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MTR CORPORATION LIMITED

香港鐵路有限公司

(the “Company”)

(Incorporated in Hong Kong with limited liability)

(Stock code: 66)

Inside Information

Acceptance of tender for development in relation to STTL No. 520

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company is pleased to announce that on 14 October 2014, it has accepted the tender in relation to the development of Sha Tin Town Lot No. 520, Sha Tin, New Territories, located at Tai Wai Station (“**STTL No. 520**”) submitted by Lucrative Venture Limited (the “**Developer**”), which is a subsidiary wholly owned by New World Development Company Limited.

Under the terms of the tender, a development agreement in relation to the development of STTL No. 520 (the “**Development Agreement**”) is to be entered into between the Company and the Developer within 21 days from 14 October 2014.

Under the terms of the tender, the Development Agreement is to include, among other things, the following terms:

- (i) the Developer is to be required to design and construct the development at STTL No. 520 at its sole expense and shall bear the full risk of financing the development project (other than the Company’s contribution towards the land premium for STTL No. 520 (the “**Land Premium**”) as described below);
- (ii) the non-railway portion of the Land Premium, being HK\$10,356,010,000, is to be funded by the Developer and the Company with HK\$2,856,010,000 to be funded by the Developer and HK\$7,500,000,000 to be funded by the Company. The payment of the railway portion of the Land Premium, being HK\$1,000, is to be funded by the Company;

- (iii) the Company shall have the absolute discretion to decide unilaterally whether all the residential units erected and constructed on STTL No. 520 (the “**Residential Units**”) shall be reserved to the Company absolutely or offered for disposal. If the Company does not exercise its right to reserve the Residential Units, the Residential Units are to be either sold or leased, which will generate proceeds. The Developer is to be entitled to recover certain costs from such proceeds. The balance of such proceeds, if any, are to be shared between the Company and the Developer in accordance with an agreed sharing ratio; and
- (iv) the Company is to be entitled exclusively to the entire legal and beneficial ownership of the commercial accommodation and associated facilities erected and constructed on STTL No. 520 (the “**Commercial Accommodation**”), and is to be entitled to the income generated from the Commercial Accommodation.

It is anticipated that the Company may, prior to the commencement of the commercial operations at the Commercial Accommodation, fit-out the Commercial Accommodation at its sole discretion, including the extent, quality and standard thereof.

By Order of the Board
Gillian Elizabeth Meller
Company Secretary
MTR Corporation Limited

Hong Kong, 14 October, 2014

Members of the Board: Dr. Raymond Ch'ien Kuo-fung (*Chairman*)**, Pamela Chan Wong Shui*, Dr. Dorothy Chan Yuen Tak-fai*, Vincent Cheng Hoi-chuen*, Christine Fang Meng-sang*, Edward Ho Sing-tin*, Professor Frederick Ma Si-hang*, Alasdair George Morrison*, Ng Leung-sing*, Abraham Shek Lai-him*, T. Brian Stevenson*, Professor Chan Ka-keung, Ceajer (Secretary for Financial Services and the Treasury)**, Secretary for Transport and Housing (Professor Anthony Cheung Bing-leung)**, Permanent Secretary for Development (Works) (Wai Chi-sing)** and Commissioner for Transport (Ingrid Yeung Ho Poi-yan)**

Members of the Executive Directorate: Lincoln Leong Kwok-kuen (*Acting Chief Executive Officer*), Morris Cheung Siu-wa, Chew Tai Chong, Jacob Kam Chak-pui, Stephen Law Cheuk-kin, Gillian Elizabeth Meller, David Tang Chi-fai and Jeny Yeung Mei-chun

* *independent non-executive Director*

** *non-executive Director*

This announcement is made in English and Chinese. In the case of any inconsistency, the English version shall prevail.