

## LEGISLATIVE COUNCIL BRIEF

### NORTHERN LINK PROJECT – PART 1

#### INTRODUCTION

At the meeting of the Executive Council on 8 July 2025, the Council **ADVISED** and the Chief Executive **ORDERED** that –

- (a) property development rights of the sites at Kam Sheung Road (“KSR”) Station Phase 2, Fanling North Area 13 (East) and Area 16, Kwu Tung North Area 22 (East), Area 26 (West), Area 14 and Area 15, as well as San Tin Area 4D, Area 6A and Area 2A (the “R+P Sites”) should be granted to the MTR Corporation Limited (“MTRCL”), with deduction of a fixed lump sum from the full market value (“FMV”) land premium of the R+P Sites assessed on a “with-railway” basis as funding support to the MTRCL, for implementation of Part 1 of the Northern Link (“NOL”) Project under a “two-part” approach; and
- (b) in connection with (a) above, the KSR Station Phase 2 site should be delisted from the list of West Rail property development sites and be granted to the MTRCL as one of the R+P Sites.

2. The decision of the Chief Executive in Council (“CE in C”) above enables the Government to make major breakthroughs in enhancing speed and efficiency of the NOL Project. Firstly, the Government has made the bold decision to take forward the NOL Spur Line together with the NOL Main Line as one project to achieve synergies. The project would be implemented under a “two-part” approach to expedite progress. The Government and the MTRCL executes the Project Agreement (“PA”) for Part 1 of the NOL Project at this juncture to propel the project forward immediately, and in parallel carry out the detailed planning and design as well as statutory procedures for the NOL Spur Line. Secondly, the Government will at the same time pursue various initiatives to reduce cost and accelerate project delivery, which would be implemented as soon as ready, so as to take forward the NOL Project in an efficient and expeditious manner. Thirdly,

adopting a result-oriented mindset, we have substantially brought forward the planning of the NOL Spur Line, with the aim to commission the NOL Spur Line together with the NOL Main Line by 2034 or earlier. The details are set out in paragraphs 11 to 15 below.

## THE NOL PROJECT

A 3. The NOL Main Line and Spur Line (collectively the “NOL Project”, alignments at Annex A) are important transport infrastructure supporting the development of the Northern Metropolis and facilitating Hong Kong’s better integration into the national development. The NOL Main Line involves the construction of a 10.7 km-long underground rail link<sup>1</sup> between the existing KSR Station of the Tuen Ma Line (“TML”) and the Kwu Tung (“KTU”) Station under construction on the existing East Rail Line (“EAL”), with two interchange stations at KSR and KTU, and three intermediate stations in San Tin (“SAT”), Ngau Tam Mei (“NTM”) and Au Tau (“AUT”). To expedite the implementation of the NOL Main Line, we have required the MTRCL to undertake the detailed planning and design as well as part of the advance works for the NOL Main Line in the PA for the KTU Station<sup>2</sup>. By now, detailed planning and design of the NOL Main Line including the statutory Environmental Impact Assessment (“EIA”) procedures have been substantially completed, with the railway scheme authorised by the CE in C on 8 April 2025, and advance works are underway.

4. The NOL Spur Line is one of the two cross-boundary railway projects<sup>3</sup> being jointly taken forward by the Hong Kong Special Administrative Region (“HKSAR”) Government and Shenzhen Municipal People’s Government through the “Task Force for Hong Kong-Shenzhen Co-operation on Cross-Boundary

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<sup>1</sup> After having compared the elevated scheme and the underground scheme for the NOL Main Line, the underground scheme has been adopted as the basis for railway scheme gazettal in light of the reduced impact on the environment and ecology during construction and operation as well as reduced restriction on land use planning along the alignment.

<sup>2</sup> The KTU Station on the existing EAL is considered the first phase of the NOL (whereas the NOL Main Line is the second phase). The PA of the KTU Station was executed in September 2023 upon approval of the financial arrangement by the CE in C. The MTRCL’s construction of the KTU Station has been progressing well and is expected to be completed by 2027.

<sup>3</sup> The other cross-boundary railway project under planning is the Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu - Qianhai) which would provide direct railway connection from Hung Shui Kiu/Ha Tsuen New Development Area to Qianhai.

Railway Infrastructure”. It would be a cross-boundary bifurcation of the NOL Main Line, involving construction of a 6.2 km-long (including about 1 km in Shenzhen as the Shenzhen section) railway link branching off from the SAT Station on the NOL Main Line, with three new stations, including the Chau Tau Station and the Loop Station in Hong Kong as well as the new Huanggang Port (“HUP”) Station in Shenzhen, with use of the convenient “co-location” clearance arrangement. As compared to the progress of the NOL Main Line, the planning of the NOL Spur Line is at an earlier stage. Currently the MTRCL has largely completed the preliminary planning of the NOL Spur Line.

## **Project Benefits**

5. The NOL Main Line is positioned to be the main transportation backbone of the Northern Metropolis, providing efficient and reliable railway services to meet the transport demand of new population along the railway alignment. Together with the existing TML and EAL, it would form a railway loop linking up the New Territories (“NT”) and Kowloon, thereby greatly improving the transport connectivity between NT East and NT West. The formation of a railway loop would also improve the robustness of the railway network by offering alternative routes in case of any service disruption in the loop. Residents in NT North (Fanling and Sheung Shui) may reach the urban area (particularly Tsuen Wan and Kowloon West) much more quickly using this alternative route. It would also enhance the accessibility of the planned Hong Kong-Shenzhen Innovation and Technology Park (“HSITP”) at the Loop from NT West, Tsuen Wan and Kowloon West, and facilitate residents along the TML, especially those in the NT West, to travel across boundary by rail, reducing reliance on road-based transport and alleviating the associated traffic congestion and pollution.

6. At present, there is no direct public transport service between KSR and KTU. Only a few franchised bus routes (such as 76K and 276) or minibus routes plying between Yuen Long and Sheung Shui serve a similar catchment area as the NOL Main Line. The road journey between Yuen Long / KSR and KTU by public transport now takes about 60 to 80 minutes during rush hours. With the commissioning of the NOL Main Line, the journey time by railway from KSR to KTU is expected to be substantially reduced to about 12 minutes. The NOL Main Line will offer an alternative transport choice to the residents along the railway alignment, diverting more commuters to rail-based transport, and reducing the travelling time for the population along the alignment.

7. More importantly, the NOL Main Line is crucial to unleashing the development potential of the Northern Metropolis. The availability of this mass public transport carrier can open up development opportunities with more efficient and intensive land uses for the areas. Not only will the increased transport capacity benefit key government projects under planning, it can also incentivise developers to advance their development plans with larger housing yield.

8. The NOL Spur Line will provide not only local commuting functions within Hong Kong but also direct cross-boundary railway connection to the new Huanggang Port, integrating the metro networks of Hong Kong and Shenzhen and improving the infrastructure connectivity in the Greater Bay Area, which would be crucial to the thorough implementation of the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area”. It could also enhance the synergy between San Tin Technopole (including the HSITP at the Loop) and the innovation and technology districts in Shenzhen, and further promote cross-boundary integration and efficient flow of people.

9. Without the NOL Spur Line, people residing and working in the Northern Metropolis intending to travel from/to the Mainland via the new Huanggang Port are expected to rely on road-based feeder services. The road journey from San Tin to the new Huanggang Port by public transport now takes about 20 minutes<sup>4</sup> during rush hours. With the NOL Spur Line, the same journey by railway is expected to reduce to about 11 minutes. The NOL Spur Line will offer an alternative choice of transport to the residents and working population in the vicinity and divert more commuters to rail-based transport, which may help relieve the congestion of existing roads, thus bringing significant transport benefits by reducing the cross-boundary travelling time for the residing and working population in the Northern Metropolis upon full intake.

10. It is estimated that the NOL Main Line and Spur Line will save the public a cumulative total of about 804 million hours and 392 million hours respectively over 50 years of operation.

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<sup>4</sup> The location of the proposed San Tin Station is currently not accessible by public transport. The time of road journey is estimated based on the time from the nearest service point by public transport to the new Huanggang Port.

## **Innovation in Delivery Strategy**

11. There is a strong need to implement the NOL Main Line and Spur Line early in light of their strategic significance. Nevertheless, there are a number of challenges which need to be navigated before they could come to fruition, including the vast project scale and investment requirement as well as complexities arising from the cross-boundary section. In addition, the NOL Spur Line is a relatively newly conceived project and is therefore still at an early planning stage. It is necessary to commence the detailed planning and design including the relevant statutory processes (in particular, EIA procedures and railway scheme gazettal) as soon as possible in order to set the NOL Spur Line in motion.

12. To successfully deliver the NOL Project, both the Government and the MTRCL have demonstrated an innovative mindset and a steadfast determination to break new ground in significantly enhancing speed and efficiency in railway development. Specifically, we have made the bold decision to substantially bring forward the planning of the NOL Spur Line and implement it together with the NOL Main Line as one project, with a view to achieving synergies and enhancing speed and efficiency. Our target is to advance the commissioning of the NOL Spur Line together with that of NOL Main Line by 2034 or earlier.

13. As another pathbreaking move, the NOL Project would be implemented through a “two-part” approach, executing a PA right now to kick-start the more time-critical works (“Part 1 PA”), and then execute a further PA later to cover the remaining works as well as the ultimate operation of the NOL Project (“Part 2 PA”) –

- (a) The Part 1 PA would cover the more ready and more urgent works of the NOL Project, including the civil and structural works of two sections of the NOL Main Line from the KSR Station to the intersection with the approach tunnels to the Ngau Tam Mei Depot and another section from the SAT Station to the KTU Station<sup>5</sup>, the acquisition and clearance of land imminently required, as well as the detailed planning and design of the NOL Spur Line (including statutory procedures).
- (b) We plan to execute the Part 2 PA as soon as possible after completion of the statutory procedures for the NOL Spur Line. The Part 2 PA is

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<sup>5</sup> Including completion of the tunnel structure not later than 2031 and station structure not later than 2032.

intended to cover the rest of the works of the NOL Project with greater association with the cross-boundary section, including construction of the remaining section of the NOL Main Line, the Ngau Tam Mei Depot, and the NOL Spur Line from the SAT Station to the HUP Station, system-wide electrical and mechanical works and rolling stock, as well as the operation and maintenance of the NOL Project after commissioning.

14. Through such a holistic planning and sequential implementation strategy, we would be able to propel the project forward right away, and in parallel take forward the detailed planning and design and statutory processes for the NOL Spur Line as well as implement the necessary enablers for executing the NOL Project effectively and expeditiously. We have mapped out the following multi-pronged initiatives which would be implemented as soon as ready –

- (a) Leveraging the Mainland resources: The cross-boundary aspect of the NOL Project brings about challenges as well as new possibilities. It presents an opportunity for us to combine Hong Kong's flexibility and versatility with the Mainland's strengths in infrastructure development. With the overarching goal to reduce construction cost and compress construction time, we are actively exploring ways to utilise the Mainland approaches and capabilities in the construction of cross-boundary railway projects while bearing in mind the local circumstances and existing legal framework, including suitably adopting the Mainland design standards and construction practices; facilitating the Mainland contractors and sub-contractors to register as contractors in Hong Kong and obtain certification for construction plant and materials according to statutory requirements in Hong Kong;
- (b) Optimising approval processes: In conjunction with the efforts to leverage the Mainland resources, the Highways Department ("HyD"), together with relevant departments, are working towards setting up a dedicated team in the HyD for handling building submissions (with firewall separation from the project implementation teams), with the aim of enabling more focused and efficient approval processes and thus enhancing the overall project workflow.

- (c) Accelerating progress and compressing programme: we are also reviewing extending the construction hours insofar as permissible. On the MTRCL's side, it has also worked to break barriers and advance the preparatory work for the more imminent land acquisition, so as to carry out at an early juncture the reprovisioning of bat shelter and wetland compensation required before carrying out the construction works in the affected area.

15. Negotiation between the Government and the MTRCL on the project financial estimates was completed in April 2025, and the estimated capital cost<sup>6</sup> of Part 1 of the NOL Project as checked and confirmed by the Independent Checking Consultant ("ICC") commissioned by the Government is HK\$31.4 billion in July 2025 price. The HyD, supported by the ICC, has critically evaluated the cost assumptions and estimates provided by the MTRCL with reference to the actual expenditures of the recent railway projects and prevailing market trends. Additionally, as mentioned above, we are working on a variety of strategies to help cut cost and accelerate construction, and these cost-saving initiatives may also benefit the works of Part 1 of the NOL Project to some extent. We have therefore set out a provision in the Part 1 PA for the Government to revisit the estimated capital cost of Part 1 of the NOL Project and duly reflect any subsequent cost savings of Part 1 of the NOL Project arising from such initiatives in the funding support to be provided for Part 2 of the NOL Project in future.

## **Financial Arrangement**

16. The Government conducted negotiation with the MTRCL on the financing arrangement of the NOL Project based on the ownership approach<sup>7</sup>. The Government and the MTRCL agreed to adopt the same "Rail-plus-Property"

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<sup>6</sup> As the scope of Part 1 of the NOL Project includes detailed planning and design of the NOL Spur Line, a provisional cost of the detailed planning and design is included in the capital cost.

<sup>7</sup> There are two approaches for implementing railway projects, namely, the ownership approach and the concession approach. Under the ownership approach, the railway corporation is responsible for the financing, design, construction, operation and maintenance of the new railway and ultimately owns the railway, while the Government provides funding support to bridge the funding gap in case the project is financially non-viable. Upon receipt of the funding support, the railway corporation would bear all the commercial risks associated with the new railway, and the Government has no obligation to provide any further funding support to the railway corporation even if the future revenue arising from the new railway turns out to be substantially lower than expected. By comparison, under the concession approach, the construction of a new railway project is funded by the Government and the ownership of the railway also rests with the Government. The railway corporation operates the railway through a service concession to be granted by the Government (possibly via the Kowloon-Canton Railway Corporation ("KCRC")).

model as in the case of the Tung Chung Line Extension, Tuen Mun South Extension, KTU Station and Hung Shui Kiu Station projects, where funding support to bridge the funding gap of a new railway project would take the form of a fixed lump sum amount agreed to be deducted from the FMV land premium of the property development site(s). The FMV land premium would be assessed on a “with-railway” basis nearer the time of disposal of the property development site(s) concerned, from which the fixed lump sum agreed between the two sides would be deducted.

B 17. The R+P sites for Part 1 of the NOL Project are situated in Kam Sheung Road, Fanling North, Kwu Tung North, as well as San Tin Technopole, with a total site area of 26 hectares (location plan at **Annex B**). The fixed lump sum amount agreed between the Government and the MTRCL is HK\$39.05 billion in money-of-the-day (“MOD”) prices. The said fixed lump sum amount would be apportioned to individual R+P sites with reference to the developable GFA of the site concerned. The above financial arrangement would provide sufficient and reasonable funding support to the MTRCL for implementing Part 1 of the NOL Project.

18. In coming up with the abovementioned bundle of R+P sites for Part 1 of the NOL Project, we are mindful not to provide more than the minimum necessary. Furthermore, the Government has expressly reserved the right for the Government to not grant the last R+P site to the MTRCL in case, regardless of the cause, the FMV land premium in respect of the first nine sites turns out to be sufficient for deducting the agreed fixed lump sum amount in implementing the project.

19. As a related matter, one of the R+P sites for Part 1 of the NOL Project is the KSR Station Phase 2 site, which was previously approved by CE in C in 2011 as one of the West Rail property development sites. In this context, CE in C has now approved delisting the KSR Station Phase 2 site from the list of West Rail property development sites so as to repurpose it for providing funding support for Part 1 of the NOL Project.

20. The financial arrangement for Part 2 of the NOL Project, including provision of property development sites where appropriate, would be considered and decided in the context of the Part 2 PA, taking into account the cost and revenue estimates as well as market conditions by then.



## IMPLICATIONS

21. The implementation of Part 1 of the NOL Project is in conformity with the Basic Law, including the provisions concerning human rights. There are no productivity or gender implications. The financial and civil service, economic, environmental, sustainability, family and Mainland relations implications of implementation of Part 1 of the NOL Project are set out below –

- (a) Financial and civil service implications: The funding support from the Government to the MTRCL would take the form of deduction of an agreed fixed lump sum of a total of HK\$39.05 billion (in MOD prices) from the FMV land premium assessed on a “with-railway” basis of the R+P Sites to be granted to the MTRCL for property developments. Separately, the Government’s Land Sale Programme in the relevant period may have to be adjusted accordingly. In terms of civil service implications, relevant department has secured manpower resources to take forward the NOL Project. Request for additional resources, if necessary, will be handled in accordance with the established mechanism.
- (b) Environmental implications: The NOL Main Line is a designated project under the Environmental Impact Assessment Ordinance (“EIAO”) (Cap. 499) and an environmental permit (“EP”) is required for its construction and operation. The EIA report for the NOL Main Line was approved with conditions on 9 February 2024 under the EIAO and an EP was issued to the MTRCL on the same day. The EIA report concluded that with implementation of the recommended mitigation measures, the environmental impact of the project could be controlled to within the established criteria. During the construction and operation of the NOL Main Line, the MTRCL will implement all mitigation measures recommended in the approved EIA report and the environmental monitoring and audit programme, and comply with the conditions stipulated in the EP. The NOL Spur Line is also a designated project under the EIAO. The MTRCL undertakes to prepare an EIA report to meet the relevant requirements under the EIAO. The EIA report will address the potential environmental impacts arising from the construction and operation of the project and recommend appropriate mitigation measures to control the

environmental impacts to within the established criteria. The construction and operation of the project will be subject to the conditions specified in the EP.

- (c) Economic implications: The NOL Project will improve the coverage and resilience of the existing railway network upon completion, providing effective and environmental friendly transport services to a number of NDAs as well as cross-boundary connectivity to the Mainland, thereby helping to unleash the development potential of the land along the railway and facilitate Hong Kong's better integration into the national development.
- (d) Sustainability implications: The NOL Project will enable more commuters using road-based transport to switch to rail transport and help to improve passenger mobility and air quality along the railway in the long term. The works will adopt suitable mitigation measures to alleviate environmental impacts during the construction and operation stages, and handle the concerns and views of the public with care, in particular those from stakeholders.
- (e) Family implications: The NOL Project would facilitate the development of the NDAs and the nearby villages along the railway, which could contribute to higher density housing developments as well as reduced travelling time for residents in the vicinity. All of the above, generally speaking, will improve the quality of life of family members and have positive family implications in terms of providing an adequate standard of living, enhancing families' ability to balance paid work and family life as well as networking with the community.
- (f) Mainland relations implications: Taking forward the NOL Project would contribute to enhanced infrastructure connectivity in the Greater Bay Area and improve Mainland relations.

## **PUBLIC CONSULTATION**

22. The Government and the MTRCL have consulted the Subcommittee on Matters Relating to Railways ("RSC") of the Panel on Transport of the

Legislative Council (“LegCo”) on the NOL Project in January 2021, February 2023, December 2024 and March 2025. Members of the RSC generally expressed support for the project and called for early and swift implementation. In addition, we consulted the Yuen Long District Council and North District Council as well as relevant Rural Committees in relation to the design and railway scheme of the NOL Main Line in March 2021, June 2023 and April 2024. Members of the District Councils as well as Rural Committees were generally supportive. We also received comments about potential impact of the NOL Project on environment, traffic, safety of structures, as well as Fung Shui. The MTRCL will continue to maintain close liaison and communication with the community and stakeholders in taking forward the NOL Project and duly address any local concerns.

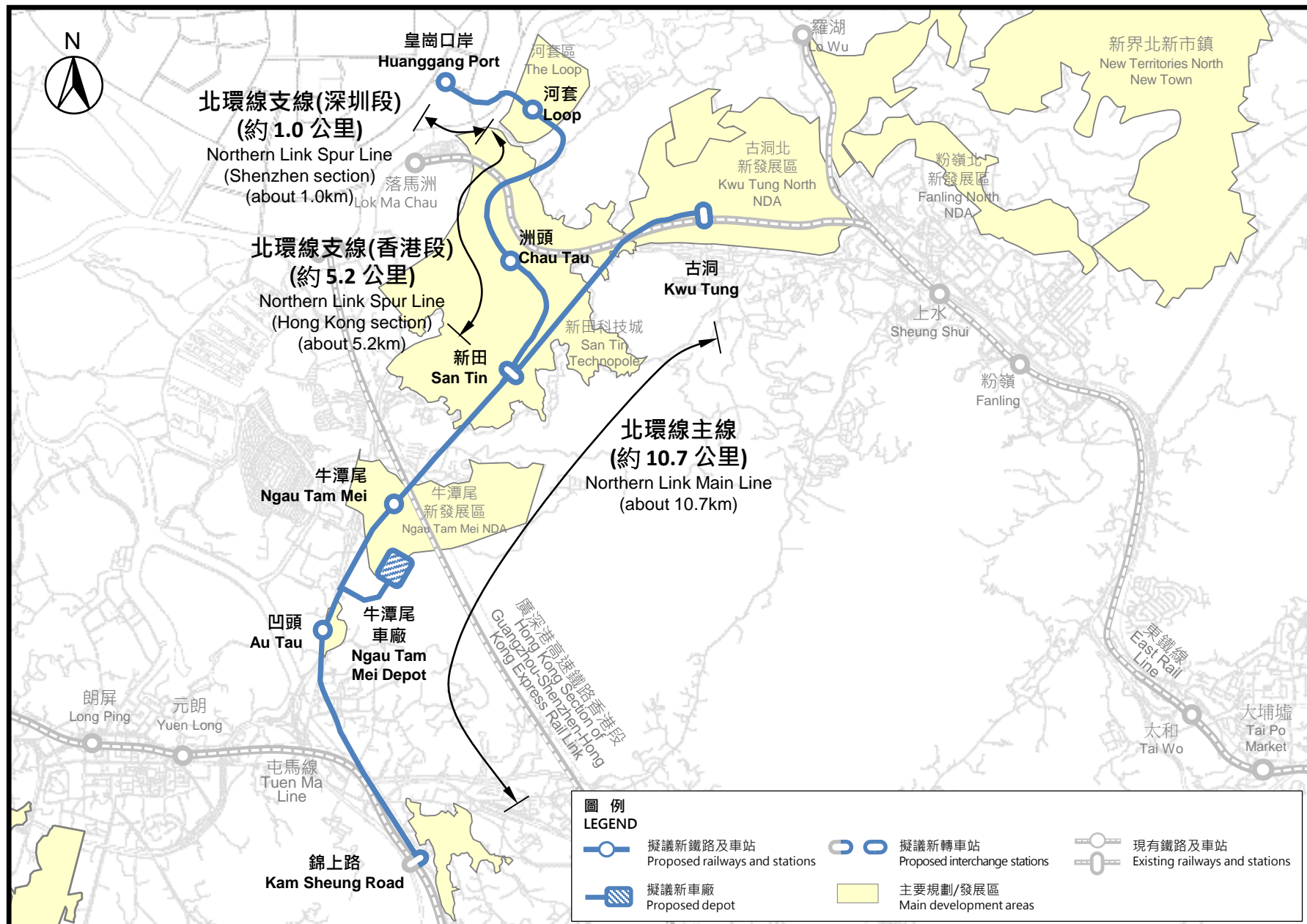
## **PUBLICITY**

23. The Government will issue a press release. We also intend to brief the LegCo Panel on Transport or its RSC.

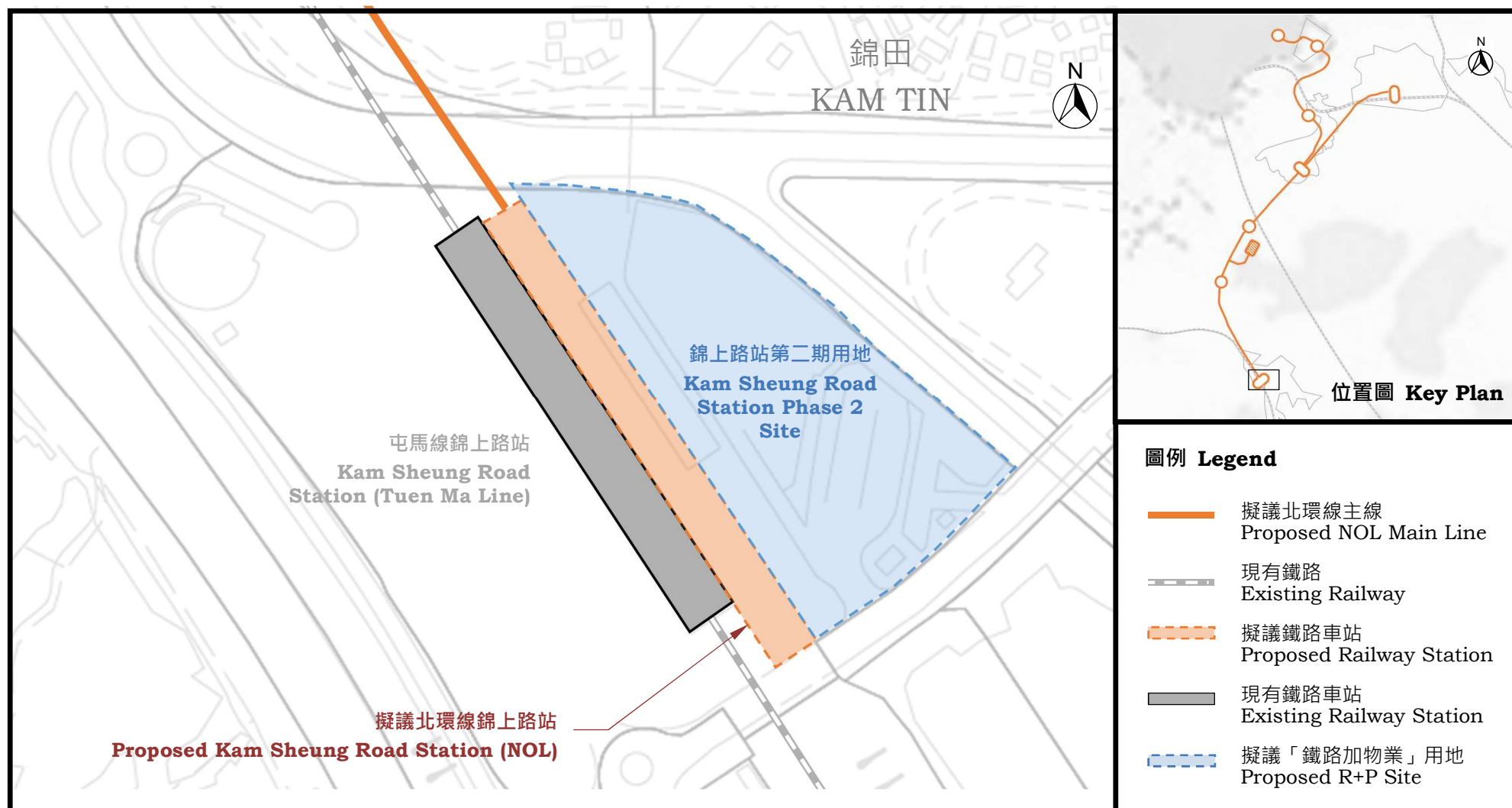
## **ENQUIRIES**

24. For enquiries on this brief, please contact Mr Melvin NG, Principal Assistant Secretary for Transport and Logistics 3, at 3509 8163.

**Transport and Logistics Bureau**  
**8 July 2025**



北環線主線及支線走線平面圖  
Alignments of NOL Main Line and Spur Line







## Annex B 附件 B

