

**MTR Corporation Awarded Operating Concession for Tuen Ma Line Phase 1
and Effect on the Novel Coronavirus**

MTR Corporation today (11 February 2020) issued a stock exchange announcement on two matters. The Corporation has successfully entered into arrangements with the Hong Kong Special Administrative Region Government ("Government") and Kowloon-Canton Railway Corporation ("KCRC") for the operations of the Tuen Ma Line ("TML") Phase 1. On the other hand, because of the recent epidemic of Coronavirus, certain businesses of the Corporation in Hong Kong and the Mainland of China including transport and rental businesses are being significantly impacted.

The TML Phase 1, with three new stations at Hin Keng, Diamond Hill and Kai Tak, will commence passenger service on 14 February 2020, extending the existing Ma On Shan Line to Kowloon East through a new railway tunnel underneath Lion Rock.

MTR Corporation has today entered into arrangements for the operations of the TML Phase 1 for a concession period of two years.

Mr Rex Auyeung, Chairman of MTR Corporation said, "Completion of the TML Phase 1 is very important for Hong Kong and, as the Project Manager, the Corporation is delighted to be appointed as the operator for this section."

"We are excited that this new rail line will soon be commissioned to further enhance Hong Kong's railway network with improved accessibility for passengers and we are fully geared up to start operations of this new line on 14 February. Although there are inevitably challenges in opening a new line, we are confident of providing a safe and efficient railway service and managing any teething issues that may arise."

Government, KCRC and the Corporation today signed the three principal agreements that will regulate the operation of and concession arrangements for the TML Phase 1. They are the Amendment Operating Agreement ("AOA") and Supplemental Operating Agreement ("SOA") to the Existing Integrated Operating Agreement between MTR Corporation and Government; and the Supplemental Service Concession Agreement ("SSCA") between MTR Corporation and the KCRC.

The regulation of the TML Phase 1 under the AOA and SOA is the same as for the existing Hong Kong railway network, while the concession arrangements under the SSCA are similar to those for that part of the existing Hong Kong railway network which KCRC has granted a concession to the Corporation under the service concession model.

The principal terms of the AOA and SOA include obligations and requirements for MTR Corporation to ensure that TML Phase 1 operations meet the high service standards set by Government.

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The SSCA, entered into by the Corporation and KCRC, supplements the Existing Service Concession Agreement, which regulates the operations of the part of the existing railway network over which KCRC has granted a concession to the Corporation, so that the TML Phase 1 will be subject to similar concession arrangements (for a period of two years from the date of commissioning and commercial operation).

Dr Jacob Kam, Chief Executive Officer of MTR Corporation, said: "With the commissioning of the TML Phase 1 on 14 February, passengers will be able to enjoy more convenient railway services for travel between the New Territories East and Kowloon East. The new line will also extend railway services to residents and commuters in the Kai Tak Development Area, facilitating its development as a hub for residential and commercial development as well as sports and recreational activities."

In respect of the situation of the Coronavirus outbreak, we would like to update that the Corporation's business, particularly Hong Kong transport operations, Hong Kong station commercial and property rental businesses, and its Mainland China businesses, are being significantly affected as a result of the Novel Coronavirus. There was no cross boundary patronage during the period as a result of the Government's announcement of the closure of the boundary between Hong Kong and Mainland China in phases. The implementation by Government and certain commercial organisations of measures to permit their employees to work from home, the delayed resumption of school classes following the Chinese New Year holiday until 2 March 2020 at the earliest and a significant reduction in tourism to Hong Kong and local leisure travel within Hong Kong are also having a severe negative impact on the patronage of domestic services. The Corporation will continue to monitor the situation.

Please find the details of the above information in the Corporation's stock exchange announcement.

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About MTR Corporation

Every day, MTR connects people and communities. As a recognised world-class operator of sustainable rail transport services, we are a leader in safety, reliability, customer service and efficiency.

MTR has extensive end-to-end railway expertise with more than 40 years of railway projects experience from design to planning and construction through to commissioning, maintenance and operations. Going beyond railway delivery and operation, MTR also creates and manages dynamic communities around its network through seamless integration of rail, commercial and property development.

With more than 40,000 dedicated staff*, MTR carries over 13 million passenger journeys worldwide every weekday in Hong Kong, the United Kingdom, Sweden, Australia and the Mainland of China. MTR strives to grow and connect communities for a better future.

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

*includes our subsidiaries and associates in Hong Kong and worldwide