

PRESS STATEMENT

22 June 2018

Non-conformance Reports under MTR Corporation's Project Management System

In light of recent concerns on Non-conformance Reports (NCRs) issued to contractors in the course of construction of railway projects, the MTR Corporation would like to provide the following information.

Safety has always been the first priority of the Corporation and there are established processes in our project management regime to ensure safety and the quality of construction works.

Construction works are undertaken by individual contractors and they have the primary responsibility of delivering the works in accordance with the terms of contract and relevant statutory requirements. To ensure that the contractors are doing their work properly, a Project Manager is appointed to supervise and monitor the work of the contractors to ensure compliance.

In the case of the Shatin to Central Link (SCL), the Corporation is appointed as the Project Manager. The Corporation carries out this role using the Project Integrated Management System ("PIMS"), which is certified to be ISO9001 compliant and has been used to manage railway projects for over 20 years.

Pursuant to the role of the Project Manager, which is to identify any non-compliance by contractors, the Corporation issues Non-conformance Reports ("NCRs") to the contractors on non-conforming works. The contractor concerned shall then propose corrective measures and preventive actions to rectify the works. The MTR Construction Team shall continuously monitor the status of the remedial works to ensure that quality of the site works is not compromised. Where amendments to original design are involved, the remedial proposals concerned will be submitted to relevant Government departments for acceptance.

NCR is therefore a common and necessary management measure in the project management process during the course of construction, to record and demand rectification of non-conformance. NCRs are widely adopted in all construction projects (including public projects), and the number of NCRs in each construction contract may vary due to the nature and scale of works, geology, complexity of the project, performance of the contractors, etc.

We understand public concerns on the quality of the construction works and the effectiveness of the project management system. As announced yesterday, the Capital Works Committee under the MTR Board of Directors will conduct a review of the processes and procedures for

SCL within the PIMS, and external consultant will be engaged to assist in the review. The scope of this review will include how best to improve the internal and external reporting system relating to NCRs, in particular on issues with potential safety implications.

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