

Concession Agreement for Hangzhou Metro Line 5 Signed

The MTR Corporation today (26 June 2017) signed a Concession Agreement with the Hangzhou Municipal Government and Hangzhou Metro Group for the Hangzhou Metro Line 5 Public Private Partnership (PPP) project.

Attending the signing ceremony held in Hangzhou were Mr Xu Li-yi, Mayor of Hangzhou, officials of the Hangzhou Municipal Government, representatives of Hangzhou Metro Group, Professor Frederick Ma, Chairman of MTR Corporation, Mr Lincoln Leong, Chief Executive Officer of MTR Corporation and Dr Jacob Kam, Managing Director - Operations & Mainland Business of MTR Corporation. The MTR delegation met with Hangzhou Party Secretary Mr Zhao Yi-de after the signing ceremony.

The construction portion of the project is divided into Part A and Part B. Part A relates to the line's civil construction and Part B covers electrical and mechanical systems. The Part A portion will be invested and constructed by Hangzhou Metro Group. MTR will be working together with Hangzhou Metro Group to form a joint venture company (JV Company) to take part in the investment and construction for Part B as well as the operations and maintenance of the Hangzhou Metro Line 5 for 25 years after commencement of passenger service. The JV Company will invest approximately RMB 10.9 billion for the Part B portion of Hangzhou Metro Line 5. This investment will be financed by the JV Company through a combination of borrowings from banks (currently estimated at around 60% of total investments) and equity capital from shareholders (40% of investments). The shareholders of the JV Company will separately enter into agreement in relation to other detailed issues.

At the signing ceremony, Professor Frederick Ma, Chairman of MTR Corporation, said, "Hangzhou is one of the most important hubs in our Mainland businesses. Since its operation in 2012, Hangzhou Metro Line 1 launched by Hangzhou Metro Group and MTR Corporation has become a model of railway PPP projects among Mainland cities with its high standard of safety, efficiency and operations. Riding on its service and management excellence, we will continue to work with Hangzhou Metro Group to contribute to the sustainable development of Hangzhou's railway network."

"We are delighted to be working with the Hangzhou authorities and Hangzhou Metro Group so as to bring this project to fruition," said Dr Jacob Kam, Managing Director - Operations & Mainland Business of MTR Corporation, after witnessing the signing ceremony. "We look forward to leveraging on our successful experience, and working closely with our contractors, to extend Hangzhou's safe, convenient and high-quality metro service to serve more customers," he added.

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The 51.5 km Hangzhou Metro Line 5 is an underground metro line running from Xiangzhanglu Station (香樟路站) in Xiaoshan District to Kejidao Station (科技島站) in Yuhang District with a total of 38 stations. The new line is expected to go into operation by the end of 2019 with a concession period of 25 years.

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About MTR Corporation

MTR Corporation is regarded as one of the world's leading railway operators for safety, reliability, customer service and cost efficiency. In its home base of Hong Kong, the Corporation operates ten commuter railway lines, a Light Rail network and a high-speed Airport Express link on which about 5.6 million passenger trips are made on a normal week day. Another 5.6 million passenger trips are made on the rail services it operates outside Hong Kong in the Mainland of China, the United Kingdom, Sweden and Australia. In addition, the Corporation is involved in a range of railway construction projects as well as railway consultancy and contracting services around the world. Leveraging on its railway expertise, the Corporation is involved in the development of transit-related residential and commercial property projects, property management, shopping malls leasing and management, advertising media and telecommunication services.

For more information about MTR Corporation, please visit www.mtr.com.hk.

Photo Caption:

Deputy Director of Hangzhou Municipal Transportation Bureau Mr Lu Xian-de (front row, middle), Chairman of Hangzhou Metro Group Company Limited Mr Shao Jian-ming (front row, left) and Chief Executive Officer of MTR Corporation Mr Lincoln Leong (front row, right), sign the Concession Agreement for the Hangzhou Metro Line 5 Public Private Partnership project in Hangzhou, witnessed by distinguished guests.

