

Subcommittee to Study the Draft Subsidiary Legislation Relating to the Rail Merger

Follow up to Subcommittee meeting of 12 June 2007

| Issue | Response |
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| <p>The railway corporations to consider members' suggestion to install new devices on platforms to facilitate refund by passengers who wish to cancel the first class travel encoding on their Octopus cards before they board the standard class compartments of the train.</p> | <p>The response of the railway corporations is at <u>Annex</u>.</p> |

Annex

Response of the railway corporations to the question raised at the meeting of the Subcommittee to Study the Draft Subsidiary Legislation Relating to the Rail Merger on 12 June 2007

The initial findings of the preliminary study indicates that it is technically feasible to install new devices on platforms for cancellation of first class travel encoding on passengers' Octopus card. In order that Octopus card users can cancel the first class travel encoding at passenger platforms before boarding the train, additional Octopus devices would have to be designed and installed on the platforms. The design of the additional Octopus device will include the development of a new software for the purpose. An initial assessment by the railway corporations indicates that the design, manufacture and installation of such devices will take at least 18 months to complete.

In anticipation of implementation of the rail merger, MTR Corporation Limited advised that it is considering the cost and operational implications and the next steps to take.

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