

new MTR Ordinance

February The Legislative Council approved the new MTR Ordinance pursuant to which all the property, rights and liabilities of Mass Transit Railway Corporation were vested into MTR Corporation Limited in June. Also in June, the Company entered into the Operating Agreement with Government under which it was granted the franchise to continue the operation of the MTR system for an initial 50-year period.

Octopus

April Creative Star Limited obtained a deposit-taking company licence from the Hong Kong Monetary Authority, enabling it to expand the usage of the Octopus contactless smart card to non-transport as well as transport applications. At year-end about 7.1 million Octopus cards were in issue with over HK\$12 billion in transactions processed during the year.

performance pledges

July To strengthen its commitment to service excellence, the Company established a series of 16 voluntary customer service pledges with targets for reliability and service performance of the MTR. These targets were set either above or in addition to the performance benchmarks established under the Operating Agreement. All targets were exceeded for the year.

future railway development

May The Railway Development Strategy 2000 was released confirming that railways will form the backbone of the required expansion of Hong Kong's transport network. A number of new railway lines were identified in the report, amongst them the North Island Line, the West Island Line and the Shatin to Central Link.

October
IPO

The successful initial public offering of MTR attracted total demand in excess of HK\$160 billion from retail and institutional investors in Hong Kong and overseas for the HK\$9.4 billion offering. The local retail tranche was 30 times subscribed, giving the Company a shareholder base of over 600,000 at the time of listing. MTR shares commenced trading on The Stock Exchange of Hong Kong on 5 October 2000, closing the year at a price of HK\$13.65 compared to the listing price of HK\$9.38.

premier international borrower

November The US\$600 million 10-year Global Bond issue was successfully completed in less than 48 hours with three times subscription. The deal was voted Bond of the Year by *IFR Asia*, *Finance Asia*, *Euroweek* and *The Asset* magazines and MTR was named the Borrower/Issuer of the Year by *IFR Asia*, *Asiamoney*, *Euroweek* and *The Asset* magazines.

Airport Railway property tenders completed

September Kowloon Station Packages Five, Six and Seven were

successfully awarded in a single tender, completing the tendering of the 15 packages of the Airport Railway property developments. This largest in physical area of the awarded packages with an estimated investment cost of HK\$21 billion will form a major component of the planned new regional centre at the heart of the Kowloon harbour waterfront.

award winning performance

November The Company is honoured by the Hong Kong Productivity Council with the Grand Award of the 2000 Hong Kong Award for Services: Productivity. Together with the award of ISO 9001:2000 Total Quality Management certification for railway operations, the Company's status as one of the world's most efficient railways has been reinforced.