

**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**

(APPOINTED PURSUANT TO SECTION 2 OF THE COMMISSION OF INQUIRY
ORDINANCE (CHAPTER 86) ON 10 JULY 2018)

WITNESS STATEMENT OF

**MS PUN, TING TING REBECCA, JP
DEPUTY SECRETARY FOR TRANSPORT AND HOUSING (TRANSPORT) 1**

I. Introduction

I, PUN, Ting Ting Rebecca, Deputy Secretary for Transport and Housing (Transport) 1 of 22nd Floor, East Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong, do say as follows:-

1. I am the Deputy Secretary for Transport and Housing (Transport) 1 (“**DS(T)1**”) and have held this position since 4 July 2012. My main duties include the following:

- (a) overseeing the formulation of land transport infrastructure and railway development strategies;
- (b) overseeing the planning and implementation of (including securing the Legislative Council (“**LegCo**”)’s funding approval for) cross-boundary and domestic railway projects (e.g. the Guangzhou–Shenzhen–Hong Kong Express Rail Link, the Shatin to Central Link, and new railway projects recommended in the Railway Development Strategy 2014);
- (c) overseeing the planning and implementation of (including securing LegCo’s funding approval for) cross-boundary and domestic strategic road projects (e.g. the Hong Kong–Zhuhai–Macao Bridge (including the Hong Kong Section), Tuen Mun–Chek Lap Kok Link, Central Kowloon Route, Central–Wan Chai Bypass and the Island Eastern Corridor Link, Tseung Kwan O–Lam Tin Tunnel, Tsueng Kwan O Cross Bay Link);
- (d) overseeing the planning and implementation of (including securing LegCo’s funding approval for) Universal Accessibility programme, hillside escalator links and elevator systems, footbridges and pedestrian environment improvement schemes;
- (e) overseeing the planning and implementation of (including securing LegCo’s funding approval for) major transport studies (e.g. the Strategic Studies on Railways and Major Roads beyond

2030) and providing policy inputs to various planning studies with transport implications; and

- (f) overseeing the coordination of LegCo business of the Transport Branch of the Transport and Housing Bureau (“**THB**”), as well as the general administration and resource management matters of the Transport Branch.

2. I make this witness statement pursuant to the requests of the Commission of Inquiry (“**Commission**”) into the Diaphragm Wall and Platform Slab Construction Works at the Hung Hom Station Extension under the Shatin to Central Link Project (“**SCL Project**”), set out in a letter from Messrs. Lo & Lo dated 1 August 2018 (“**the Letter of 1 August**”) to the Secretary for Transport and Housing (“**STH**”) and the Director of Highways (“**DHy**”). Save where otherwise appears, the facts deposited hereto are within my personal knowledge or are derived from office files and records and sources to which I have access and are true to the best of my knowledge, information and belief.

3. This witness statement addresses Questions 2(b), 2(g), 3 and 12 at pages 6 and 17 (“**Questions**”) in the Letter of 1 August. Specifically:

- (a) Part II below explains the Government’s roles in the SCL Project, in answer to Questions 2(b), 2(g) and 3.
- (b) Part III below deals with my involvement in the incident relating to an email from China Technology Corporation Limited (“**CT**”), in answer to Question 12.

II. The Government’s Roles in the SCL Project

4. I understand that STH, DHy and/or relevant officer(s) in HyD will be providing statements to the Commission to explain the Government’s overall monitoring and verification system for the SCL Project, and I will not repeat the same here. I will focus in the following on the scope of work and operation of the various groups/meetings, which are of significance to the said system.

(A) Project Supervision Committee (“PSC”)

5. Since the commencement of construction works for the SCL Project in July 2012, THB has been carrying out general monitoring of the project through its representative(s) (i.e. the Principal Assistant Secretary (Transport) 7 (“**PAS(T)7**”) and/or his Assistant Secretaries in Team 7 in THB) who attend the monthly PSC meetings chaired by DHy. This is a high-level meeting between the Government and MTRCL to review the progress of the project and to monitor procurement activities, post-tender award cost control and resolution of contractual claims. Team 7 generally monitors the programme and costs aspects of the SCL Project, and offers views from the policy angle when necessary. Team 7 reports to THB's top management after the meetings if there are issues requiring top management's attention. To avoid duplication of documents, the extracts of the relevant meeting minutes and reports of PSC will be produced by Mr Leung Man Ho of HyD in his statement to the Commission.

(B) DHy's Monthly Meetings with STH

6. In addition, there are regular Heads of Departments (“**HoD**”) meetings. At these meetings, DHy and his senior directorate officers report to STH any significant issues relating to, among other things, the implementation of the SCL Project. The Permanent Secretary for Transport and Housing (Transport) (“**PS(T)**”), the Under Secretary for Transport and Housing (“**USTH**”), myself and my three Principal Assistant Secretaries (since August 2017) attend these meetings. A list of documents (including the folder content pages and pre-meeting notes) from HyD for HoD meetings from July 2012 to August 2018 is provided at **PTT-1**, with parts related to the construction of diaphragm walls and platform slabs under Contract 1112 extracted for reference.¹

7. From August 2014 to July 2017, DHy also updated STH on the progress and major issues of projects under construction (including the SCL Project) in the Monthly Major Project Progress (“**MMPP**”) meetings,

¹ The remaining parts are available for the Commission's inspection, if necessary.

attended by PS(T), USTH, me and my three Principal Assistant Secretaries. A list of documents (including the folder content pages and pre-meeting notes showing progress of the SCL Project) from HyD for MMPP meetings is provided at **PTT-2**, with parts related to the construction of diaphragm walls and platform slabs under Contract 1112 extracted for reference.² MMPP meetings have not been held since July 2017 as discussions on the related matters are covered in other forums such as HoD meetings.

8. THB/ HyD have submitted quarterly progress reports (including MTRCL's reports at Annex) on the SCL Project (and other railway projects under construction) to the LegCo Panel on Transport's Subcommittee on Matters Relating to Railways ("RSC") since June 2014. A list of the quarterly progress reports on the SCL Project submitted for discussion at RSC meetings from July 2014 to June 2018 is provided at **PTT-3**, with parts related to the construction of diaphragm walls and platform slabs under Contract 1112 extracted for reference.³ THB, HyD and MTRCL attend the RSC meetings to present the progress reports and respond to the LegCo members' questions.

(C) Informal Liaison Meetings with MTRCL

9. THB (attended by me and officers of Team 3 and Team 7), and HyD (attended by the Principal Government Engineer / Railway Development ("PGE/RD") and his officers), held *ad hoc* informal liaison meetings with MTRCL (attended by the Projects Director and his colleagues) from time to time since March 2014. The purpose of such liaison meetings is to discuss issues of mutual concern relating to the various railway projects under construction, including the SCL Project, the Express Rail Link Project, the West Island Line Project (commissioned in March 2015), the Kwun Tong Line Extension Project (commissioned in October 2016) and the South Island Line (East) Project (commissioned in December 2016). Given the informal nature of these liaison meetings, only agenda items are set out to facilitate discussions, and there are no notes or records of these meetings. The discussion items

² The remaining parts are available for the Commission's inspection, if necessary.

³ The remaining parts are available for the Commission's inspection, if necessary.

are usually proposed by MTRCL, covering issues relating to the funding, works progress, testing and commissioning matters, etc. of the various railway projects. A list of the documents (i.e. the agendas) relating to the informal liaison meetings among THB, HyD and MTRCL is provided at **PTT-4**.⁴

(D) Meetings with MTRCL for the Commissioning of the SCL Project

10. In preparation for the target commissioning of the Tai Wai to Hung Hom Section of the SCL Project in mid-2019, THB established:

- (a) the Handover Committee (“**HC**”)⁵ in March 2018 to agree, insofar as practicable, the timetable for and the manner of (i) the carrying out of the pre-completion joint inspections of the works under the SCL Project, (ii) the rectification or completion of the outstanding works, (iii) the granting of access to certain areas of the SCL works to relevant Government departments, and (iv) the monitoring of the testing and commissioning of the project;
- (b) the Tripartite Task Group (“**TTG**”)⁶ in March 2018 to offer a forum for the discussion of issues pertaining to the land and asset holding arrangement, the terms of the Supplemental Service Concession Agreement and the supplemental Operating Agreement for the project⁷; and

⁴ As the construction of diaphragm walls and platform slabs under Contract 1112 has not been discussed at these informal liaison meetings, the documents are not extracted. They are available for the Commission’s inspection, if necessary.

⁵ Membership of HC includes representatives from THB, HyD, Buildings Department, Electrical and Mechanical Services Department (“EMSD”), Lands Department (“LandsD”), MTRCL and the Kowloon–Canton Railway Corporation (“KCRC”) (as observer).

⁶ Membership of TTG includes representatives from THB, Financial Services and the Treasury Bureau, HyD, Department of Justice, LandsD, KCRC and MTRCL.

⁷ In February 2018, we obtained the Chief Executive in Council’s approval for the land and asset holding arrangement of the SCL Project. Under this arrangement, the land or interests or other rights in respect of land for the operation of SCL should be vested in and the movable assets of the SCL should be assigned to KCRC at nominal value. KCRC will grant to MTRCL a service concession to operate the SCL Project.

- (c) the Steering Committee on Commissioning (“SCC”)⁸ of the Tai Wai to Hung Hom Section of SCL in July 2018 to provide guidance on major issues of concern to ensure a smooth commissioning of the project, including works progress and interface issues, safety and security aspects, service readiness, as well as sensitive political and public relations issues.

11. The Terms of Reference of HC, TTG, and SCC are provided at **PTT-5**. So far, HC and TTG have each held two meetings (both on 14 March 2018 and 23 July 2018), while SCC held its first meeting on 23 July 2018. I attended the meetings of HC, TTG and SCC. Issues relating to the construction of diaphragm walls and platform slabs under Contract 1112 were only discussed at the SCC Meeting on 23 July 2018 after the media reports on suspected irregularities of the aforementioned works. The draft notes of the meetings held on 23 July 2018 are not available yet, pending confirmation at the next meetings⁹.

(E) Other Meetings/Briefings

12. From time to time, HyD and/or MTRCL are requested to provide briefings to THB on major issues relating to the SCL Project. As and when necessary, *ad hoc* meetings among THB, HyD and/or MTRCL would be lined up. For example, on 3 August 2016, THB (attended by me, the then PAS(T)7 and the then Assistant Secretary (Transport) 7B (“AS(T)7B”)) and MTRCL (attended by the Corporate Affairs Director and her colleagues) held an *ad hoc* meeting to discuss the naming of railway facilities under the SCL Project. On 19 March 2018, THB (attended by PS(T), me, PAS(T)7 and the then AS(T)7B) and HyD (attended by PGE/RD and his officers) held an *ad hoc* meeting with MTRCL (attended by the Chief Executive Officer and his colleagues) to have a focused discussion regarding the cost overrun problem of the SCL Project.

⁸ Membership of SCC includes representatives from THB, HyD, Transport Department, EMSD, LandsD, Environmental Protection Department and MTRCL. Representatives of other relevant government departments would be invited to join SCC meetings on a need basis.

⁹ The other meeting records for the HC and TTG meetings did not mention the diaphragm wall and platform slab construction works in Hung Hom Station Extension. They are available for the Commission’s inspection, if necessary.

III. THB's Press Release of 9 June 2018 on CT's Contacts with THB and HyD in September 2017

(A) *My Involvement in the CT Incident*

13. On 15 September 2017 at 1540 hours, Mr Leung Sai-ho, the then AS(T)7B ("**Mr SH Leung**"), sent me an email drawing my attention to an email at 1106 hours on the same day sent by a Mr Jason Poon ("**Mr Jason Poon**") of CT to STH's Office requesting a joint interview in the presence of senior representative of THB, MTRCL, Leighton Contractors (Asia) Limited and CT urgently the next morning to discuss an important issue on the execution of the SCL works ("**CT Email**"). A copy of the CT Email is produced in Mr SH Leung's witness statement to the Commission as "**LSH-1**".

14. Upon receipt of Mr SH Leung's email, I considered that HyD, being the executive arm of THB in supervising the performance of MTRCL in the SCL Project, should contact Mr Jason Poon as soon as possible to find out the purpose of the proposed meeting and the issue to be discussed, before coming to a view as to whether the issue should be drawn to STH's attention.

15. I then briefly discussed the matter with Mr Raymond Cheng, the then PAS(T)7 ("**Mr Raymond Cheng**"), and Mr SH Leung in a tele-conference. I agreed with their recommendation, which was in line with my consideration as explained above, that HyD would be in a better position to gather more information from Mr Jason Poon before deciding whether THB should intervene. I therefore asked Mr SH Leung to revert to Mr Jason Poon and advise him that a colleague of HyD would approach him to discuss his request. After the tele-conference, I sent an email to Mr SH Leung at 1556 hours on 15 September 2017 asking him to proceed as discussed. A copy of my email is produced in Mr SH Leung's witness statement to the Commission as "**LSH-6**".

16. On 18 September 2017 at 1937 hours, I received an email from Mr SH Leung to Mr Raymond Cheng (copied to me), forwarding an email from Mr Jason Poon at 1922 hours on the same day ("**2nd CT Email**") and

reporting that the issue should have been resolved. I noted that Mr Jason Poon stated in the 2nd CT Email the following:

“During these few days we are working tight and hard on the suspecting technical issue with Messrs Leighton and had reached satisfactory understanding and full clarification. ie the suspecting subject had been cleared now and no significant impact is retained.

In order to avoid any unwanted impact and due to the good progress observed, we thus kept silent on the investigation from Messrs HyD and we had did [sic] our best endeavor on our act of non-disclosure.

We believe it is a full and final end of the issue and may we invite to close all relevant files accordingly.

[...]

by copy of this email, may I express my sincere acknowledgement on the prompt and professional services being maintained by both Mr S H Leung of THD [sic] and Mr Vicent [sic] Chu of HyD”.

Copies of the 2nd CT Email and Mr SH Leung’s email are produced in Mr SH Leung’s witness statement to the Commission as “**LSH-16**” and “**LSH-18**” respectively.

17. In light of 2nd CT Email, I considered that the issue had been resolved and did not see the need to alert STH to Mr Jason Poon’s earlier request for a meeting, or to take any further action.

18. I confirm that the contents of this witness statement are true to the best of my knowledge, information and belief.

Dated this 7th day of September 2018



PUN, Ting Ting Rebecca
Deputy Secretary for Transport and Housing (Transport) 1