





Press Release

11 April 2007

## Around 80% in Public Opinion Survey Support the Rail Merger and Accept Fare Reduction Proposal

One year ago today (11 April 2007) the MTR Corporation and the Hong Kong SAR Government signed a Memorandum of Understanding (MOU) to set out the terms of the proposed merger of the MTR and KCR operations.

Right before the anniversary of the MOU signing, the Public Opinion Programme (POP) at the University of Hong Kong was commissioned to conduct a public opinion survey to track Hong Kong people's views on the proposed merger. 509 respondents were randomly selected by POP and successfully interviewed by POP interviewers via telephone.

The survey findings show that 84% of respondents support the rail merger in general, 76% find the proposed fare reductions to be offered immediately after the merger acceptable, and over half of the respondents expressed dissatisfaction towards the progress since the proposed merger was announced one year ago.

"The survey results show that the majority of the population supports the proposed merger and accepts the proposal for fare reduction. As on the progress of the merger, only a minority is satisfied, more than half would like to see the merger implemented soon," said Dr Robert Chung Ting-yiu, Programme Director of the POP.

Mrs Miranda Leung, General Manager – Corporate Relations of MTR Corporation noted that a recent survey of MTR Club members, to which 34,000 responded, reflected a similar trend.

Senior Corporate Affairs Manager of KCRC Mr Raymond Wong pointed out the proposed merger is a fair and balanced package that offers benefits to all stakeholders, including the travelling public, shareholders and staff of the two companies.

"Passengers will enjoy the benefits of lower integrated fares and better services to be brought about by combining the strength and expertise of the two Corporations," said Mr Wong.

The MTR Corporation and KCRC launched an advertising campaign today to remind the travelling public of the benefits of the proposed merger. A TV commercial will be shown on television as well as on screens in MTR and KCR stations. Posters will also appear at MTR and KCR stations, with some highlighting examples of fare reductions.

On implementation of the merger, Octopus passengers will be the first to enjoy immediate fare benefits.

To cite a couple of examples, an Adult Octopus cardholder travelling from City One Shatin Station to Kwun Tong Station will pay only \$8.1, saving \$3.7 or 31.4% from the original fare of \$11.8. The same Adult Octopus cardholder will enjoy a \$2.7 or 15.6% fare reduction when travelling from Central Station to Tai Po Market Station.

The total amount to be passed back to the public in fare reductions will be about \$600 million a year.

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## Proposed Fare Reduction Package

- Passengers will enjoy significant fare reductions
- All adult Octopus fares for long distance journeys at or above HK\$12 will be reduced by a minimum of 10%
- All adult Octopus fares for medium distance journeys from HK\$8.5 to HK\$11.9 will be reduced by a minimum of 5%
- Detailed fare reduction arrangements for adult Octopus users:
  - (a) The Second Boarding Charge will be abolished, resulting in fare reductions of HK\$1 to HK\$7 for passengers interchanging between the existing MTR and KCR networks
  - (b) All fares will be reduced by HK\$0.2
  - (c) Long distance journeys with fares at or above HK\$12 will be further reduced by HK\$1
  - (d) For those long distance journeys with fares at or above HK\$12 where (a), (b) and (c) do not add up to a 10% saving, a further reduction will be offered to achieve the 10% saving
  - (e) Medium distance journeys with fares from HK\$8.5 to HK\$11.9 will be reduced by a minimum of 5%. If (a) and (b) do not add up to a 5% saving, a further reduction will be offered to achieve the 5% reduction
- Fare reductions will apply to MTR (excluding Airport Express), West Rail, East Rail (excluding Lo Wu/Lok Ma Chau trips) and Ma On Shan Rail
- 2.8 million passenger trips will benefit each day
- The vast majority of the fare reductions will be funded by merger synergies

## Fare reduction examples

Example move- ments (for adult Octopus)	Existing fare	Removal of 2nd boarding charge	Octopus fare reduction	Long distance discount		Medium distance reduction to achieve 5%	New fare	Total Reduc- tion
				HK\$1	Top up to achieve 10%			
City One Shatin – Kwun Tong	\$11.8	\$3.5	\$0.2	-	-	-	\$8.1	31.4% (\$3.7)
Central – Tai Po Market	\$17.3	\$1.5	\$0.2	\$1.0	-	-	\$14.6	15.6% (\$2.7)
Central – Tung Chung	\$20.1	-	\$0.2	\$1.0	\$0.9	-	\$18.0	10.4% (\$2.1)
Tuen Mun – Mei Foo (KCR)	\$13.5	-	\$0.2	\$1.0	\$0.2	-	\$12.1	10.4% (\$1.4)
Mong Kok (MTR) – Central	\$10.0	-	\$0.2	-	-	\$0.3	\$9.5	5.0% (\$0.5)

• The dollar amount of concessionary fare reductions will be half of the adult fare reductions