



# MTR Corporation

## Interim Results 2024 Announcement

15 August 2024



## ■ ■ ■ Forward-looking statements

Certain statements contained in this presentation may be viewed as forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements.

# Interim Results 2024 Business Review





# Driving Continuous Improvements to Keep Cities Moving



# Maintaining World-Class Railway Services

Passenger Journeys On-time on heavy rail network\*  
99.9%

Note : \* Train Service Delivery and Passenger Journeys On-time for heavy rail network



# Cross-boundary Service



## East Rail Line

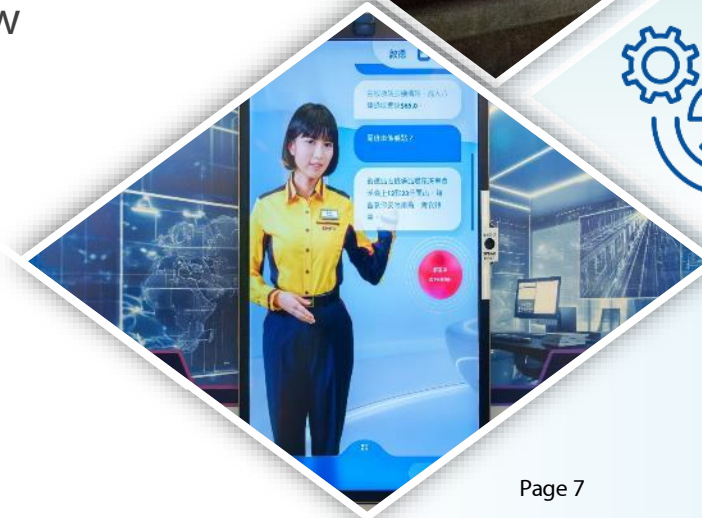
- ❖ Enhanced train services

## High Speed Rail (Hong Kong Section)

- ❖ Enhanced “Flexi-trip” service
- ❖ New long-haul route connecting tourist destinations such as Zhangjiajie
- ❖ Launched **sleeper trains** to Beijing and Shanghai

# Driving Smart Railway

- ❖ Technology development efforts on building **“Smart Railway”** recognised internationally
- ❖ Trial of Smart Service Model at stations
- ❖ Utilising the **“Golden Two Hours”** window for asset renewal, maintenance and new railway projects



# New Railway Projects in Full Swing

- ❖ Tung Chung Line Extension
- ❖ Oyster Bay Station on Tung Chung Line
- ❖ Kwu Tung Station on East Rail Line
- ❖ Tuen Mun South Extension

Construction works commenced

- ❖ Advance works of Hung Shui Kiu Station on Tuen Ma Line

Commenced

- ❖ Northern Link project

Gazetted



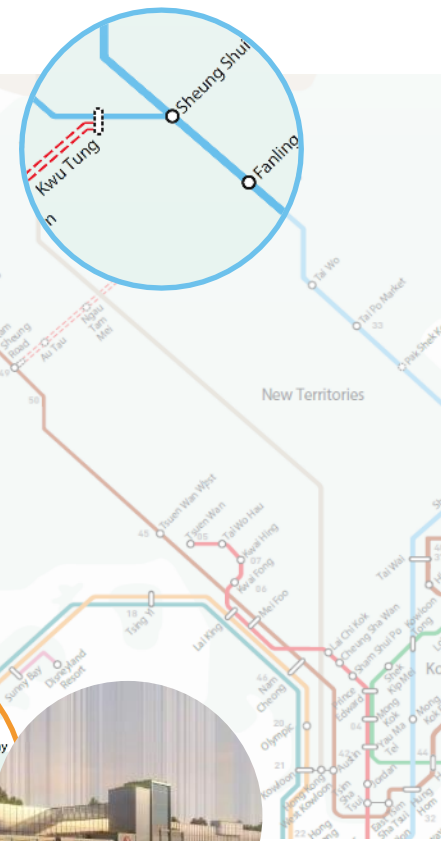
Photomontage of Tuen Mun South Station



Photomontage of Tung Chung East Station



Photomontage of Oyster Bay Station





# Steady Progress in Property Business

➤ **THE SOUTHSIDE** at Wong Chuk Hang Station launched a full-scale soft opening in June

➤ Progressing **14** residential property development projects under construction

🎯 Continue to explore property development opportunities along our existing and future railway lines, creating sustainable communities



# Steady Growth of Businesses Outside Hong Kong



## Mainland China Businesses

- Beijing** ❖ The remaining sections of BJL17 are under construction as planned
- Hangzhou** ❖ HZL1, the Xiasha Extension, Airport Extension and HZL5 achieved stable operations
- Shenzhen** ❖ Initial section of Shenzhen Metro Line 13 Phase 1 project is planned to open within this year



## International Businesses

- Australia** ❖ Look forward to the opening of the City Section of the Sydney Metro City and Southwest Line
- ❖ Melbourne's metropolitan rail service and the Sydney Metro North West Line achieved stable operations
- UK** ❖ Elizabeth line and South Western Railway achieved stable operations

# Integrating Art and Culture into MTR Journeys



## “Station Rail Voyage” exhibition

Showcasing **retired trains** and **railway artifacts** to engage with the community



## Doraemon-themed Campaign

Launched **theme trains** and **sculptures** to delight people across districts





# Promoting Environmental, Social and Governance Vision



## ❖ Science-based Carbon Reduction Targets

Targeting to cut about half of GHG emissions by 2030

## ❖ New Stations and Property Development Projects

Incorporating green designs and features



❖ The first electric bus launched in early June and at least 30 will be introduced by the end of 2026

❖ Research study on a non-revenue, hydrogen fuelled Light Rail vehicle



❖ Providing a caring and convenient living experience

# Steady Growth through Financial Prudence

## Ensuring Financial Stability

- ❖ Many railway facilities used for > 40 years, requiring orderly renewal based on asset condition and life cycle   
Investing > **HK\$ 65 billion** in railway maintenance and asset renewal from 2023 to 2027
- ❖ Investing > **HK\$100 billion** in developing new railway projects



# Financial Results





# Financial Highlights

(HK\$m)	1H2024	YoY % Change Favourable / (Unfavourable)
- in Hong Kong <sup>(1)</sup>	16,842	16.2%
- outside Hong Kong <sup>(1)</sup>	12,429	(5.0%)
<b>Revenue from recurrent businesses</b>	<b>29,271</b>	<b>6.2%</b>
- in Hong Kong <sup>(1)</sup>	3,482	56.4%
- outside Hong Kong <sup>(1)(2)</sup>	542	180.8%
<b>Recurrent business profit<sup>(2)</sup></b>	<b>4,024</b>	<b>66.3%</b>
- in Hong Kong	1,722	141.9%
- outside Hong Kong	18	(10.0%)
<b>Property development profit (post-tax)</b>	<b>1,740</b>	<b>137.7%</b>
<b>Underlying business profit<sup>(2)</sup></b>	<b>5,764</b>	<b>82.9%</b>
Gain from fair value measurement of investment properties (post-tax) <sup>(3)</sup>	280	(72.7%)
<b>Reported net profit attributable to shareholders of the company<sup>(2)</sup></b>	<b>6,044</b>	<b>44.7%</b>
Reported EPS (HK\$)	0.97	44.8%
<b>Underlying businesses EPS (HK\$)</b>	<b>0.93</b>	<b>82.4%</b>
Interim ordinary dividend per share (HK\$)	0.42	-

Note:

1. Recurrent business profit/(loss) in Hong Kong includes HK transport operations, HK station commercial, HK property rental and management, other businesses (mainly Investment in Octopus Holding Limited, Ngong Ping 360, and consultancy) and project studies and business development expenses. Recurrent business profit/(loss) outside of Hong Kong includes business development expenses
2. Net of non-controlling interests (1H2024: HK\$100m profit; 1H2023: HK\$175m profit)
3. Gain from fair value measurement on investment properties comprises (i) a further recognition in valuation gain arising from the reduction in outstanding risks and obligations for our sharing-in-kind mall and (ii) gain or loss from fair value remeasurement of investment properties

# Segmental Profit/(Loss) of Underlying Businesses

<i>(HK\$m)</i>	1H2024	1H2023	Favourable/ (Unfavourable) change (%)	
<b>EBIT <sup>(1)</sup></b>				
- Hong Kong Transport Operations	415	(774)	1,189	n/m
- Hong Kong Station Commercial	1,897	1,798	99	5.5
- Total Hong Kong Transport Services	<u>2,312</u>	<u>1,024</u>	1,288	125.8
- Hong Kong Property Rental and Management	2,154	1,990	164	8.2
- Mainland China and International Railway, Property Rental and Management Subsidiaries	486	290	196	67.6
- Other Businesses, Project Study and Business Development Expenses	(178)	(146)	(32)	(21.9)
Share of Profit of Associates and Joint Ventures	673	632	41	6.5
<b>Total Recurrent EBIT</b>	<b>5,447</b>	<b>3,790</b>	<b>1,657</b>	<b>43.7</b>
Interest and Finance Charges	(517)	(626)	109	17.4
Income Tax	(806)	(569)	(237)	(41.7)
Non-controlling Interests	(100)	(175)	75	42.9
<b>Recurrent Business Profit <sup>(2)</sup></b>	<b>4,024</b>	<b>2,420</b>	<b>1,604</b>	<b>66.3</b>
<b>Property Development Profit (Post-tax)</b>	<b>1,740</b>	<b>732</b>	<b>1,008</b>	<b>137.7</b>
<b>Underlying Business Profit <sup>(3)</sup></b>	<b>5,764</b>	<b>3,152</b>	<b>2,612</b>	<b>82.9</b>

Note:

1. EBIT represents profit before interest, finance charges and taxation

2. Recurrent business profit represents profit from the Group's Hong Kong transport operations, Hong Kong station commercial businesses, Hong Kong property rental and management businesses, Mainland China and international railway, property rental and management businesses and other businesses (excluding fair value measurement of investment properties in Hong Kong and Mainland China)

3. Underlying business profit represents profit from the Group's recurrent businesses and property development businesses

n/m: not meaningful

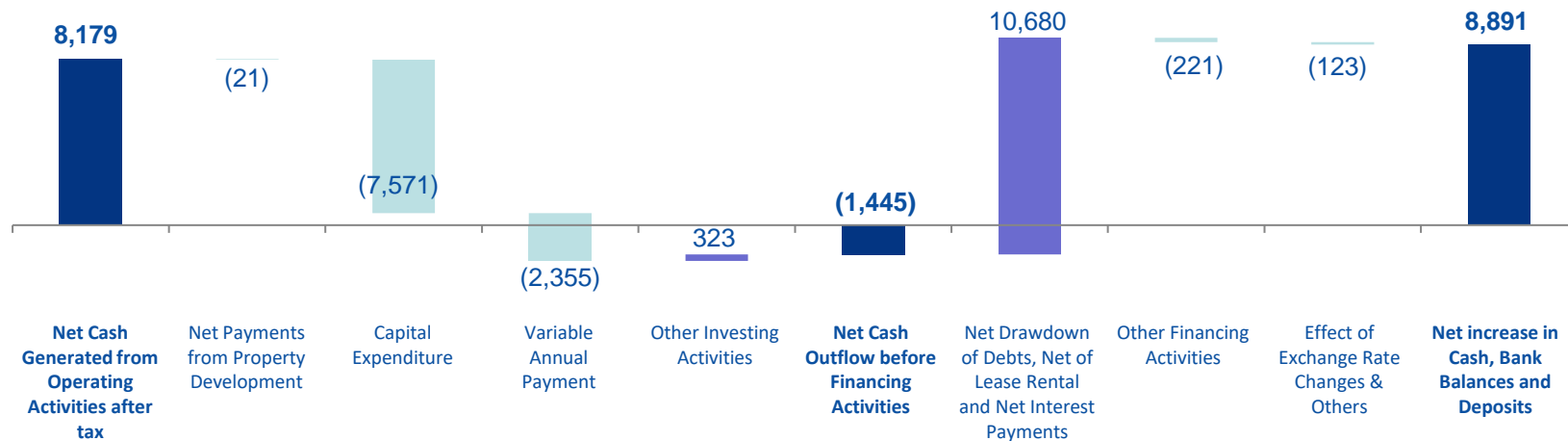
# Consolidated Statement of Financial Position

<i>(HK\$m)</i>	30 Jun 2024	31 Dec 2023	Increase/ (Decrease)	%
<b>Assets</b>				
Fixed Assets	239,347	238,636	711	0.3
Deferred Expenditure	496	378	118	31.2
Railway Construction in Progress	7,178	4,256	2,922	68.7
Property Development in Progress	41,923	41,728	195	0.5
Interests in Associates and Joint Ventures	13,029	12,785	244	1.9
Debtors and Other Receivables	13,963	13,756	207	1.5
Cash, Bank Balances and Deposits	31,266	22,375	8,891	39.7
Other Assets	13,815	12,512	1,303	10.4
<b>Total Assets</b>	<b>361,017</b>	<b>346,426</b>	<b>14,591</b>	<b>4.2</b>
<b>Liabilities</b>				
Total Loans and Other Obligations	70,418	59,491	10,927	18.4
Creditors and Other Liabilities	86,368	82,869	3,499	4.2
Obligations Under Service Concession	10,009	10,059	(50)	(0.5)
Deferred Tax Liabilities	15,269	15,151	118	0.8
<b>Total Liabilities</b>	<b>182,064</b>	<b>167,570</b>	<b>14,494</b>	<b>8.6</b>
<b>Total Equity</b>	<b>178,953</b>	<b>178,856</b>	<b>97</b>	<b>0.1</b>

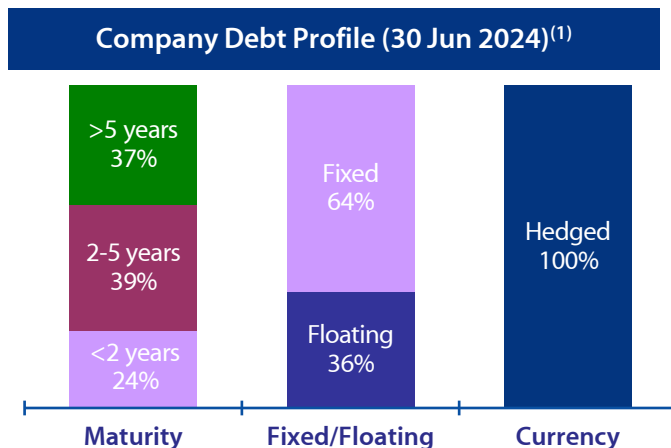


# Consolidated Cash Flows for the six months ended 30 Jun 2024

(HK\$m)



# Financing and Credit Ratios



Group's consolidated gross debt<sup>(2)</sup>:  
 HK\$70,418m  
 (HK\$59,491m as at 31 Dec 2023)

Average cost of interest-bearing borrowings: 3.8% (+0.5% pt YoY)

Interest and finance charges for our recurrent businesses:  
 HK\$517m (-17.4% YoY)

<b>Net Debt / Equity ratio<sup>(3)</sup></b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
	27.5%	26.5%
<b>Interest cover<sup>(4)</sup></b>	<b>1H2024</b>	<b>1H2023</b>
	11.6 x	9.2x
<b>Credit ratings, Long-term ratings (Rating agency)</b>	AA+ / Aa3 / AA+ ( S&P / Moody's / R&I )	

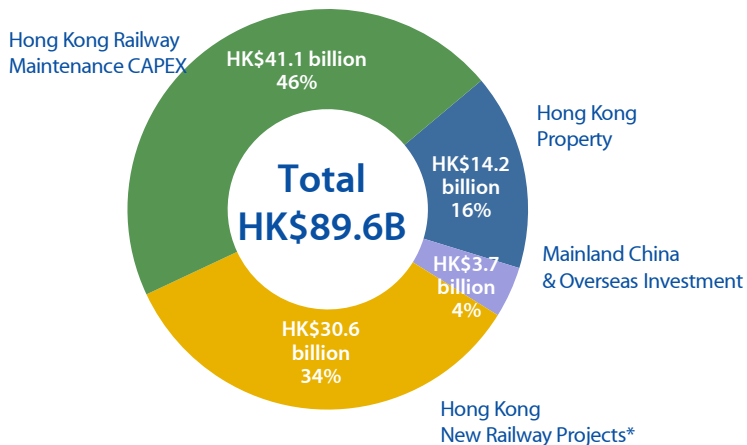
Note:

1. Excluding Mainland China and overseas subsidiaries debts
2. Excluding obligations under service concession
3. Including lease liabilities, obligations under service concession and loan from holders of non-controlling interests as components of debt
4. Operating profit before fair value measurement of investment properties, depreciation, amortisation, variable annual payment, share of profit of associates and joint ventures divided by interest and finance charges before capitalisation

# Capital Expenditure & Investments



2024-2026



Estimated spend (HK\$Billion):

2024	: 24.7
2025	: 35.0
2026	: 29.9
<b>Total</b>	<b>: 89.6</b>

\* including planning and design CAPEX but excluding related construction CAPEX of new railway projects which are subject to the signing of project agreements

# Outlook





# Go Smart Go Beyond

## Keep Cities Moving



Enhancing railway services and asset management

- ❖ Allocating resources for railway asset renewal and maintenance



Advancing new railway projects

- ❖ Supporting the government in advancing new railway projects to enhance HK's railway network



Exploring opportunities outside Hong Kong

- ❖ Exploring development opportunities in Mainland China, including the Greater Bay Area, and overseas

# Appendix

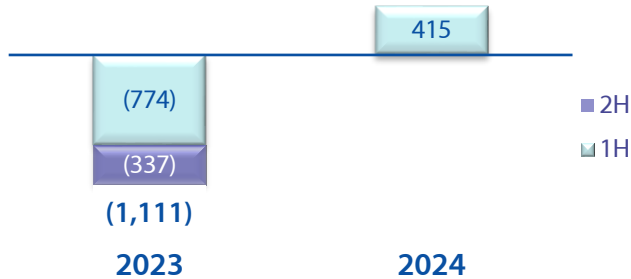
# Consolidated Cash flow

(HK\$m)	1H2024	1H2023
<b>Net Cash Generated from Operating Activities</b>	<b>8,179</b>	<b>3,870</b>
Net (Payments) / Receipts from Property Development	(21)	4,533
Capital Expenditure	(7,571)	(5,200)
Variable Annual Payment	(2,355)	(323)
Other Investing Activities	323	205
<b>Net cash (Outflow)/Inflow before Financing Activities</b>	<b>(1,445)</b>	<b>3,085</b>
Net Drawdown of Debts, Net of Lease Rental and Interest Payments	10,680	5,223
Other Financing Activities	(221)	(376)
Effect of Exchange Rate Changes	(217)	(110)
Cash, Bank Balances and Deposits classified as Disposal Group Held for Sale at the Beginning of the Period and Disposed of during the Period	94	-
<b>Increase in Cash, Bank Balances and Deposits</b>	<b>8,891</b>	<b>7,822</b>



# Hong Kong Transport Operations

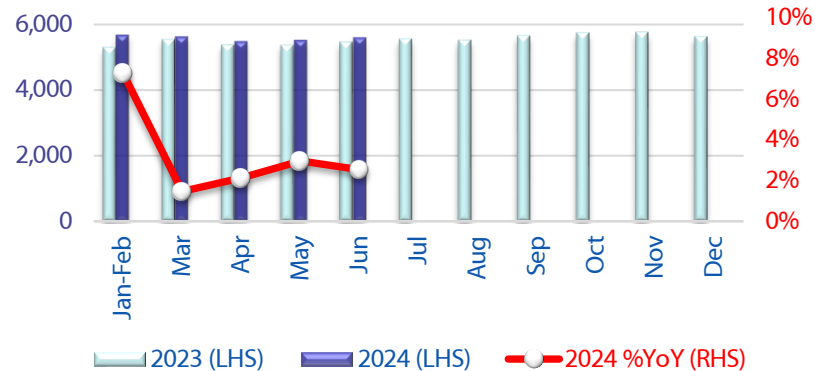
EBIT (HK\$m)



## 1H2024

- Average weekday patronage increased to 5.58 million, or +3.3% YoY
- The increase in EBIT was the result of increased revenue brought by (i) recovery in patronage, especially in Cross-boundary and HSR services, and (ii) fare increase under the Fare Adjustment Mechanism net of concessions
- Partly offset by (i) increased operating expenses and (ii) higher variable annual payment
- Efforts to “Go Smart Go Beyond” continued with adoption of the latest technology for improved operations, maintenance, customer service and sustainability

Average weekday patronage ('000)



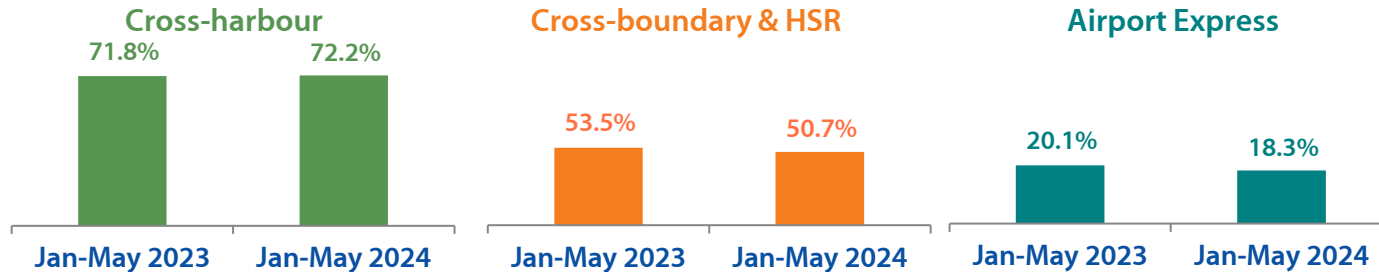
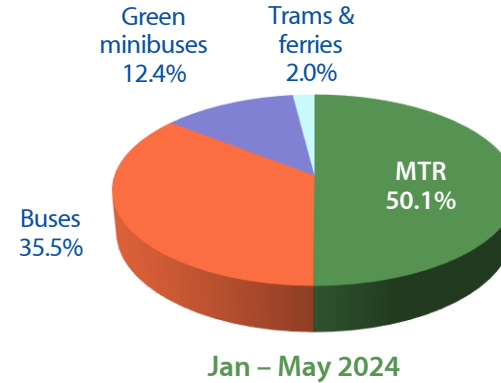
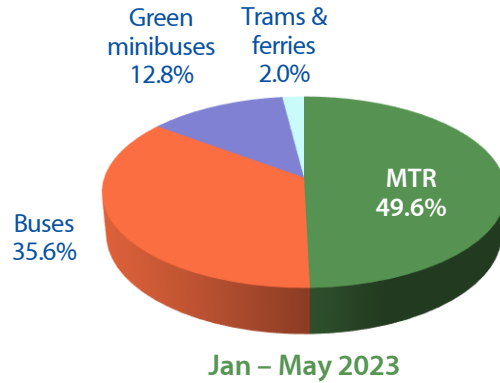
# Hong Kong Transport Operations

	1H2024	1H2023	Favourable/ (Unfavourable) change (%)
<b>Patronage (million)</b>			
- Domestic Service	787.5	777.2	1.3
- Cross-boundary Service	46.5	28.1	65.5
- High Speed Rail	12.7	7.6	66.9
- Airport Express	6.2	4.6	37.1
- Light Rail and Bus	104.5	102.6	1.9
<b>Total</b>	<b>957.4</b>	<b>920.1</b>	<b>4.1</b>
<b>Average fare (HK\$)</b>			
- Domestic Service	8.54	8.26	3.4
- Cross-boundary Service	31.53	30.00	5.1
- High Speed Rail	79.15	84.25	(6.1)
- Airport Express	62.39	61.29	1.8
<b>P&amp;L (HK\$m)</b>			
- Domestic Service	7,037	6,680	5.3
- Cross-boundary Service	1,698	842	101.7
- High Speed Rail and Intercity	1,622	1,172	38.4
- Airport Express	391	280	39.6
- Light Rail and Bus	336	323	4.0
- Others	54	45	20.0
<b>Total Revenue</b>	<b>11,138</b>	<b>9,342</b>	<b>19.2</b>
Staff Costs and Related Expenses	(3,592)	(3,363)	(6.8)
Maintenance and Related Works	(1,206)	(1,154)	(4.5)
Energy and Utilities	(1,093)	(1,175)	7.0
General and Administration Expenses	(391)	(349)	(12.0)
Stores and Spares Consumed	(288)	(263)	(9.5)
Railway Support Services	(229)	(154)	(48.7)
Government Rent and Rates	(91)	(77)	(18.2)
Other Expenses	(189)	(127)	(48.8)
<b>EBITDA</b>	<b>4,059</b>	<b>2,680</b>	<b>51.5</b>
Depreciation and amortization	(2,520)	(2,644)	4.7
Variable Annual Payment	(1,124)	(810)	(38.8)
<b>EBIT</b>	<b>415</b>	<b>(774)</b>	<b>n/m</b>
EBITDA Margin (%)	36.4%	28.7%	+7.7% pts
EBIT Margin (%)	3.7%	(8.3)%	n/m

n/m: not meaningful

# Hong Kong Transport Operations: Market Share

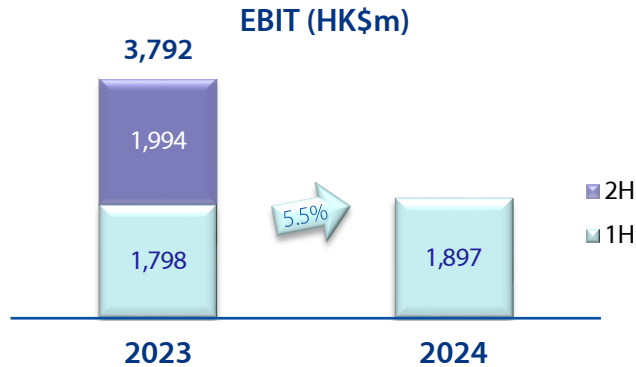
## Hong Kong Franchised Public Transport



Sources: The Transport Department / Immigration Department / Airport Authority Hong Kong



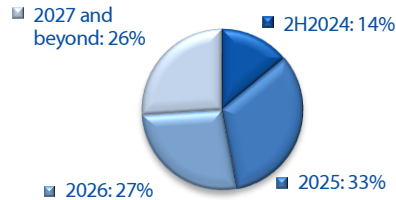
# Hong Kong Station Commercial Businesses



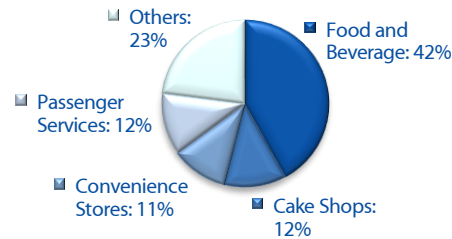
## 1H2024

- The increase in EBIT was mainly due to the increase in station retail rental revenue driven by (i) the full period impact of resumed Duty Free Shops operations, and (ii) lower amortisation of rental concessions charged
- Partially offset by higher variable annual payment
- Launched “smart leasing” platform that allows prospective tenants to browse shop environments and vicinities through online VR tours
- “MTR Shops Stamp Reward” programme and an electronic cash coupon giveaway to boost sales at station shops
- Raised customer awareness of new shop brands through station advertising and joint promotions
- Average occupancy rate in our station kiosks was 98.4%
- Rental reversion in our station kiosks was -4.8%

## Lease expiry by area occupied\*



## Trade mix by leased area\*\*



\* Station kiosks and Duty Free Shops

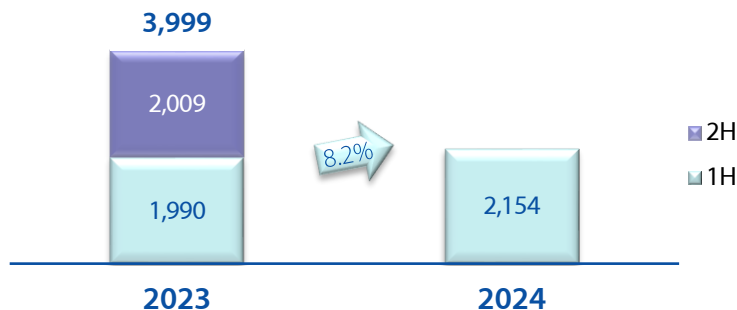
\*\* Station kiosks, excluding Duty Free Shops

# Hong Kong Station Commercial Businesses

Hong Kong Station Commercial (HK\$m)	1H2024	1H2023	Favourable/ (Unfavourable) change (%)
- Station Retail Rental Revenue	1,787	1,640	9.0
- Advertising Revenue	496	416	19.2
- Telecommunication Income	296	309	(4.2)
- Other Station Commercial Income	59	50	18.0
<b>Total Revenue</b>	<b>2,638</b>	<b>2,415</b>	<b>9.2</b>
Operating expenses	(310)	(255)	(21.6)
<b>EBITDA</b>	<b>2,328</b>	<b>2,160</b>	<b>7.8</b>
Depreciation and Amortisation	(124)	(123)	(0.8)
Variable Annual Payment	(307)	(239)	(28.5)
<b>EBIT</b>	<b>1,897</b>	<b>1,798</b>	<b>5.5</b>
EBITDA Margin (%)	88.2%	89.4%	-1.2% pts
EBIT Margin (%)	71.9%	74.5%	-2.6% pts
Average Occupancy Rate (% Station Kiosks)	98.4%	97.0%	+1.4% pts
Rental Reversion (% Station Kiosks)	(4.8)%	(8.4)%	+3.6% pts

# Hong Kong Property Rental and Management Businesses

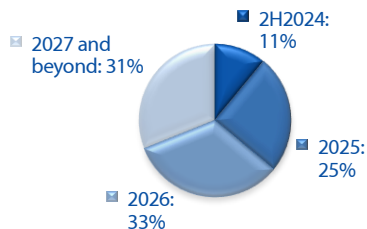
## EBIT (HK\$m)



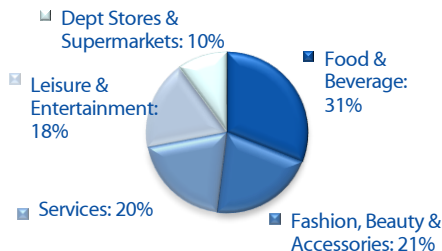
## 1H2024

- The increase in EBIT was mainly due to (i) additional contributions from the two new shopping malls, The Wai and THE SOUTHSIDE, and (ii) lower amortisation of rental concessions charged
- Partly offset by the adverse impacts of (i) lower occupancy rate for the 18 floors in Two ifc (ii) overall negative rental reversions
- MTR shopping malls recorded a rental reversion of -5.7% and an average occupancy rate of 99%
- Two ifc recorded an average occupancy rate of 92%

## Lease expiry by area occupied\*



## Trade mix by leased area\*

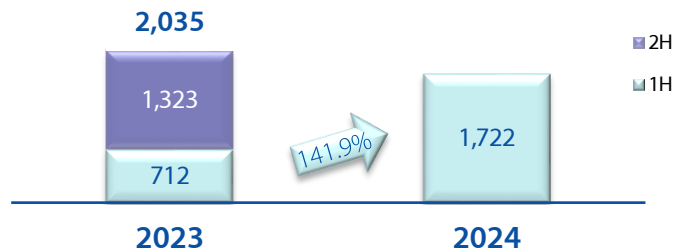


\* Shopping malls



# Hong Kong Property Development Businesses

## Hong Kong Property Development Profit (Post-tax) (HK\$m)



Property Project Profit Recognised	GFA (sqm)	No. of Units
SOUTHLAND (THE SOUTHSIDE Package 1)	53,600	800
La Marina (THE SOUTHSIDE Package 2)	45,800	600
Villa Garda (LOHAS Park Package 11)	n/m*	n/m*

Property Tendered	GFA (sqm)	No. of Units
Nil	Nil	Nil

\* Still under construction as of Jun 2024  
n/m: not meaningful

## 1H2024

- Property development profits mainly derived from the further profit recognition from THE SOUTHSIDE Package 1 & 2 and LOHAS Park Package 11
- Pre-sales for SEASONS PLACE, PARK SEASONS, Blue Coast and Onmantin were launched in 1H2024
- Applications for presale consent for THE SOUTHSIDE Package 5, LOHAS Park Package 13 and the Yau Tong Ventilation Building are in progress

Property Projects Launched	Launch Date	Units Sold (end Jun 2024)
SOUTHLAND (THE SOUTHSIDE Package 1)	May 2021	90% of 800 units sold
La Marina (THE SOUTHSIDE Package 2)	Sep 2021	96% of 600 units sold
Villa Garda I (LOHAS Park Package 11)	Jun 2022	79% of 592 units sold
Villa Garda II (LOHAS Park Package 11)	Jul 2022	24% of 644 units sold
Villa Garda III (LOHAS Park Package 11)	Aug 2023	34% of 644 units sold
IN ONE 1A (Ho Man Tin Station Package 2)	May 2023	22% of 447 units sold
IN ONE 1B (Ho Man Tin Station Package 2)	Mar 2023	98% of 183 units sold
IN ONE 1C (Ho Man Tin Station Package 2)	Apr 2023	86% of 214 units sold
La Montagne (THE SOUTHSIDE Package 4 Phase 4A)	Jul 2023	13% of 432 units sold
YOHO WEST (Tin Wing Stop Phase 1)	Nov 2023	87% of 1,393 units sold
SEASONS PLACE (LOHAS Park Package 12)	Mar 2024	90% of 650 units sold
PARK SEASONS (LOHAS Park Package 12)	Apr 2024	28% of 685 units sold
Blue Coast (THE SOUTHSIDE Package 3)	Apr 2024	88% of 642 units sold
Onmantin (Ho Man Tin Station Package 1)	Apr 2024	61% of 418 units sold

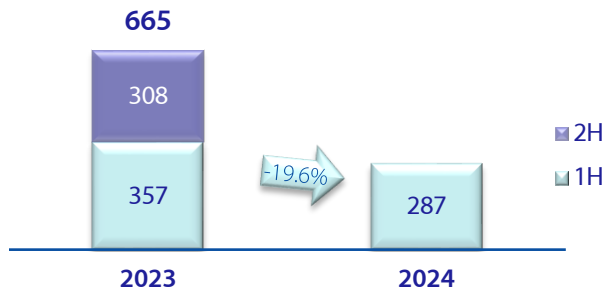
# Hong Kong Property Rental and Management; and Hong Kong Property Development

Hong Kong Property Rental and Management (HK\$m)	1H2024	1H2023	Favourable/ (Unfavourable) change (%)
- Property Rental	2,545	2,324	9.5
- Property Management	143	132	8.3
<b>Total Revenue</b>	<b>2,688</b>	<b>2,456</b>	<b>9.4</b>
Operating Expenses	(525)	(458)	(14.6)
<b>EBITDA</b>	<b>2,163</b>	<b>1,998</b>	<b>8.3</b>
Depreciation and Amortization	(6)	(5)	(20.0)
Variable Annual Payment	(3)	(3)	-
<b>EBIT</b>	<b>2,154</b>	<b>1,990</b>	<b>8.2</b>
EBITDA Margin (%)	80.5%	81.4%	-0.9% pt
EBIT Margin (%)	80.1%	81.0%	-0.9% pt
Average Occupancy Rate (% Malls)	99%	99%	-
Average Occupancy Rate (% Two ifc)	92%	99%	-7.0% pts
Rental Reversion (% Malls)	(5.7)%	(12.6)%	+6.9% pts
Hong Kong Property Development (HK\$m)	1H2024	1H2023	Favourable/ (Unfavourable) change (%)
- Share of Surplus, Income and Interest in Unsold Properties from Property Development	1,995	786	153.8
- Agency Fee and Other Income from West Rail Property Development	33	4	725.0
- Overheads	(4)	(7)	42.9
<b>Hong Kong Property Development Profit (pre-tax)</b>	<b>2,024</b>	<b>783</b>	<b>158.5</b>
<b>Hong Kong Property Development Profit (post-tax)</b>	<b>1,722</b>	<b>712</b>	<b>141.9</b>

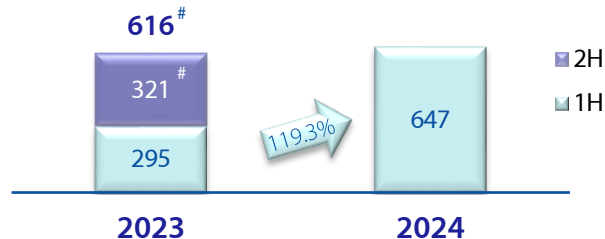
Note: Hong Kong property development profit for 1H2024 was mainly derived from the profit recognition from THE SOUTHSIDE Package 1 & 2 and LOHAS Park Package 11

# Mainland China and International Businesses

## Mainland China and Macao EBIT\* (HK\$m)



## International EBIT\* (HK\$m)



\* EBIT of Subsidiaries and Share of Profit of Associates and Joint Ventures from Recurrent Businesses

<sup>#</sup> Excluding the special loss provisions, being provisions for onerous contracts made for loss Stockholms Pendeltåg and Mälartåg Regional Traffic totalling HK\$1,022 million in 2023

## 1H2024

- **Mainland China:** The operations of Beijing Ginza Mall was disposed in May 2024
- The initial section of SZL13 Phase 1 project is planned to commence passenger service within 2024
- The long-term financial viability of HZL1 will be impacted if patronage growth remains at a lower level over a further period of time, especially when compounded by the lower average fare resulting from the expanded network
- **Macao:** The Macao Light Rapid Transit Taipa Line service O&M contract will end in December 2024. The majority of operations, maintenance works and associated staff were transferred to Macao Light Rapid Transit Corporation, Limited in 1H2024
- **UK:** The existing concession and contract will end in May 2025
- **Sweden:** Stockholm Metro achieved stable operations and the current service contract will end in 2025
- **Australia:** Stable operations
- Looking forward to the opening of the City section of Sydney Metro City & Southwest Line

# Mainland China and International Businesses

<i>(HK\$m)</i>	1H2024	1H2023	Favourable/ (Unfavourable) change (%)
<b>Recurrent Businesses Revenue of Subsidiaries</b>	<b>12,429</b>	<b>13,079</b>	<b>(5.0)</b>
<b>EBITDA</b>			
- Melbourne Train	374	548	(31.8)
- Sydney Metro Northwest Line	39	38	2.6
- Sydney Metro City & Southwest Line	36	21	71.4
- Nordic Group	125	(297)	n/m
- London Elizabeth Line	121	70	72.9
- Shenzhen Metro Line 4	66	90	(26.7)
- Others	(52)	62	n/m
	<u>709</u>	<u>532</u>	<b>33.3</b>
Depreciation and Amortisation	(223)	(242)	7.9
<b>EBIT</b>	<b>486</b>	<b>290</b>	<b>67.6</b>
EBITDA Margin (%)	5.7%	4.1%	+1.6% pts
EBIT Margin (%)	3.9%	2.2%	+1.7% pts
<b>Recurrent Business Profit/(Loss) (Net of Non-controlling interests)</b>	<b>236</b>	<b>(41)</b>	n/m
<b>Recurrent Businesses Associates &amp; Joint Ventures</b>			
Share of Profit	448	362	23.8
<b>Profit Attributable to Shareholders of the Company for the Period</b>			
<b>Arising from Recurrent Businesses (before Business Development Expenses)</b>	<b>684</b>	<b>321</b>	<b>113.1</b>
- Business Development Expenses	(142)	(128)	(10.9)
<b>Arising from Recurrent Businesses (after Business Development Expenses)</b>	<b>542</b>	<b>193</b>	<b>180.8</b>
- Arising from Mainland China Property Development	18	20	(10.0)
<b>Arising from Underlying Businesses</b>	<b>560</b>	<b>213</b>	<b>162.9</b>

n/m: not meaningful



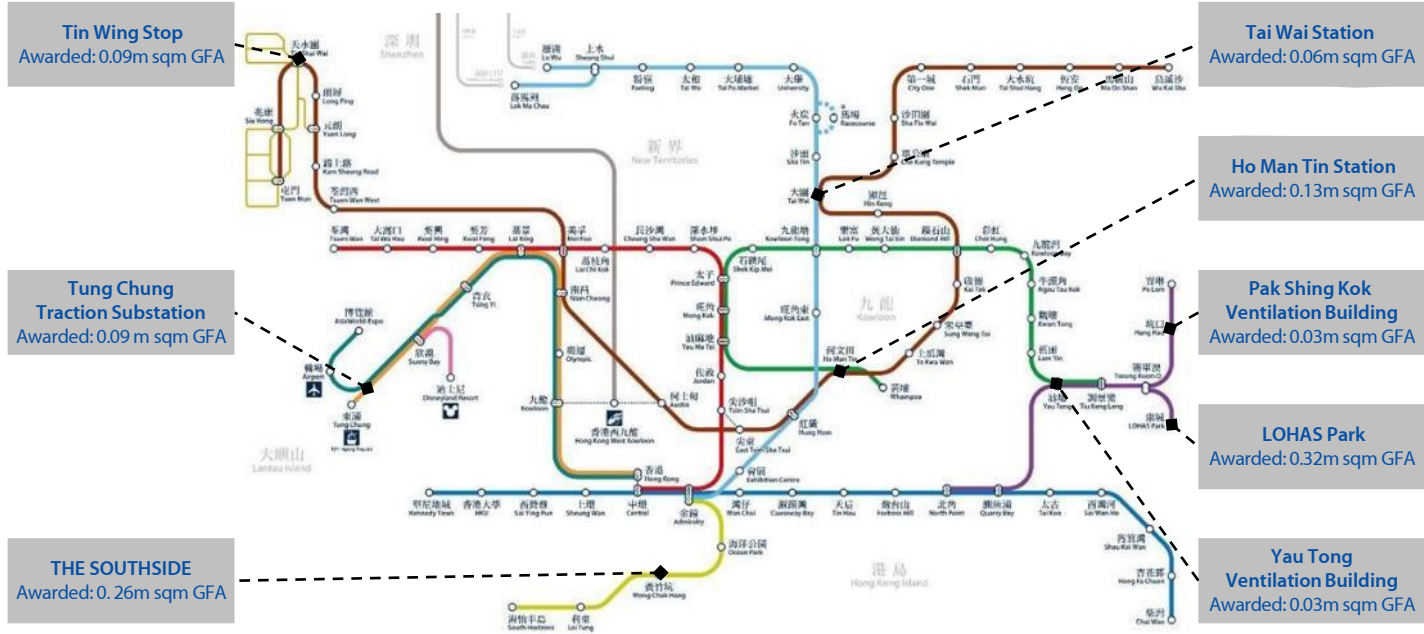
# Net Debt to Equity ratio

<i>(HK\$m)</i>	Jun 2024	Dec 2023
Short-term loans	1,005	1,379
Loans and other obligations	69,413	58,112
<b>Gross debt<sup>^</sup></b>	<b>70,418</b>	<b>59,491</b>
Obligations under service concession	10,009	10,059
Loans from holders of non-controlling interests	124	141
<b>Gross debt, other obligations and loans</b>	<b>80,551</b>	<b>69,691</b>
Cash, bank balance and deposits	(31,266)	(22,375)
<b>Net debt<sup>δ</sup></b>	<b>49,285</b>	<b>47,316</b>
<b>Total equity</b>	<b>178,953</b>	<b>178,856</b>
Net debt to Equity ratio (%) <sup>δ</sup>	27.5%	26.5%

<sup>^</sup> Gross debt represents loans and other obligations and short-term loans

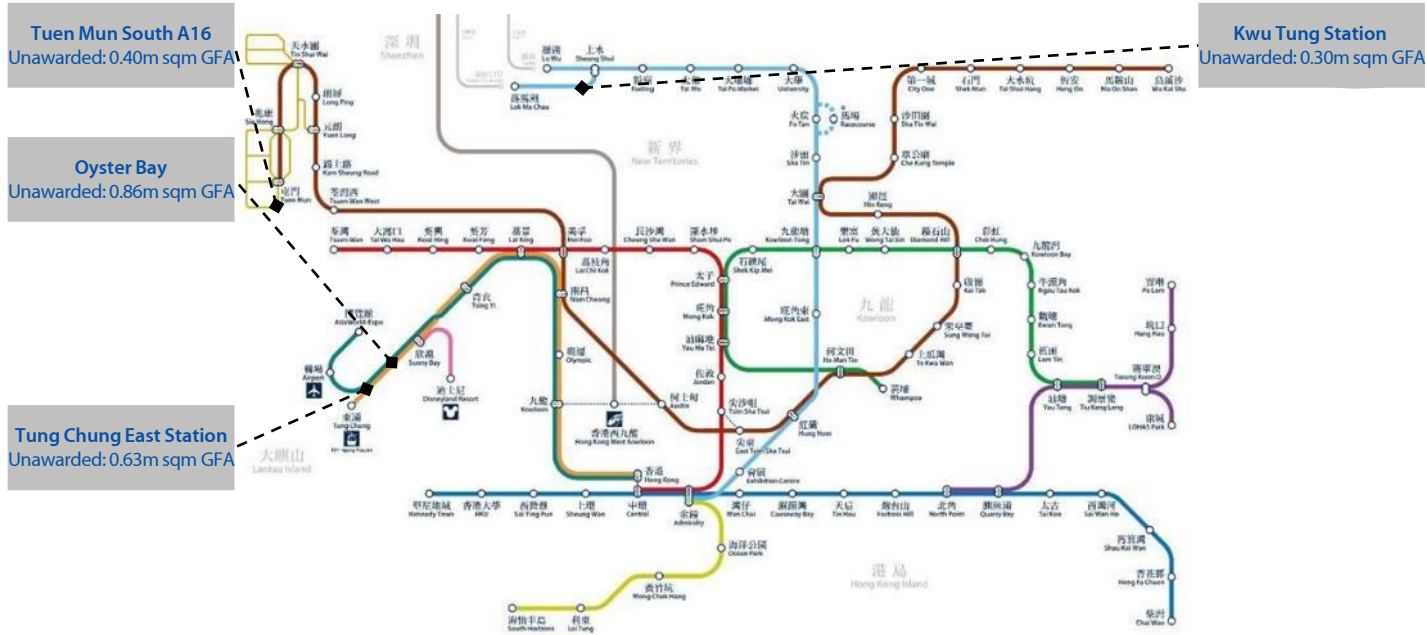
<sup>δ</sup> Net debt-to-equity ratio represents net debt of HK\$49,285 million (Dec 2023: HK\$47,316 million), which comprises loans and other obligations, short-term loans, obligations under service concession and loans from holders of non-controlling interests net of cash, bank balances and deposits in the consolidated statement of financial position, as a percentage of the total equity of HK\$178,953 million (Dec 2023: HK\$178,856 million)

# Landbank (awarded)



Note: Residential GFA: 1.01m sqm (awarded)

# Landbank (new railway projects)



# Hong Kong Property Development

Development profit yet to be booked: ~17,000 residential units (GFA : 1.01 million sqm)

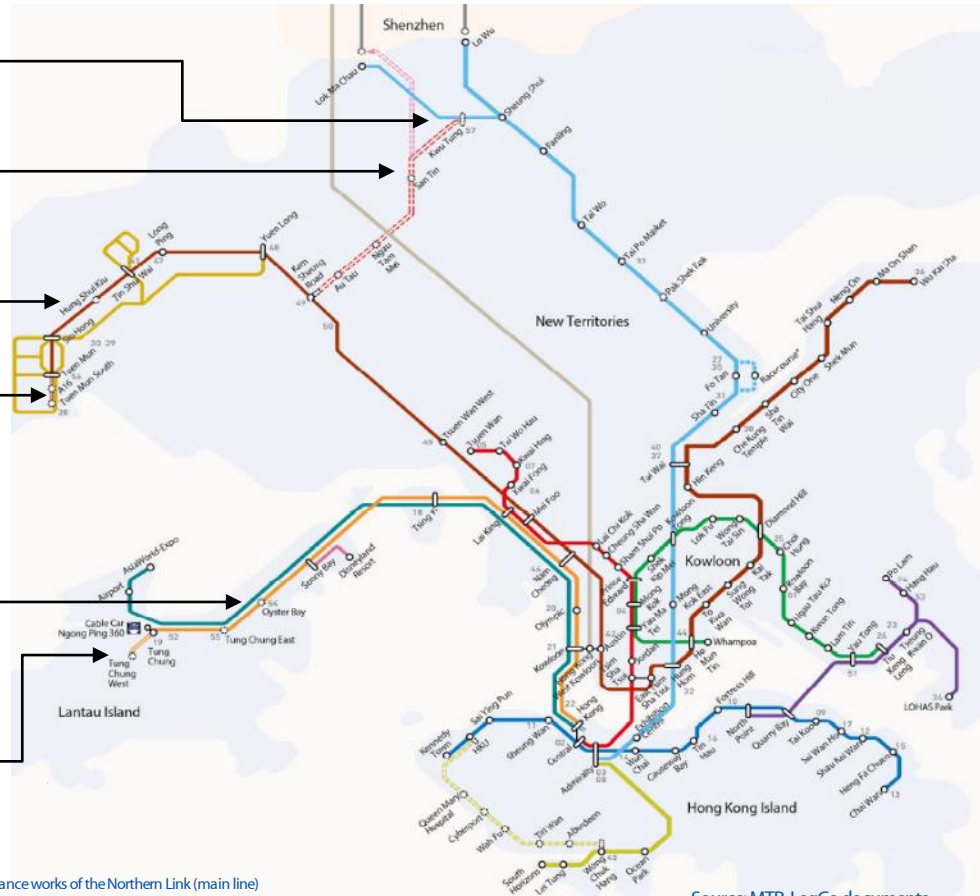
	Property Project Tender	Date of Tender Award	Developer partners	Residential Gross Floor Area (sq m)	Units	Profit model			Expected completion
						Lump-sum upfront and/or backend	Share of surplus proceeds	Sharing in kind	
1	Tai Wai Station Phase 3	Oct 2014	New World	63,845	892		✓		TBC
2	Tin Wing Stop	Feb 2015	Sun Hung Kai	91,051	1,918		✓		Phase 1: 2024 Phase 2: 2025
3	Ho Man Tin Station Package 1	Dec 2016	Great Eagle	69,000	990	✓	✓		2024
4	Yau Tong Ventilation Building	May 2018	Sino Land & CSI Properties	30,225	792	✓	✓		2026
5	THE SOUTHSIDE Package 3	Aug 2018	Cheung Kong	92,900	1,200	✓	✓	✓	2025
6	Ho Man Tin Station Package 2	Oct 2018	Chinachem	59,400	844	✓	✓		2024
7	LOHAS Park Package 11	Apr 2019	Sino Land, K. Wah, China Merchants	88,858	1,880	✓	✓		2024
8	THE SOUTHSIDE Package 4	Oct 2019	Kerry Properties, Swire Properties, Sino Land	59,300	800	✓	✓		2024
9	LOHAS Park Package 12	Feb 2020	Wheelock	89,290	1,985	✓	✓		2026
10	LOHAS Park Package 13	Oct 2020	Sino Land, Kerry Properties, K. Wah & China Merchants	143,694	2,550	✓	✓		2026
11	THE SOUTHSIDE Package 5	Jan 2021	New World, Empire Development, CSI Properties and Lai Sun Dev	59,100	825	✓	✓		2026
12	THE SOUTHSIDE Package 6	Apr 2021	Wheelock	46,800	615	✓	✓		2028
13	Pak Shing Kok Ventilation Building	Apr 2022	New World and China Merchants Land	27,006	613	✓	✓		2031
14	Tung Chung Traction Substation	Jul 2022	Chinachem	87,288	1,600	✓	✓		2031

Note: Not including unawarded Property Development projects



# New Railway Projects

<p><b>Kwu Tung Station</b>                  Est. cost: \$10.8B***                  Construction start: 2023                  Est. completion: 2027                  Status: Commenced construction</p>
<p><b>Northern Link</b>                  Route length: 10.7 km                  Est. cost: \$58.5B*                  Est. start: 2025                  Est. completion: 2034                  Status: Gazetted</p>
<p><b>Hung Shui Kiu Station</b>                  Est. cost: \$4.1B**                  Est. start: 2024                  Est. completion: 2030                  Status: Detailed planning, design and other preparation works</p>
<p><b>Tuen Mun South Extension</b>                  Route length: 2.4 km                  Est. cost: \$18.2B                  Construction start: 2023                  Est. completion: 2030                  Status: Commenced construction</p>
<p><b>Oyster Bay Station</b>                  Est. cost: \$6.7B***                  Construction start: 2023                  Est. completion: 2030                  Status: Commenced construction</p>
<p><b>Tung Chung Line Extension</b>                  Route length: 2.5 km#                  Est. cost: \$24.2B                  Construction start: 2023                  Est. completion: 2029                  Status: Commenced construction</p>



## Challenges

- Availability of sufficient labour
- Works needing to be carried out at night during non-traffic hours

Source: MTR, LegCo documents

\* Estimated cost in December 2015 prices  
 \*\* Estimated cost in December 2018 prices  
 \*\*\* Including the detailed planning and design, and the advance works of the Northern Link (main line)  
 \*\*\*\* Total capital cost of Oyster Bay Station; cost of property enabling works and site formation not included  
 # Including the diversion of ~1.2km-long-section of track between the existing Tung Chung Station and Sunny Bay Station; and westward extension of ~1.3km

# Hong Kong Major Transport Infrastructure Development

## Additional Two Railways

- Northern Link Eastern Extension
- Northeast New Territories Line

## Central Rail Link

- 3 intermediate stations at **Northeast Tsuen Wan**, **Northeast Kwai Chung** and **Tsuen King Circuit** and transit to Tsuen Wan Line



## TKO Line Southern Extension

- Minimise the land area required for the railway facilities and reduce the exposed areas

Source: Policy Address 2023, Transport and Logistics Bureau



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