



# MTR Corporation

## 2021 Interim Results

12 August 2021

# 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.

# 2021 Interim Results

Business Review

Financial Results

Outlook



# Business Review

# 1H2021 Highlights

## Early Signs of Recovery

- Domestic Patronage increased 16.7% YoY, or recovering to about 80% of pre-pandemic levels
- However continued boundary closure had a material impact on revenues
- Negative rental reversions at station kiosks and shopping malls

## Recurrent Businesses in Hong Kong

- Full Tuen Ma Line opened
- Service performance maintained, passenger journeys on time at 99.9%

## Property Development

- Profit booking from SEA TO SKY (LOHAS Park Package 8)
- Presale of new projects, e.g., LP10 (LOHAS Park Package 10), SOUTHLAND (THE SOUTHSIDE Package 1) and The Pavilia Farm III (Tai Wai Station Phase 3)
- Awarded THE SOUTHSIDE Package 5 and Package 6

## Businesses Outside of Hong Kong

- Patronage recovery, especially in the Mainland of China
- Continued to seek growth opportunities in the Mainland of China, Macao and overseas

## New Railway Projects\*

- Invited to proceed with planning and design of the Hung Shui Kiu Station project
- Continued to proceed the designs of the Tung Chung Line Extension, Tuen Mun South Extension, Kwu Tung Station and Northern Link projects

\* Subject to signing project agreements  
MTR Corporation

# Lay the groundwork for future recovery and growth



## Enhanced Customer Experience

- On-going installation of additional baby care rooms and toilets
- QR code tickets
- Train Car Loading Indicator
- “Book Taxi” function on MTR Mobile



## Caring for our stakeholders

- Outreach vaccination service for staff
- Enhanced cleaning and disinfection to protect our staff and customers
- Fare promotions
- Rental concession for business partners



## Smart Maintenance

- Smart Train Planning - AI platform with cloud technology whereby we can input big data such as mileage, train movement constraints, and operational and maintenance requirements to generate optimised train deployment schedules, maintenance work and train assignment timetables

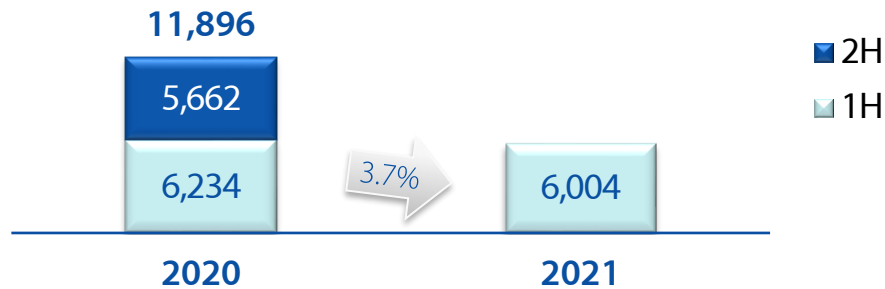


## New Retail and Advertising

- Eight “Kerry Express @ MTR Shops” outlets have commenced service
- Digitalise our advertising formats and widen our distribution network

# Transport Operations

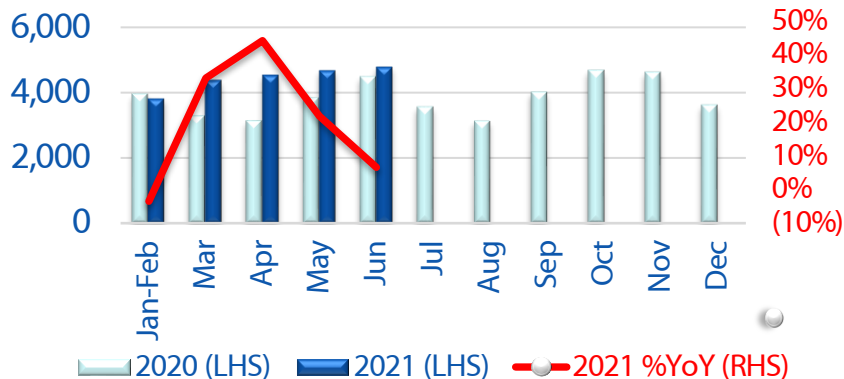
## Revenue (HK\$m)



## 1H2021

- Average weekday patronage increased to 4.37 million, or a gain of 15.1% YoY
- Patronage recovered to varying degrees in 1H2021, particularly in residential areas as workers and students returned to offices and schools, certain anti-pandemic measures were relaxed, and vaccination programmes got underway
- Cross-boundary service, High Speed Rail and Intercity Services remained suspended

## Average weekday patronage ('000)



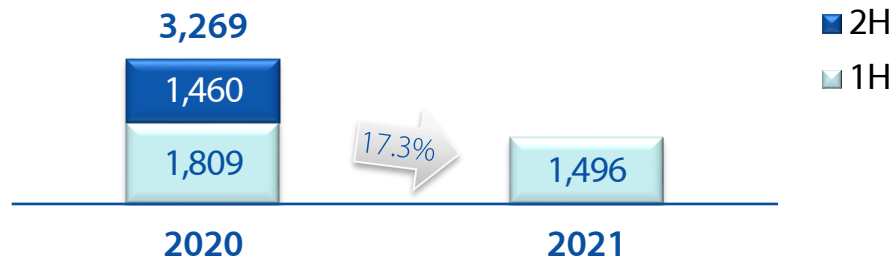
## FAM, Promotions and Concessions

- Offered 20% rebate (in conjunction with Government) till March 2021, followed by a 5% rebate from 1 April to 26 June 2021
- From 27 June 2021, passengers enjoy the fare reduction of 1.85%\* as well as further 3.8% rebate

\* Following the revision by the Government of the Composite Consumer Price Index, the overall fare adjustment rate under the Fare Adjustment Mechanism ("FAM") for 2021/2022 has been revised to -1.85% with effect from 27 June 2021.

# Station Commercial Businesses

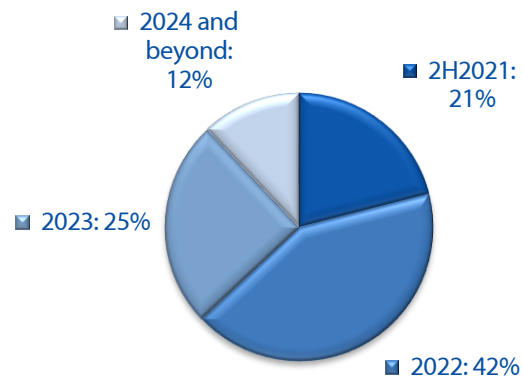
## Revenue (HK\$m)



## 1H2021

- Despite a general recovery in Domestic Service station retail sales, the economic and operating environments remain largely unfavourable
- Loss of rental revenue resulting from the boundary closures, as well as on-going rental concessions granted
- Average occupancy rate in our station kiosks was 98.1%
- Rental reversion was -17.5%
- Offering flexible and/or shorter-term leases, particularly to small and medium enterprises
- Collaborated with Kerry Logistics Network Limited to launch an online-to-offline (“O2O”) retail platform
- Continued to address limited advertising budgets and late bookings with audience-targeted solutions and aggressive, flexible sales packages

## Lease expiry by area occupied\*

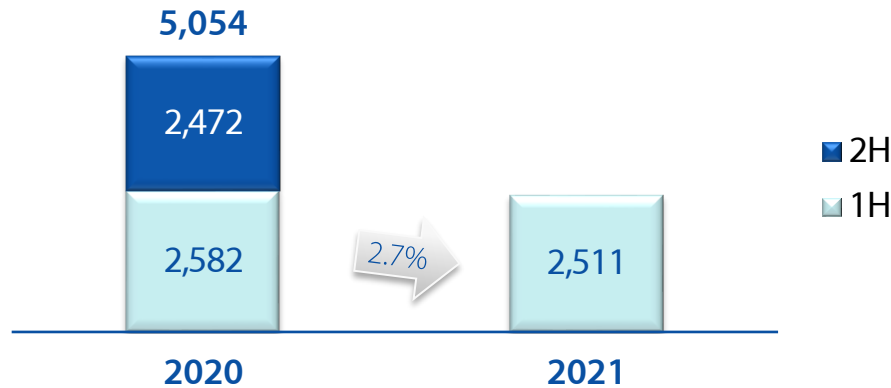


\* Station kiosk and Duty Free Shops



# Property Rental and Management Businesses

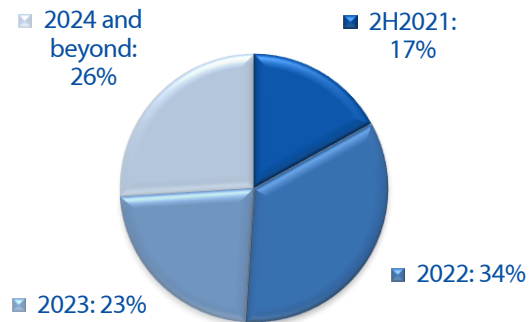
Revenue (HK\$m)



## 1H2021

- The decline in revenue was primarily the result of rental concessions granted, partially offset by incremental revenue contributions from new malls
- Rental concessions are granted on a case-by-case basis, and are reviewed regularly
- Average occupancy at 98.5% for shopping malls (excluding The LOHAS) and 98.2% for Two IFC
- Rental reversion was -11.4%
- Partnering with tenants for customer loyalty and redemption programmes
- Opened pop-up stores for e-commerce merchants, and diversified tenant trade mix
- Applied targeted marketing and introduced “eVouchers” leveraging on MTR Mobile
- Revaluation loss of HK\$1.2 billion for the portfolio

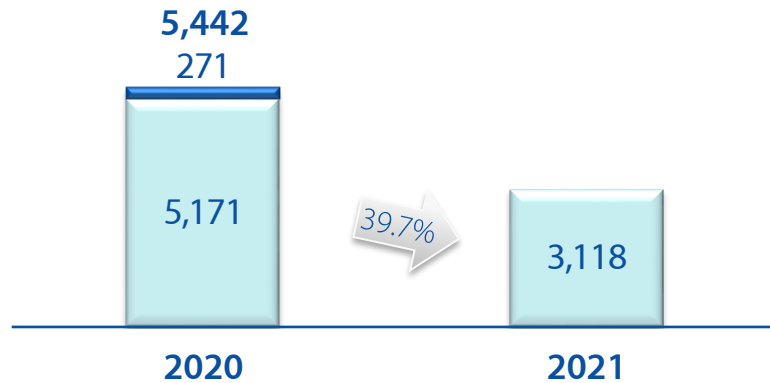
Lease expiry by area occupied\*



\* Shopping malls

# HK Property Development

## Property Development Profit after Tax (HK\$m)



- 2H
- 1H

### 1H2021

- Property development profit primarily from SEA TO SKY
- Presales of LP10, SOUTHLAND and The Pavilia Farm III
- Awarded two tenders: THE SOUTHSIDE Package 5 and Package 6
- Highly concerned about the concrete quality issue of The Pavilia Farm III and have urged the Developer to conduct a full investigation and implement proper remedial measures as soon as possible

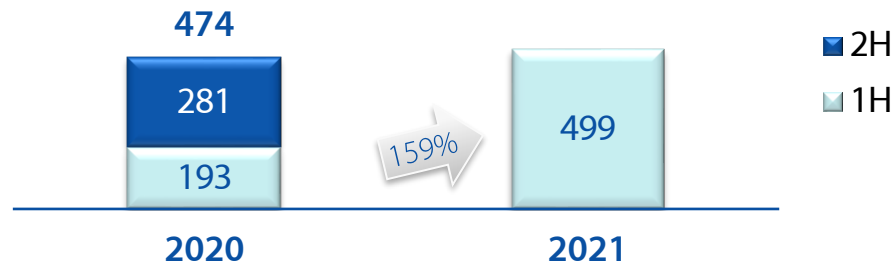
### Recent Update

- Profit booking from LOHAS Park Package 7 and Package 9 in 2H2021
- Presale of La Marina (THE SOUTHSIDE Package 2) in 2H2021
- Depending on market situation and necessary government approval, will tender out Tung Chung Traction Substation, Pak Shing Kok Ventilation Building and Tung Chung East Station Package 1 over the next 12 months or so

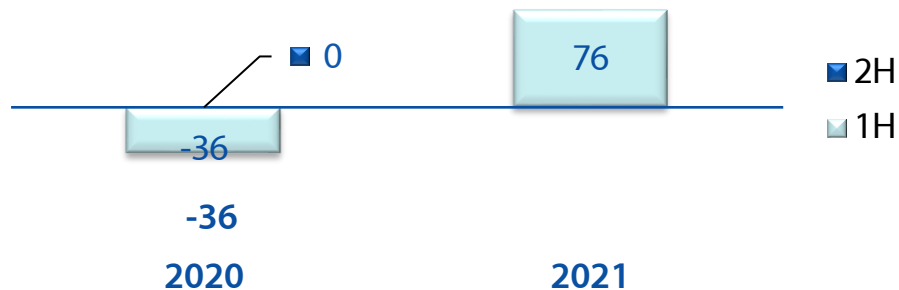
| Property Development Projects                                | Launch Date         | Units Sold (end-Jun 2021) |
|--|---------------------|---------------------------|
| The Pavilia Farm (Tai Wai Project)                           | Oct 2020 - Jun 2021 | 98% of 3,090 units sold   |
| SOUTHLAND (THE SOUTHSIDE Package 1)                          | May 2021            | 76% of 800 units sold     |
| LP10 (LOHAS Park Package 10)                                 | Jan 2021            | 59.7% of 893 units sold   |
| SEA TO SKY (LOHAS Park Package 8)                            | Jun 2020            | 99.4% of 1,422 units sold |
| MARINI, GRAND MARINI and OCEAN MARINI (LOHAS Park Package 9) | Aug 2019 - Mar 2020 | 99.9% of 1,653 units sold |

# Mainland of China and International Businesses

## Mainland China and Macao Recurrent Business Profit\* (HK\$m)



## International Businesses Recurrent Business Profit\* (HK\$m)



## 1H2021

- Total passengers carried by our subsidiaries, associates and joint ventures outside of Hong Kong rebounded to 806 million
- For Mainland of China and Macao, the increase in recurrent business profit was mainly derived from an improved contribution from Beijing, Hangzhou and Shenzhen, offset partially by a lower contribution from Macao
- International businesses turnaround to profit, mainly due to better performance from MTM and Sydney Metro North West, offset partially by lower farebox revenue from MTRX

## Recent Update

- BJL14 full line and first phase of BJL17 targeted to open in late 2021
- BJL16 full line expected to open in late 2022 at the earliest
- For SZL4, if a suitable fare increase and adjustment mechanism are not implemented soon, the long-term financial viability of this line will be impacted
- Construction work at Shenzhen Metro Line 13 PPP continued during the period, procurement of the signalling and rolling stock contracts has commenced
- An interim agreement has been signed with the regional Public Transport Authority, stipulating that we will take over Mälartåg (Sweden) operations in Dec 2021

\* Net of Headquarter expenses of HK\$9m (1H2020: HK\$15m). Recurrent Business Profit of Mainland of China and International Businesses was HK\$566m (1H2020: HK\$142m)

# Shatin to Central Link

## Full Tuen Ma Line Open

- Full Tuen Ma Line was opened on 27 June 2021
- The longest railway line in Hong Kong, with 56km and 27 stations
- Entered into agreements with Government and KCRC for a concession period of two years

## Hung Hom to Admiralty Section – 94.3% complete

- East Rail Line's new signalling system and nine-car trains were commissioned in Feb 2021
- Making every effort to minimize the impact of delay
- Will announce the new target opening date of this section as soon as possible.

## Quality Assurance

- Establishment of a dedicated Shatin to Central Link Technical and Engineering Assurance Team



# New Railway Projects – RDS2014

**Hung Shui Kiu Station**  
 Est. cost: \$4.1B\*\*\*  
 Est. completion: 2030

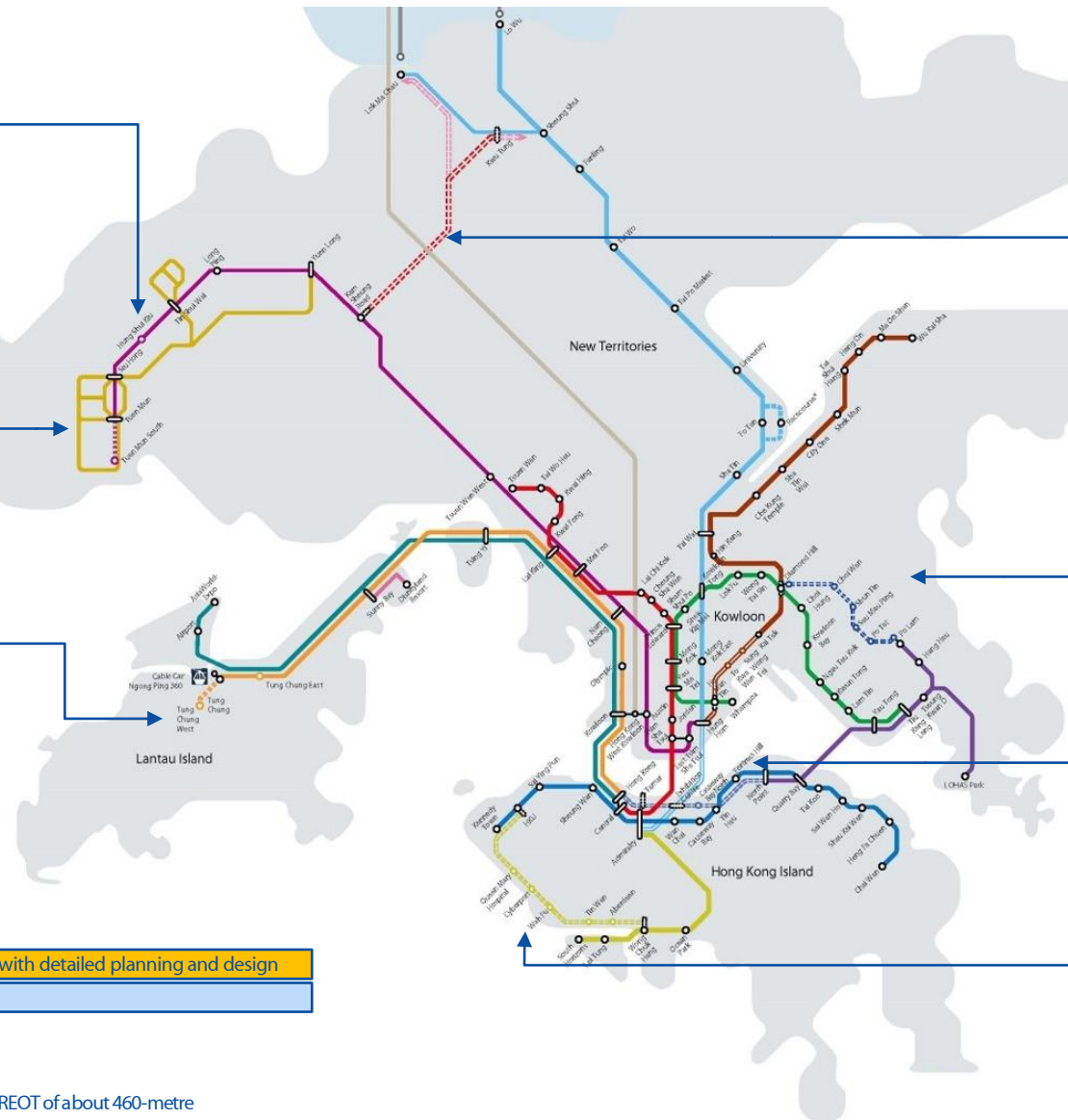
**Tuen Mun South Extension**  
 Route length: 2.4 km  
 Est. cost: \$11.4B\*  
 Est. completion: 2030

**Tung Chung Line Extension**  
 Route length: 1.3 km\*\*\*\*  
 Est. cost: \$18.7B\*\*  
 Est. completion: 2029

Proposal submitted, invited by Gov't to proceed with detailed planning and design  
 Proposal submitted

- \* Expected cost in December 2015 prices
- \*\* Expected cost in December 2016 prices
- \*\*\* Expected cost in December 2018 prices
- \*\*\*\* Route length of 1.3km does not include the AREOT of about 460-metre

Source: LegCo documents  
 MTR Corporation



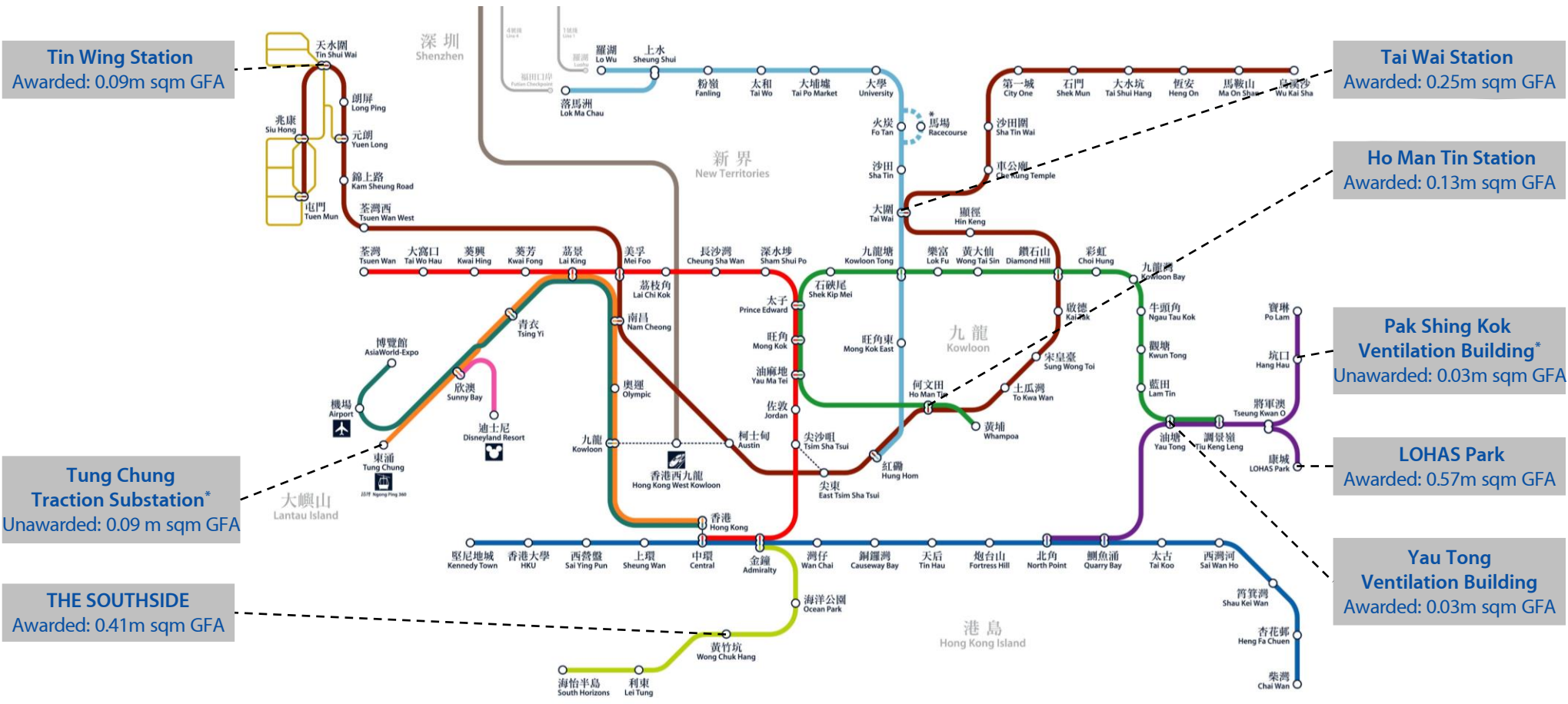
**Kwu Tung Station & Northern Link**  
 Route length: 10.7 km  
 Est. cost: \$62.0B\*  
 Est. completion: 2027, 2034

**East Kowloon Line**  
 Route length: 7.8km

**North Island Line**  
 Route length: 5.0km

**South Island Line (West)**  
 Route length: 7.4km

# Landbank



\* Will tender out Tung Chung Traction Substation and Pak Shing Kok Ventilation Building developments, subject to the approval of land grants.

Note: Residential GFA: 1.49m sqm (awarded: 1.37m sqm; unawarded: 0.12m sqm)

Shopping mall GFA: 0.11m sqm

# Steady Progress in Property Development



An artist's impression of THE SOUTHSIDE

## New MTR Malls – The Wai (Tai Wai) / THE SOUTHSIDE (Wong Chuk Hang)

- **GFA:** 60,620 sqm / 47,000 sqm, respectively, adding 30% to our shopping malls by GFA when completed
- **Target completion:** The Wai (TBC), THE SOUTHSIDE (2023)

## Potential Development

- **Siu Ho Wan Depot:** Ground investigation works commenced and layout planning progressing. About 20,000 residential units (about half of which being private housing; with the rest being public housing), community facilities and a 30,000 sqm shopping mall
- **Tung Chung Traction Substation & Pak Shing Kok Ventilation Building:** The town planning procedures were completed in June 2021, and will tender out subject to approval of land grants
- **Tung Chung East Station Package 1:** Subject to entering into a project agreement with Government



Siu Ho Wan Depot

# Growth Outside Hong Kong

Good progress was made in 1H2021

**Shenzhen**

Progressing with the Shenzhen Metro Line 13 PPP project awarded last year

**Hangzhou**

The consortium of MTR and JV partners was awarded the land use right to develop the southern site of Hangzhou West Station in March 2021

**Sweden**

Taking over Mälartåg operations in Sweden in December 2021

**UK**

Signed National Rail Contract for South Western Railway for a two-year term

**Greater Bay Area  
and elsewhere**

Continued to seek opportunity



# ESG – Environmental

- **Reduce Greenhouse Gas Emissions:**

- HK\$4.8 billion in green financing arranged in the first half of 2021 will fund a variety of railway-related conservation and energy efficiency projects
- Launched a “Carbon Wallet” mobile app that allows users who take carbon conscious actions to earn points and redeem them for green products and services, thus combining our Corporate Strategy commitments to both the environment and innovation
- Conducting a consultancy study to develop our long-term carbon reduction roadmap, which will be completed in 2021
- Selected Hin Keng Station as a trial of “Green Station” and installed different types of solar panels at the station to assess their effectiveness

# ESG – Social

- **Social Inclusion:**

- Our social engagement efforts focus on inclusivity and ensuring that the communities where we operate grow and prosper alongside us
- Organised a number of activities that reached out to youth and the elderly alike, promoted arts appreciation at our stations and facilities, and communicated the importance of railway safety

- **Advancement & Opportunities**

- Continued to host the annual ‘Train for Life’s Journeys’ to help secondary students in life- and career-planning through exchanges with MTR staff and young trainees / associates; and sharing sessions by different needy groups in the community to foster social inclusion

# ESG – Governance

- **Governance:**

- Protect the interests of our shareholders and stakeholders
- Remain firmly committed to attaining the highest standards of corporate governance, which ensure that we operate ethically and transparently as we seek to achieve our business goals
- Developing a “three lines of defence” framework to further enhance the Company’s management of risk. This will enable a more robust and pro-active actions at the business unit level and heightened systematic assurance at the Executive and Board levels
- Board evaluation



# Financial Results

# Financial Highlights

| 1H2021<br>(HK\$m)                        | Recurrent Businesses     |                                     |        |
|--|--------------------------|-------------------------------------|--------|
|  | Hong Kong <sup>(1)</sup> | Outside of Hong Kong <sup>(1)</sup> | Total  |
| Revenue from recurrent businesses        | 10,235                   | 12,050                              | 22,285 |
| Change (YoY)                             | (8.0%)                   | 15.1%                               | 3.2%   |
| Recurrent business profit <sup>(2)</sup> | 346                      | 566                                 | 912    |
| Change (YoY)                             | 18.9%                    | 298.6%                              | 110.6% |

| (HK\$m)  | 1H2021  | Change (YoY) |
|--|---------|--------------|
| Recurrent business profit <sup>(2)</sup>                                       | 912     | 110.6%       |
| Post-tax profit from property development                                      |         |              |
| Hong Kong  | 3,118   | (39.7%)      |
| Mainland of China  | 29      | -            |
| Sub-total  | 3,147   | (39.5%)      |
| Underlying business profit <sup>(2)</sup>                                      | 4,059   | (27.9%)      |
| Investment property revaluation loss   | (1,386) | 76.8%        |
| Reported net profit attributable to shareholders of the company <sup>(2)</sup> | 2,673   | n/m          |
| Reported EPS (HK\$)  | 0.43    | n/m          |
| Underlying businesses EPS (HK\$)   | 0.66    | (28.3%)      |
| Interim ordinary dividend per share (HK\$)                                     | 0.25    | -            |

n/m: not meaningful

1. Recurrent business profit from Hong Kong includes HK transport operations, HK station commercial, HK property rental and management, other businesses (mainly project management services to Government, Ngong Ping 360, and consultancy) and project studies and business development expenses. Recurrent business profit outside of Hong Kong includes business development expenses
2. Net of non-controlling interests (1H2021: HK\$109m; 1H2020: HK\$23m)

# Segmental Profit/(Loss) of Underlying Businesses

|  | 1H2021       | 1H2020       | Favourable/ (adverse)<br>change |               |
|--|--------------|--------------|---------------------------------|---------------|
| <i>(HK\$m)</i>   |              |              | HK\$m                           | %             |
| Hong Kong transport operations <sup>(1)</sup>  | (2,285)      | (2,579)      | 294                             | 11.4          |
| Hong Kong station commercial <sup>(1)</sup>  | 1,145        | 1,334        | (189)                           | (14.2)        |
| Hong Kong property rental and management <sup>(1)</sup>  | 2,067        | 2,193        | (126)                           | (5.7)         |
| Mainland of China and international railway, property rental & management<br>(including share of EBIT from associates and joint ventures) <sup>(2)</sup> | 1,071        | 422          | 649                             | 153.8         |
| Project studies and business development expenses  | (47)         | (51)         | 4                               | 7.8           |
| Others <sup>(3)</sup>  | (42)         | (18)         | (24)                            | (133.3)       |
| <b>EBIT on recurrent businesses</b>  | <b>1,909</b> | <b>1,301</b> | <b>608</b>                      | <b>46.7</b>   |
| Interest and finance charges on recurrent businesses <sup>(4)</sup>  | (635)        | (619)        | (16)                            | (2.6)         |
| Tax on recurrent businesses <sup>(5)</sup>   | (362)        | (249)        | (113)                           | (45.4)        |
| <b>Post-tax recurrent business profit</b>  | <b>912</b>   | <b>433</b>   | <b>479</b>                      | <b>110.6</b>  |
| HK property development profit after tax   | 3,118        | 5,171        | (2,053)                         | (39.7)        |
| Mainland of China property development profit after tax and interest   | 29           | 29           | -                               | -             |
| <b>Post-tax property development profit</b>  | <b>3,147</b> | <b>5,200</b> | <b>(2,053)</b>                  | <b>(39.5)</b> |
| <b>Profit from underlying businesses</b>   | <b>4,059</b> | <b>5,633</b> | <b>(1,574)</b>                  | <b>(27.9)</b> |

Note:

All segmental profit/(loss) shown are pre-tax profit/(loss)

1. Net of depreciation, amortisation and variable annual payment to KCRC
2. Net of non-controlling interests and includes business development expenses
3. Includes consultancy, Ngong Ping 360, project management for HKSAR Government and share of EBIT from Octopus Holdings Limited
4. Includes share of interest and finance charges incurred by associates and joint ventures
5. Includes share of tax incurred by associates and joint ventures

# Consolidated Statement of Financial Position

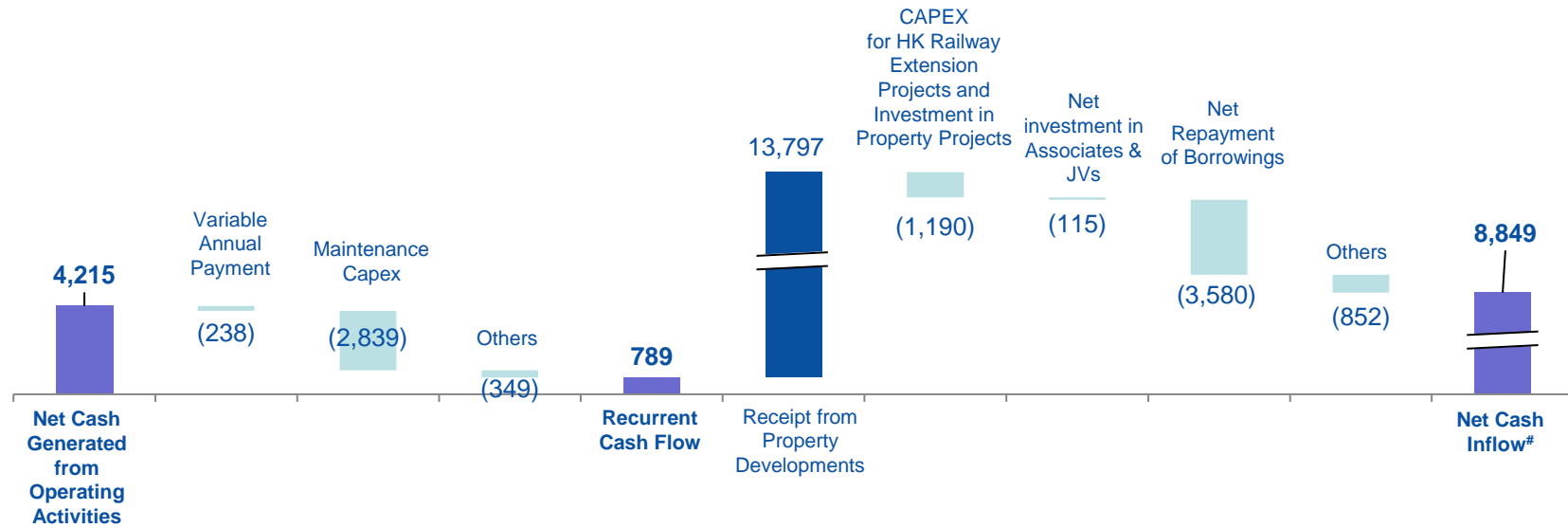
| (HK\$m)                                  | 30 Jun 2021    | 31 Dec 2020    | Increase/ (Decrease) |              |
|--|----------------|----------------|----------------------|--------------|
|  |                |                | HK\$m                | %            |
| <b>Assets</b>                            |                |                |                      |              |
| Investment properties                    | 84,850         | 86,058         | (1,208)              | (1.4)        |
| Other property, plant and equipment      | 101,515        | 101,999        | (484)                | (0.5)        |
| Service concession assets                | 33,069         | 32,875         | 194                  | 0.6          |
| Property development in progress         | 11,182         | 11,942         | (760)                | (6.4)        |
| Interests in associates & joint ventures | 12,030         | 11,592         | 438                  | 3.8          |
| Properties held for sale                 | 994            | 1,800          | (806)                | (44.8)       |
| Debtors and other receivables            | 12,552         | 13,313         | (761)                | (5.7)        |
| Amounts due from related parties         | 4,022          | 5,462          | (1,440)              | (26.4)       |
| Cash, bank balances and deposits         | 29,793         | 20,906         | 8,887                | 42.5         |
| Others                                   | 5,556          | 4,627          | 929                  | 20.1         |
| <b>Total Assets</b>                      | <b>295,563</b> | <b>290,574</b> | <b>4,989</b>         | <b>1.7</b>   |
| <b>Liabilities</b>                       |                |                |                      |              |
| Debts                                    | 46,556         | 50,340         | (3,784)              | (7.5)        |
| Creditors, other payables and provisions | 43,718         | 36,837         | 6,881                | 18.7         |
| Current taxation                         | 1,307          | 1,004          | 303                  | 30.2         |
| Amounts due to related parties           | 5,331          | 453            | 4,878                | n/m          |
| Obligations under service concession     | 10,257         | 10,295         | (38)                 | (0.4)        |
| Deferred tax liabilities                 | 14,084         | 14,125         | (41)                 | (0.3)        |
| Others                                   | 638            | 539            | 99                   | 18.4         |
| <b>Total Liabilities</b>                 | <b>121,891</b> | <b>113,593</b> | <b>8,298</b>         | <b>7.3</b>   |
| <b>Total Equity</b>                      | <b>173,672</b> | <b>176,981</b> | <b>(3,309)</b>       | <b>(1.9)</b> |

n/m: not meaningful

# Cash Flow

(HK\$m)

## 1H2021 Cash Flow

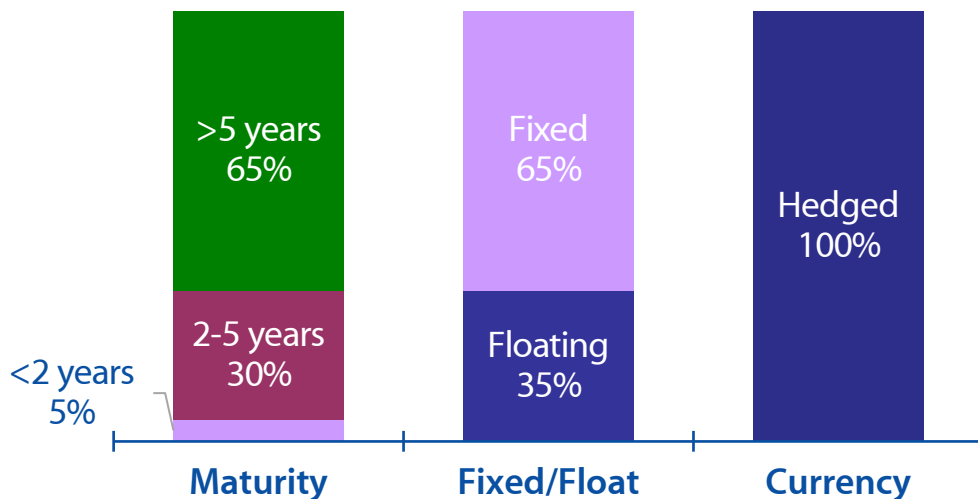


# Excluding effect of exchangerate change



# Financing and Credit Ratios

## Company Debt Profile (30 Jun 2021)<sup>(1)</sup>



Group's consolidated group debt position <sup>(2)</sup>:  
 HK\$46,556m (HK\$50,340m as at 31 Dec 2020)

Average cost of interest-bearing borrowings: 2.2% (-0.4%pt YoY)

Interest and finance charges: HK\$445 m (-10.8% YoY)

|  | 30 Jun 2021   | 31 Dec 2020   |
|--|---------------|---------------|
| <b>Net Debt / Equity ratio<sup>(3)</sup></b> | 15.4%         | 22.5%         |
|  | <b>1H2021</b> | <b>1H2020</b> |
| <b>Interest cover</b>                        | 12.1x         | 14.2x         |

1. Excluding Mainland of China and overseas subsidiaries debts

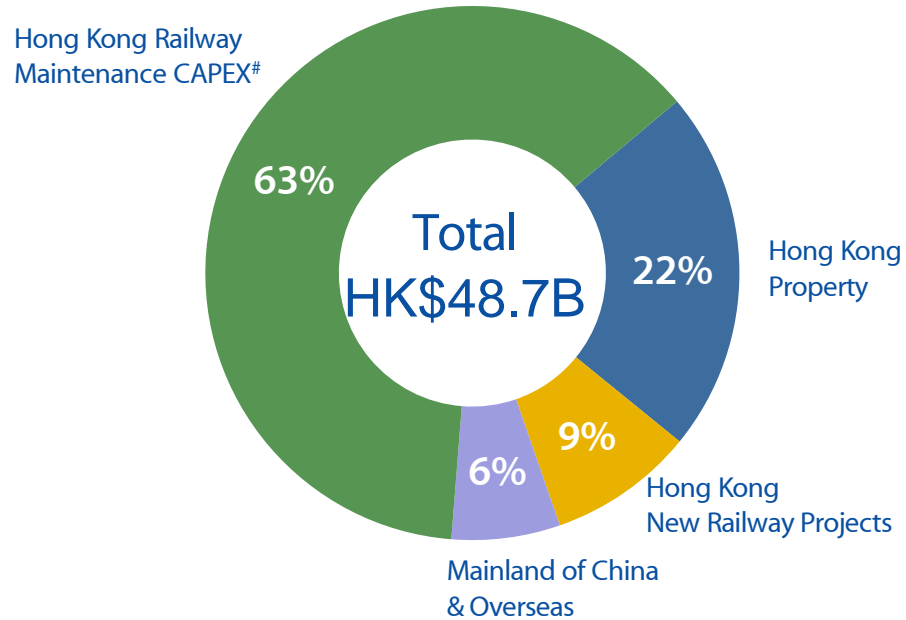
2. Excluding obligations under service concession

3. Including lease liabilities, obligations under service concession and loan from holders of non-controlling interests as components of debt

# Capital Expenditure & Investments



2021-2023



Estimated spend:  
 2021: HK\$14.1 billion  
 2022: HK\$18.8 billion  
 2023: HK\$15.8 billion  


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 Total: HK\$48.7 billion

# Includes the Maintenance CAPEX for the Existing Railway Assets and Advance Railway Works related to SCL. The Advance Railway Works related to SCL involve modifications to or upgrades or expansion of assets for which MTR is responsible under the existing service concession agreement with KCRC. This will predominantly be covered by the reduction in future maintenance CAPEX during the construction period of SCL Project which MTR would have otherwise incurred.



# Outlook

# Outlook

## Recurrent Businesses in Hong Kong

- A return to pre-pandemic patronage levels is dependent on economic recovery as well as the reopening of the boundaries
- Behavioural changes could continue to affect the recovery of domestic patronage, partly offset by the positive impact from the opening of the full Tuen Ma Line
- Station retail and property rental businesses continue to be impacted by COVID-19

## Property Development

- Profit booking from LOHAS Park Packages 7 and Package 9 in 2H2021

## New Projects in Hong Kong\*

- Continued work on new projects of Tung Chung Line Extension, Tuen Mun South Extension, Kwu Tung Station and Northern Link and Hung Shiu Kiu Station
- Property development at Siu Ho Wan depot

## Growth outside of Hong Kong

- Continue to explore new opportunities

## Corporate Strategy

- Driving the sustainability of our business
- Investing more in rail tech and mobility services that will strengthen our core business and enable long-term growth

\* Subject to signing project agreements



# Appendix

# Consolidated Profit and Loss Account

| (HK\$m)  | 1H2021          | 1H2020          | Favourable/ (adverse) change |               |
|--|-----------------|-----------------|------------------------------|---------------|
|  |                 |                 | HK\$m                        | %             |
| HK transport operations  | 6,004           | 6,234           | (230)                        | (3.7)         |
| HK station commercial and HK property rental & management businesses   | 4,007           | 4,391           | (384)                        | (8.7)         |
| Mainland of China & international railway, property rental and management subsidiaries                                     | 12,050          | 10,465          | 1,585                        | 15.1          |
| Mainland of China property development   | 32              | -               | 32                           | n/m           |
| Other businesses   | 224             | 502             | (278)                        | (55.4)        |
| <b>Total revenue</b>   | <b>22,317</b>   | <b>21,592</b>   | <b>725</b>                   | <b>3.4</b>    |
| Operating expenses excluding Mainland of China & international subsidiaries <sup>(1)</sup>                                 | (6,890)         | (7,435)         | 545                          | 7.3           |
| Expenses relating to Mainland of China & international railway, property rental and management subsidiaries <sup>(2)</sup> | (11,471)        | (10,156)        | (1,315)                      | (12.9)        |
| Expenses relating to Mainland of China property development  | (25)            | (4)             | (21)                         | (525.0)       |
| <b>Total operating expenses</b>  | <b>(18,386)</b> | <b>(17,595)</b> | <b>(791)</b>                 | <b>(4.5)</b>  |
| EBITDA excluding Mainland of China & international subsidiaries  | 3,345           | 3,692           | (347)                        | (9.4)         |
| EBITDA relating to Mainland of China & international railway, property rental and management subsidiaries                  | 579             | 309             | 270                          | 87.4          |
| EBITDA relating to Mainland of China property development  | 7               | (4)             | 11                           | n/m           |
| <b>Total EBITDA</b>  | <b>3,931</b>    | <b>3,997</b>    | <b>(66)</b>                  | <b>(1.7)</b>  |
| HK property development profit   | 3,733           | 6,168           | (2,435)                      | (39.5)        |
| <b>Total operating profit</b>  | <b>7,664</b>    | <b>10,165</b>   | <b>(2,501)</b>               | <b>(24.6)</b> |
| Depreciation & amortisation  | (2,635)         | (2,613)         | (22)                         | (0.8)         |
| Variable annual payment  | (211)           | (457)           | 246                          | 53.8          |
| Share of profit of associates and joint ventures   | 530             | 217             | 313                          | 144.2         |
| Interest and finance charges   | (445)           | (499)           | 54                           | 10.8          |
| Investment property revaluation loss   | (1,386)         | (5,967)         | 4,581                        | 76.8          |
| <b>Profit before taxation</b>  | <b>3,517</b>    | <b>846</b>      | <b>2,671</b>                 | <b>315.7</b>  |
| Income tax   | (735)           | (1,157)         | 422                          | 36.5          |
| Non-controlling interests  | (109)           | (23)            | (86)                         | (373.9)       |
| <b>Reported net profit / (loss) attributable to shareholders of the Company</b>  | <b>2,673</b>    | <b>(334)</b>    | <b>3,007</b>                 | <b>n/m</b>    |
| Reported earnings / (loss) per share ("EPS") (HK\$)  | 0.43            | (0.05)          | 0.48                         | n/m           |
| <b>Profit from underlying businesses</b>   | <b>4,059</b>    | <b>5,633</b>    | <b>(1,574)</b>               | <b>(27.9)</b> |
| <b>Underlying businesses EPS (HK\$)</b>  | <b>0.66</b>     | <b>0.92</b>     | <b>(0.26)</b>                | <b>(28.3)</b> |
| <b>Interim ordinary dividend per share (HK\$)</b>  | <b>0.25</b>     | <b>0.25</b>     | -                            | -             |

n/m: not meaningful

Note 1: Includes project studies and business development expenses

Note 2: Excludes project studies and business development expenses

MTR Corporation

# Cash flow

|   | 1H2021         | 1H2020          | Favourable/ (adverse)<br>change |              |
|---|----------------|-----------------|---------------------------------|--------------|
| (HK\$m)   |                |                 | HK\$m                           | %            |
| <b>Cash Inflow</b>  |                |                 |                                 |              |
| Cash flows from operations  | 4,747          | 2,244           | 2,503                           | 111.5        |
| Receipt of government subsidy for Shenzhen Metro Line 4 operation       | -              | 587             | (587)                           | n/m          |
| Receipts from property developments                                     | 13,797         | 3,535           | 10,262                          | 290.3        |
| Others  | -              | 161             | (161)                           | n/m          |
| <b>Total inflows</b>  | <b>18,544</b>  | <b>6,527</b>    | <b>12,017</b>                   | <b>184.1</b> |
| <b>Cash Outflow</b>   |                |                 |                                 |              |
| Tax paid  | (475)          | (2,072)         | 1,597                           | 77.1         |
| Purchase of tax reserve certificates                                    | (57)           | (57)            | -                               | -            |
| Capital expenditure and investments                                     |                |                 |                                 |              |
| - Hong Kong existing rail   | (2,776)        | (2,805)         | 29                              | 1.0          |
| - Hong Kong new rail  | (265)          | (77)            | (188)                           | (244.2)      |
| - Mainland of China and international businesses                        | (63)           | (139)           | 76                              | 54.7         |
| - Property related  | (925)          | (3,497)         | 2,572                           | 73.5         |
| Variable annual payment   | (238)          | (2,583)         | 2,345                           | 90.8         |
| (Net investment in) / Net distribution from associates & joint ventures | (115)          | 25              | (140)                           | n/m          |
| Others  | (699)          | -               | (699)                           | n/m          |
| <b>Total outflows</b>   | <b>(5,613)</b> | <b>(11,205)</b> | <b>5,592</b>                    | <b>49.9</b>  |
| <b>Net cash inflow/(outflow) before financing</b>                       | <b>12,931</b>  | <b>(4,678)</b>  | <b>17,609</b>                   | <b>n/m</b>   |
| Cash (outflow)/inflow from net repayment                                | (3,580)        | 2,272           | (5,852)                         | (257.6)      |
| Net interest paid   | (349)          | (355)           | 6                               | 1.7          |
| Others  | (153)          | (122)           | (16)                            | (13.1)       |
| <b>Net cash inflow / (outflow) #</b>                                    | <b>8,849</b>   | <b>(2,883)</b>  | <b>11,732</b>                   | <b>n/m</b>   |

n/m: not meaningful

# Excluding effect of exchange rate change

# Transport Operations

|                               | 1H2021         | 1H2020         | Favourable/ (adverse)<br>change (%) |
|-------------------------------|----------------|----------------|-------------------------------------|
| <b>Patronage (million)</b>    |                |                |                                     |
| - Domestic Service            | 646.1          | 553.6          | 16.7                                |
| - Cross-boundary Service      | 0.2            | 7.4            | (96.7)                              |
| - High Speed Rail             | -              | 1.1            | n/m                                 |
| - Airport Express             | 1.0            | 2.1            | (53.2)                              |
| - Light Rail and Bus          | 88.6           | 73.0           | 21.4                                |
| - Intercity                   | -              | 0.1            | n/m                                 |
| <b>Total</b>                  | <b>735.9</b>   | <b>637.3</b>   | <b>15.5</b>                         |
| <b>Average fare (HK\$)</b>    |                |                |                                     |
| - Domestic Service            | 7.61           | 8.20           | (7.2)                               |
| - Cross-boundary Service      | 10.2           | 27.9           | (63.6)                              |
| - High Speed Rail             | -              | 85.5           | n/m                                 |
| - Airport Express             | 53.1           | 51.6           | 2.8                                 |
| <b>P&amp;L (HK\$m)</b>        |                |                |                                     |
| - Domestic Service            | 5,000          | 4,657          | 7.4                                 |
| - Cross-boundary Service      | 2              | 514            | (99.6)                              |
| - High Speed Rail             | 651            | 658            | (1.1)                               |
| - Airport Express             | 51             | 107            | (52.3)                              |
| - Light Rail and Bus          | 268            | 243            | 10.3                                |
| - Intercity                   | -              | 21             | n/m                                 |
| - Others                      | 32             | 34             | (5.9)                               |
| <b>Total revenue (HK\$m)</b>  | <b>6,004</b>   | <b>6,234</b>   | <b>(3.7)</b>                        |
| <b>EBITDA</b>                 | <b>251</b>     | <b>106</b>     | <b>136.8</b>                        |
| Depreciation and amortisation | (2,362)        | (2,344)        | (0.8)                               |
| Variable annual payment       | (174)          | (341)          | 49.0                                |
| <b>EBIT</b>                   | <b>(2,285)</b> | <b>(2,579)</b> | <b>11.4</b>                         |
| EBITDA margin (%)             | 4.2%           | 1.7%           | +2.5%pts                            |
| EBIT margin (%)               | (38.1%)        | (41.4%)        | +3.3%pts                            |

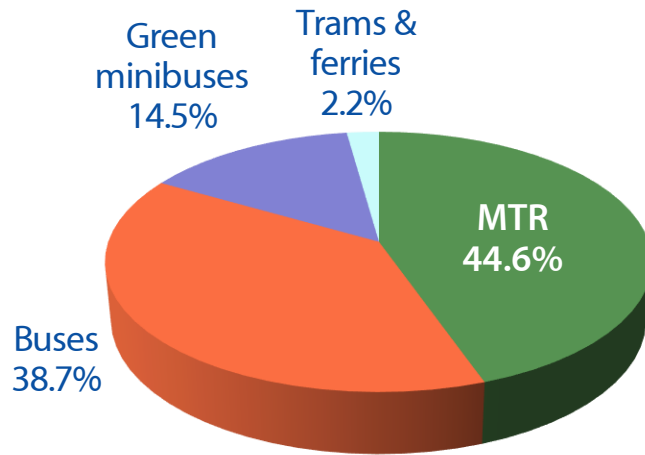
n/m: not meaningful

Note: Patronage decreased as a result of various boundary closures, travel restrictions, social distancing, work-from-home and school closure arrangements, etc

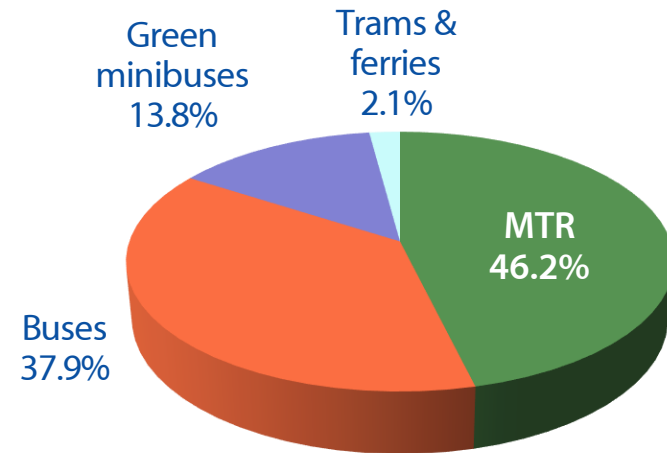


# Transport Operations: Market Share

## Hong Kong Franchised Public Transport



Jan – May 2020



Jan – May 2021

### Cross-harbour

65.1%

66.7%

Jan-May 2020

Jan-May 2021

### Cross-boundary & HSR

48.8%

0%<sup>(2)</sup>

Jan-May 2020

Jan-May 2021

### Airport Express

16.3%

21.0%

Jan-May 2020<sup>(1)</sup>

Jan-May 2021<sup>(1)</sup>

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

1. Calculation based on the proportion of air passenger using Airport Express over the total air passenger figures reported by the Airport Authority Hong Kong

2. Cross-boundary & HSR were suspended during the period

# Station Commercial

| Station Commercial (HK\$m)                | 1H2021       | 1H2020       | Favourable/ (adverse) change (%) |
|---|--------------|--------------|----------------------------------|
| - Station Retail Rental                   | 808          | 1,183        | (31.7)                           |
| - Advertising                             | 344          | 213          | 61.5                             |
| - Telecommunication                       | 302          | 365          | (17.3)                           |
| - Other Station Commercial                | 42           | 48           | (12.5)                           |
| <b>Total Revenue</b>                      | <b>1,496</b> | <b>1,809</b> | <b>(17.3)</b>                    |
| <b>EBITDA</b>                             | <b>1,276</b> | <b>1,549</b> | <b>(17.6)</b>                    |
| Depreciation and amortisation             | (95)         | (101)        | 5.9                              |
| Variable annual payment                   | (36)         | (114)        | 68.4                             |
| <b>EBIT</b>                               | <b>1,145</b> | <b>1,334</b> | <b>(14.2)</b>                    |
| EBITDA Margin (%)                         | 85.3%        | 85.6%        | -0.3%pt                          |
| EBIT Margin (%)                           | 76.5%        | 73.7%        | +2.8%pts                         |
| Average occupancy rate (% station kiosks) | 98.1%        | 98.5%        | -0.4%pt                          |
| Rental reversion (% station kiosks)       | -17.5%       | -5.4%        | -12.1%pts                        |

Note: Rental concessions were granted to tenants who were affected by station closures and suspended cross-boundary rail services following boarder shutdowns, as well as other station shop tenants during COVID-19 outbreak.

# Property Rental and Management; and Development

| Property Rental and Management (HK\$m)          | 1H2021       | 1H2020       | Favourable/ (adverse) change (%) |
|---|--------------|--------------|----------------------------------|
| - Property Rental                               | 2,392        | 2,469        | (3.1)                            |
| - Property Management                           | 119          | 113          | 5.3                              |
| <b>Total Revenue</b>                            | <b>2,511</b> | <b>2,582</b> | <b>(2.7)</b>                     |
| <b>EBITDA</b>                                   | <b>2,078</b> | <b>2,203</b> | <b>(5.7)</b>                     |
| Depreciation and amortization                   | (10)         | (8)          | (25.0)                           |
| Variable annual payment                         | (1)          | (2)          | 50.0                             |
| <b>EBIT</b>                                     | <b>2,067</b> | <b>2,193</b> | <b>(5.7)</b>                     |
| EBITDA Margin (%)                               | 82.8%        | 85.3%        | -2.5%pts                         |
| EBIT Margin (%)                                 | 82.3%        | 84.9%        | -2.6%pts                         |
| Average occupancy rate (%; malls ex. The LOHAS) | 98.5%        | 99.2%        | -0.7%pt                          |
| Average occupancy rate (%; Two ifc)             | 98.2%        | 99.8%        | -1.6%pts                         |
| Rental reversion (%; malls)                     | -11.4%       | -17.6%       | +6.2%pts                         |

| HK Property Development (HK\$m)  | 1H2021       | 1H2020       | Favourable/ (adverse) change (%) |
|--|--------------|--------------|----------------------------------|
| - Share of surplus, income and interest in unsold properties from property development | 3,635        | 6,171        | (41.1)                           |
| - Income from recognition of properties held for investment purpose                    | 79           | -            | n/m                              |
| - Agency fee and other income from West Rail property development                      | 29           | 14           | 107.1                            |
| - Overheads and miscellaneous studies  | (10)         | (17)         | 41.2                             |
| <b>EBIT</b>  | <b>3,733</b> | <b>6,168</b> | <b>(39.5)</b>                    |

n/m: not meaningful

Note: Relief measures were provided to tenants during the pandemic, which were granted on a case-by-case basis with priority given to small to medium tenants; however, these were mostly offset by the incremental contribution from our newly opened and acquired shopping malls

Hong Kong property development profit was primarily derived from the surplus proceeds and income from LOHAS Park Package 8 and sales of inventory units in 1H2021

# Mainland China and International Businesses

| <i>(HK\$m)</i>   | 1H2021        | 1H2020        | Favourable/ (adverse)<br>change (%) |
|--|---------------|---------------|-------------------------------------|
| <b>Recurrent businesses revenue of Subsidiaries</b>                              | <b>12,050</b> | <b>10,465</b> | <b>15.1</b>                         |
| - Melbourne Train  | 299           | 96            | 211.5                               |
| - Sydney Metro Northwest   | 33            | (56)          | n/m                                 |
| - Sydney Metro City & Southwest  | 4             | -             | n/m                                 |
| - Nordic Group   | 21            | 12            | 75.0                                |
| - TfL Rail/Elizabeth Line  | 74            | 138           | (46.4)                              |
| - Shenzhen Metro Line 4  | 56            | (4)           | n/m                                 |
| - Others   | 92            | 123           | (25.2)                              |
| <b>EBITDA</b>  | <b>579</b>    | <b>309</b>    | <b>87.4</b>                         |
| Depreciation and amortisation  | (134)         | (127)         | (5.5)                               |
| <b>EBIT</b>  | <b>445</b>    | <b>182</b>    | <b>144.5</b>                        |
| EBIT (net of non-controlling interests)  | 336           | 159           | 111.3                               |
| EBITDA margin (%)  | 4.8%          | 3.0%          | +1.8%pts                            |
| EBIT margin (%)  | 3.7%          | 1.7%          | +2.0%pts                            |
| <b>Recurrent business profit</b>   | <b>258</b>    | <b>80</b>     | <b>222.5</b>                        |
| <b>Associates &amp; Joint Ventures</b>   |               |               |                                     |
| Share of EBIT  | 857           | 316           | 171.2                               |
| <b>Share of Profit</b>   | <b>430</b>    | <b>115</b>    | <b>273.9</b>                        |
| <b>Net Profit</b>  |               |               |                                     |
| - From Recurrent Businesses (before Business Development Expenses)               | 688           | 195           | 252.8                               |
| - Business Development Expenses  | (122)         | (53)          | (130.2)                             |
| - <b>Arising from Recurrent Businesses (after Business Development Expenses)</b> | <b>566</b>    | <b>142</b>    | <b>298.6</b>                        |
| - Arising from Mainland of China Property Development                            | 29            | 29            | -                                   |
| <b>Net profit outside of Hong Kong</b>   | <b>595</b>    | <b>171</b>    | <b>248.0</b>                        |

n/m: not meaningful

Note: While COVID-19 affected passenger numbers, patronage losses had varied impacts on our financial performance depending on the business models for different business contracts.

# Property Development

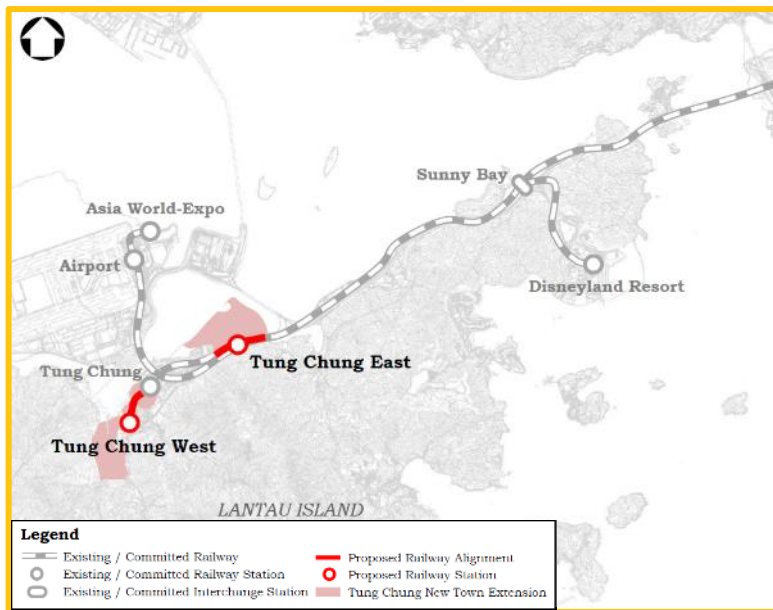
Development profit yet to be booked: ~23,000 residential units (GFA : ~1.37 million sqm)

|    | Property Tender               | Date of Tender Award | Developer partners  | Residential Gross Floor Area (sq m) | Units | Profit model                    |                           |                 | Project Status*  | Expected completion |
|----|-------------------------------|----------------------|---|-------------------------------------|-------|---------------------------------|---------------------------|-----------------|------------------|---------------------|
|    |                               |                      |   |                                     |       | Lump-sum Upfront and/or backend | Share of surplus proceeds | Sharing in kind |                  |                     |
| 1  | Tai Wai Station               | Oct 2014             | New World   | 190,480                             | 3,090 |                                 | ✓                         | ✓               | 98% presale      | TBC                 |
| 2  | Tin Wing Stop                 | Feb 2015             | Sun Hung Kai  | 91,051                              | 1,929 |                                 | ✓                         |                 | Foundation works | 2024                |
| 3  | LOHAS Park Package 7          | Jun 2015             | Wheelock  | 70,260                              | 1,120 |                                 | ✓                         | ✓               | 100% presold     | 2021                |
| 4  | LOHAS Park Package 9          | Dec 2015             | Wheelock  | 104,110                             | 1,653 | ✓                               | ✓                         |                 | 99.9% presale    | 2021                |
| 5  | LOHAS Park Package 10         | Mar 2016             | Nan Fung  | 75,400                              | 893   | ✓                               | ✓                         |                 | 60% presale      | 2022                |
| 6  | Ho Man Tin Station Package 1  | Dec 2016             | Great Eagle   | 69,000                              | 918   | ✓                               | ✓                         |                 | Foundation works | 2024                |
| 7  | THE SOUTHSIDE Package 1       | Feb 2017             | Road King Infrastructure & Ping An Real Estate                | 53,600                              | 800   | ✓                               | ✓                         |                 | 76% presale      | 2022                |
| 8  | THE SOUTHSIDE Package 2       | Dec 2017             | Sino Land & Kerry Properties                                  | 45,800                              | 600   | ✓                               | ✓                         |                 | Superstructure   | 2023                |
| 9  | Yau Tong Ventilation Building | May 2018             | Sino Land & CSI Properties                                    | 30,225                              | 792   | ✓                               | ✓                         |                 | Foundation works | 2025                |
| 10 | THE SOUTHSIDE Package 3       | Aug 2018             | Cheung Kong   | 92,900                              | 1,200 | ✓                               | ✓                         | ✓               | Superstructure   | 2024                |
| 11 | Ho Man Tin Station Package 2  | Oct 2018             | Chinachem   | 59,400                              | 845   | ✓                               | ✓                         |                 | Foundation works | 2024                |
| 12 | LOHAS Park Package 11         | Apr 2019             | Sino Land, K. Wah, China Merchants                            | 88,858                              | 1,880 | ✓                               | ✓                         |                 | Superstructure   | 2025                |
| 13 | THE SOUTHSIDE Package 4       | Oct 2019             | Kerry Properties, Swire Properties, Sino Land                 | 59,300                              | 800   | ✓                               | ✓                         |                 | Foundation works | 2025                |
| 14 | LOHAS Park Package 12         | Feb 2020             | Wheelock  | 89,290                              | 2,000 | ✓                               | ✓                         |                 | Design           | 2026                |
| 15 | LOHAS Park Package 13         | Oct 2020             | Sino Land, Kerry Properties, K. Wah & China Merchants         | 143,694                             | 2,550 | ✓                               | ✓                         |                 | Design           | 2026                |
| 16 | THE SOUTHSIDE Package 5       | Jan 2021             | New World, Empire Development, CSI Properties and Lai Sun Dev | 59,100                              | 1,050 | ✓                               | ✓                         |                 | Design           | 2026                |
| 17 | THE SOUTHSIDE Package 6       | Apr 2021             | Wheelock  | 46,800                              | 750   | ✓                               | ✓                         |                 | Design           | 2027                |

\* Project status as of Jun 2021  
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# Tung Chung Line Extension Project

- On 7 April 2020, the Government invited the Corporation to proceed with detailed planning and design of the Tung Chung Line Extension project
- Tung Chung East Station will be a key component of the transport infrastructure to support the Tung Chung New Town Extension (East) development
- Tung Chung West Station, located west of the existing Yat Tung Estate, will serve incumbent residents and potential housing developments nearby, including the Tung Chung New Town Extension (West) planning areas
- Funding arrangement will be negotiated on the basis of the ownership approach



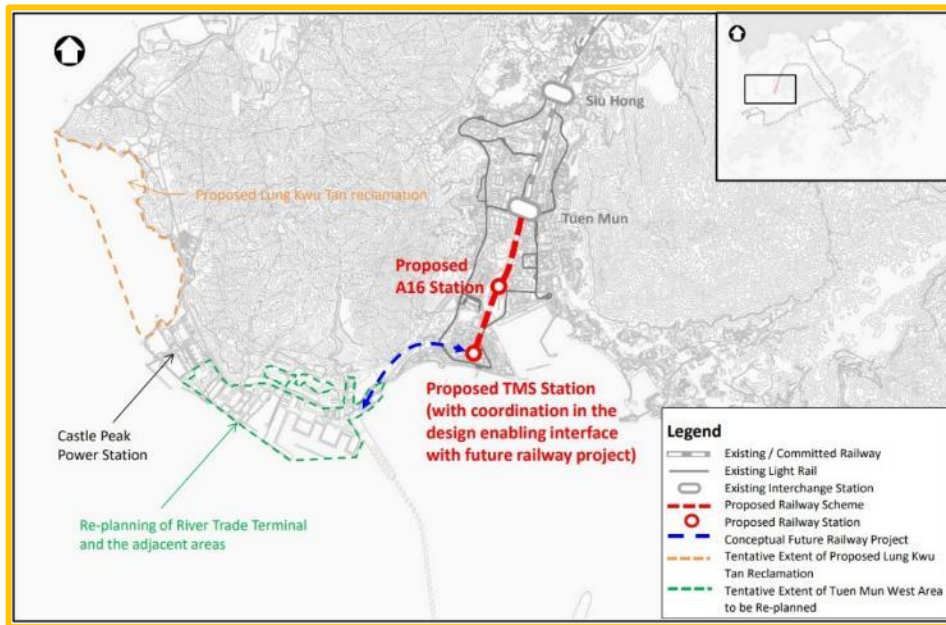
Source: LegCo document

\* Expected cost of HK\$18.7 billion (December 2016 prices) includes the cost of Airport Railway Extended Overrun Tunnel (AREOT) (Remaining Section). Route length of 1.3 km does not include the AREOT of about 460-metre. The AREOT (Remaining Section) is targeted to be in place by 2032.

| Tung Chung Line Extension   |                   |
|-----------------------------|-------------------|
| Route length                | 1.3 km*           |
| No. of new stations         | 2                 |
| Estimated cost              | HK\$18.7 billion* |
| Expected construction start | 2023              |
| Expected completion         | 2029*             |

# Tuen Mun South Extension Project

- On 29 May 2020, the Government invited the Corporation to proceed with detailed planning and design of the Tuen Mun South Extension project
- Tuen Mun South Station, located near the Tuen Mun Ferry Pier, will improve the railway services in Tuen Mun South
- The proposed intermediate station, located in Tuen Mun Area 16, will unleash the housing development potential in the area
- Funding arrangement will be negotiated on the basis of the ownership approach



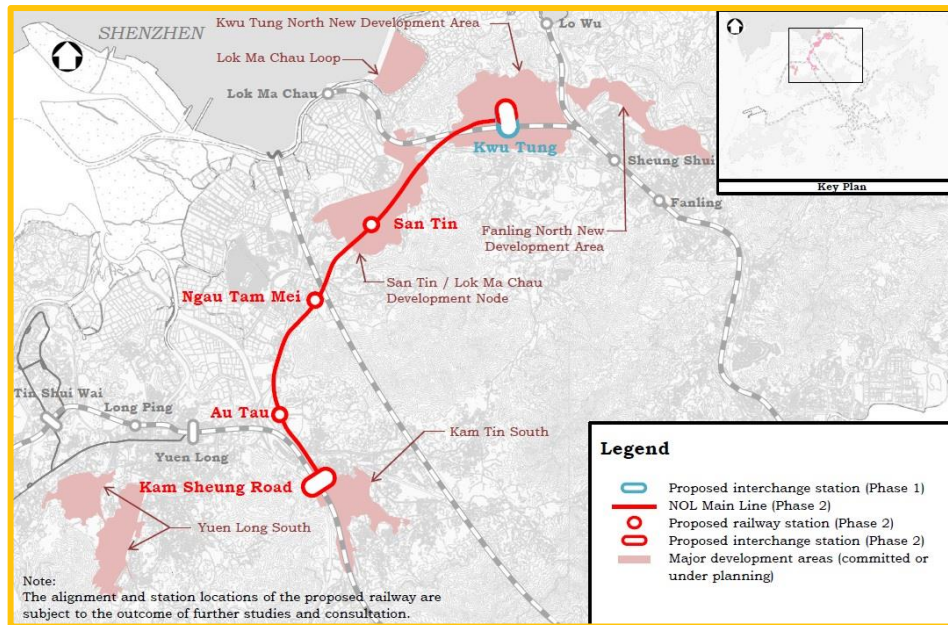
Source: LegCo document

\* Expected cost of HK\$11.4 billion (in December 2015 prices)

| Tuen Mun South Extension    |                   |
|-----------------------------|-------------------|
| Route length                | 2.4 km            |
| No. of new stations         | 2                 |
| Estimated cost              | HK\$11.4 billion* |
| Expected construction start | 2023              |
| Expected completion         | 2030              |

# Kwu Tung Station and Northern Link

- On 16 December 2020, the Government invited the Corporation to proceed with detailed planning and design of the Northern Link project
- The project comprises two phases: i) a new Kwu Tung Station, and ii) a railway line of about 10.7-km-long linking Kam Sheung Road Station of Tuen Ma Line with the new Kwu Tung Station
- Upon completion of the project, a loop will be formed in Northwest New Territories to enhance transport network connecting east and west of the New Territories
- Funding arrangement will be negotiated on the basis of the ownership approach



Source: LegCo document

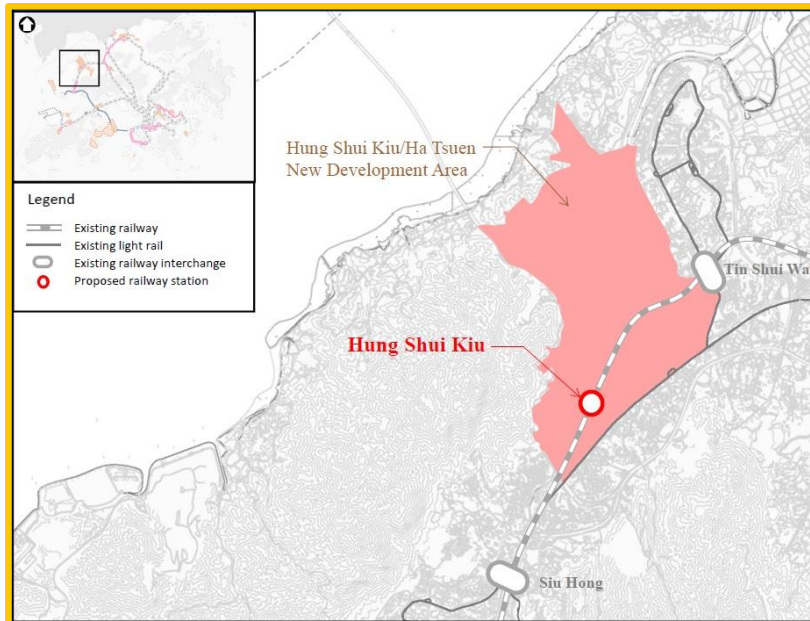
\* Expected cost of HK\$3.5 billion and \$58.5 billion for Phase 1 and Phase 2, respectively (in December 2015 prices)

| Northern Link                         |                   |
|---------------------------------------|-------------------|
| Route length                          | 10.7 km           |
| No. of new stations                   | 4                 |
| Estimated cost                        | HK\$62.0 billion* |
| Expected construction start – Phase 1 | 2023              |
| Expected completion – Phase 1         | 2027              |
| Expected construction start – Phase 2 | 2025              |
| Expected completion – Phase 2         | 2034              |



# Hung Shui Kiu Station

- On 27 May 2021, the Government invited the Corporation to proceed with detailed planning and design of the Hung Shui Kiu Station project
- The project will build a new Hung Shui Kiu Station located between Tin Shui Wai Station and Siu Hong Station on the Tuen Ma Line. The new station will be a significant transport facility, situated at the future town centre of the Hung Shui Kiu/ Ha Tsuen New Development Area (HSK/HT NDA) to serve its new population
- Funding arrangement will be negotiated on the basis of the ownership approach



Source: LegCo document

\* Expected cost of HK\$4.1 billion (in December 2018 prices)

| Hung Shui Kiu Station       |                  |
|-----------------------------|------------------|
| Route length                | n.a.             |
| No. of new stations         | 1                |
| Estimated cost              | HK\$4.1 billion* |
| Expected construction start | 2024             |
| Expected completion         | 2030             |



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