

2017 FINANCIALS

FINANCIAL PERFORMANCE

Revenue from Recurrent Businesses



HK\$ 48.4 billion

Total Revenue



HK\$ 55.4 billion

Underlying Business Profit



HK\$ 10.5 billion

Net Assets



HK\$ 166.4 billion

Net Debt-to-Equity Ratio

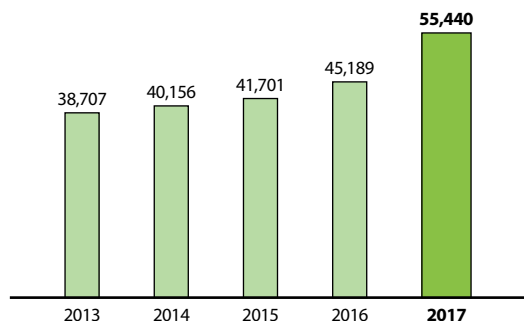


20.6%

SUMMARY OF PAST PERFORMANCE

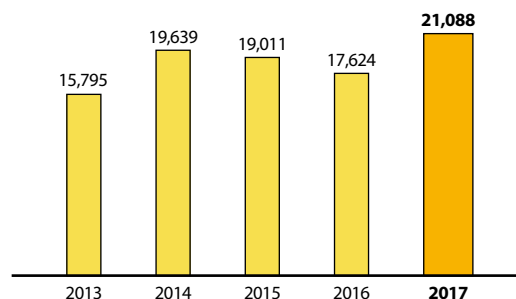
Total Revenue

(HK\$ million)



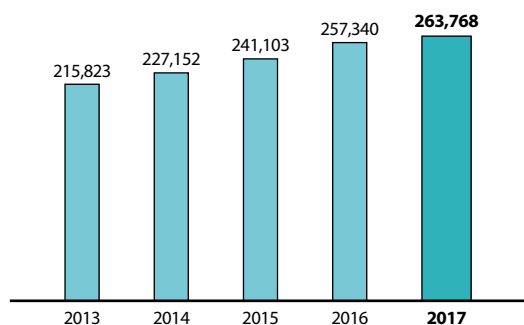
Operating Profit Before Depreciation, Amortisation and Variable Annual Payment

(HK\$ million)



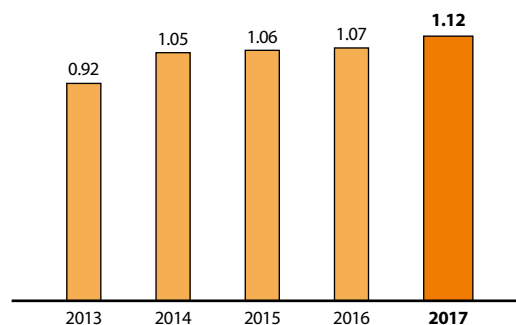
Total Assets

(HK\$ million)



Ordinary Dividend per Share

(HK\$)



KEY FIGURES

	2017	2016	Inc./ (Dec.) %
Financial highlights (in HK\$ million)			
Revenue			
– Hong Kong transport operations	18,201	17,655	3.1
– Hong Kong station commercial businesses	5,975	5,544	7.8
– Hong Kong property rental and management businesses	4,900	4,741	3.4
– Mainland of China and international railway, property rental and management subsidiaries	16,990	13,478	26.1
– Mainland of China property development	6,996	1,348	419.0
– Other businesses	2,378	2,423	(1.9)
Operating profit before Hong Kong property development, depreciation, amortisation and variable annual payment	19,991	17,313	15.5
Profit on Hong Kong property development	1,097	311	252.7
Operating profit before depreciation, amortisation and variable annual payment	21,088	17,624	19.7
Profit attributable to shareholders of the Company arising from underlying businesses	10,515	9,446	11.3
Total assets	263,768	257,340	2.5
Loans, other obligations and bank overdrafts	42,043	39,939	5.3
Obligations under service concession	10,470	10,507	(0.4)
Total equity attributable to shareholders of the Company	166,304	149,461	11.3
Financial ratios			
Operating margin (in %)	36.1	38.3	(2.2%) pts.
Operating margin (excluding Mainland of China and international subsidiaries) (in %)	53.3	53.9	(0.6%) pt.
Net debt-to-equity ratio* (in %)	20.6[#]	20.2 [^]	0.4% pt.
Return on average equity attributable to shareholders of the Company arising from underlying businesses (in %)	6.7	5.9	0.8% pt.
Interest cover (times)	15.0	12.7	2.3 times
Share information			
Basic earnings per share (in HK\$)	2.83	1.74	62.6
Basic earnings per share arising from underlying businesses (in HK\$)	1.77	1.61	9.9
Ordinary dividend per share (in HK\$)	1.12	1.07	4.7
Share price at 31 December (in HK\$)	45.80	37.70	21.5
Market capitalisation at 31 December (HK\$ million)	275,156	222,629	23.6
Operations highlights			
Total passenger boardings in Hong Kong (million)			
– Domestic Service	1,637.9	1,586.5	3.2
– Cross-boundary Service	112.5	113.3	(0.6)
– Airport Express	16.6	16.1	3.0
– Light Rail and Bus	229.2	229.1	0.1
Average number of passengers (thousand)			
– Domestic Service (weekday)	4,772	4,608	3.6
– Cross-boundary Service (daily)	308.4	309.5	(0.4)
– Airport Express (daily)	45.5	44.1	3.3
– Light Rail and Bus (weekday)	649.2	644.7	0.7
Fare revenue per passenger (in HK\$)			
– Domestic Service	7.84	7.81	0.3
– Cross-boundary Service	29.11	28.71	1.4
– Airport Express	64.75	61.85	4.7
– Light Rail and Bus	3.08	3.09	(0.2)
Proportion of franchised public transport boardings (in %)	49.1	48.4	0.7% pt.

* Including obligations under service concession and loan from holders of non-controlling interests as components of debts.

If the land premium in respect of Wong Chuk Hang Station Package 2 (which was paid in January 2018) was excluded from the cash balance, the Group's net debt-to-equity ratio as at 31 December 2017 would have been 23.7%.

^ If the HK\$2.20 per share of the second tranche of special dividend payable totalling HK\$13 billion as at 31 December 2016 had been paid as at 31 December 2016, the Group's net debt-to-equity ratio as at 31 December 2016 would have increased from 20.2% to 28.9%.