Human Resources

The success of the Company is based on the commitment, professionalism and caring service of our staff. In reflection of the unity of our culture after the Rail Merger, the new grading and salary structure together with aligned terms and conditions for all Hong Kong staff were smoothly implemented across the entire organisation on 1 March 2008, with the selection and appointment process completed in April. A new set of Vision, Mission and Values (VMV) was developed and adopted across the Company. To ensure a high performance management culture, the performance management system was successfully revamped and launched to incorporate the new VMV.

The Company has long prided itself on commitment to the community. During the year, there were 87 volunteering projects involving the elderly, the physically and mentally challenged, and underprivileged children and families. In recognition of the Company's contributions to society, we were once again awarded by the Hong Kong Council of Social Service the Caring Company Logo for the year 2008/09.

A broad range of proactive training and development programmes was undertaken throughout the year to meet post-Rail merger challenges. We also focused on rules and safety qualification training in preparation for the launch of the new Railway Safety Rules for the merged Railway. Our strong commitment to training and development has gained recognition from global and local professional associations. Leadership development was proactively encouraged through ongoing programmes such as our Executive Associate Scheme and a Graduate Trainee programme with graduates from both Hong Kong SAR and the Mainland of China.

We continue to provide proactive training support to offshore projects. During the year, Mainland local recruits for BJL4 and SZL4 were given comprehensive training with job attachment in Hong Kong to ensure operational readiness of these two key new projects.

In Hong Kong, with the expansion of the railway network, substantial manpower resources are required for their planning, construction and operations. Early planning for the recruitment and retention of expertise commenced in 2008 and is making good progress.

Financial Review

Review of 2008 Financial Results

Profit and Loss

The Group's revenue and operating profit from recurring businesses achieved strong growth in 2008 with the full-year impact of the Rail Merger. Total revenue rose by 64.9% to HK$17,628 million while operating profit from railway and related businesses increased by 57.7% to HK$9,325 million.

Total fare revenue for 2008 increased by 61.2% to HK$11,467 million. Fare revenue from Domestic Service increased by 27.6% to HK$7,930 million as a result of a 31.6% increase in patronage to 1,205 million and a 3% decrease in average fare to HK$6.58. Fare revenue from Airport Express increased by 2.7% to HK$673 million with a patronage growth of 4.2% to 10.6 million and an average fare decrease of 1.4% to HK$63.47. Cross-boundary Service generated HK$2,283 million of fare revenue whilst Light Rail, Bus and Intercity services contributed a total of HK$581 million in fare revenue.

Revenues from station commercial and rail related businesses also recorded strong growth in 2008 with a 98.1% increase from last year to HK$3,449 million. Advertising revenue increased by 25% to HK$741 million. Revenue from station retail business rose 209.8% to HK$1,546 million and telecommunication income increased by 49% to HK$356 million. Consultancy business recorded a revenue decrease of 18.1% to HK$158 million.

Rental, management and other revenue in 2008 increased by 47.9% from last year to HK$2,712 million, with revenues from property rental and management in 2008 increasing by 46.1% to HK$2,556 million, reflecting the strong demand for office and retail space early on in the year, as well as the full-year effect of the opening of Elements. Ngong Ping 360 generated HK$156 million of revenue in 2008.