

Executive Council approves financial arrangements for Kwu Tung Station and Tuen Mun South Extension

The Chief Executive in Council today (September 5) approved the financial arrangements for the Kwu Tung Station (KTU) and Tuen Mun South Extension (TME) projects. Subsequently, the Transport and Logistics Bureau has signed with the MTR Corporation Limited (MTRCL) the project agreements for the KTU and the TME. The construction of the KTU and TME projects are expected to complete by 2027 and 2030 respectively.

A Government spokesman said, "The KTU and TME projects are implemented under the ownership approach. The MTRCL will be responsible for the financing, design, construction, operation and maintenance of the projects. The Government, supported by an independent checking consultant, has checked and verified the project financial estimates provided by the MTRCL. The capital cost estimate for the KTU project is about \$9.8 billion (in July 2023 prices), including the capital cost for the KTU of about \$5.9 billion (in July 2023 prices) and the estimated costs of about \$3.9 billion (in July 2023 prices) for the detailed planning and design and some advance works of the Northern Link Main Line. The capital cost estimate for the TME project is about \$15.8 billion (in July 2023 prices). The Government will provide funding support to the MTRCL in order to implement the two projects."

The Executive Council approved granting the MTRCL the property development rights of Kwu Tung North Areas 20, 22 and 25 adjoining the KTU, with an area of about 4.7 hectares, for high and medium residential developments, and deducting a total fixed lump sum of \$15.16039 billion in money-of-the-day prices from the full market value land premium of the sites assessed on a "with-railway" basis in the future as funding support to the MTRCL to implement the KTU project, as well as the detailed planning and design, and some advance works of the Northern Link Main Line.

As for the TME project, the Executive Council approved granting the MTRCL the property development rights of Tuen Mun Area 16 with an area of about 6 hectares, for integrated development for commercial and residential uses, and deducting a total fixed lump sum of \$24.2138 billion in money-of-the-day prices from the full market value land premium of the site assessed on a "with-railway" basis in the future as funding support to the MTRCL to implement the project.

"The Government has been advocating the 'infrastructure-led' and 'capacity-creating' planning principles in taking forward transport infrastructure projects. As the Phase 1 of the Northern Link, the KTU is an intermediate station between the Sheung Shui Station and Lok Ma Chau Station of the Lok Ma Chau Spur Line and will connect to the Northern Link Main Line (i.e. Phase 2 of the Northern Link). The KTU will serve the transport need of the Kwu Tung North New Development Area (KTN NDA), and significantly reduce

the travelling time between the KTN NDA and Sheung Shui, and support the continued growth in population and employment opportunities of that area," the spokesman said.

Kwu Tung North/Fanling North New Development Areas is the first new development area project of the Northern Metropolis that has proceeded to the construction stage. Upon full development, the KTN NDA alone is expected to accommodate a planned population of approximately 131 600. As the main transportation backbone of the Northern Metropolis, the Northern Link will connect to the existing East Rail Line and Tuen Ma Line, and form a railway loop linking up the New Territories and urban Kowloon, which will not only improve the existing railway connections but also help promote the development of the Northern Metropolis and Hong Kong as a whole.

"The TME project will extend the Tuen Ma Line from Tuen Mun Station southwards by about 2.4 kilometres and provide two new stations, namely the Tuen Mun South (TMS) Station near Tuen Mun Ferry Pier and an intermediate station at Tuen Mun Area 16 (A16 Station). The TME will improve railway access to the community south of the current Tuen Mun town centre and connectivity to Tuen Mun Ferry Pier. Currently, the area near TMS Station has approximately 60 000 residents while there are about 49 000 residents living around the proposed A16 Station. The TME will offer an alternative commuting choice to the residents in the vicinity, which will help relieve the congestion of the existing roads, thus bringing significant transport benefits by reducing the travelling time for the residents in the area concerned," the spokesman added.