a)

Explain and confirm whether Your Company has any knowledge of the Defective Steel Works (whether undertaken by Leighton and/or its sub-contractors) and if so, identify and describe the relevant events and occasions.

Request No. 8(d)

If the events and occasions were reported to you by your managers, supervisors, inspectors and/or other persons, identify the person(s) who made the reports to you.

24. I shall speak to my personal knowledge of the alleged Defective Steel Works and generally on issues relating to the use of couplers at Hung Hom Station under Contract 1112.
25. By an e-mail dated 6 January 2017 at 13:52, Mr. TM Lee forwarded an e-mail chain with two photographs as attachments for my information. I noted that at the bottom of

the e-mail chain was the original e-mail from Mr. Jason Poon of China Technology (“**Mr. Jason Poon**”) to LCAL dated 6 January 2017 at 09:45 in which Mr. Jason Poon alleged that there was “malpractice use of coupler” on Contract 1112 in the SCL Project. The e-mail chain was forwarded to me “*For info*” only and the original e-mail from Mr. Jason Poon was also received by Mr. TM Lee and his subordinates (including Mr. Aidan Rooney and Mr. Michael Fu). I understood that to mean Mr. TM Lee and his subordinates would follow up on the allegations raised by Mr. Jason Poon.

26. After one of our regular communications meetings held shortly after 6 January 2017, Mr. Aidan Rooney approached me about some “coupler issues” on Contract 1112 (which I understood at the time to be the same issues as those mentioned above) and indicated that he would look into the matter. A few weeks later after another one of our regular communications meetings, Mr. Aidan Rooney approached me again and informed me that the “coupler issues” had been satisfactorily resolved. I therefore believed that the “coupler issues” had been resolved and that further follow up was not required in this regard.
27. On 15 September 2017 at 18:13, I received an e-mail from Mr. Aidan Rooney which in the body of the e-mail was specifically addressed to Mr. TM Lee. I noted that at the bottom of the e-mail chain was the original e-mail from Mr. Jason Poon to the Secretary for Transport and Housing dated 15 September 2017 at 11:06 in which Mr. Jason Poon suggested that China Technology had an important issue on the execution of works found and reported in January 2017 about which it wished to discuss. Since there had been no further incidents or reports given to me after Mr. Aidan Rooney’s updates about the “coupler issues” on Contract 1112 described in paragraph 26 above, my understanding at the time was that Mr. TM Lee (being the addressee of Mr. Aidan Rooney’s e-mail dated 15 September 2017 at 18:13) and/or his subordinates (including Mr. Aidan Rooney) would follow up accordingly.
28. Subsequently, on 18 September 2017 at 23:36, Mr. Aidan Rooney copied an e-mail chain to me (which in the body of the e-mail was addressed to Mr. TM Lee and Mr. Carl Wu) which contained an e-mail from Mr. Jason Poon to the Secretary for Transport and Housing dated 18 September 2017 at 19:22 stating that “*the suspecting subject had been cleared now and no significant impact is retained*” and that China Technology “*believe it is a full and final end of the issue and may [China Technology] invite to*

close all relevant files accordingly". I therefore believed that the allegations raised by China Technology to the Secretary for Transport and Housing had been resolved and that further follow up was not required in this regard.

29. Apart from the above two incidents, I am not aware of any report about the alleged Defective Steel Works before this matter was reported in the press in May 2018.

Given the matters and allegations stated in the Press and Media Reports and the evidence of Fang Sheung as extracted in paragraph 9:

Request No. 11(a)

Provide your detailed comments and explanation on the matters and allegations stated in the said Press and Media Reports.

30. As explained in paragraphs 24 to 29 above, apart from the potentially relevant remarks made by Mr. Aidan Rooney and Mr. TM Lee in or around January 2017 and in or around September 2017 respectively, I did not have any knowledge of the alleged Defective Steel Works and matters depicted in the Press and Media Reports summarised in Questions 10 and 11 of the Letter prior to May 2018. I note from the Press and Media Reports that there are a number of third parties speculating about the causes of the allegedly defective works. I am not in a position to respond specifically to each of these speculative suggestions in the absence of any proper finding about the nature, extent and causes of these allegedly defective works.

Request No. 11(b)

Please identify the person or persons responsible for preparing the MTRCL Report.

31. The drafting of the MTRCL Report was led by Mr. Aidan Rooney who was assisted by Mr. James Ho (Senior Construction Engineer) ("**Mr. James Ho**") together with a team of engineers assisting with the preparation of the same.
32. Upon receiving RDO's letter dated 31 May 2018 (Ref: (B6F4) in HYD RDO/16-3/6/4/3) requesting a report to be submitted arising from the media report on alleged non-compliant steel fixing works, I asked Mr. Aidan Rooney to lead and prepare the draft report and collate the relevant information/supporting materials. I was

not involved in the preparation of the first draft, but after the first draft was prepared it was circulated to and commented on by colleagues from various divisions and departments of MTRCL, but their comments were mainly editorial.

33. In addition, I also commented on a number of specific issues / paragraphs of the draft MTRCL Report, including the number of couplers. In this regard, I specifically asked Mr. Aidan Rooney and his team to double-check the number of couplers. I also separately requested Mr. Clement Ngai and his design team to conduct a similar exercise.

Request No. 11(c)

Explain why the MTRCL Report covers matters relating to the steel fixing works for EWL platform slab only and not the diaphragm walls and the NSL platform slab. While the diaphragm walls extend all the way down to the NSL platform slab and the steel fixing works for those areas were carried out by the same contractor and sub-contractors, explain why Your Company has confined your investigation to the EWL platform slab only. Confirm whether Your Company is satisfied with the quality, safety and integrity of the diaphragm walls and NSL platform slab and that the steel fixing works thereof are in compliance with Requirements, Standards and Practice. Explain the basis of your belief and confirmation.

34. When the alleged Defective Steel Works were reported in the media in May 2018, my understanding was that the allegation was made in relation to the steel re-bars and coupler connections between the EWL slab and the diaphragm wall. In RDO's letter dated 31 May 2018, the RDO also only made reference to the "*recent media reports on the non-compliant steel fixing works found at the joints between diaphragm walls and platform slabs at Hung Hom Station under Contract 1112.*" I was not aware of anyone having raised any issues regarding the quality, safety and integrity of the NSL slab at the time when the MTRCL Report was prepared. Further, I was not aware of any other information or allegation at the time which may have given basis to any concerns or suspicions as regards the NSL slab. For these reasons, the MTRCL Report dealt specifically with the steel fixing works for EWL platform slab.

Request No. 11(d)

Confirm whether Your Company has any additional information and materials to supplement the MTRCL Report and if so, please adduce such additional information and materials by way of a supplemental report.

35. After the MTRCL Report was submitted to the RDO on 15 June 2018, I discovered that there were some discrepancies regarding the connection details between the EWL slab and the diaphragm wall as depicted in the MTRCL Report, as compared with the contemporaneous site photographs that I asked Mr. James Ho to retrieve after the MTRCL Report was submitted on 15 June 2018. I wish to confirm that when I commented on the draft MTRCL Report before 15 June 2018, I was not aware of such discrepancies.
36. After the MTRCL Report was submitted on 15 June 2018, I started to work on the method for the safety loading test with MTRCL's independent consultant C.M. Wong & Associates, who was designing an appropriate loading test to address the public's concerns. As part of this process, I reviewed some of the site photographs provided by Mr. James Ho as noted above, upon which I noticed that there were no couplers on the top layer of the EWL slab. I then asked Mr. James Ho for clarification and was ultimately told that in most areas the top concrete of the east diaphragm wall had been knocked down by approximately 450 mm.
37. I note that on 13 July 2018, MTRCL wrote to the RDO identifying, amongst other things, the as-built connection details at certain locations in Areas B and C based on the information then available. In this regard, I recall raising for discussion this issue of the change in the as-built connection details in one of the crisis management meetings, although I cannot presently recall the precise date of the meeting at which this was raised (including whether this took place before or after the 13 July 2018 letter mentioned above).
38. On 29 July 2018, I personally explained the discrepancies between the as-built connection details and the MTRCL Report to Mr. Frederick Ma, the Non-Executive Chairman of MTRCL.

Request No. 13

Since June 2018, a director of China Technology, Mr Poon Chuk Hung (“Mr Poon”), made various press statements, responded to enquiries by the media, attended interviews in radio programmes (including “左右大局” on 27 June 2018 and “在晴朗的一天出發” and “千禧年代” on 28 June 2018). Mr Poon also attended a special meeting of the Subcommittee on Matters Relating to Railways of the Panel on Transport of the LegCo held on 13 July 2018 (“RSC Meeting”). He suggested at the RSC Meeting that the extent of the Defective Steel Works was much more substantial than that portrayed in the MTRCL Report. He estimated there might be up to 1,000 steel bars which were shortened, cut or defectively connected. In order to expedite the cutting of the steel bars, a special hydraulic cutter was used by the workers and the process was carried out surreptitiously in quiet areas on site.

On 14 July 2018, the South China Morning Post published an article relating to the said RSC Meeting:

“Jason Poon Chuk-hung, director of subcontractor China Technology Corporation, told lawmakers at a railway subcommittee meeting yesterday that senior MTR officials had known about work to cut corners at the link’s Hung Hom station long before the scandal broke in May.

Poon’s firm, hired by main contractor Leighton Contractors (Asia), was responsible for concreting work on the platform where steel bars had been cut short to make it seem as though they had been screwed correctly into couplers.

Subcontractor Fang Sheung Construction, which undertook the steel work, had told the MTR Corp that its workers were instructed by Leighton to carry out the corner cutting, but Leighton denied any direct knowledge of it.

Poon said his workers first alerted him to the problem in July 2015, after which there were about three or four occasions when Aidan Rooney, the MTR Corp’s general manager for the rail link, asked him about the bar cutting during joint visits to the station.

He said frontline MTR staff were also told about the problems, and estimated that more than 1,000 bars were affected, rather than about 20 as suggested by the rail operator.

‘Since Aidan is directly under the MTR’s projects director Philco Wong Nai-keung, my understanding was that the MTR’s senior executives would also know about this,’ he told lawmakers.

Poon said that during a phone conversation with Wong at the end of 2016 he was given the impression that the projects director already knew about the bar-cutting work at Hung Hom station.

‘During the conversation I raised the bar-cutting issue with him and he said he would follow it up. My understanding was that he already knew about this issue,’ he said.

Wong’s version of events was untrue, Poon added.”

Request No. 13(a)

Comment on Mr Poon’s allegations.

39. With respect to Mr. Jason Poon’s allegation made in the RSC Meeting regarding the number of steel bars which were allegedly shortened, cut or defectively connected, and the use of a special hydraulic cutter by the workers on site, I did not know about the alleged shortening, cutting or defective connection of steel bars on site prior to May 2018, apart from the potentially relevant remarks made by Mr. Aidan Rooney and Mr. TM Lee reported to me in or around January 2017 and in or around September 2017 respectively, as explained in paragraphs 24 to 29 above. I only became aware of the alleged extent of Defective Steel Works as the allegations were reported in the media in May 2018. I am also not aware of any hydraulic cutters being used by workers on site to cut steel bars for bar connection.
40. With respect to Mr. Jason Poon’s allegation reported in the SCMP article that I knew about the bar-cutting work at Hung Hom station during a telephone conversation with

him at the end of 2016 and, in particular, the allegation that he raised the bar-cutting issue with me during that conversation, I disagree with this allegation. I deal with the content of the call below.

41. I first knew about Mr. Jason Poon in mid-2015. At that time, China Technology was a formwork sub-contractor in the South Island Line (“SIL”) project, during which Mr. Mark Cuzner (the General Manager of SIL at the time) informed me that there were concerns that China Technology did not place sufficient resources into the performance of its tasks. As a result of these concerns, I attended a meeting with Mr. Ken Wong (the Project Manager of SIL at the time) and Mr. Jason Poon at the Kowloon Bay Headquarters of MTRCL in June 2015.
42. I did not hear from Mr. Jason Poon after our meeting with him in mid-2015 relating to the SIL project, until one day in late 2016, my secretary told me that Mr. Jason Poon called my office number and left a message for me that he would like to speak with me. I recall this happened in late 2016 because that was the time when China Technology had completed its works for Contract 1112 and LCAL and China Technology would be in the process of finalising the final account for China Technology’s works.
43. I knew that China Technology was involved in Contract 1112 and I also heard in general during the communications meetings that there were concerns that China Technology did not place sufficient resources into the performance of its tasks. I therefore asked my secretary to connect me with him. I remember that Mr. Jason Poon’s message during that telephone conversation was that LCAL had not paid China Technology sufficiently, or at all, and he asked me to step in to help resolve this issue. However, he did not raise with me any allegations with me as regards the cutting of steel bars. I told Mr. Jason Poon that I would ask my team to look into the payment issue.
44. After my telephone discussion with Mr. Jason Poon, I called my colleague Mr. Raymond Au, the Commercial Manager from the Procurement and Contracts Department, and asked Mr. Raymond Au to call Mr. Jason Poon. I called Mr. Au because my impression from my telephone discussion with Mr. Jason Poon was that China Technology’s problem was a commercial one. I told Mr. Raymond Au that China Technology seemed to have some issues and asked Mr. Raymond Au to look into it.

45. Sometime after I spoke with Mr. Raymond Au, I followed up with him. Mr. Raymond Au told me that he had called Mr. Jason Poon about the problems that China Technology seemed to have, but Mr. Jason Poon told Mr. Raymond Au that *“everything was settled.”* Mr. Raymond Au told me that he thought there was no further action required, so he did not revert to me immediately. I also thought that the matter had been closed out, so I did not take any further action.

Request No. 13(b)

Confirm whether Your Company was aware that steel bars were being shortened or cut by hydraulic cutters on site, and if so, what were the reasons for using a hydraulic cutter to carry out such work.

Request No. 13(c)

Confirm whether workers engaged by Leighton and/or its subcontractors had used hydraulic cutters to shorten and cut the steel bars embedded or to be embedded within the diaphragm walls and platform slabs and if so, please identify the workers and/or entities who carried out such shortening or cutting work by hydraulic cutters, and the persons and/or entities who gave instructions (i) for such work to be carried out and (ii) for hydraulic cutters to be acquired.

Request No. 13 (d)

Please explain and confirm whether it is a common practice within the construction industry to use a hydraulic cutter to shorten or cut steel bars embedded or to be embedded within the diaphragm walls and platform slabs.

Request No. 13(e)

Please confirm whether Your Company has ordered or given instructions and/or approval to order any hydraulic cutters for the purpose of shortening or cutting steel bars and if so, please produce all relevant correspondence, emails, instructions, approvals, purchase orders, delivery notes, manuals and literature on the model(s) of the hydraulic cutters used and the specifications thereof and other relevant documentation and records on this topic.

46. I do not have any knowledge of hydraulic cutters being used to shorten or cut steel bars on Contract 1112 or generally in the construction industry. With respect to the procurement of such hydraulic cutters (if any), it would be the contractor's responsibilities to procure such equipment, and it would be very unusual for LCAL to request MTRCL to purchase such equipment. To this end, I made enquiries with the Procurement and Contracts Department of MTRCL before I left and they told me they do not have any records showing hydraulic cutters were procured by MTRCL for Contract 1112.

Resignation as the Projects Director

47. The Letter from Messrs. Lo & Lo did not specifically seek a response as to the circumstances surrounding my resignation as the Projects Director of MTRCL. Nonetheless, in view of public speculation and conjecture in relation to this, I address this issue here.
48. Since the allegation of defective steel works in the Hung Hom Station was reported in the media in late May 2018, I became engaged in responding to requests and queries from different external parties, which I did based on the best information I was able to obtain at the time. However, the focus on this issue resulted in a major change to the nature of my role as the Projects Director. In weeks after May 2018, my role changed dramatically from primarily dealing with technical, engineering and overall project delivery issues to having regularly to consider issues from a corporate publicity and political perspective. I considered this to be fundamentally different from and well above and beyond my essentially technical role as a professional engineer. With this transformation in my role, I was no longer given the time necessary to focus on issues that may reasonably be considered as being within my professional experience, control and technical capabilities.
49. As a result of this, I had started to give thought to resigning from my position as the Projects Director. In or around late July 2018, I personally expressed my intention to resign to the Human Resources Director of MTRCL (Ms. Margaret Cheng). However, at that stage, I was still considering this and did not take immediate action in this regard. On or around 3 August 2018, I attended a medical check-up scheduled with the specialist Cardiology Department of the Tseung Kwan O Hospital based on a referral

from a General Practitioner from the private sector. I was advised by the doctor at Tseung Kwan O Hospital that my health has reached such a state that the risks of me having a stroke has increased to a level that was considerably higher than expected from someone of my age and physical build and that I should give serious consideration to reduce my workload significantly as a preventative measure.

50. After reflecting on this as well as on my view as regards the fundamental change in my role as noted above, in the early morning of 7 August 2018, I tendered my resignation on my own volition to MTRCL's Chief Executive Officer, Mr. Lincoln Leong, which he accepted. On the same day, MTRCL announced my resignation as the Projects Director with immediate effect. At no time prior to my resignation have there been any suggestions from MTRCL that I should step down from my position.

Dated the 14th day of September 2018.



Dr. Wong Nai Keung Philco

Corrigendum to the Witness Statement of Dr. Wong Nai Keung Philco
dated 14 September 2018

Page	Paragraph	Content
B136	12(c)	Replace “ <i>App <u>B/6</u> of PIMS/MAN/005/A4</i> ” with “ <i>App <u>B/5</u> of PIMS/MAN/005/A4</i> ”
B136	12(d)	Replace “ <i>App <u>B/5</u> of PIMS/MAN/005/A4</i> ” with “ <i>App <u>B/6</u> of PIMS/MAN/005/A4</i> ”