

**For Information  
on 27 October 2021**

**Legislative Council Panel on Economic Development**

**Update on the Development of the Three-Runway System  
at Hong Kong International Airport**

**Purpose**

This paper provides an update on the developments of the Three-Runway System (“3RS”) project since last reported to this Panel in April 2021 (LC Paper No. CB(4)830/20-21(03)).

**Background**

2. This paper presents updates on the overall progress of the 3RS project as well as its individual key aspects: (a) construction; (b) preparatory work necessary for the commissioning of the Third Runway; (c) labour supply; (d) construction safety; (e) environmental-related issues; and (f) financial arrangement.

**Progress Update on 3RS Works**

**(a) Construction**

3. The construction of the 3RS at Hong Kong International Airport (“HKIA”) comprises different components, including the formation of about 650 hectares (“ha”) of land; expansion of the existing Terminal 2 (“T2”); the construction of the Third Runway, taxiways and aprons, and the T2 Concourse (“T2C”); provision of a new automated people mover (“APM”) system and a high-speed baggage handling system (“BHS”); modification of the existing North Runway and the construction of airport support infrastructure, utilities and facilities (scope of the 3RS project at Annex A).

4. As detailed in the ensuing paragraphs, notwithstanding challenges on various work fronts of the 3RS project and the impact of the Coronavirus Disease 2019 (“COVID-19”), the Airport Authority Hong Kong (“AAHK”) has been maintaining the construction progress of the 3RS. Pavement of the Third

Runway was completed earlier this year and a ceremony marking this significant milestone was held in early September 2021. Overall, AAHK continues to implement various effective measures to ensure that the 3RS construction works are proceeding according to the planned schedule. These include, for example, phased handover of/early access to works areas among different contractors, deployment of extra resources in extended working hours, and re-sequencing of works to prioritise the completion of all critical works. AAHK continues to target commissioning the Third Runway in 2022 and completing the 3RS project in 2024.

(i) *Impact of COVID-19 on the 3RS Works*

5. As last reported in April 2021, Members were advised of the impact of the COVID-19 pandemic on the 3RS works. This has continued in the run up to Q3 2021. With the concerted efforts of AAHK and its contractors, no confirmed case of COVID-19 has been further reported since mid-March 2021. Nevertheless, stringent testing and verification measures continue to be implemented on all fronts to safeguard the health and safety of workers and staff under the 3RS project. Among others, the requirement for all workers and staff to present a negative COVID-19 test result and undergo temperature check before boarding ferries to the 3RS work sites remains in place. A total of more than 80 000 tests had been conducted for workers and staff as at end September 2021. The final round of bi-weekly tests administered by AAHK-appointed testing laboratories was arranged on 24-30 September 2021, after which, unvaccinated workers and staff have to arrange their own bi-weekly tests to meet the testing requirement for entry into the work sites.

6. AAHK continues to boost the COVID-19 vaccination rate among workers and staff at the 3RS work sites. As at end September 2021, more than 70% of project personnel had been fully vaccinated<sup>1</sup> and they are thus exempted from the testing requirement for entering the 3RS work sites. A host of enhanced precautionary measures also continue to be implemented as reported previously in April 2021.

7. The COVID-19 pandemic continues to pose challenges to the supply chains of the 3RS project due to quarantine requirements as well as local lockdowns and restrictions in different areas outside Hong Kong where supplies are sourced. AAHK has managed to reduce the impact on the construction progress through various control measures, such as early stockpiling of aggregates on site and at strategic off-site locations to support critical work fronts; delegating local specialists with third party witnesses for factory acceptance tests

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<sup>1</sup> Fully vaccinated here means that the second dose of vaccination has been administered for at least 14 days.

outside Hong Kong to ensure compliance of the off-site works with AAHK's specifications and the relevant statutory requirements, as well as arranging special airfreight of critical equipment/materials in advance to meet the planned delivery schedules. The ongoing pandemic may, however, continue to pose additional challenge to the progress of works in the foreseeable future.

*(ii) Land Formation*

8. To-date, reclamation filling works is substantially complete, with almost all of the reclamation areas handed over to the follow-on contractors. Intake of reclamation fill has substantially tailed off. Going forward, the main reclamation contractor will continue to complete the final parcels of filling operations by Q3 2022, excluding the wraparound areas at the western end of the existing North Runway, which could only be completed by the follow-on airfield contractor after temporary closure of the existing North Runway scheduled in 2022.

*(iii) Airfield Works*

9. Construction works continue to progress towards the target to commission the Third Runway in 2022, after which the existing North Runway will be temporarily closed for reconfiguration into the Centre Runway of the future 3RS. The pavement works for the entire Third Runway have been completed earlier this year, while the pavement works of the taxiways are progressing at full steam (see **Annex B**). The building structures for all Government facilities and ancillary buildings required for the operation of the Third Runway are substantially complete, followed by architectural and building services works. Installation of key airport and airfield systems have also commenced on various fronts, in tandem with the ongoing construction of the extensive network of supporting utilities. In parallel, construction of the underpass section of the Western Vehicular Tunnel has commenced and is proceeding alongside the drainage culvert construction, whilst installation of the pipe pile walls at the main tunnel section continues. The supporting structure for the runway approach lights at the western end of the Third Runway has been completed, whereas the structure at the eastern end is expected to be completed in Q4 2021. Overall, AAHK continues to proceed with the construction for commissioning the Third Runway in 2022 as planned.

(iv) *Building and Infrastructure Works*

10. Removal of structures as required for the reconfiguration of T2 is substantially complete. Piling works within the footprint of the decommissioned T2 is approaching the final stage. Bulk excavation and basement construction at the areas for the Baggage Hall and APM Interchange Station are proceeding up to ground level. Works areas with completed foundation and substructure are being handed over in phases to the superstructure contractor of the expanded T2. Superstructure construction continues at the south-eastern corner of the expanded T2 with good progress. Piling works for the viaducts connecting the expanded T2 and the nearby road network are progressing on multiple work fronts. The reconfigured T2 is targeted for completion as a fully-fledged terminal in 2024.

11. Bored piling works and basement excavation are proceeding in full swing under the foundation and substructure contract for the T2C. Parts of the completed foundation and substructure of the new air traffic control tower have been handed over to the main works contractor of the T2C for superstructure construction. In parallel, most of the key subcontractors under the main works contract of the T2C are on board. Sheet piling works are ongoing at the northern approach section of the Eastern Vehicular Tunnel. As regards the new Integrated Airport Centre (“IAC”), the building structure was substantially completed in Q2 2021, followed by architectural and building services works. System installation works have commenced at the communication rooms and installation of the video wall at the IAC Hall is set to start after the mounting frame installation. The new IAC is targeted for operation in 2022 in tandem with the commissioning of the Third Runway.

12. In addition to the above, detailed design of the BHS is substantially complete and a mock-up system test was completed successfully at an off-site workshop earlier this year. Meanwhile, manufacture of the conveyor equipment is in progress. The detailed design of the APM system is also substantially complete. Manufacture of the APM system components and assembly of APM cars are in progress. Construction works within the new APM depot on the existing airport island are ongoing. On the existing airport island, tunnel box construction for the APM system and BHS continues at various segments, with box jacking works underneath a short section of the operating Airport Express Line scheduled to start in end 2021. The building structure of the ventilation building is substantially complete, and is ready for architectural works and system installation. Separately, piling and slurry wall installation works continue on the reclaimed land for construction of the tunnels for the APM system and BHS. Excavation works have also commenced near the interface

with the T2C in preparation for the subsequent tunnel box construction. Piling works for the seawater pump house are proceeding in parallel.

13. The majority of the construction support facilities and services, e.g. safety induction centre, canteen, medical centre, vehicle maintenance facility, etc., are in operation on the reclaimed land. The temporary offices continue to be in operation at the Western Support Area, whereas the first temporary office block has commenced operation at the Eastern Support Area. Apart from the above, a second temporary office block and a canteen at the Eastern Support Area will be ready by Q4 2021. Overall, these on-site services and facilities will continue to support the construction of the 3RS project.

14. The 3RS is a highly complex project comprising numerous components with intertwined work and programme interfaces. Various challenges such as the COVID-19 pandemic, disruptions in supply chains, inclement weather, etc., could impact individual construction fronts. Notwithstanding these ongoing challenges, AAHK is confident that the Third Runway could commence operation in 2022 as planned. With various programme control and enhancement measures in place, AAHK has managed to contain the overall slippage in the delivery of the 3RS project within approximately eight weeks as reported in April 2021, while continuing to implement plans to meet its target to complete the construction of the 3RS in 2024 as planned.

(v) *Government Facilities*

15. To ensure better coordination and management of interface issues, AAHK has undertaken the design and construction of essential Government facilities<sup>2</sup> for airport operations in connection with the 3RS project. Among these, in the Western Support Area, superstructure works for the main building of the Airport North Fire Station (formerly known as “West Airside Fire Station”) have completed; while architectural and building services works for the said fire station and the Decontamination Facility are in progress. The Civil Aviation Department (“CAD”) and the Hong Kong Observatory (“HKO”) have been given access to their facilities/ equipment sites on the reclaimed land to commence system installation as scheduled. Meanwhile, preparation for superstructure works for the new Air Traffic Control Tower is in progress.

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<sup>2</sup> For example, air traffic control facilities for the CAD; aviation weather services facilities for the HKO; rescue and firefighting facilities for the Fire Services Department, customs, immigration, quarantine, port health control and law enforcement facilities, etc.

(vi) *Project Cost*

16. AAHK continues to manage the project expenditure within budget. The total value of the major construction contracts awarded (about HKD95.8 billion), as at September 2021, is within the estimated budget. Details of the construction works contracts are at Annex C. It remains AAHK's target to deliver the 3RS project within the budget of HKD141.5 billion.

(b) **Preparatory Work Necessary for the Commissioning of the Third Runway**

17. Apart from construction works, AAHK is working closely with the Government and airport stakeholders on the preparatory work for the commissioning of the Third Runway in 2022, after which the existing North Runway will be closed for reconfiguration. Various plans are underway to ensure the operational readiness of the Third Runway and the related facilities in 2022.

18. The newly reclaimed land, known as Chek Lap Kok Lot No. 4 ("CLKL 4"), was granted to AAHK through a 50-year private treaty grant on 31 August 2021. The Reversionary Lease to extend the lease term of the existing Airport Island (i.e. the Remaining Portion of Chek Lap Kok Lot No. 1 and the Extension Thereto) to align with the lease term of CLKL 4 was also executed on the same date given that the expanded airport with the Third Runway will operate together as a whole. Meanwhile, the legislative procedures for amending the restriction and areas necessary for commissioning the Third Runway by way of subsidiary legislation<sup>3</sup> have been completed for taking effect on 31 May 2022.

19. AAHK has also coordinated with different stakeholders, including relevant Government departments and airport operators, to establish an operational readiness programme to ensure the smooth commissioning of the Third Runway. Separately, AAHK is working with CAD to organise a flight check exercise for the Third Runway in Q1/Q2 2022 to verify that the air navigation services equipment concerned are in full compliance with the International Civil Aviation Organization standards.

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<sup>3</sup> i.e. the Airport Height Restrictions prescribed under the Hong Kong Airport (Control of Obstructions) Ordinance (Cap. 301), the Hong Kong International Airport Approach Area under the Shipping and Port Control Regulations (Cap. 313A), and the Maps of Airport Area and the Maps of Restricted Area under the Airport Authority Ordinance (Cap. 483).

**(c) Labour Supply**

20. It is estimated that starting from 2021, the demand for workers is set to rise and will reach peak level in FY2022/23, with approximately 9 000 skilled workers to be deployed in the construction of the major airfield infrastructure works, tunnels, terminal buildings and associated system works. Employment opportunities generated by the 3RS project for local workers will continue to increase in the years ahead.

21. To meet the manpower requirements, AAHK, in collaboration with its contractors, continues with its recruitment efforts to reach out to job seekers in the local market in spite of the constraints posed by the pandemic. A job fair involving major 3RS contractors was held at the premises of the Hong Kong Construction Industry Employees General Union in July 2021, followed by another one of a larger scale involving more airport companies at a shopping arcade in Tin Shui Wai in late September 2021. At present, AAHK has no plan to resort to further labour importation under the Supplementary Labour Scheme for the remaining works.

**(d) Construction Safety**

22. AAHK is committed to maintaining the highest safety standards in construction. As at September 2021, the 12-month rolling Accident Frequency Rate (“AFR”<sup>4</sup>) for the 3RS project was 7.7, which is higher than in the last progress report but still remains substantially lower than the industry-wide accident rate of 26.1 per 1 000 workers for 2020 as released by the Labour Department (“LD”). To ensure work safety and address related issues, AAHK, together with the contractors, continues to proactively assess the effectiveness of the safety measures implemented across the 3RS project. Special attention is being paid to identify any inherent safety issues in the more critical areas such as airfield works. Meanwhile, the “VCommit” campaign focusing on heat stress prevention organised by AAHK for Q3 2021 is ongoing.

23. The safety risk profile evolves as the nature of works shifts from marine-based to land-based where specific safety issues involve working at height, heavy lifting operations and the safety of temporary works related to excavation and lateral support installation and people-plant interface. To cope with the increasing volume of temporary works and electricity safety works for buildings, AAHK has reinforced the safety management in “Temporary Work Control” and “Electrical Safety System of Works”. An Inspection and Test Plan

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<sup>4</sup> AFR is the number of reportable accidents per 1 000 workers per year. This calculation is in accordance with LD and is widely used in the Hong Kong construction industry.

on Quality and Safety has been introduced to ensure that key safety check and control points are included as part of the engineering control process. Internal safety workshops are also conducted regularly.

(e) **Environmental-Related Issues**

24. The implementation of the Environmental Monitoring and Audit (“EM&A”) programme for the 3RS project is ongoing. All EM&A information, including monitoring results, implementation status of mitigation measures, events of non-compliance and the corresponding follow-up actions, etc., are reported on a monthly basis. The EM&A information together with the finalised Environmental Permit (“EP”) submissions are publicly available on a dedicated website<sup>5</sup>. The EM&A programme and all the required environmental mitigation measures for the 3RS project have been properly implemented since commencement of construction.

25. AAHK continues to fulfil its commitments to enhance marine ecology and fisheries for the benefit of marine ecology (including the Chinese White Dolphins) and fisheries resources in the vicinity of the project area. Following the setting up of the Marine Ecology Enhancement Fund and the Fisheries Enhancement Fund with a total budget of HKD400 million from AAHK in late 2016, over HKD55 million has been granted to 40 projects since FY2017/18. Details of the funded projects, including the reports of those completed projects, could be found on dedicated websites<sup>6</sup>. These projects are managed and conducted by universities, research groups, or associations from the fisheries industry.

26. Meanwhile, in addition to the above two funds, AAHK continues to explore and/or implement several marine ecology and fisheries enhancement measures in Lantau waters beyond the EP requirements. In June and July 2021, AAHK deployed 100 artificial reef (“AR”) units in waters to the west of the South Runway of the HKIA, close to the proposed North Lantau Marine Park (“NLMP”). The deployment of ARs is a pilot study intended to form micro-marine habitats and assess their effectiveness in enhancing local marine ecology and fisheries resources in the vicinity of the proposed NLMP and its surrounding waters. AAHK is also conducting a pilot study to quantify the value of deployed shellfish reefs at selected locations along the newly completed seawall to the

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<sup>5</sup> Dedicated 3RS webpage for environmental-related issues:  
<http://env.threerunwaysystem.com/en/index.html>

<sup>6</sup> Marine Ecology Enhancement Fund webpage:  
<http://env.threerunwaysystem.com/en/meef/index.html>  
Fisheries Enhancement Fund webpage:  
<http://env.threerunwaysystem.com/en/fef/index.html>

north of the Third Runway. The pilot study aims to recreate and promote the proliferation of shellfish and other marine life along the artificial seawall. AAHK is monitoring the effectiveness of these two pilot studies over a 12-month post-deployment period. Regarding the proposed NLMP, after AAHK obtained in-principle support from the Country and Marine Parks Board in October 2020, the Agriculture, Fisheries and Conservation Department has been taking forward the statutory procedures in accordance with the Marine Parks Ordinance (Cap. 476) for the designation of the proposed NLMP to dovetail with the commissioning of the 3RS project.

27. On another front, AAHK continues to pursue excellence in green building design and sustainable construction. Further to obtaining a Provisional Platinum rating under BEAM Plus<sup>7</sup> in 2020 for the T2 Expansion, the T2C also achieved the same rating in mid-2021.

28. To enhance transparency and communication with the community proactively, AAHK continues to engage stakeholders through the Professional Liaison Group (“PLG”) and the Community Liaison Groups (“CLGs”), with a view to facilitating communications, enquiries and complaints handling on environmental issues related to the 3RS project. The next round of PLG and CLGs briefings is being planned before end 2021, subject to the pandemic situation.

**(f) Financial Arrangement**

29. In the last report to this Panel in April 2021, it was reported that due to the prolonged and unprecedented impact of the COVID-19 pandemic on the business of the HKIA, the contributions of operating surplus and airport construction fee (“ACF”) to financing the 3RS project for the next few years would be reduced. While AAHK continues to finance the 3RS project via three sources: retaining its operating surplus, collecting ACF, and raising funds from the market, in view of the traffic slump and drop in revenue, AAHK projected in March 2021 that the total amounts of funds to be raised from the market would be updated to: (i) HKD89 billion of debt; and (ii) USD1.5 billion (or HKD11.6 billion equivalent) of perpetual capital securities (accounted as equity) issued.

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<sup>7</sup> BEAM Plus, being recognised and certified by the Hong Kong Green Building Council Limited, offers a comprehensive set of performance criteria for a wide range of sustainability issues relating to the planning, design, construction, commissioning, management, operation and maintenance of a building. Provisional Platinum is the highest rating for a project after completing Provisional Assessment.

*(i) AAHK's Financial Position for FY2020/21*

30. The financial performance of AAHK depends largely on the air traffic volume of the HKIA. The travel bans, quarantine orders and restrictions on non-residents entering Hong Kong resulting from the pandemic have led to a collapse in demand for air travel. In FY2020/21, the HKIA recorded 0.8 million passengers and handled 127 760 flight movements, representing an annual decrease of 98.6% and 66.2% respectively. That said, cargo and airmail business remained strong and the throughput fell only slightly by 2.0% to 4.6 million tonnes. AAHK provided several rounds of relief measures to the airport community that amounted to HKD4.7 billion. As a result, AAHK reported a net loss of HKD4.4 billion in FY2020/21 and a net debt position of HKD7 billion as at 31 March 2021, which is considered comfortable as compared with other international hub airports. AAHK's credit rating remains strong and is rated "AA+" by S&P Global, Inc.

*(ii) Proposed bond issuances for next 12 months*

31. The rapid spread of the COVID-19 virus variants has triggered new travel restrictions across the globe, posing setbacks to the tourism sector and also the pace of recovery of the aviation industry. The industry in general expects passenger traffic to gradually recover to pre-pandemic levels in three to four years' time. Hence, there remain considerable uncertainties over the exact financial contributions to the 3RS project from AAHK's operating surplus and ACF collection, which are largely traffic driven.

32. With regards to the funds raised from the market, AAHK has reviewed the financial instruments to more fully capture the current low-interest-rate environment and to meet funding requirements under uncertain pandemic and geo-political circumstances while maintaining the amount of debt to be raised at HKD89 billion. AAHK plans to use the following instruments in next 12 months to raise further capital (see **Annex D**) –

- (a) **USD Institutional Bond:** AAHK intends to issue long-dated USD institutional bond of up to USD4 billion, including green or sustainable format under the sustainable finance framework. This green or sustainable tranche of bond issuance does not only support the Government's policy to develop Hong Kong as an international green and sustainable finance hub in the region, but also showcases AAHK's commitment to be one of the world's greenest airports and further widens the investor base;

- (b) **HKD Retail Bond:** This was initially planned for issuance in February 2020 but was deferred due to the COVID-19 outbreak. Subject to market sentiments, AAHK will consider an issuance of HKD5 billion fixed rate retail bond in 2022, which may coincide with the resumption of passenger traffic of the HKIA when the pandemic subsides. This will also allow the participation of the general public in Hong Kong in the 3RS project; and
- (c) **HKD Institutional Bonds:** HKD private placement has been one of the most efficient and reliable means to raise capital. In case the global institutional bond market is not conducive, there may be a need to issue up to HKD15 billion of such bonds to provide additional liquidity to meet the funding requirements.

33. Despite the increase in leverage, AAHK is expected to maintain its investment grade credit rating based on its discussion with its financial advisor. Given its successful track record and investors' response to the recent financings in FY2020/21, AAHK is confident that it can continue to leverage its strong credit profile to raise funding from the market at reasonable cost. AAHK does not require any form of financial guarantees from the Government in funding the 3RS project.

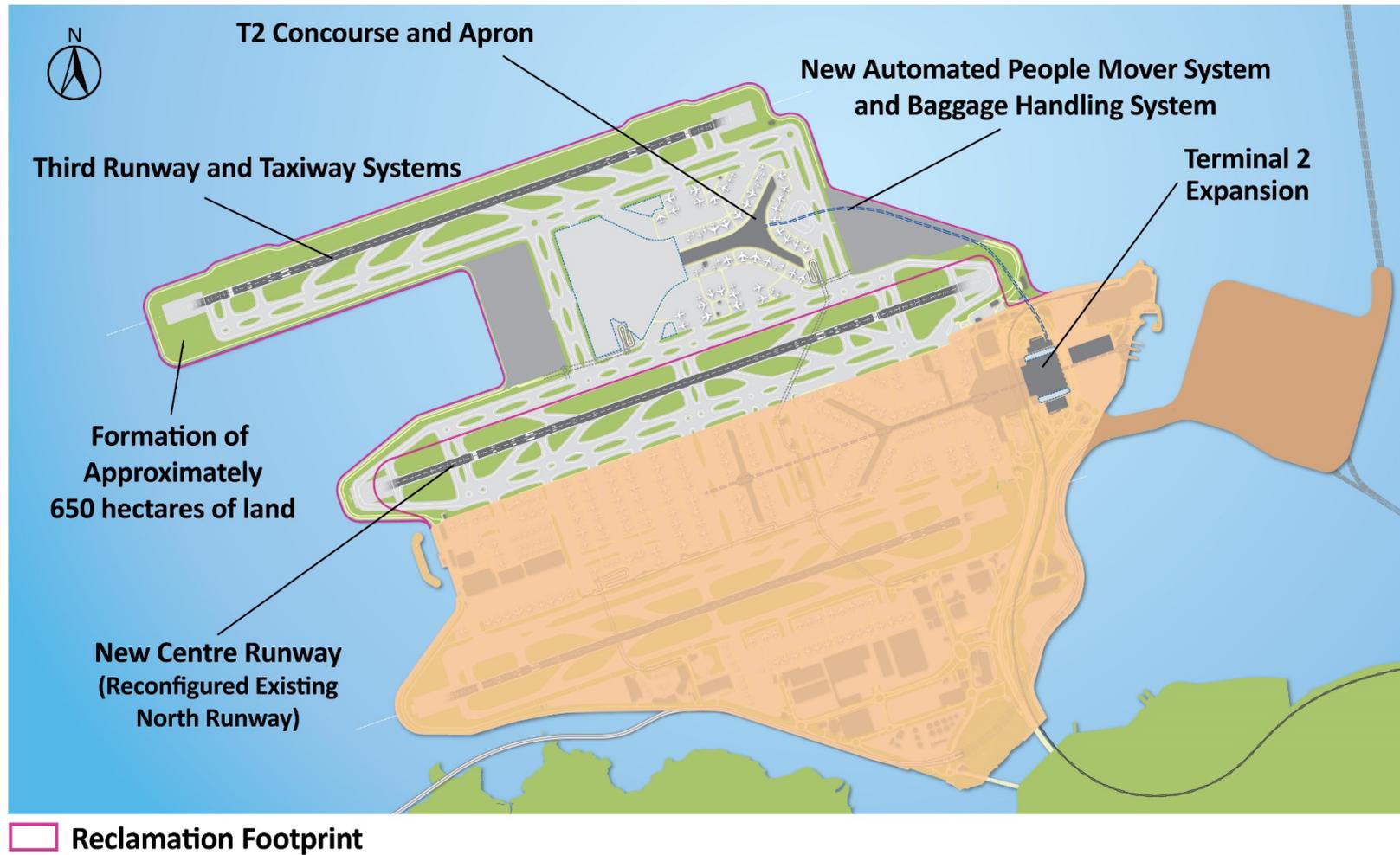
34. AAHK will continue to adjust the 3RS funding plan when necessary. Meanwhile, AAHK will execute the funding plan as the market allows. The actual timing of the financings will depend on the cash flow position after considering the operation and capital expenditure and the market condition. AAHK believes that the aviation industry and air traffic will gradually recover as the pandemic subsides. AAHK will stay vigilant and exercise stringent cost control in accordance with prudent commercial principles while continuing to take forward various development projects to maintain and consolidate the status of the HKIA as an international aviation hub.

### **Advice Sought**

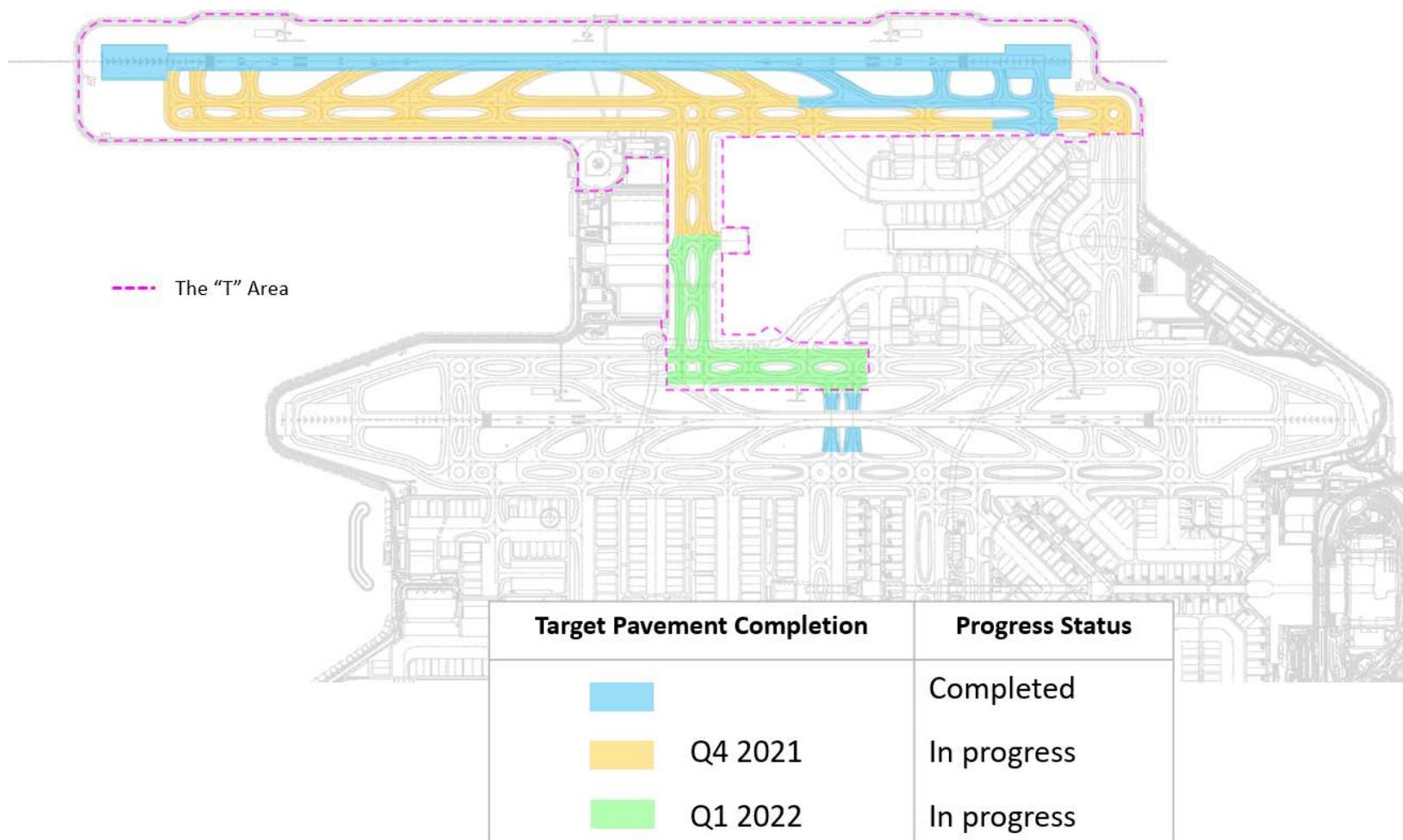
35. Members are invited to note the above.

**Airport Authority Hong Kong**  
**October 2021**

**Project Scope of the Three-Runway System**



### **Pavement Construction Plan**



Note: The "T" area is required for the operation of the Third Runway in 2022.

**Three-Runway System Project**  
**An Overview of the Major Construction Works**  
 (as at September 2021)

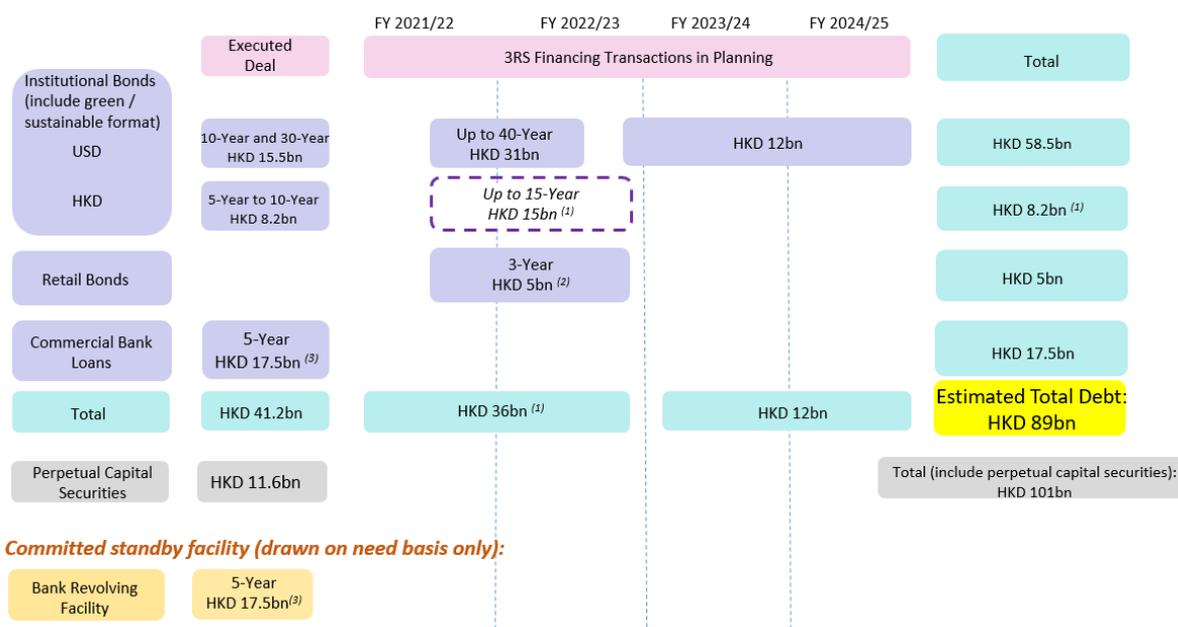
	<b>Construction Works Contract</b>	<b>Works Contract Award Date</b>	<b>Awarded Contract Sum (HKD)</b>
1.	Contract No.: P560(R) Aviation Fuel Pipeline Diversion Works	29 July 2015	1,289,000,000
2.	Contract No.: 3201 Deep Cement Mixing Works (Package 1)	28 July 2016	3,686,890,096
3.	Contract No.: 3202 Deep Cement Mixing Works (Package 2)	28 July 2016	2,813,918,000
4.	Contract No.: 3203 Deep Cement Mixing Works (Package 3)	28 July 2016	2,120,914,933
5.	Contract No.: 3204 Deep Cement Mixing Works (Package 4)	28 July 2016	1,800,000,000
6.	Contract No.: 3205 Deep Cement Mixing Works (Low Headroom)	27 September 2016	3,314,806,000
7.	Contract No.: 3206 Main Reclamation Works	27 September 2016	15,263,960,097
8.	Contract No.: 3602 Existing APM System Modification Works	30 March 2017	843,430,000
9.	Contract No.: 3301 North Runway Crossover Taxiway	3 April 2017	356,277,178
10.	Contract No.: 3501 Antenna Farm and Sewage Pumping Station	9 June 2017	67,628,000
11.	Contract No.: 3601 New APM System (Third Runway Concourse Line)	13 June 2017	1,668,324,457
12.	Contract No.: 3801 APM and BHS Tunnels on Existing Airport Island	14 June 2017	2,370,896,942
13.	Contract No.: 3503 T2 Foundation and Substructure Works	28 November 2017	2,435,123,581
14.	Contract No.: 3603 3RS Baggage Handling System	28 November 2017	3,076,491,885
15.	Contract No. : 3402 New IAC Enabling Works	30 October 2018	59,151,346
16.	Contract No.: 3302 Eastern Vehicular Tunnel Advance Works	28 November 2018	682,000,000
17.	Contract No.: 3303 Third Runway and Associated Works	8 April 2019	6,273,725,171
18.	Contract No.: 3305 Airfield Ground Lighting System	1 August 2019	835,760,167
19.	Contract No.: 3403 New IAC - Building and Civil Works	9 August 2019	440,698,000
20.	Contract No.: 3404 Integrated Airport Centre Systems	9 August 2019	172,345,000

	<b>Construction Works Contract</b>	<b>Works Contract Award Date</b>	<b>Awarded Contract Sum (HKD)</b>
21.	Contract No.: 3721 Construction Support Infrastructure Works	16 August 2019	488,477,541
22.	Contract No.: 3713 Third Runway Concourse and Infrastructure Site Investigation Works	25 September 2019	127,388,888
23.	Contract No.: 3306 Observation Facility Control Systems Supporting Interim 2RS and 3RS	21 October 2019	767,210,058
24.	Contract No.: 3722A Western Support Area - Site Office	13 December 2019	103,929,300
25.	Contract No.: 3722B Western Support Area - Canteen, Safety Induction Centre and Medical Centre	13 December 2019	59,988,000
26.	Contract No.: 3722C Western Support Area - Material Testing Laboratories	13 December 2019	64,064,500
27.	Contract No.: 3722D Western Support Area - Typhoon Shelter, Vehicle Maintenance Facility and Fuel Storage Facility	30 January 2020	74,557,290
28.	Contract No.: 3405 Third Runway Concourse Foundation and Substructure Works	6 February 2020	4,639,777,000
29.	Contract No.: 3307 Fire Training Facility	23 March 2020	301,450,000
30.	Contract No.: 3802 APM and BHS Tunnels and Related Works	25 May 2020	7,202,948,752
31.	Contract No.: 3508 T2 Expansion Works	5 August 2020	12,886,000,000
32.	Contract No.: 3726 Construction Support Facilities Maintenance Services	4 August 2020	37,217,240
33.	Contract No.: 3308 Foreign Object Debris Detection System	23 October 2020	179,055,829
34.	Contract No.: 3408 Third Runway Concourse and Apron Works	3 November 2020	15,611,738,390
35.	Contract No.: 3723A Eastern Support Area - Site Offices and Sewage Treatment Facility	21 January 2021	177,391,520
36.	Contract No.: 3723B Eastern Support Area - Canteen and Centralised Power Supply Building	21 January 2021	57,309,030
37.	Contract No.: 3310 North Runway Modification Works	1 June 2021	5,205,384,620
		<b>Total :</b>	<b>\$97,555,228,811</b>

Note:

The awarded contract sums under Contracts 3503, 3508 and 3310 consist of cost allowances for 3RS and non-3RS related elements, while Contract 3306 is entirely funded by non-3RS budget. The total of the awarded contract sums for all major construction works under the 3RS project is HKD95,784,771,337, after setting aside the non-3RS related elements.

### 3RS Financing Plan



(update as at September 2021)

**Notes:**

1. The HKD institutional bond issuance of up to HKD15 billion mainly serves as a back-up funding channel in case the USD institutional bond market is non-conductive. As this is a back-up plan, this alternative funding source is not included in the total column.
2. Retail bond issuance originally scheduled in February 2020 is deferred to 2022 tentatively, which may coincide with air traffic resumption.
3. As compared to the last report to this Panel in April 2021, upcoming financings will be largely anticipated to be raised from the bond market instead of through bank borrowings given that quite significant amounts of credit facilities have been utilised for the HKD35 billion 5-year term syndicated credit facilities signed in June 2020 between AAHK and 21 international and local banks. Out of these facilities, term loans of HKD17.5 billion have been fully drawn down whereas the revolving credit portion of another HKD17.5 billion remains undrawn, which provides AAHK with a standby facility to provide liquidity if necessary.
4. The figures are subject to rounding.