



# MTR Corporation

## Company Overview

January 2025

# 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.

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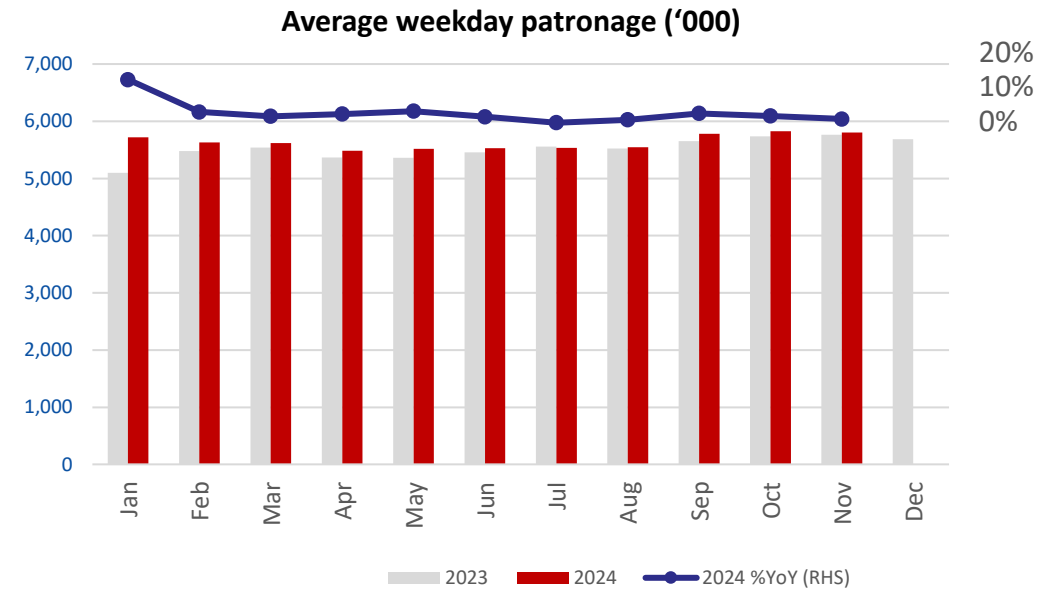
# 1. Recent Updates





# Recent Updates on Hong Kong Transport Operations

- Continuing recovery in Domestic patronage, the resumption of Cross-boundary and High Speed Rail services
- Recovery was especially strong in High Speed Rail
- Further patronage growth will depend on overall economic growth, the pace of tourist recovery, changes in travel / work patterns, etc
- Average fare of Domestic Service in the 1H2024 was HK\$8.54 (1H2023: HK\$8.26)
- FAM review was concluded. Overall adjustment rate for 2024/25 was +3.09%, effective in Jun 2024



| Patronage ('000)                | 2023  | 1H 2024 | Jul 2024 | Aug 2024 | Sep 2024 | Oct 2024 | Nov 2024 |
|---------------------------------|-------|---------|----------|----------|----------|----------|----------|
| Domestic Service (avg. weekday) | 4,670 | 4,651   | 4,577    | 4,565    | 4,814    | 4,821    | 4,809    |
| Cross-boundary                  | 196   | 256     | 267      | 292      | 263      | 286      | 281      |
| AEL                             | 29.7  | 34.4    | 35.9     | 38.4     | 35.3     | 36.1     | 38.3     |
| High Speed Rail                 | 57.3  | 69.7    | 75.4     | 87.2     | 62.4     | 71.9     | 67.9     |
| Light Rail & Bus                | 602   | 608     | 580      | 564      | 608      | 614      | 608      |

# Recent Updates on Station Retail and Property Rental

- Hong Kong retail sales were -7.1% YoY YTD in 11M2024
- On 21 June 2024, THE SOUTHSIDE fully opened all 5 retail floors, with a total floor area of nearly 510,000 square feet
- Advertising revenue remains dependent on the extent of the economic recovery and improvement in consumer sentiment and spending

# New Railway Projects

- On 19 September 2024, the Company entered into the project agreement for Hung Shui Kiu Station (HSK) project with the Government
- The Company is also working full steam on other railway projects under the government's Railway Development Strategy 2014

# Recent Updates on Property Development

## Land Tendering

### ■ Tendering activities

- Tung Chung East Station Package One Property Development tender awarded in Dec 2024 to Nan Fung Group Holdings Limited
- Closely monitor market conditions and review our programme for tendering of property development projects as appropriate

## Property Sales\*

- Launched Seasons Place and Park Seasons (LOHAS Park Package 12) in March and April 2024
- Launched Blue Coast and Blue Coast II (THE SOUTHSIDE Package 3) in April and October 2024
- Launched Onmantin (Ho Man Tin Station Package 1) in April 2024
- Obtained pre-sale consents for LOHAS Park Package 12 (Phase 3) in January 2024
- Obtained pre-sale consents for THE SOUTHSIDE Package 5 in October 2024
- Obtained pre-sale consents for LOHAS Park Package 13 in November 2024
- Applications for presale consent for THE SOUTHSIDE Package 6 (Phase 1), the Yau Tong Ventilation Building and Tin Wing Stop (Phase 2) are in progress

\* as at November 2024



## 2. 1H2024 Highlights





# 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



Note: The station names are working titles only. All drawings and visuals are provided for concept illustration only, and the content is subject to change.

# 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 opened in Dec 2024



## 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



# 3. Business Review

## Keep Cities Moving

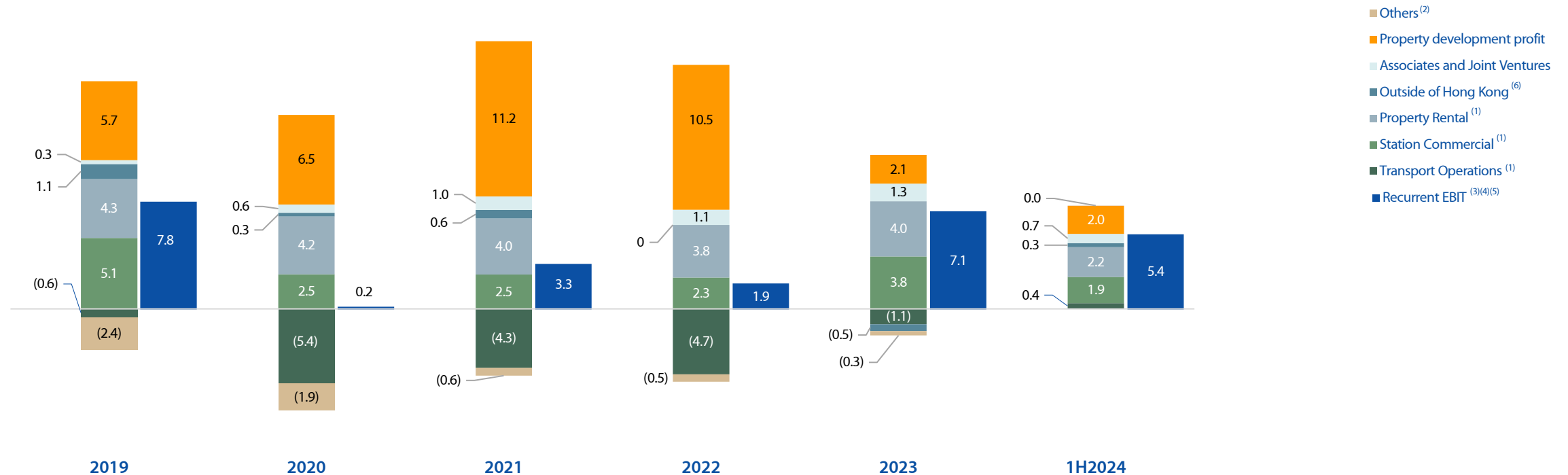
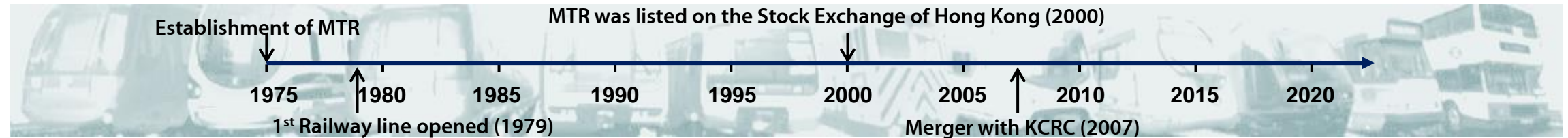
Innovation &  
Technology  
Application

Enhancing  
Railway Services

Building New  
Railway Projects



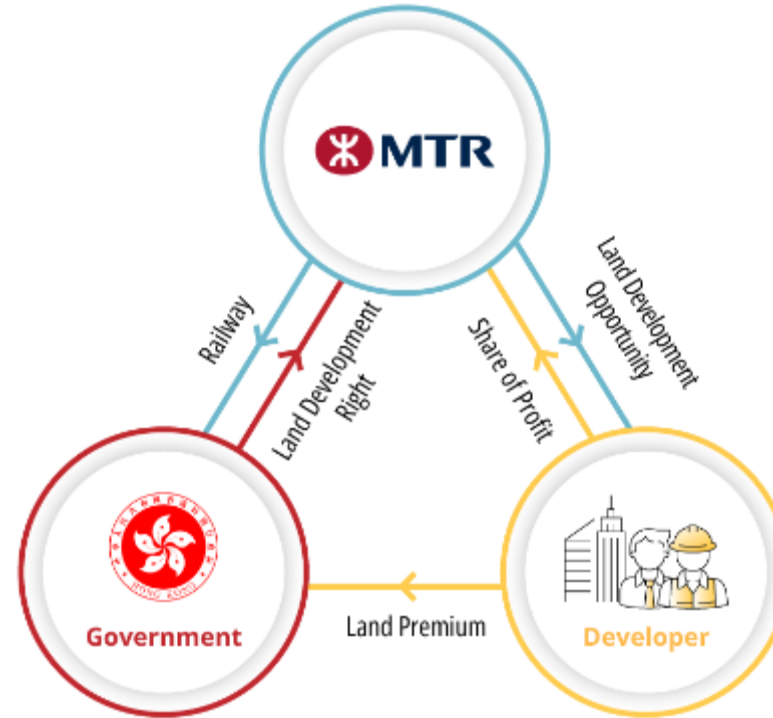
# MTR Today



1. Net of depreciation, amortisation and variable annual payment to KCRC
2. Includes consultancy, Ngong Ping 360 and project management for HKSAR Government
3. Recurrent EBIT: excludes property development profit
4. 2019 EBIT included an adverse impact from the public order events (HK\$2.3 billion), and the provisions relating to the Hung Hom incidents (HK\$2 billion) and the South Western Railway franchise agreement (HK\$0.4 billion)
5. 2020 EBIT included the adverse impact from COVID-19, and the provisions relating to SCL project management cost (HK\$1.4 billion)
6. 2022 & 2023 included the special loss provisions for onerous contracts and impairment losses

**Vision:** an internationally-recognised leading company that connects and grows communities with caring, innovative and sustainable services

# Rail + Property Business Model



Note: This is a simplified model, only meant to illustrate and explain the general framework of the Rail plus Property model. Actual implementation may vary.

## MTR leads and coordinates the development processes including:

- Agrees with Government amount of property development rights for new rail extension
- Land premium will be assessed on a full market value basis with certain agreed amounts deducted, prior to tender being offered to developers
- Tender property packages to developer partners
- MTR contributes property rights, oversees the design & construction
- Developers usually pay for land premium and development costs; MTR may contribute on a case by case basis
- Profit sharing with MTR by percentage of profits or assets in kind or lump-sum payment

# Examples of MTR “Rail + Property” development

## Tung Chung Station Development

- Total GFA: 1,030,634 sq m (Retail: 55,793 sq m; Office: 14,913 sq m)
- ~12,400 residential units



## Tseung Kwan O LOHAS Park Development

- Total GFA: 1,650,000 sq m (Retail: 44,500 sq m)
- ~25,500 residential units



## Kowloon Station Development



- Total GFA: 1,096,169 sq m (Retail: 82,750 sq m; Office: 231,778 sq m)
- ~5,800 residential units

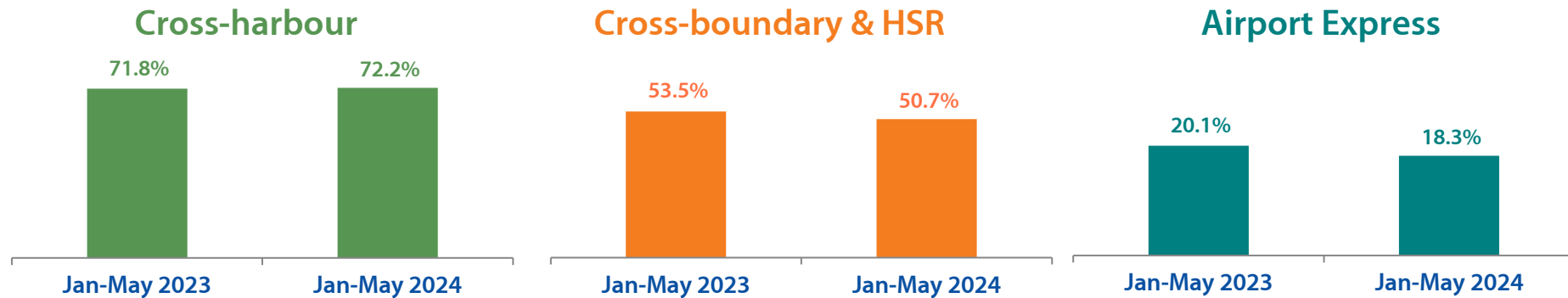
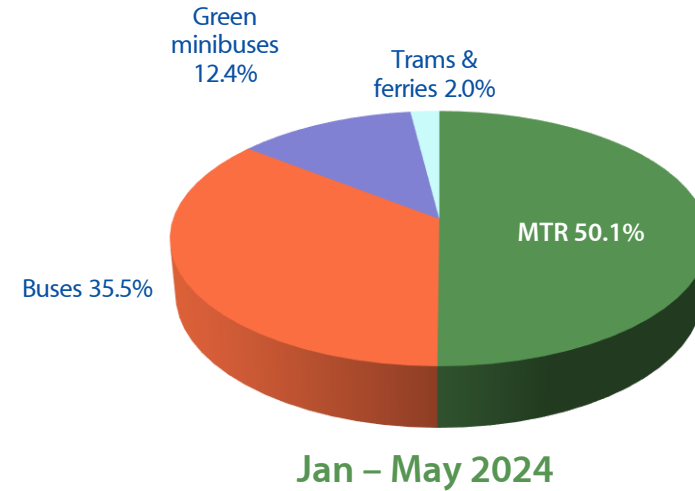
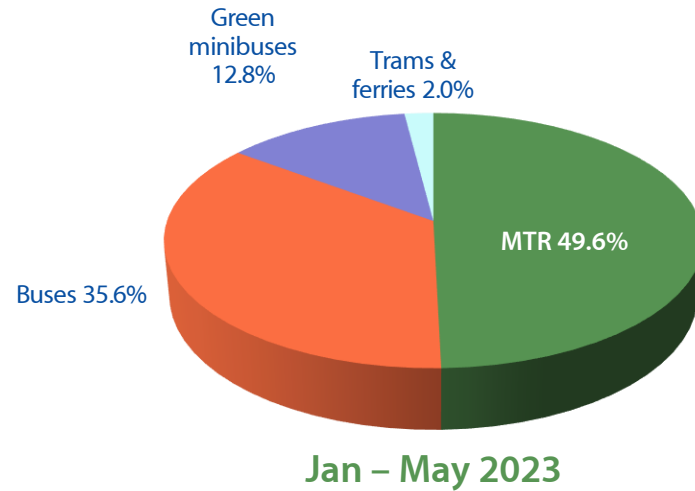






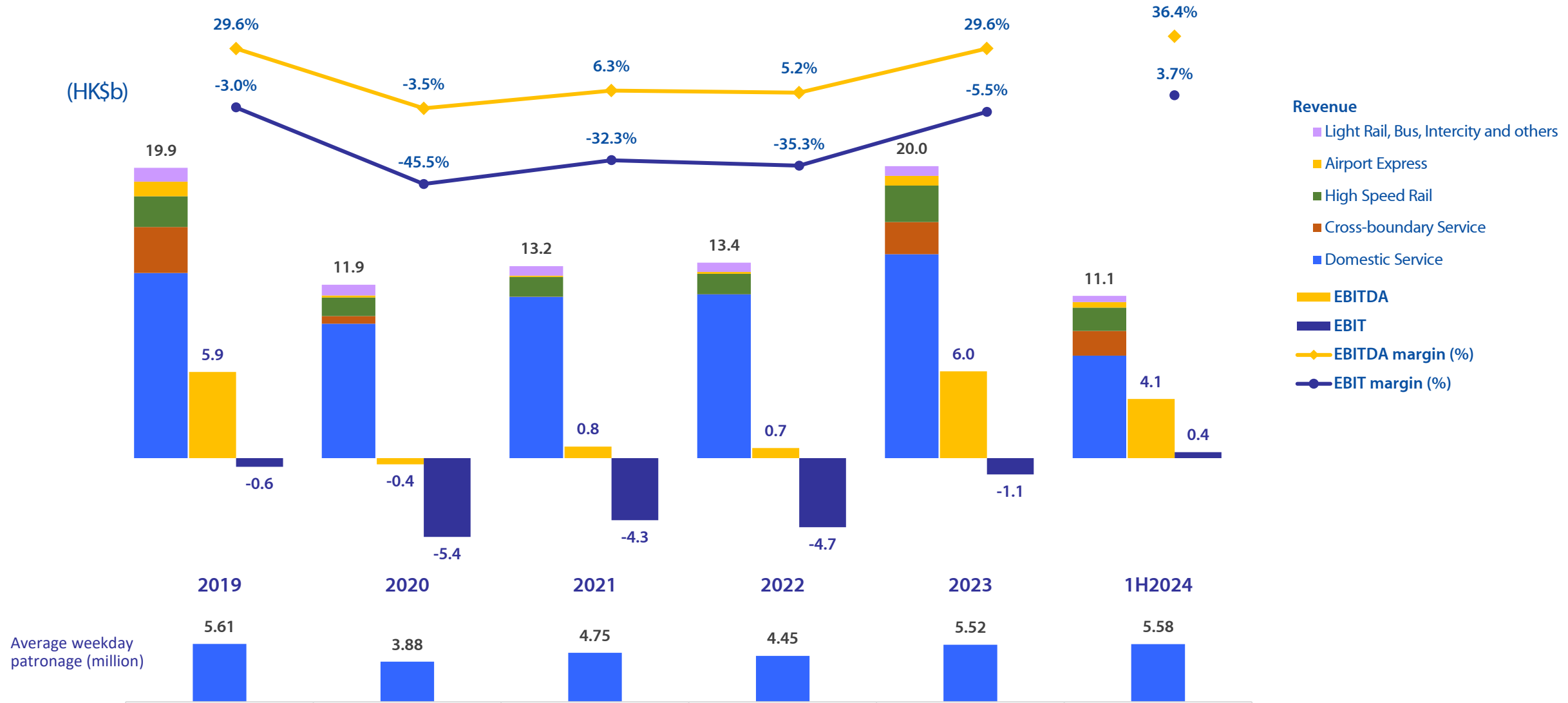
# Hong Kong Transport Operations: Market Share

## Hong Kong Franchised Public Transport



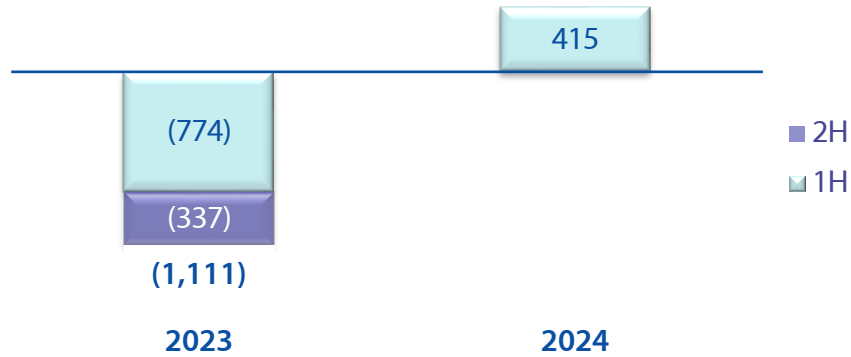
Sources: The Transport Department / Immigration Department / Airport Authority Hong Kong

# Hong Kong Transport Operations

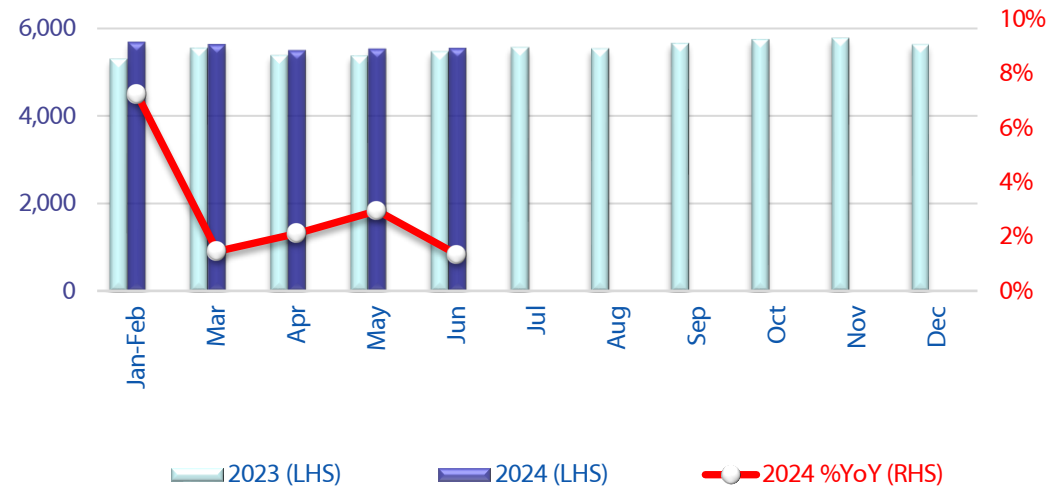


# Hong Kong Transport Operations

EBIT (HK\$m)



Average weekday patronage ('000)

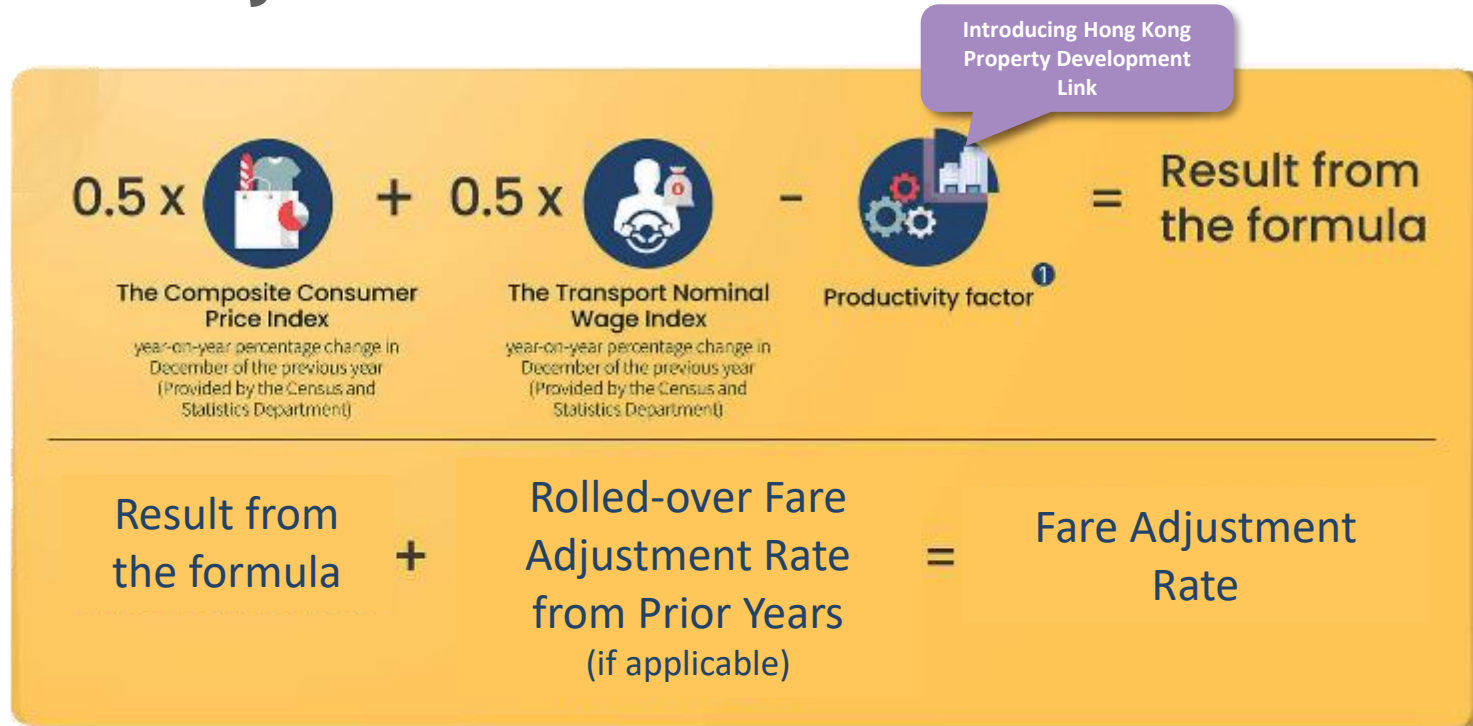



## 1H2024

- 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



# Fare Adjustment Mechanism (FAM)



 **Affordability-linked arrangement**

The increase in the overall fare adjustment rate is capped at the change in Median Monthly Household income (MMHI) for the corresponding year under the “Affordability Cap”.

**Productivity Factor**<sup>1</sup>

The respective value according to the Hong Kong Property Development Profit level in the pre-defined profit tiers below.

| Hong Kong Property Development Annual Profit# (HK\$) | Productivity Factor |
|--|---------------------|
| Below 5 billion                                      | 0.6%                |
| >= 5 billion to <10 billion                          | 0.7%                |
| >= 10 billion  | 0.8%                |

#Hong Kong Property Development Profit represents \*Profit for the year attributable to shareholders of the Company arising from property development in Hong Kong\* in the previous financial year.

**FAM – a direct drive mechanism providing stable sources of recurrent revenue**

# FAM history

| Year | CCPI <sup>1</sup><br>(% YoY) | Transport Nominal Wage<br>Index <sup>1</sup><br>(% YoY) | t-factor<br>(%) | FAM<br>Rate <sup>2</sup><br>(%) | Implemented Fare<br>Adjustment Rate <sup>3</sup><br>(%) |
|------|------------------------------|---|-----------------|---------------------------------|---|
| 2009 | 2.1                          | (0.7)   | -               | 0.70                            | -   |
| 2010 | 1.3                          | 1.4   | -               | 1.35                            | 2.05  |
| 2011 | 2.9                          | 1.5   | -               | 2.20                            | 2.20  |
| 2012 | 5.7                          | 5.1   | -               | 5.40                            | 5.40  |
| 2013 | 3.7                          | 2.9   | (0.6)           | 2.70                            | 2.70  |
| 2014 | 4.3                          | 4.1   | (0.6)           | 3.60                            | 3.60  |
| 2015 | 4.9                          | 4.9   | (0.6)           | 4.30                            | 4.30  |
| 2016 | 2.4                          | 4.1   | (0.6)           | 2.65                            | 2.65  |
| 2017 | 1.2                          | 3.3   | (0.6)           | 1.65                            | -   |
| 2018 | 1.7                          | 2.8   | (0.6)           | 1.65                            | 3.14  |
| 2019 | 2.5                          | 5.9   | (0.6)           | 3.60                            | 3.30  |
| 2020 | 2.9                          | 3.4   | (0.6)           | 2.55                            | -   |
| 2021 | (1.0)                        | (1.5)   | (0.6)           | (1.85)                          | (1.85)  |
| 2022 | 2.4                          | (0.2)   | (0.6)           | 0.50                            | -   |
| 2023 | 2.0                          | 3.6   | (0.8)           | 2.00                            | 2.30  |
| 2024 | 2.4                          | 5.2   | (0.6)           | 3.20                            | 3.09  |

(Note 1) Composite Consumer Price Index (CCPI) and Transport Nominal Wage Index for December from the previous year are used

(Note 2) The FAM formula is used to calculate the overall rate of adjustment (FAM Rate) for MTR fares, with adjustments to be implemented in June each year, if applicable

(Note 3) For 2009, 2017 and 2022, FAM rate was within  $\pm 1.5\%$ , the FAM Rate was carried forward.

For 2019 and 2020, affordability cap was applied, the FAM Rate was partially or fully carried forward.

For 2010, 2018 and 2023, the Implemented Fare Adjustment Rate included the amount carried forward from previous year(s).

For 2017, after a one-off 10% adjustment, the adjustment rate of 1.49% was within  $\pm 1.5\%$ ; and was carried forward; Special applications of  $t = 0.6$  for 2017 to 2022.

For 2023, 2.30% included the 3.35% carried forward from previous years; a one-off adjustment -1.2%; and special deferrals of a total of 1.85%.

For 2024, affordability cap was applied, the remaining adjustment rate of 0.11% will be recouped in 2025/26: 0.06% and 2026/27: 0.05% and 1.85% deferred from 2023/24 will be carried forward to 2025/26 for recoupment.

For more information, please refer to our press releases

# Leveraging **Innovation & Technology** for Efficient Railway Management and Operations



Introducing more **e-payment options**



Adopting **Building Information Modelling (BIM)** in new railway projects construction



Providing **Smart Services** in MTR Malls to enhance shopping experience



Harnessing **Innovation & Technology** for efficient maintenance and train management



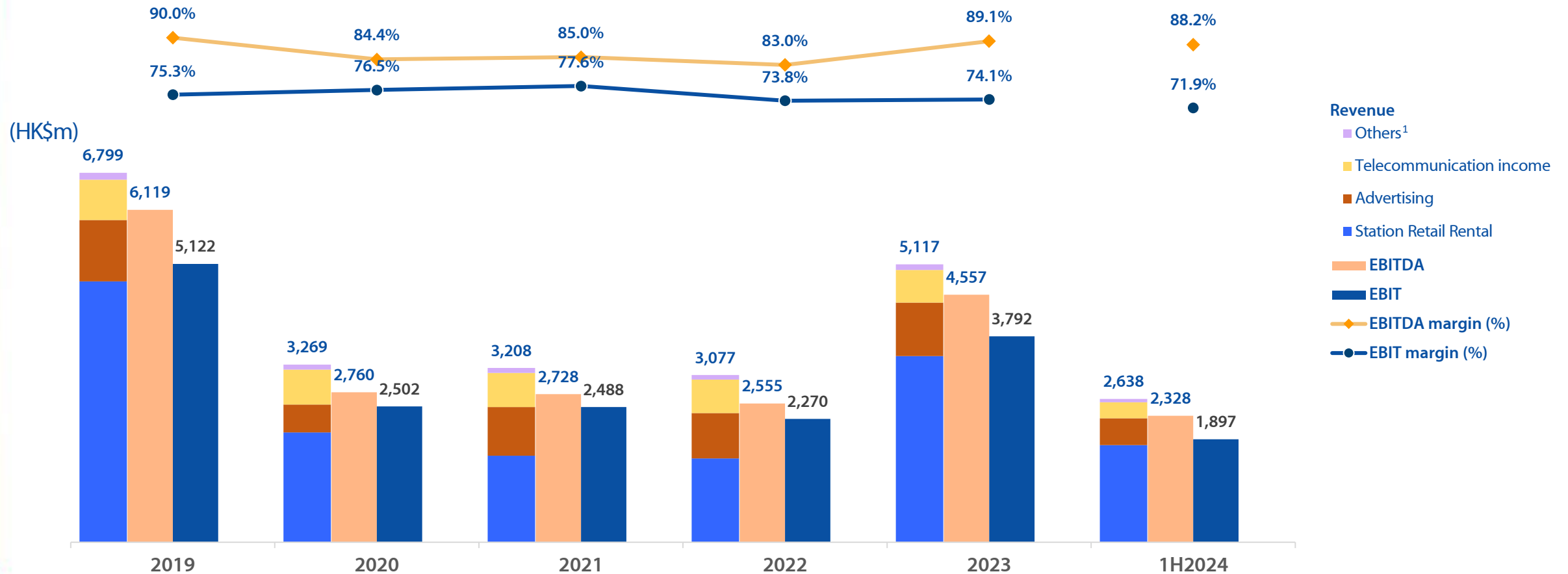


HONG KONG TRANSPORT SERVICES  
STATION COMMERCIAL BUSINESSES

## AIM

MTR strives to provide high-quality retail, advertising and telecommunications services throughout its network, bringing value to customers, business partners and shareholders.

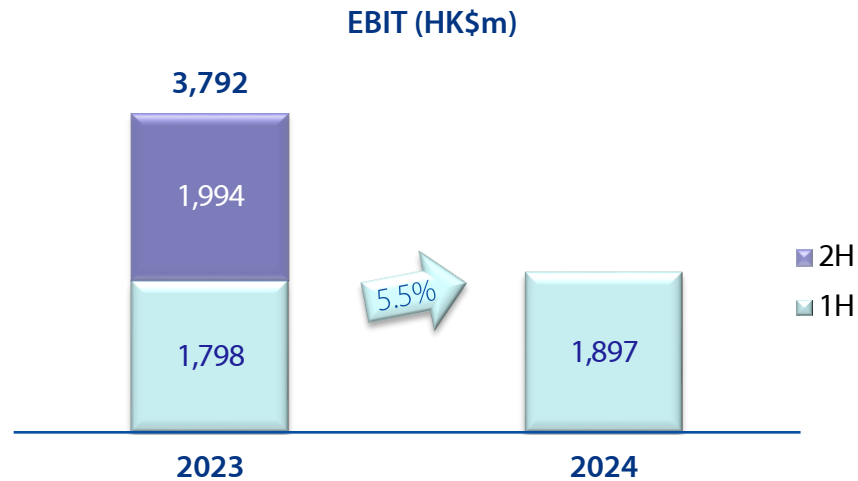
# Station Commercial Businesses



1. Include revenues from other station commercial business such as station car park and publications



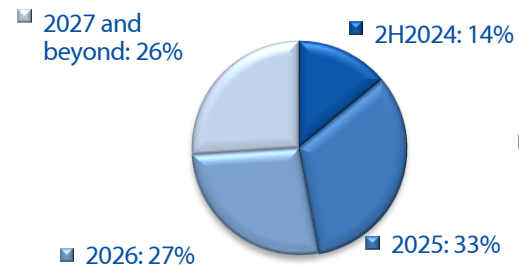
# Hong Kong Station Commercial Businesses



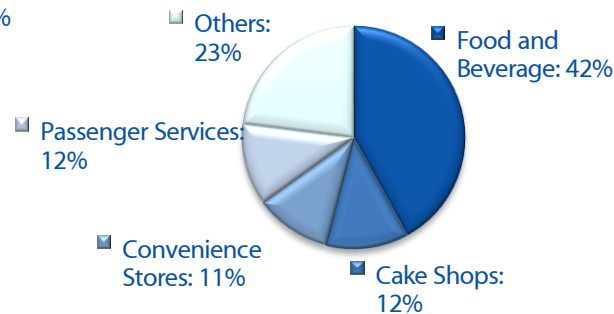
## 1H2024

- 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\*

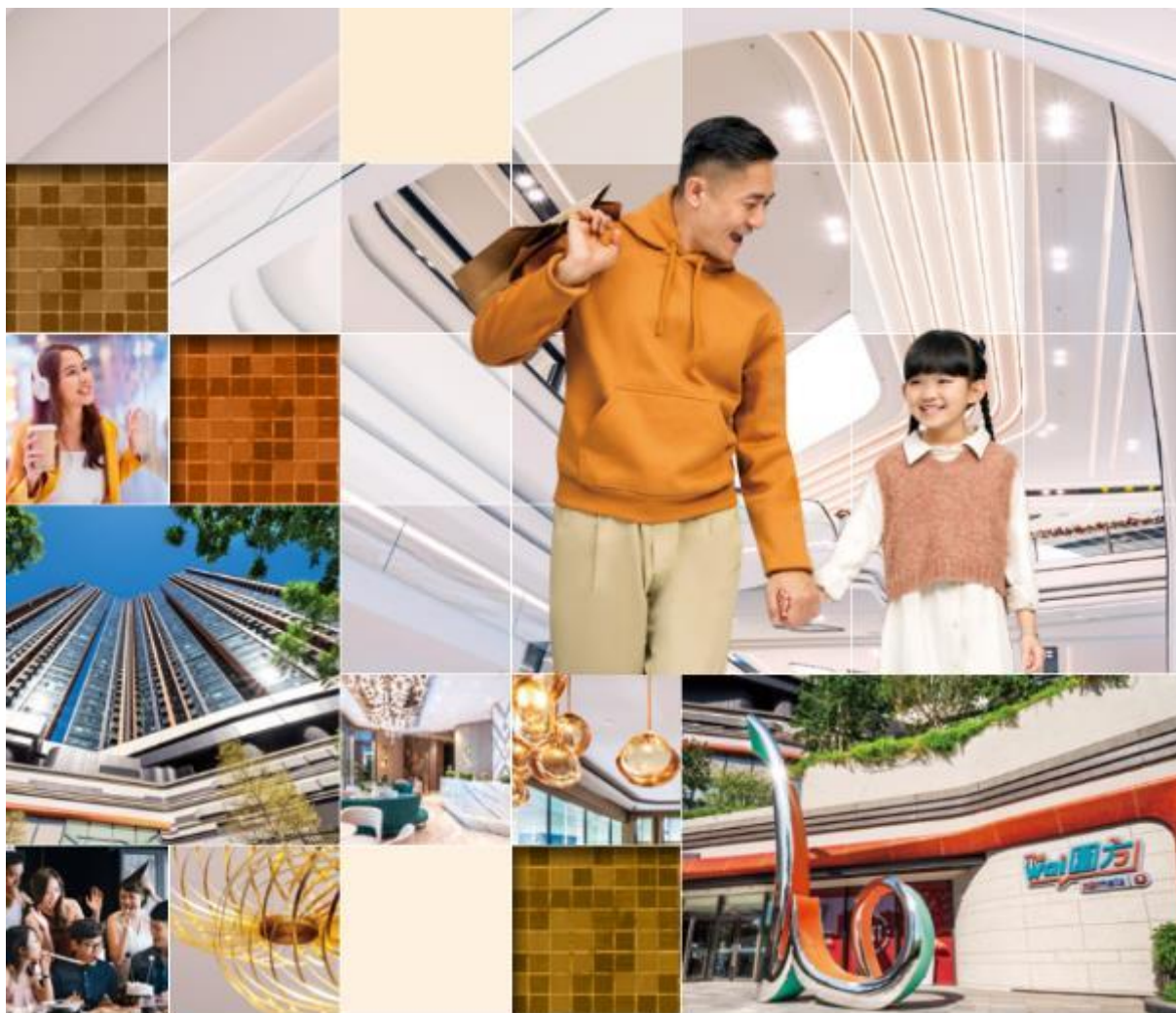


Trade mix by leased area\*\*



\* Station kiosks and Duty Free Shops

\*\* Station kiosks, excluding Duty Free Shops

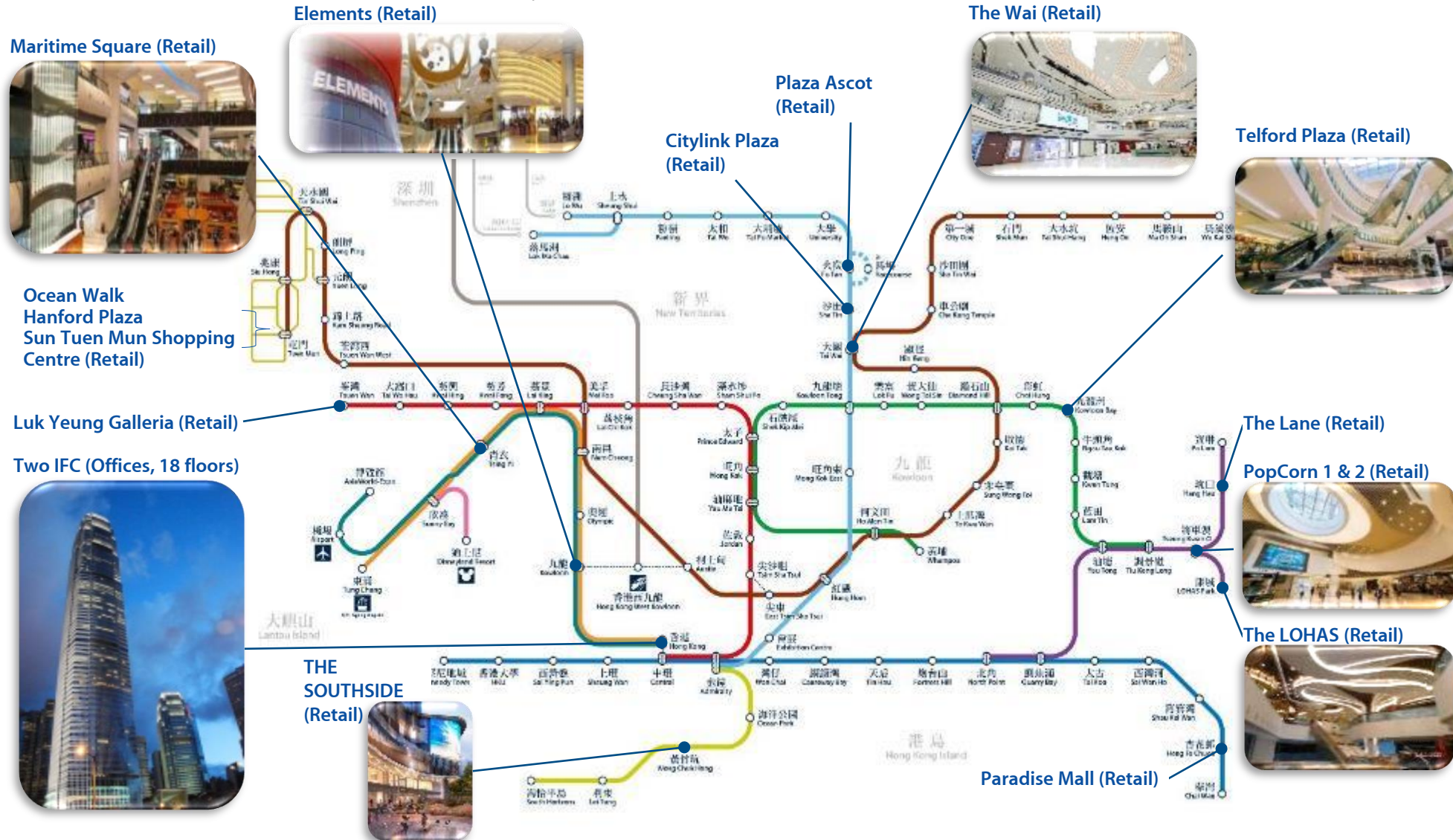


## HONG KONG PROPERTY BUSINESSES

### AIM

Through its property business, MTR seeks to develop, manage and rent quality residential and commercial projects along its railway network, creating thriving, integrated communities while generating revenue and shareholder value.

# MTR Investment Property Portfolio



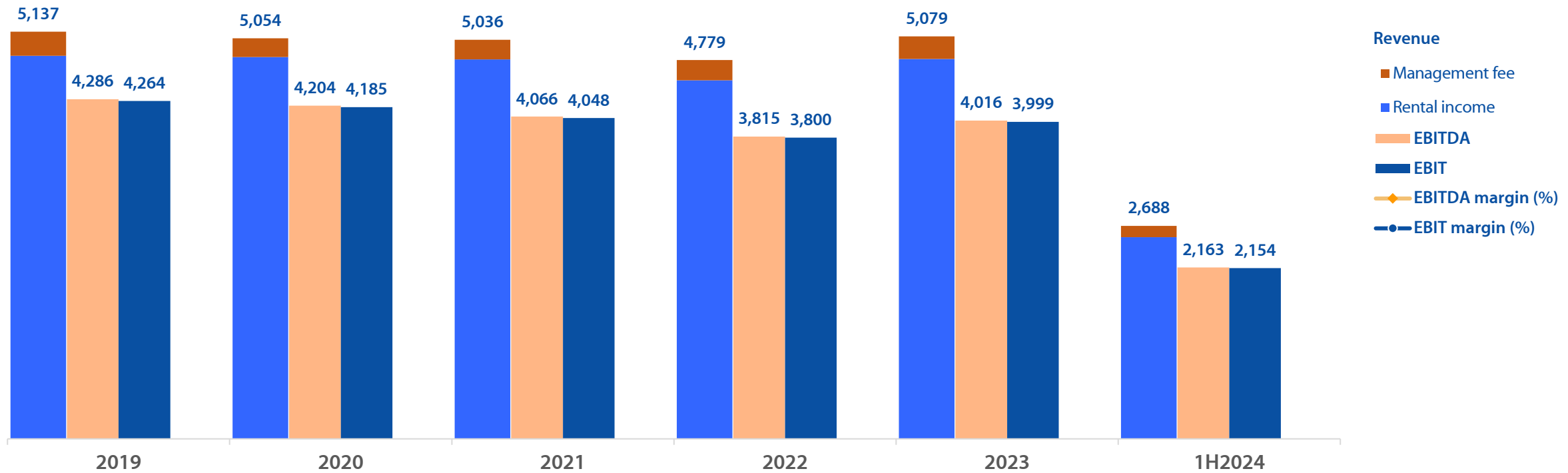
- 16 malls – 315,870 sqm, Office – 39,451 sqm, Others – 19,206 sqm (Lettable floor area attributable to MTR, as at 30 Jun 2024)
- THE SOUTHSIDE at Wong Chuk Hang Station launched a full-scale soft opening in Jun 2024



# Property Rental and Management Businesses

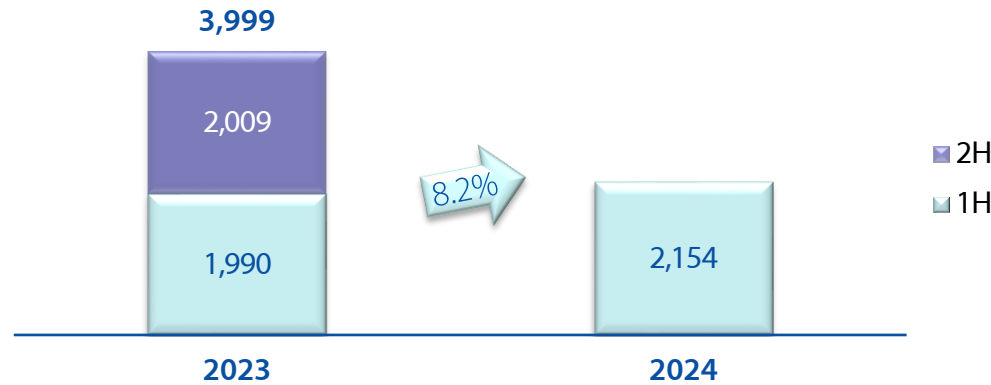


(HK\$m)



# Hong Kong Property Rental and Management Businesses

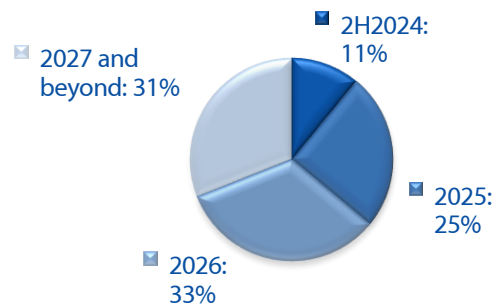
EBIT (HK\$m)



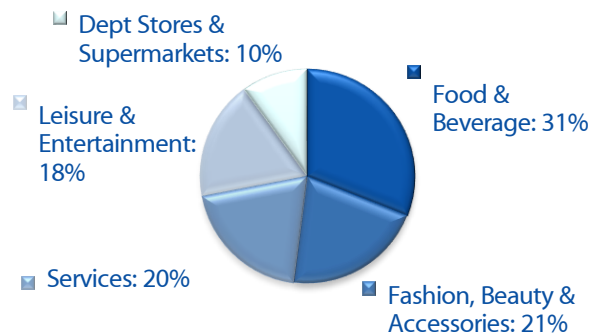
## 1H2024

- 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

# Steady Progress in Property Businesses

**The Wai** at Tai Wai Station opened in July 2023

**THE SOUTHSIDE** at Wong Chuk Hang Station launched a full-scale soft opening in Jun 2024

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



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

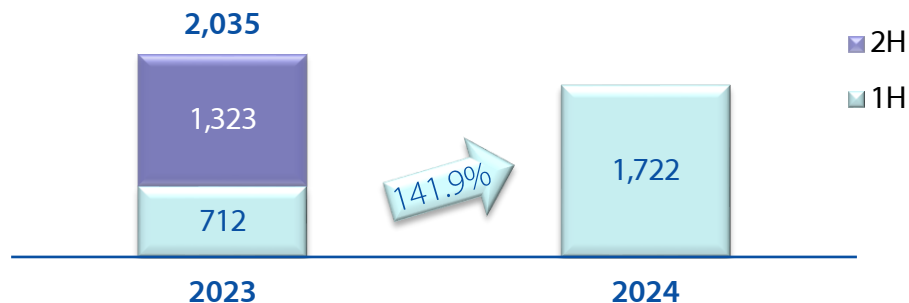


Expanded our retail portfolio by approx. **30%** in attributable GFA



# 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          |

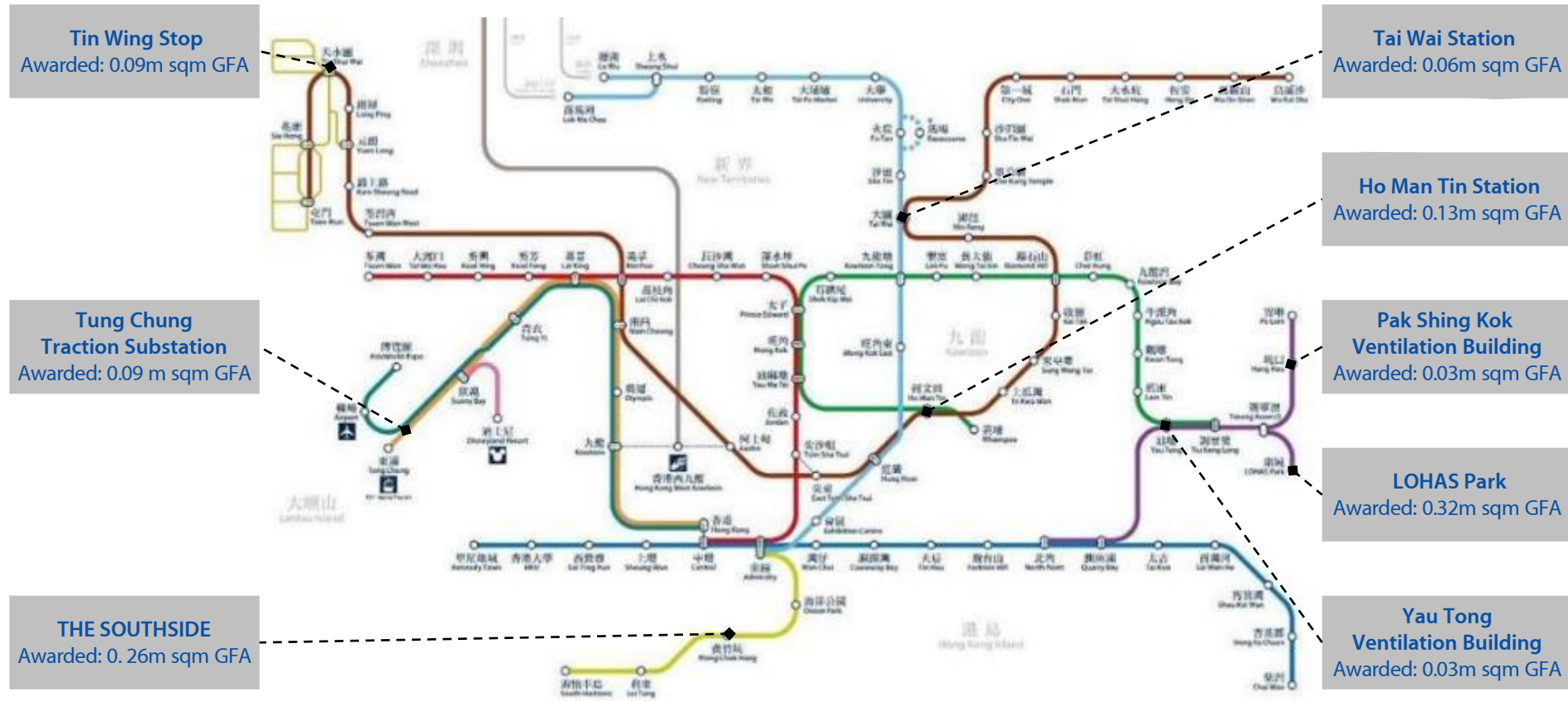
\* Still under construction as of Jun 2024  
n/m: not meaningful

## 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

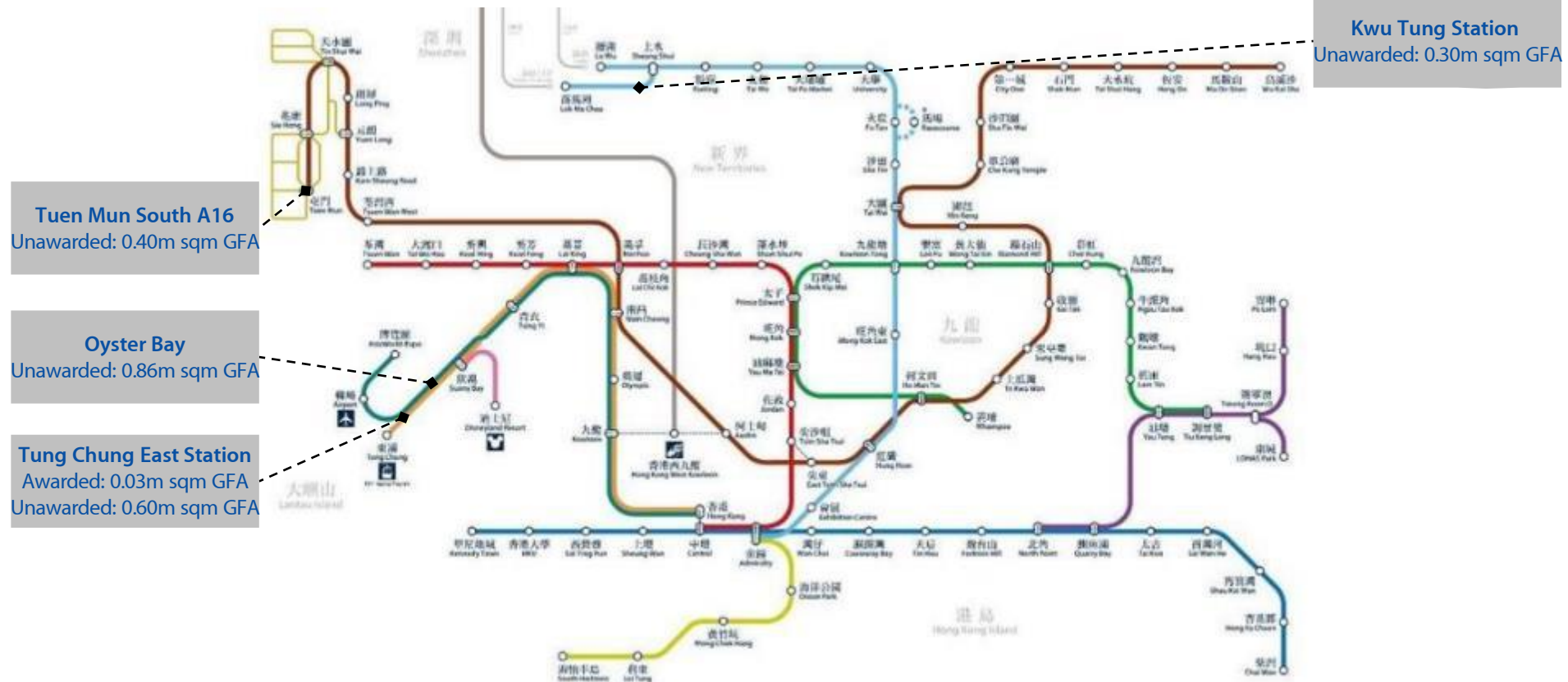
| Property Projects Launched                     | Launch Date | Units Sold (end Jun 2024) |
|--|-------------|---------------------------|
| SOUTHLAND (THE SOUTHSIDE Package 1)            | May 2021    | 90% of 800 units sold     |
| La Marina (THE SOUTHSIDE Package 2)            | Sep 2021    | 96% 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     |

# Landbank (awarded)



Note: Residential GFA: 1.01m sqm (awarded)

# Landbank (new railway projects)\*



\* As of 30 June 2024, i.e. not including development rights relating to Hung Shui Kiu Station  
 Note: Tung Chung East Station Package 1 Property Development tender was awarded in December 2024



# 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<br>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                           |
| 15 | Tung Chung East Station Package 1  | Dec 2024             | Nan Fung  | 30,000                              | 600   | ✓                               | ✓                         |                 | TBC                            |

Note: Not including unawarded Property Development projects



## AIM

MTR's Mainland China and international businesses enable the Company to bring its expertise in safe, reliable, low-carbon rail transit to major markets outside Hong Kong – thus providing diversified revenue streams, supporting a key growth pillar and promoting the MTR brand internationally.

MAINLAND CHINA AND  
INTERNATIONAL BUSINESSES

# Mainland of China and Overseas Strategies



## Asset Light

- Focus on “asset light” operating rail concessions
- Franchise operations in UK, Stockholm and Melbourne

## Asset Heavy

- Invest in urban rail networks
- Focus on development of rail networks within cities
- Operating rail businesses in Mainland of China (Beijing, Shenzhen and Hangzhou) and Australia (North West Rail Link)

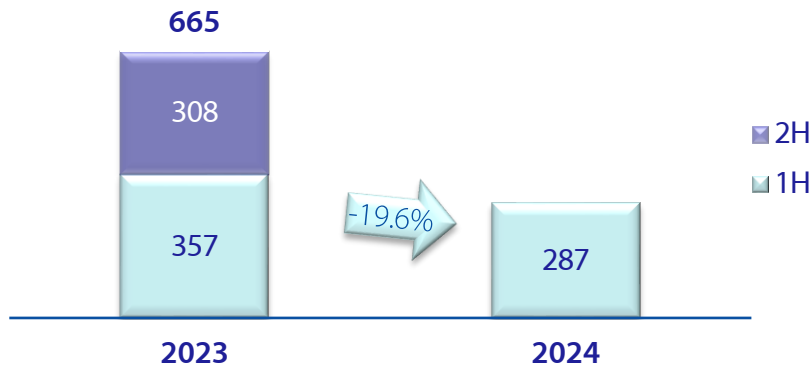
Note (1) The service contract of Stockholm Metro will end in 2025.

Entered into supplementary agreements to early terminate our concessions for both Stockholms pendeltåg and Mälartåg effective 2 March 2024 and 16 June 2024 respectively. On 8 February 2024, we entered into an agreement to divest of MTRX.

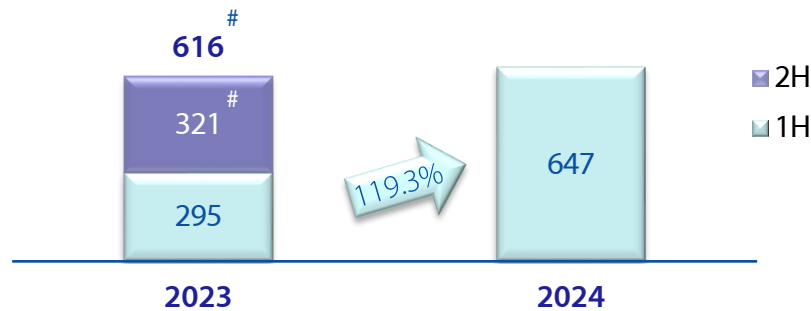


# Mainland China and International Businesses

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

# 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



## HONG KONG NETWORK EXPANSION

### AIM

We strive to design and construct new railway projects that provide safe, reliable, affordable, accessible and low-carbon mass transit services for passengers, support the economic development of local communities, and ensure the future success of our “Hong Kong Core” strategic growth pillar.

# New Railway Projects

**Kwu Tung Station**  
 Est. cost: \$10.8B\*\*\*  
 Construction start: 2023  
 Est. completion: 2027  
 Status: Commenced construction

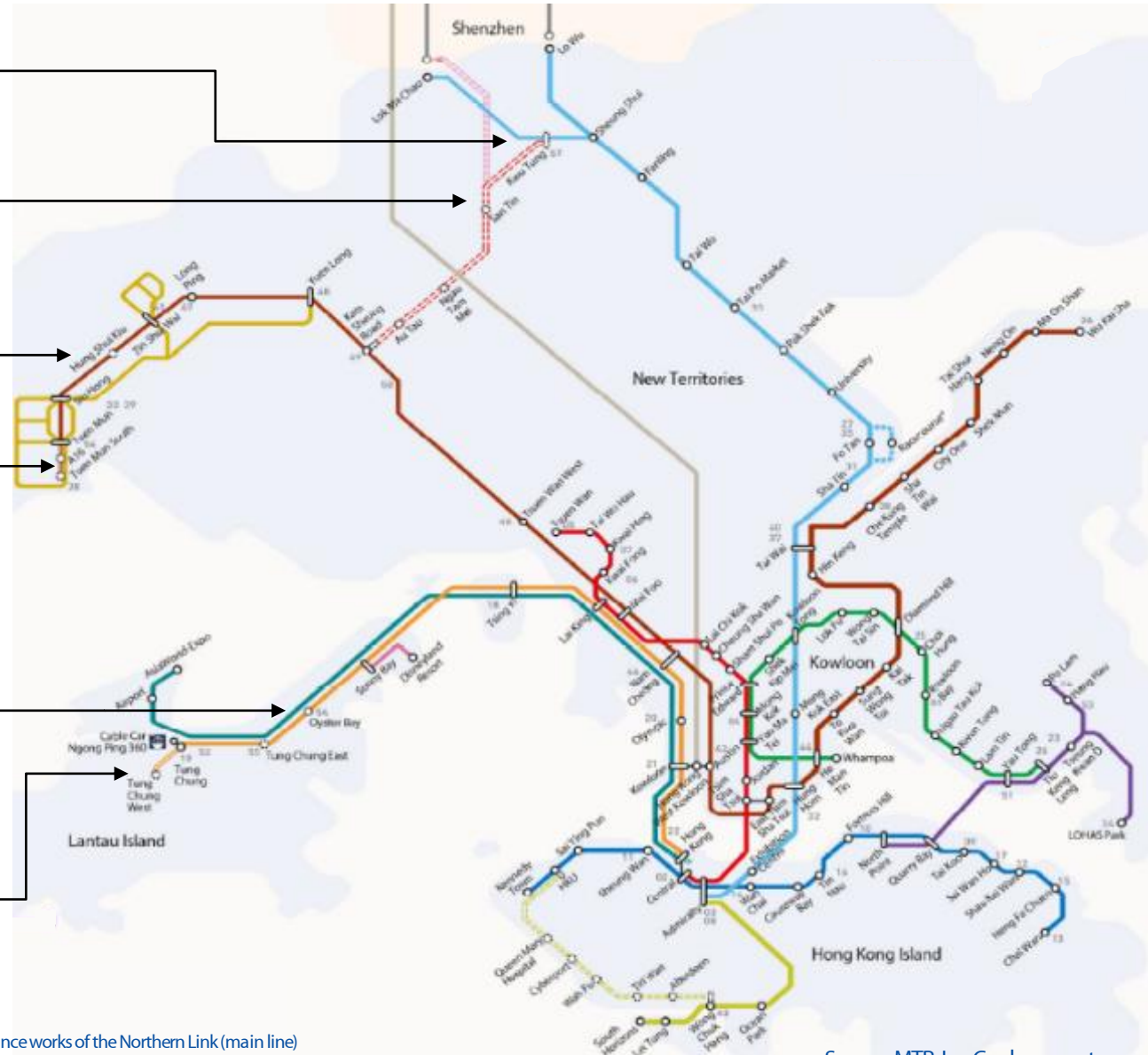
**Northern Link**  
 Route length: 10.7 km  
 Est. cost: \$58.5B\*  
 Est. start: 2025  
 Est. completion: 2034  
 Status: Gazetted

**Hung Shui Kiu Station**  
 Est. cost: \$7B\*\*  
 Est. start: December 2024  
 Est. completion: December 2030  
 Status: Project Agreement signed

**Tuen Mun South Extension**  
 Route length: 2.4 km  
 Est. cost: \$18.2B  
 Construction start: 2023  
 Est. completion: 2030  
 Status: Commenced construction

**Oyster Bay Station**  
 Est. cost: \$6.7B\*\*\*  
 Construction start: 2023  
 Est. completion: 2030  
 Status: Commenced construction

**Tung Chung Line Extension**  
 Route length: 2.5 km#  
 Est. cost: \$24.2B  
 Construction start: 2023  
 Est. completion: 2029  
 Status: Commenced construction



Source: MTR, LegCo documents

## Challenges

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

\* Estimated cost in December 2015 prices

\*\* Estimated cost in 2024 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



# Tuen Mun South Extension and Kwu Tung Station



Illustration of Kwu Tung Station

## Tuen Mun South Extension (TME):

|                             |                                       |
|-----------------------------|---------------------------------------|
| <b>New stations:</b>        | A16 Station<br>Tuen Mun South Station |
| <b>Route length:</b>        | 2.4km                                 |
| <b>Expected completion:</b> | Dec 2030                              |
| <b>Estimated cost:</b>      | HK\$18.2 billion*                     |

## Kwu Tung Station (KTU):

|                             |                    |
|-----------------------------|--------------------|
| <b>New station:</b>         | Kwu Tung Station   |
| <b>Expected completion:</b> | Dec 2027           |
| <b>Estimated cost:</b>      | HK\$10.8 billion** |

- Entered into the project agreement for the Tuen Mun South Extension (TME) and Kwu Tung Station (KTU) with the Government on 5 September 2023
- The projects will be developed under the rail-plus-property model. The site areas of the proposed development sites for TME and KTU are 6.11 hectares and 4.74 hectares, respectively
- Land premium shall be assessed at the full market value of the site, taking into account the presence of the railway, less the Reduction Amount\*\*\*



Tuen Mun South Extension

Detailed announcement: [https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e\\_Inside\\_Information\\_Announcement\\_2023-09-05.pdf](https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e_Inside_Information_Announcement_2023-09-05.pdf)

\* Including (1) TME Cost; and (2) RRIW Cost

\*\* Including (1) KTU Cost and (2) Design Cost of NOL Main Line and NOL Advance Cost

\*\*\* Reduction Amounts for TME and KTU are HK\$24,201 million and HK\$ 15,160 million, respectively

# Hung Shui Kiu Station



Illustration of Hung Shui Kiu Station on the Tuen Ma Line

- Entered into the project agreement for Hung Shui Kiu Station (HSK) project with the Government on 19 September 2024
- HSK project will be funded by financial contributions from the “Rail plus Property” development model. The HSK Proposed Development Sites are approx. 8.2 hectares
- Land premium payable will be assessed taking full account of the presence of the railway less the Reduction Amount\*\*

Detailed announcement: [https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e\\_Inside\\_Information\\_Announcement\\_2024-09-19.pdf](https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e_Inside_Information_Announcement_2024-09-19.pdf)

\* HSK cost is estimated to be around HK\$7 billion (2024 price)

\*\* Total fixed amount of HK\$9.85 billion, which is divided into specific tranches, for each portion of each of the HSK Proposed Development Sites

MTR Corporation

**Hung Shui Kiu Station (HSK):**

**New station:** Hung Shui Kiu Station

**Expected completion:** Dec 2030

**Estimated HSK cost:** around HK\$7 billion\*



Photomontage of the exterior of Hung Shui Kiu Station on the Tuen Ma Line



# Oyster Bay Property Development



Oyster Bay: artist's impression

**Total GFA for private development: 860,500 sqm**

- Residential: 826,000 sqm (~10,720 units);
- Commercial: 34,500 sqm

**Expected completion date: 2030 – 2042**

**Expected cost (Oyster Bay Station): HK\$6,366 million**

- Completed the land exchange documents for the Siu Ho Wan Depot and paid land premium in 2022
- The Development will incorporate ESG concepts, integrating a variety of natural elements, low carbon measures and eco-friendly features
- Construction of Oyster Bay Station commenced in 2023 and is expected to complete in 2030



Detailed announcement: [https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e\\_OYB\\_Inside\\_Information\\_Announcement.pdf](https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e_OYB_Inside_Information_Announcement.pdf)



# Tung Chung Line Extension



Tung Chung East Station

- Entered into the project agreement for the Tung Chung Line Extension with the Government on 28 February 2023
- The project will be developed under the rail-plus-property model, with a total GFA of about 0.63m sqm (residential: about 0.46m sqm; retail about 0.06m sqm; office: about 0.11m sqm)
- Land premium shall be assessed at the full market value of the site, taking into account the presence of the railway, less the Reduction Amount\*\*

|                             |  |
|-----------------------------|--|
| <b>New stations:</b>        | Tung Chung East Station<br>Tung Chung West Station |
| <b>Route length:</b>        | 2.5km*   |
| <b>Expected completion:</b> | Dec 2029   |
| <b>Estimated cost:</b>      | HK\$24.2 billion                                   |



Tung Chung West Station

Detailed announcement: [https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e2023\\_02\\_28\\_TUE\\_Inside\\_Information\\_Announcement.pdf](https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e2023_02_28_TUE_Inside_Information_Announcement.pdf)

Note: Airport Railway Extended Overrun Tunnel 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

\*\* Reduction Amount: a total fixed amount of HK\$18,364.50 million



# 5. Financial Review



FINANCIAL REVIEW



# 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/<br>(Unfavourable) change<br>(%) |              |
|---|--------------|--------------|---|--------------|
| <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

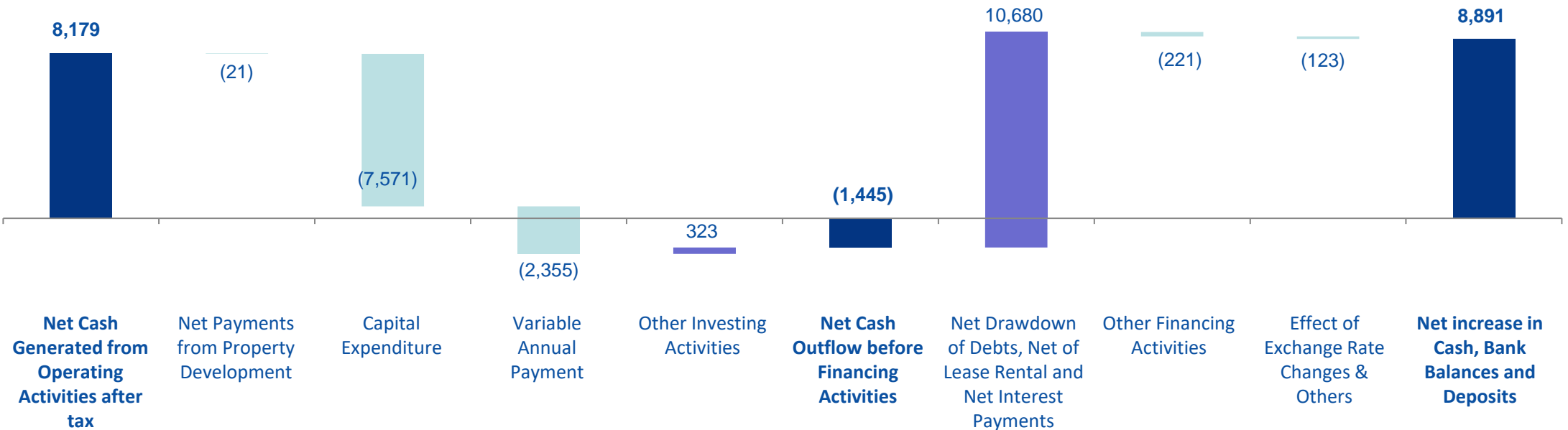
# Consolidated Statement of Financial Position

| <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> |

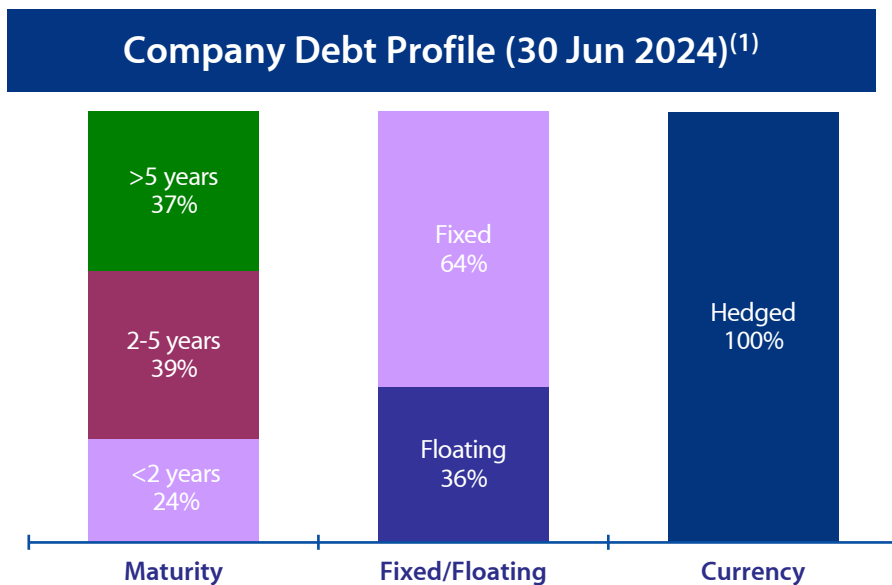


# Consolidated Cash Flows for the six months ended 30 Jun 2024

(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+<br>( S&P / Moody's / R&I ) |                    |

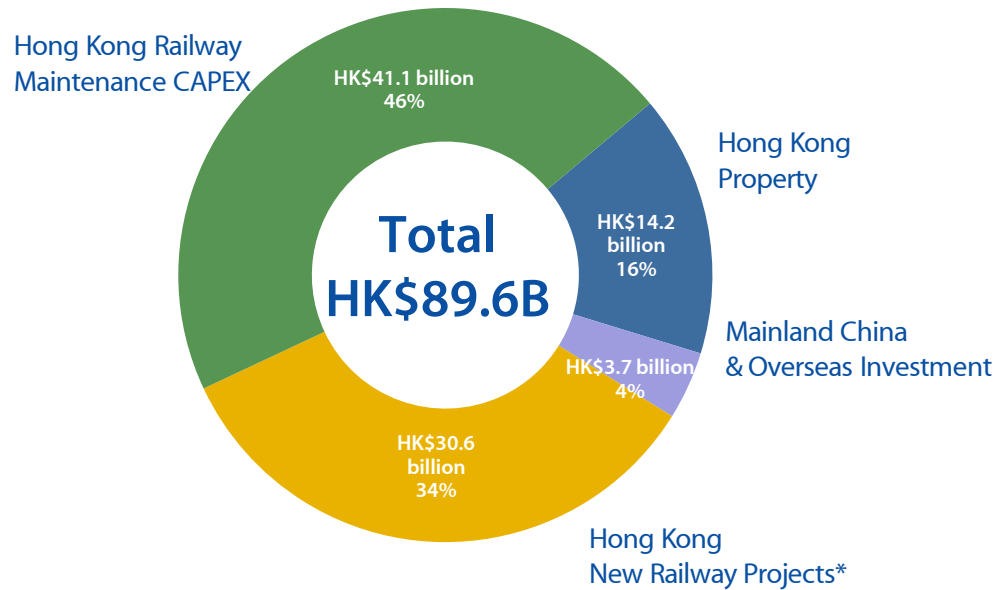
Note:

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



# Segment profit

(HK\$b)



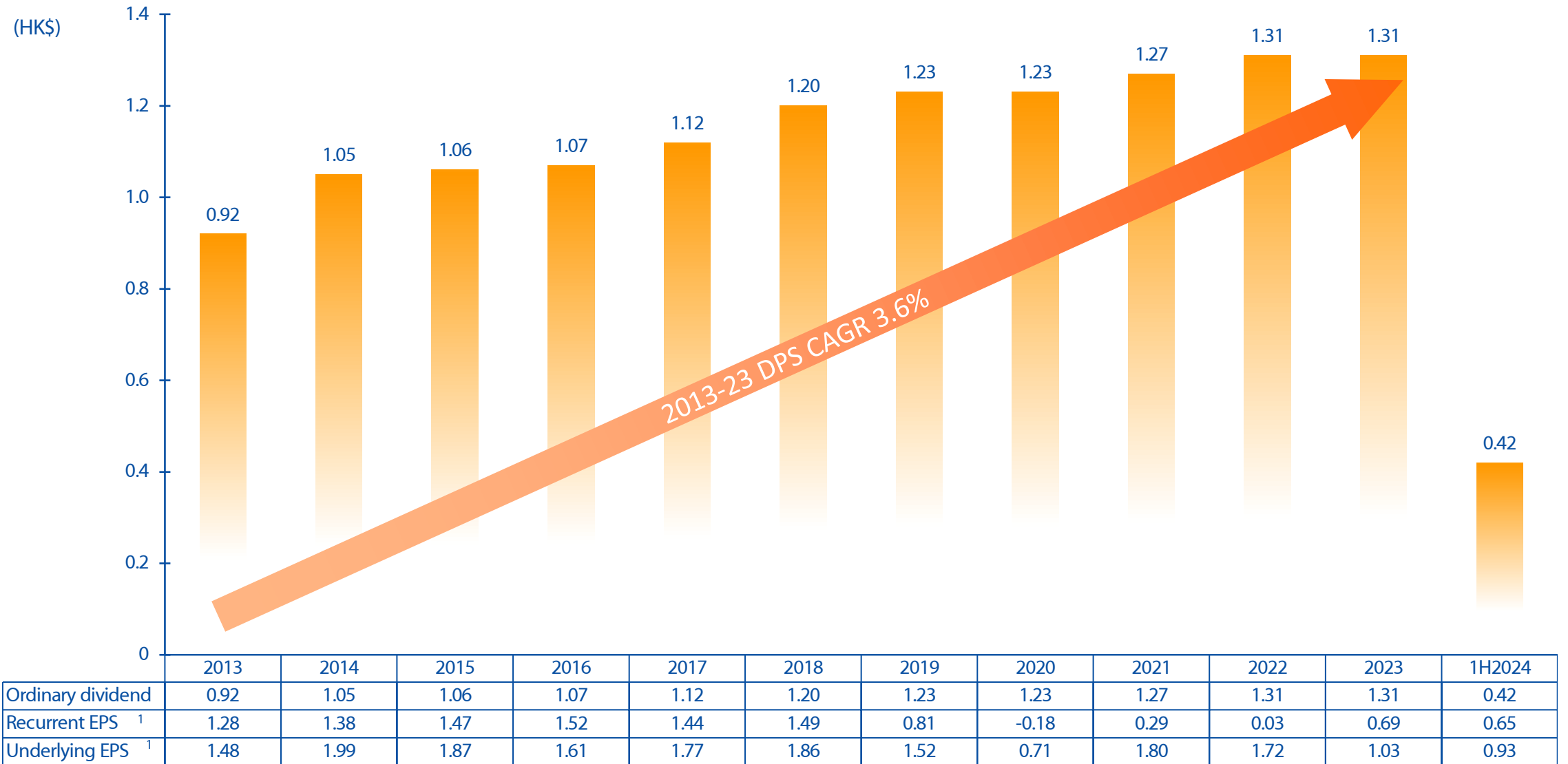
\* 2019 figures were affected by the provision in respect of SCL (HK\$2b), SWR (HK\$0.4b) and POE (HK\$2.3b)

\*\* 2020 figures were affected by COVID-19 and the provision in respect of SCL (HK\$1.4b)

\*\*\* 2021 & 2022 figures were affected by COVID-19

\*\*\*\* 2023 special loss provisions comprise provisions for onerous contracts for Stockholm pendeltåg and Mälartåg regional traffic totalling HK\$1.0b

# Progressive Ordinary Dividend Policy



1. For 2019, figures were affected by the provision in respect of SCL (HK\$2b), SWR (HK\$0.4b) and POE (HK\$2.3b). For 2020, figures were affected by COVID-19 and the provision in respect of SCL (HK\$1.4b). For 2021, figures were affected by COVID-19. For 2023, special loss provisions comprise provisions for onerous contracts for Stockholm pendeltåg and Mälartåg regional traffic totalling HK\$1.0b

## 4. Environmental, Social & Governance





# ESG Strategy - Fostering Social Inclusion (Objective 1)



Environmental and Social Objective 1  
**SOCIAL INCLUSION**



## Universal Basic Mobility

### Short- and Mid-term KPIs:

- ◆ Enhancements of **MTR · Care app** – roll out In-station Navigation function for the whole heavy rail network for visually impaired, call-for-assistance service for hearing impaired, and automatic ramp booking service for physically impaired by 2025
- ◆ Launch / expansion of **1-2 caring initiatives** in 2024
- ◆ **No less than 1 million average daily passenger trips** will benefit from **fare concessions** in 2024
- ◆ Completion of a **Safety Culture Survey** for Hong Kong-based MTR employees with **action plan** addressing relevant insights issued within 2024

### Long-term KPI:

- ◆ **100% of our new stations** will be **accessible** (including barrier free entrances, wide gates, accessible toilet and baby care room)

# Ongoing fare concessions to different passenger sectors of the community, including Children, Students, Elderly and Persons with Disabilities. (Based on 2020 figure)



## Diversity & Inclusion

### Short- and Mid-term KPIs:

- ◆ **At least 25%** of our Board of Directors will be **women** by 2025
- ◆ **DEI training** will be provided to **managers and supervisors** involved in the traineeship programme for Persons with Disabilities ("PWD") or ethnically diverse in 2024
- ◆ **150 DEI training events** for staff will be held in 2024
- ◆ **10 secondary schools with diverse student bodies** will be reached out for career sharing/ job shadowing in 2024
- ◆ **10%** of our **interns** will be **PwD** or **ethnically diverse** in 2024
- ◆ **Workplace inclusiveness** will be **enhanced** in 2024 through:
  - Reviewing recruitment requirement
  - Enhancing accessible facilities in office buildings
  - Communicating results of DEI survey with stakeholders and prioritising 3 areas for follow up actions



## Equal Opportunities

### Short- and Mid-term KPIs:

- ◆ **HK\$100 million** will be spent on direct local **community investment and donations** from 2022 to 2025
- ◆ **200,000 people** will **benefit** from our community programmes and volunteering projects from 2022 to 2025

# ESG Strategy – Advancement & Opportunities (Objective 2)



## Environmental and Social Objective 2 ADVANCEMENT & OPPORTUNITIES



### Employees

#### Short- and Mid-term KPIs:

- ◆ At least **5 learning days** will be provided to employee on average every year
- ◆ **200+ employment and pre-employment opportunities** will be provided for young talents in 2024
- ◆ At least **10 wellness related activities/events** will be organised for employees in 2024
- ◆ **Over 75%** of our **managed residential properties** will sign the **Heart Caring Charter** and organise **wellness activities** to promote healthy lifestyles for employees by 2024



### Business Partners

#### Short- and Mid-term KPIs:

- ◆ **HK\$250 million** will be spent on **green procurement** in 2025; rising to **HK\$350 million** in 2030
- ◆ **30+ suppliers** to attend **training** on calculation of carbon emissions
- ◆ **15+ supplier review audits** will be conducted in 2024
- ◆ **15+ supplier review meetings** will cover ESG in 2024
- ◆ Conduct a **preliminary survey** about **carbon emissions** from our major suppliers by 2024



### Future Skills & Innovation

#### Short- and Mid-term KPIs:

- ◆ **50,000+ people** will benefit from our **future skills and innovation programmes** (including those by MTR Academy) from 2022 to 2025
- ◆ **HK\$300 million+** will be **invested in startups** from 2022 to 2025

# ESG Strategy – Greenhouse Gas Emissions Reduction (Objective 3)



Environmental and Social Objective 3

## GREENHOUSE GAS EMISSIONS REDUCTION



### Carbon Emissions

#### Short- and Mid-term KPIs:

- ◆ **200+** additional **EV charging stations** will be installed across office buildings, malls and station carparks by 2025
- ◆ At least **30 e-buses** will be introduced by 2026
- ◆ **100%** of executive private vehicles will be replaced by **EV** or be cancelled by 2027
- ◆ **50,000+** **people** will participate in our **low-carbon initiatives** in 2024
- ◆ **Over 70%** of our **managed residential properties** will collaborate with other partners to **promote green lifestyles** to our residents in 2024

#### Long-term KPI:

- ◆ Strive to achieve **carbon neutrality** by **2050**



### Clean Energy & Energy Efficiency

#### Short- and Mid-term KPIs:

- ◆ **20% chiller energy saving** expected after completing Batch 2 chiller replacement project in our **stations** by 2026
- ◆ Around **20% chiller energy saving** expected after completing chiller replacement programme in **Headquarters** in 2024 as compared with 2019
- ◆ Over **70%** of our **managed residential properties** will conduct **energy audit** for the common areas and develop **energy saving plan** by 2025
- ◆ **100% existing shopping malls** (with full operation in 2022) will complete **energy audit** for the common areas and develop **energy saving plan** by 2025
- ◆ Conduct a programme in **4 MTR shopping malls** to engage and assist **tenants** in identifying **energy saving measures** by 2025
- ◆ **3 additional solar PV systems** will be installed in depots and stations in 2024
- ◆ Conduct a **trial project** on **Hydrogen Fuelled Light Rail Vehicle** in 2024



### Waste Management

#### Short- and Mid-term KPIs:

- ◆ **Over 50%** of **residential estates** will participate in the **Mulching Pilot Scheme** organised by Y-Park to uplift the use of wood chips in sites' landscaped areas by 2024
- ◆ **8 additional water dispensers** will be installed across **stations** in 2023-24



### Green and Low-carbon Designs

#### Short- and Mid-term KPIs:

- ◆ **1,400+** more **bike parking spaces** will be provided around stations and properties managed by MTR by 2025
- ◆ **5% water** will be **saved** in 2025 with 2018 level as baseline for our **shopping malls**
- ◆ Review and update contract specification to promote the use of **low-carbon concrete** in new railway projects by 2024

#### Long-term KPI:

- ◆ **100%** future **new stations & new residential development projects** will aim to attain **BEAM Plus Gold** or above certification



# MTR's Science-based GHG Emissions Reduction Targets

- Targets in line with a 'well-below 2°C trajectory' and approved by the Science Based Targets initiative
- With 2019 as the base year, GHG emissions to be reduced, by 2030, by:
  - ❖ 46.2% per passenger kilometre for rail transport
  - ❖ 58.6% per square metre of floor area for investment properties
- Pledged to reduce absolute indirect GHG emission by 13.5%
- Continue to improve energy efficiency, increase the generation of renewable energy, and incorporate green features and energy efficiency measures in the planning, design, construction and operation of our railway network and properties
- Strive to achieve Carbon Neutrality by 2050



# Sustainable Finance Portfolio (As of 31 Dec 2023)

| #   | Name of Project                                      | Classification                | Total Project Amount       | Cost Incurred up to Dec 2023 | Amount Financed by Sustainable Finance Proceeds |
|---|--|-------------------------------|----------------------------|------------------------------|---|
| <b>Train Lines and Infrastructure</b>     |  |                               |                            |                              |   |
| A   | Kwun Tong Line Extension                             | Low Carbon Transportation     | HK\$ 6,900 million         | HK\$ 6,581 million           | HK\$ 5,425 million                              |
| B   | South Island Line (East)                             | Low Carbon Transportation     | HK\$ 17,200 million        | HK\$ 17,073 million          | HK\$ 14,044 million                             |
| C   | Replacement of 1 <sup>st</sup> Generation M-Trains   | Low Carbon Transportation     | HK\$ 7,100 million         | HK\$ 2,092 million           | HK\$ 1,448million                               |
| D   | Replacement of Rail Power Line                       | Low Carbon Transportation     | HK\$ 4,900 million         | HK\$ 792 million             | HK\$ 200 million                                |
| E   | Battery Locomotives Acquisition                      | Low Carbon Transportation     | HK\$ 265 million           | HK\$ 63 million              | HK\$ 63 million                                 |
| M   | Replacement of Light Rail Vehicles                   | Low Carbon Transportation     | HK\$ 989 million           | HK\$ 989 million             | HK\$ 989 million                                |
| <b>Energy Efficiency Improvement</b>      |  |                               |                            |                              |   |
| F   | Replacement of Chillers at Stations/Depot Facilities | Energy Efficiency             | HK\$ 1,100 million         | HK\$ 1,039 million           | HK\$ 1,039 million                              |
| G   | Trackside Energy Storage (pilot)                     | Energy Efficiency             | HK\$ 21 million            | HK\$ 21 million              | HK\$ 21 million                                 |
| H   | Smart Intelligent Power Module (R-IPM)               | Energy Efficiency             | HK\$ 98 million            | HK\$ 90 million              | HK\$ 90 million                                 |
| I   | Regenerative Station Energy Saving Inverter System   | Energy Efficiency             | HK\$ 8 million             | HK\$ 7 million               | HK\$ 7 million                                  |
| <b>Sustainable Stations and Buildings</b> |  |                               |                            |                              |   |
| J   | Maritime Square Extension                            | Sustainable Real Estate       | HK\$ 2,600 million         | HK\$ 2,527 million           | HK\$ 2,527 million                              |
| K   | Carbon Neutral Station Design                        | Sustainable Transit Station   | HK\$ 5 million             | HK\$5 million                | HK\$ 5 million                                  |
| <b>Biodiversity Preservation</b>          |  |                               |                            |                              |   |
| L   | Lok Ma Chau Wetland                                  | Biodiversity and conservation | HK\$ 4~5 million per year  | HK\$ 31 million (from 2017)  | HK\$ 31 million                                 |
| <b>Total:</b>                             |  |                               | <b>HK\$ 41,200 million</b> | <b>HK\$ 31,310 million</b>   | <b>HK\$ 25,889 million</b>                      |

- As of 31 Dec 2023, Sustainable Finance contributed over 40% of our total loan/debt of HK\$ 59 billion.
- Total Green House Gas emission avoided was estimated to be around 95,500 tonnes of CO2 equivalent

## 6. Appendix



# 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 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 Amortisaion                | (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; and Hong Kong Property Development

| Hong Kong Property Rental and Management (HK\$m)                                       | 1H2024       | 1H2023       | Favourable/<br>(Unfavourable)<br>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/<br>(Unfavourable)<br>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

| <i>(HK\$m)</i>  | 1H2024            | 1H2023            | Favourable/<br>(Unfavourable)<br>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>   | <u><b>486</b></u> | <u><b>290</b></u> | <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>                     |                   |                   |   |
| <b>Share of Profit</b>  | <b>448</b>        | <b>362</b>        | <b>23.8</b>                                 |
| <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>  | <u><b>542</b></u> | <u><b>193</b></u> | <b>180.8</b>                                |
| - Arising from Mainland China Property Development                              | 18                | 20                | (10.0)                                      |
| <b>Arising from Underlying Businesses</b>                                       | <u><b>560</b></u> | <u><b>213</b></u> | <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>  |
| <br>  |                |                |
| <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)

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