

We passed some major milestones in our growth strategy during the first half. In May we entered into project agreements with Government for the South Island Line (East) and Kwun Tong Line Extension, while in June the Shenzhen Metro Longhua Line began its full line operations.



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Hong Kong
Operating
Network
with Future
Extensions



HIGHLIGHTS

Financial

- Revenue from recurrent businesses excluding railway subsidiaries outside of Hong Kong increased 8.1% to HK\$9,998 million
- Revenue from railway subsidiaries outside of Hong Kong increased 27.2% to HK\$6,171 million
- EBITDA increased 9.3% to HK\$6,001 million; EBITDA margin, excluding railway subsidiaries outside of Hong Kong, increased 0.5 percentage point to 57.6%
- Property development profit of HK\$1,445 million
- Net profit attributable to equity shareholders before investment property revaluation of HK\$4,369 million, equivalent to HK\$0.76 per share
- Net profit attributable to equity shareholders after investment property revaluation, of HK\$8,050 million, equivalent to HK\$1.39 per share
- Net assets increased 5.4% to HK\$123,636 million
- Net debt to equity ratio improved to 10.9%
- Interim dividend of HK\$0.25 per share, increased from HK\$0.14 per share in 2010

Operational

- Total patronage from all Hong Kong passenger services increased 5.4% to 815.4 million
- Approximately 97% of the units in Phases 1 and 2 of Festival City at Tai Wai have been sold by 30 June 2011
- Project Agreements for the South Island Line (East) and the Kwun Tong Line Extension signed on 17 May 2011, with property development rights at Wong Chuk Hang and Ho Man Tin sites granted under the "Rail plus Property" model
- Entrustment Agreement for the advance works of the Shatin to Central Link signed on 17 May 2011
- Phase 2 of Shenzhen Metro Longhua Line commenced operation on 16 June 2011