

**立法會**  
**Legislative Council**

LC Paper No. CB(4)1006/2023  
*(These minutes have been seen by  
the Administration)*

Ref : CB4/PS/2/23

**Panel on Transport**

**Subcommittee on Matters Relating to Railways**

**Minutes of meeting on  
Friday, 20 October 2023, from 9:15 am to 10:30 am  
in Conference Room 3 of the Legislative Council Complex**

**Members present** : Hon Frankie YICK Chi-ming, GBS, JP (Chairman)  
Ir Hon Gary ZHANG Xinyu (Deputy Chairman)  
Hon CHAN Hak-kan, SBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBM, GBS, JP  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon CHAN Han-pan, BBS, JP  
Ir Dr Hon LO Wai-kwok, GBS, MH, JP  
Hon LUK Chung-hung, JP  
Hon Kenneth LAU Ip-keung, SBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS, JP  
Hon Stanley LI Sai-wing, MH, JP  
Hon Dominic LEE Tsz-king  
Hon CHAU Siu-chung  
Ir Hon CHAN Siu-hung, JP  
Hon CHAN Hok-fung, MH, JP  
Hon YANG Wing-kit

**Members absent** : Hon TANG Ka-piu, BBS, JP

**Public officers  
attending**

**: Agenda item III**

Ms Amy WONG Pui-man, JP  
Deputy Secretary for Transport and Logistics 1  
Transport and Logistics Bureau

Mr Kirk YIP Hoi-ying  
Principal Assistant Secretary for Transport and  
Logistics 3  
Transport and Logistics Bureau

Mr Eddie LEUNG Siu-kong  
Principal Assistant Secretary for Transport and  
Logistics 7  
Transport and Logistics Bureau

Mr Jimmy CHAN Pai-ming, JP  
Director of Highways  
Highways Department

Mr NGAI Hon-wah, JP  
Commissioner for Northern Metropolis Railways  
Highways Department

Mr LAM Yu-chau  
Acting Government Engineer / Railway  
Development  
Highways Department

**Attendance by  
invitation**

**: Agenda item III**

MTR Corporation Limited

Mr Carl DEVLIN  
Capital Works Director

Mr Barry SUM  
General Manager - New Territories (Projects)

Mr Kendrew WONG  
General Manager - Corporate Communications

**Clerk in attendance:**

Ms Sophie LAU  
Chief Council Secretary (4)2

**Staff in attendance :** Mr Bryan YEUNG  
Council Secretary (4)4

Miss Mandy LAM  
Legislative Assistant (4)2

---

(Index of proceedings of the meeting is attached at the **Appendix**.)

**I. Information paper(s) issued since the last meeting**

LC Paper No. CB(4)884/2023(01) - Letter from the Deputy Chairman regarding the coping measures of the railway system during extreme weather conditions

LC Paper No. CB(4)907/2023(01) - Administration's response to provide supplementary information for the meeting on 7 July 2023

Members noted the above two papers issued since the last meeting.

**II. Items for discussion at the next meeting**

LC Paper No. CB(4)894/2023(01) - List of outstanding items for discussion

LC Paper No. CB(4)894/2023(02) - List of follow-up actions

2. Members agreed to discuss the work and progress of MTR Corporation Limited ("MTRCL") in building a rail tech ecosystem at the next meeting.

*(Post-meeting note: At the request of the Administration and with the concurrence of the Chairman, the agenda item "Coping measures of the railway system during extreme weather conditions" will be discussed at the next meeting. The original item "MTR Corporation Limited's work and progress in building a rail tech ecosystem" will be deferred to a later meeting.)*

### III. Kwu Tung Station and Tuen Mun South Extension

LC Paper No. CB(4)894/2023(03) - Legislative Council Brief on Kwu Tung Station Financial Arrangement

LC Paper No. CB(4)894/2023(04) - Legislative Council Brief on Tuen Mun South Extension Financial Arrangement

LC Paper No. CB(4)894/2023(05) Background brief prepared by the Legislative Council Secretariat

3. At the invitation of the Chairman, the Administration briefed members on the Kwu Tung (“KTU”) Station and Tuen Mun South Extension (“TME”) projects; MTRCL briefed members on the latest development of the two projects with the aid of a PowerPoint presentation.

*(Post-meeting note: The PowerPoint presentation materials were issued to members vide LC Paper No. CB(4)916/2023 on 24 October 2023.)*

4. The Subcommittee deliberated (index of proceedings attached at the **Appendix**).

#### Declaration of interest

5. Mr Kenneth LAU declared that he possessed land in Tuen Mun district.

#### Discussion

##### *Surge in project costs*

6. Most members supported the construction of KTU Station and TME and urged the Administration to commence the projects expeditiously, so as to meet the transport needs of the Kwu Tung North New Development Area (“KTN NDA”) and the local community in Tuen Mun South as well as to promote transport development in the future Northern Metropolis. However, members were gravely concerned about the surge in the costs of the two projects. Noting that the Government’s estimated capital cost for the KTU Station project was about \$3.5 billion in 2021, but the latest cost was \$9.8 billion as estimated by the independent checking consultant (“ICC”) in 2023, members pointed out that even if the \$3.9 billion for the cost of planning and design and some advance works of the Northern Link Main Line was

excluded, there would still be an increase of \$2.4 billion (which represented a 70% increase) in the estimated capital cost for the KTU Station project. Besides, the estimated capital cost of \$11.4 billion for TME in 2015 increased to \$15.8 billion as checked by ICC in 2023. Members requested the Administration to explain in detail the reasons for the surge in the costs of the two projects.

Admin

7. The Administration and MTRCL explained that the capital cost in 2021 was computed based on 2015 prices, while the latest cost was computed based on 2023 prices, which involved general price increases. In addition, due to an expansion in the scope of development and the corresponding increase in the area of the Station, additional budget was required at the detailed planning and design stage to address issues such as the geological condition of the site, thus resulting in an increase in the costs of the two projects. The Administration would provide detailed information to further explain the relevant details after the meeting.

8. In addition, members observed that the Administration had adopted the economic internal rate of return (“EIRR”) as an indicator for assessing the benefits of the projects, and that such projects would also bring indirect social benefits. According to the calculation worked out by the Administration, the EIRR of KTU Station would be 6.5% while that of TME would only be 0.6%. Members requested the Administration to explain in detail the calculation method and criteria adopted, including how the EIRR and the indirect social benefits of the projects were arrived at.

9. The Administration explained that the EIRR was computed to reflect the benefits to be brought about by a completed transport infrastructure in its operation stage. The relevant data could help the Government consider if it was desirable to undertake the project. If the EIRR of the infrastructure project was greater than zero, this would mean that it was desirable for the Administration to take forward the project as the economic benefits therefrom outweighed the Administration’s capital investment. The Administration advised that it would provide information to further explain in detail the calculation method and the criteria concerned after the meeting.

Admin

*Concerns about the impact on the carrying capacity of the Tuen Ma Line and the East Rail Line*

10. Members were concerned that upon completion of the future TME, coupled with the additional population brought about by the development in Hung Shui Kiu, the loading of the Tuen Ma Line (“TML”) would be substantially increased. Although it was expected that the construction of a new cross-harbour rail link connecting Hung Shui Kiu to Hong Kong Island West via Siu Lam and the future artificial islands would be completed in 2038, members were worried that the TML would need to accommodate the

patronage from the TME after its commissioning in 2030 and before the completion of the cross-harbour rail link in 2038, resulting in boarding difficulties at Long Ping, Yuen Long and Kam Sheung Road Stations of the TML. Members therefore considered that a large number of MTR feeder buses should be provided at the aforesaid three stations to facilitate the public travelling from those areas to Tsuen Wan Station.

11. The Administration explained that MTRCL would operate four additional trains on the TME to cope with the additional demand. It would also consider members' suggestions and keep in view the patronage of TML, so as to propose relevant measures accordingly.

12. Members noted that the projected population of Kwu Tung would be some 130,000 in 2026 to 2027, and that KTU Station would be one of the stations along the Lok Ma Chau Spur Line ("LMCSL"), with two out of three East Rail Line ("EAL") trains plying to or from Lo Wu Station and only one train plying to or from Lok Ma Chau Station. They pointed out that currently, the frequency of LMCSL was only seven trains per hour for each direction of Lok Ma Chau Station during peak hours. They were worried that the waiting time at KTU Station would be as long as eight minutes, and that the train would be unable to accommodate passengers waiting at the following station if it was already fully loaded at KTU Station. Members pointed out that when deciding to use nine-car trains instead of 12-car trains on the EAL back then, the Administration had undertaken to increase train frequency to ensure that the overall carrying capacity of the EAL would not be compromised. Against this background, they considered that the Administration should examine whether the EAL had sufficient carrying capacity to carry passengers upon completion of the KTU Station, and urged MTRCL to procure new trains for the EAL and increase train frequency. As it would take time to procure new trains, members called on the Administration to plan early before the EAL reached its capacity.

13. The Administration explained that based on its estimation, the EAL had sufficient passenger carrying capacity. MTRCL also advised that it had been monitoring patronage changes through various data and would take timely and corresponding measures accordingly.

*Reprovisioning of community facilities in the vicinity of the project site*

14. Members were also concerned that in light of the construction of TME, a number of community facilities, including the Tuen Mun Swimming Pool in particular, required reprovisioning. Noting that the Administration would adopt the approach of "reprovisioning before demolition" for the Tuen Mun Swimming Pool, members hoped that the Administration and the MTRCL would assess whether the completion date of TME could be advanced and would there be any cost savings if the strategy of

Admin “reprovisioning before demolition” was to be abandoned. The Administration was requested to provide detailed information.

15. According to MTRCL, it had consulted local stakeholders before commencing the TME project, as many of whom had expressed their wish for MTRCL to reprovision the swimming pool before demolishing the existing one, MTRCL adopted the “reprovisioning before demolition” approach. MTRCL added that although the station in Area 16 could only be constructed after the demolition of the existing swimming pool, construction works outside the station would be carried out immediately. Nevertheless, MTRCL would continue to review the approach and liaise with local stakeholders to see if there was any room for improvement.

16. Members were of the view that TME would facilitate the development of the River Trade Terminal and the area near Lung Kwu Tan in Tuen Mun West. However, apart from the Tuen Mun Swimming Pool, members were also concerned about the possible impact of the project on other existing community facilities, including the golf centre, the Pet Garden in Hoi Wong Road and the “GREEN@TUEN MUN” Recycling Station. They were also worried that the construction works might affect the public’s use of nearby road sections, such as Wu King Road, Wu Yuet Bridge and Siu Hei Bridge. They urged the Administration to step up publicity, such as distributing road guides, so as to minimize the impact of such works on the local community.

17. The Administration explained that MTRCL would set up liaison groups to maintain contact with local residents during the works period, and would explain to residents the works progress and the reprovisioning of community facilities.

#### *Construction works of the project*

18. Noting that MTRCL had indicated difficulties in reserving the site for constructing KTU Station, members were of the view that the Administration should review whether there was poor planning in site reservation back then, which had given rise to construction difficulties.

19. The Administration and MTRCL clarified that land had been reserved along the LMCSL long ago, but there were technical difficulties in building an additional station on an operating railway line as railway services would continue be provided during the works period. MTRCL also added that in constructing railway stations, it had been the usual practice for the Corporation to rent the peripheral areas from the Government as site areas. However, since there were also other development projects in the vicinity of the KTN NDA, including public housing and private property developments, during the KTU Station works period, it was difficult to rent the peripheral area of the KTU Station for construction purposes.

20. Moreover, apart from the long lead time required for taking forward the two projects, members opined that the works programme should be compressed, for example, by expediting the vetting and approval of works projects as far as possible. In addition, consideration should also be given to increasing the number of days for shortening train operation hours in order to expedite the works progress.

21. MTRCL indicated that it would endeavour to expedite the construction progress of the project. MTRCL had procured additional locomotives to expedite the construction and maintenance of railways. Besides, MTRCL would discuss internally and with the Administration regarding the feasibility of shortening train operation hours in order to extend non-traffic hours for carrying out the projects.

#### *Financial arrangement*

22. Some members were pleased to learn that both projects would be developed under the “Rail-plus-Property” (“R+P”) model by the Administration and MTRCL. They considered that not only could traffic problems be solved, the topside property developments above the stations were also well received by the public. Besides, members also pointed out that according to the agreement between the Administration and MTRCL, the funding support to bridge the funding gap of the railway projects would take the form of a fixed lump sum amount to be deducted from the full market value land premium of the development sites. Members considered the approach beneficial to the Administration because when land prices appreciated in the future, the land premium to be paid by MTRCL would increase with the prevailing market price, while the Administration’s funding support would remain unchanged when land prices depreciated.

23. Some members, however, pointed out that as the “R+P” model was adopted for implementing the projects, the financial arrangement was not subject to the scrutiny of the Legislative Council. Members were concerned that MTRCL would submit quotations of unreasonably high prices in order to be granted more property development rights. They enquired about the measures in place to assess whether the quotation had been exaggerated and how to ensure if the project expenditure was reasonable.

24. The Administration advised that an ICC would be commissioned to examine the accounts of MTRCL. In addition, the Highways Department would also serve as the gate-keeper by requesting MTRCL to provide cost estimates of the project upon completion of the detailed planning and design process so that the Administration could examine the estimates item by item.

**VI. Any other business**

25. There being no other business, the meeting ended at 10:36 am.

Council Business Division 4  
Legislative Council Secretariat  
22 November 2023

## Panel on Transport

## Subcommittee on Matters Relating to Railways

**Proceedings of the meeting  
held on Friday, 20 October 2023, at 9:15 am  
in Conference Room 3 of the Legislative Council Complex**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
<i>Agenda Item I – Information paper(s) issued since the last meeting</i>			
<a href="#">000347</a> – <a href="#">000521</a>	Chairman Deputy Chairman	Information papers issued	
<i>Agenda Item II – Items for discussion at the next meeting</i>			
<a href="#">000522</a> – <a href="#">000542</a>	Chairman	Discussion item proposed by the Administration	
<i>Agenda Item III – Kwu Tung Station and Tuen Mun South Extension</i>			
<a href="#">000543</a> – <a href="#">002426</a>	Chairman Administration MTRCL	Briefing by the Administration  PowerPoint presentation by the MTR Corporation Limited (“MTRCL”)	
<a href="#">002427</a> – <a href="#">003321</a>	Chairman Mr CHAN Siu-chung MTRCL	Concerns about the surge in construction costs of the Kwu Tung (“KTU”) Station and Tuen Mun South Extension (“TME”) projects  Detailed calculation method of the Economic Internal Rate of Return (“EIRR”)	Admin  Admin
<a href="#">003322</a> – <a href="#">004039</a>	Chairman Mr Michael TIEN Administration MTRCL	Concerns about the surge in construction costs of the KTU Station and TME projects  Concerns about the impact on the capacity of Tuen Ma Line upon completion of TME  Urging MTRCL to provide feeder buses at Long Ping, Yuen Long and Kam Sheung Road Stations in future to carry passengers travelling to Tsuen Wan Station  Support for the “Rail-plus-Property” (“R+P”) model adopted by the Administration for developing the projects	Admin
<a href="#">004040</a> – <a href="#">004641</a>	Chairman Deputy Chairman Administration MTRCL	Concerns about the impact on the capacity of East Rail Line (“EAL”) upon completion of KTU Station  Urging the Administration to consider procuring additional trains to run on the EAL as well as increasing train frequency	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
<a href="#">004642</a> – <a href="#">005436</a>	Chairman Mr LO Wai-kwok MTRCL	Support for the “R+P” model adopted by the Administration for developing the projects  Concerns about the surge in construction costs of the KTU Station and TME projects  Urging MTRCL to compress the works programme in order to expedite the construction progress	Admin
<a href="#">005437</a> – <a href="#">010244</a>	Chairman Mr Tony TSE Administration MTRCL	Concerns about the causes of construction difficulties  Concerns about the impact of the TME project on the community facilities in the vicinity	Admin
<a href="#">010245</a> – <a href="#">010815</a>	Chairman Administration MTRCL	Concerns about the impact of the TME project on the community facilities in the vicinity  Enquiry on whether consideration could be given to persuading the public to accept abandoning the approach of “reprovisioning the swimming pool before demolition” and request for the Administration to assess the possibility of shortening the construction programme and reducing costs	Admin
<a href="#">010816</a> – <a href="#">011306</a>	Chairman Mr LUK Chung-hung MTRCL	Concerns about the surge in construction costs of the KTU Station and TME projects  Concerns about the impact of the TME project on the community facilities in the vicinity and request for the Administration to calculate the savings in costs and time achieved if the approach of “reprovisioning before demolition” in respect of the swimming pool was to be abandoned	Admin
<a href="#">011307</a> – <a href="#">012028</a>	Chairman Mr CHAN Han-pan Administration	Urging the Administration to ensure that the project costs were reasonable	
<a href="#">012029</a> – <a href="#">012347</a>	Chairman Mr Kenneth LAU Administration	Concerns about the impact of the TME project on the community facilities in the vicinity  Declaration of land ownership in Tuen Mun district	
<i>Agenda Item IV – Any other business</i>			
<a href="#">012348</a> – <a href="#">012356</a>	Chairman	Closing remarks	

Council Business Division 4  
Legislative Council Secretariat  
22 November 2023