

**(English translation for reference only)**

**Memorandum of Understanding on  
the Arrangements for Preparation of Key Operational Issues for  
the Hong Kong Section of  
the Guangzhou-Shenzhen-Hong Kong Express Rail Link  
between the China Railway Corporation and  
the Government of the Hong Kong Special Administrative Region**

To expedite the preparatory work for the operation of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (“XRL”) so as to meet the target of commissioning the railway line in the third quarter of 2018, Mr LU Dongfu, the General Manager of the China Railway Corporation (“CR”), met with Mrs Carrie LAM CHENG Yuet-ngor, the Chief Executive of the Hong Kong Special Administrative Region (“HKSAR”), in Beijing on 7 August 2017. They agreed to establish a High-level Liaison Mechanism with a view to jointly taking forward the preparatory work for the operation of the Hong Kong Section of the XRL in accordance with the principles of “complying with the law and regulations; respecting the rules for high-speed rail, and achieving openness and fairness; strengthening opening up and co-operation; and promoting mutual benefits”. The Memorandum of Understanding on the Arrangements for Preparation of Key Operational Issues for the Hong Kong Section of the XRL between the CR and the HKSAR Government (hereinafter referred to as “both sides”), formulated on the basis of the work at the High-level Liaison Mechanism, is set out as follows:

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**Overall Principle**

**Article 1** Both sides consider that constructing the XRL and realising inter-connection between the HKSAR and the national high-speed rail network can foster exchanges as well as economic and trading activities between the HKSAR and the Mainland, strengthen the mutually beneficial co-operation between the two places, and facilitate the HKSAR's better integration with the overall national development strategy. These are of great significance to maintaining the long-term prosperity and stability of the HKSAR. Both sides agree to contribute actively so as to fully realise the benefits of the XRL. The CR will render full support to the Hong Kong side.

**Train Schedule**

**Article 2** Both sides plan to operate 127 pairs of high speed trains. Among these trains, 114 pairs of trains will serve the XRL line while 13 pairs will be cross-line trains. During the initial stage of commissioning, the 13 cross-line train pairs will all come into operation to cities including Beijing, Shanghai, Shijiazhuang, Zhengzhou, Wuhan, Changsha, Hangzhou, Nanchang, Xiamen, Fuzhou, Shantou, Guiyang, Guilin, Kunming, etc. The actual number of train pairs serving the XRL line will depend on the passenger volume. Train schedules for weekdays, weekends and peak periods will also be put in place to set out the actual number of train pairs to be operated during the different periods. Both sides agree to activate the liaison mechanism for train schedule adjustment subject to the actual demand as and when necessary.

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**Clearing Approach**

**Article 3** Both sides agree that the fare revenue derived from passenger tickets will be shared under the section-based approach. The unit price for sharing the costs incurred by the cross-boundary trains is per axel kilometre and both sides will set up an adjustment mechanism for the unit price. Renminbi (“RMB”) will be used as the currency for calculating the costs and clearing the payments.

**Fare-setting Principle**

**Article 4** Both sides agree that the fares of the cross-boundary train services will be set based on the principle of “calculating and setting the sectional fares separately, and adding up the sectional fares to be the total fare”. The fares for the Hong Kong Section and the Mainland Section of the XRL for cross-boundary train services are both calculated using the formula of “fare rate multiplied by the route length”. “Route length” refers to the actual length of train service operated. The Hong Kong side will convert the fares to Hong Kong Dollars with reference to the fares in RMB and the fare levels will be adjusted according to the actual market situation.

**Dispatch, Maintenance and Incident Investigation**

**Article 5** Both sides agree that the train operators of the Mainland and Hong Kong will be responsible for the dispatch and command work within their respective dispatching sections. The operation of stations and trains will be

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carried out according to the respective stipulations of the two places.

**Article 6** Both sides agree that the Mainland side will be responsible for the investigation and handling of railway incidents on the Mainland Section in accordance with the Mainland law and regulations as well as relevant requirements, whereas the Hong Kong side will be responsible for the investigation and handling of railway incidents on the Hong Kong Section in accordance with the Hong Kong law and regulations as well as relevant requirements.

**Article 7** This Memorandum of Understanding is signed on 29 January 2018 in Hong Kong and takes effect on the date of signature. It is signed in two (2) originals, with each side holding one (1) original.

Representative of the  
China Railway Corporation  
  
Director of the General Office

Representative of the  
Government of the Hong Kong  
Special Administrative Region  
Secretary for Transport and Housing

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(HAN Jiangping)

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(CHAN Fan, Frank)