



MTR Corporation

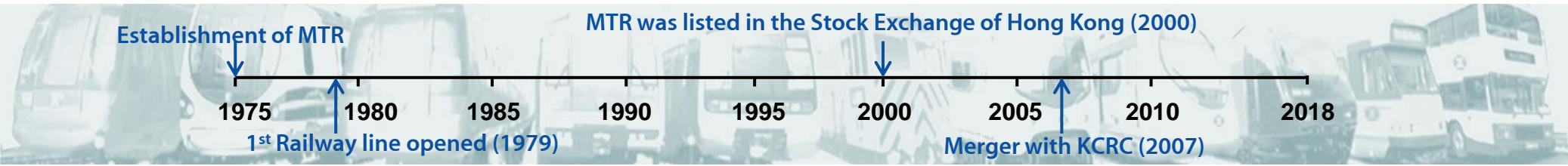
Company Overview

June 2018 to July 2018

Forward-looking statements

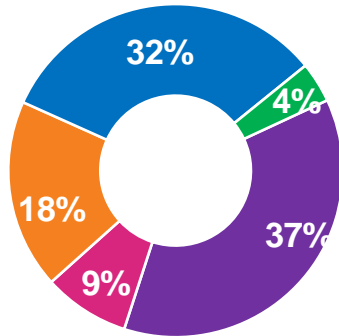
Certain statements contained in this presentation may be viewed as forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements.

MTR Today



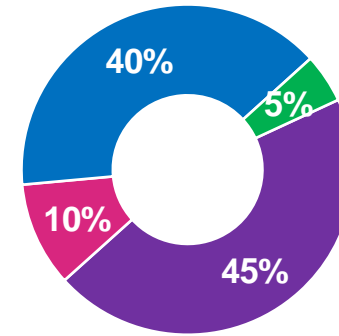
2017 Underlying Profit²
HK\$10.5 billion

↑ 11.3%



2017 Recurrent Profit¹
HK\$8.6 billion

↓ 3.8%

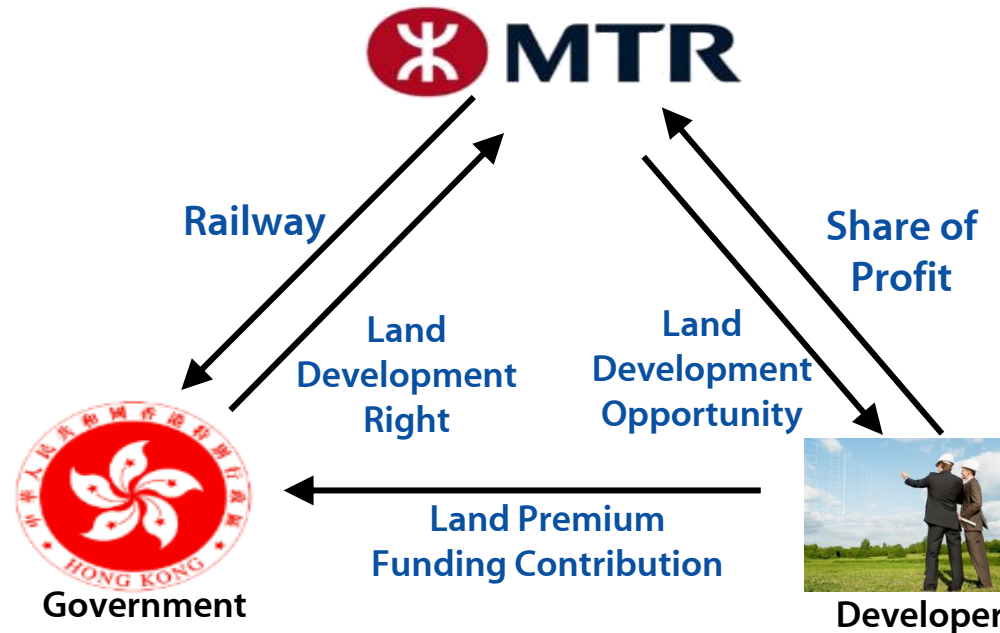


Note:

1. Recurrent Profit: \$8,580M - Net Profit attributable to Shareholders of the Company arising from Recurrent Businesses (comprising Hong Kong Transport Operations, Hong Kong Station Commercial Businesses, Hong Kong Property Rental & Management Businesses, Mainland of China and International Railway, Property Rental and Management Businesses and Other Businesses)
2. Underlying Profit: \$10,515M - Net Profit attributable to Shareholders of the Company arising from Underlying Businesses (comprising Recurrent Businesses and Property Development Businesses)
3. Reported Profit (not shown here): \$16,829M - Net Profit attributable to Shareholders of the Company arising from Underlying Businesses and Investment Property Revaluation
4. [#]Include Mainland of China property development profit being 9.7% of total Underlying Profit

Vision: a leading multinational company that connects and grows communities with caring services

Rail + Property Business Model



MTR leads and coordinates the development processes including:

- Agrees with Government amount of property development rights for new rail extension
- Land premium is negotiated with Government on “greenfield basis”*, 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

*Greenfield basis = market value ignoring the presence of the railway

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: 1,654,600 sq m (Retail: 40,000 - 50,000 sq m)
- ~25,500 residential units



Kowloon Station Development



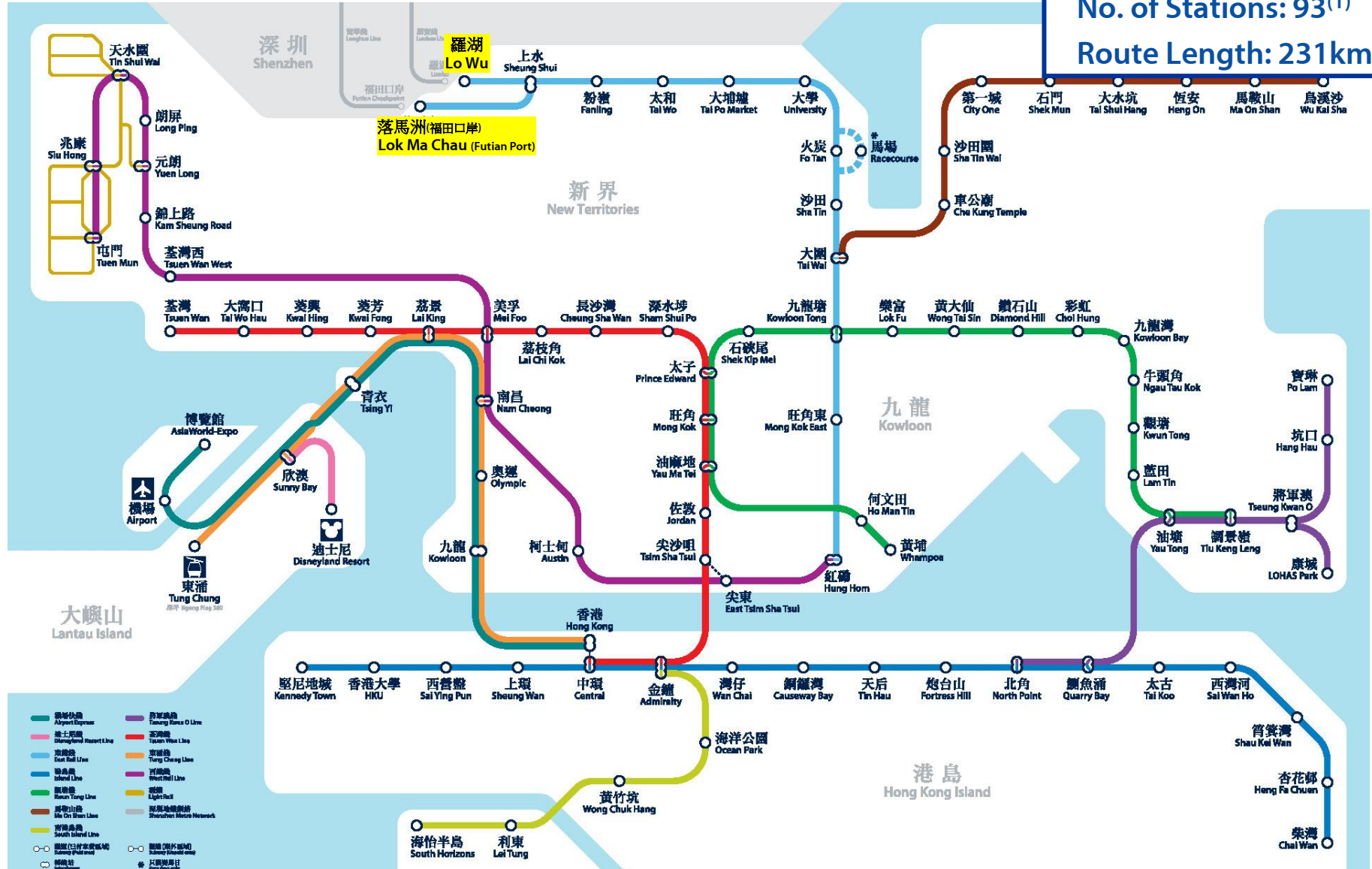
- Total GFA: 1,096,169 sq m (Retail: 82,750 sq m; Office: 231,778 sq m)
- ~5,800 residential units

Hong Kong Transport Operations



MTR Network

No. of Stations: 93⁽¹⁾
Route Length: 231km⁽²⁾

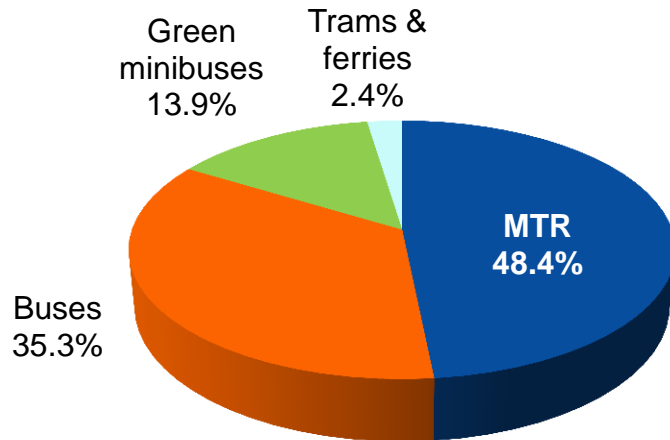


3 Rail Segments: Domestic Service, Airport Express and Cross-boundary Service

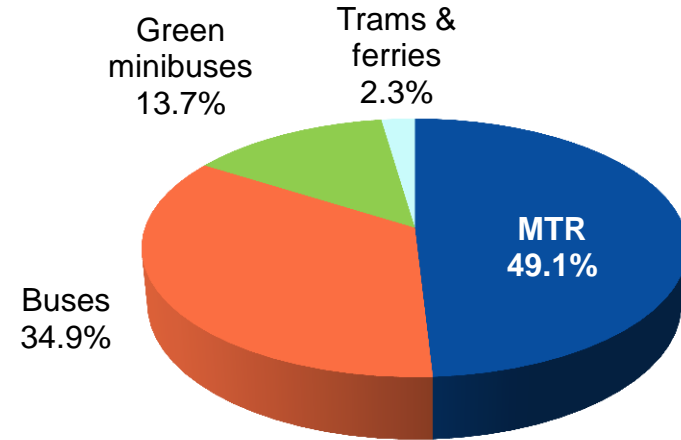
1. 93 heavy rail stations and 68 light rail stops
2. Includes 195km of heavy rail and 36km of light rail

Market Share

Hong Kong Franchised Public Transport

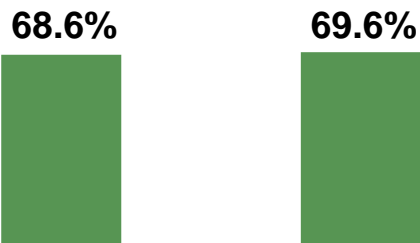


Jan – Dec 2016

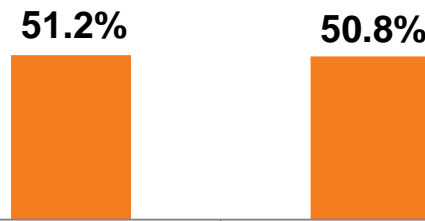


Jan – Dec 2017

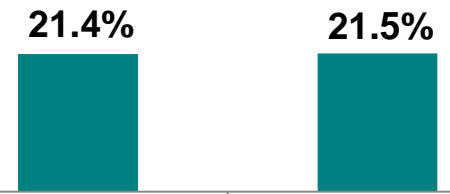
Cross-harbour



Cross-boundary



Airport Express



Jan-Dec 2016

Jan-Dec 2017

Jan-Dec 2016

Jan-Dec 2017

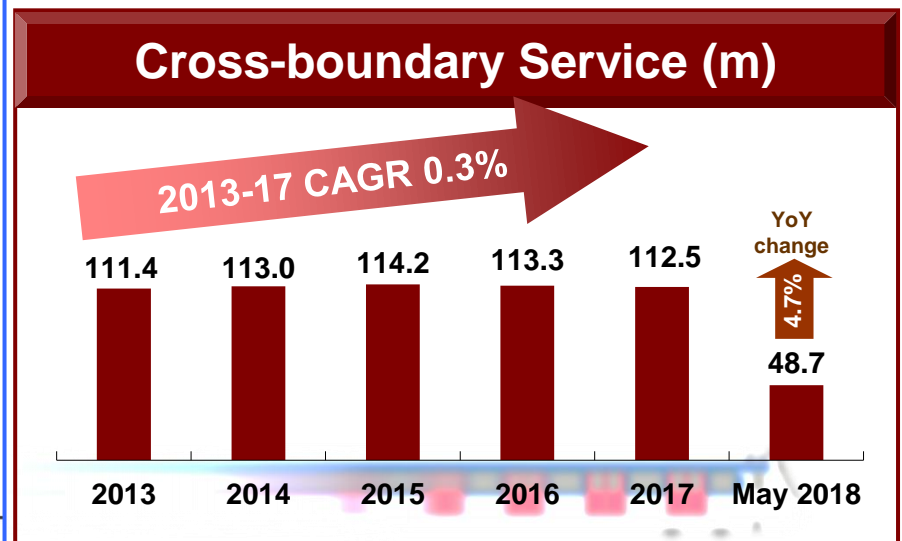
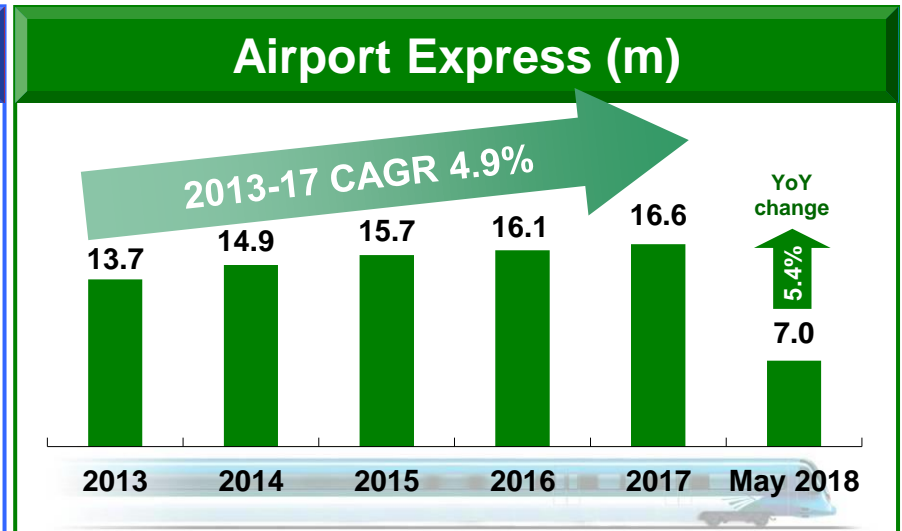
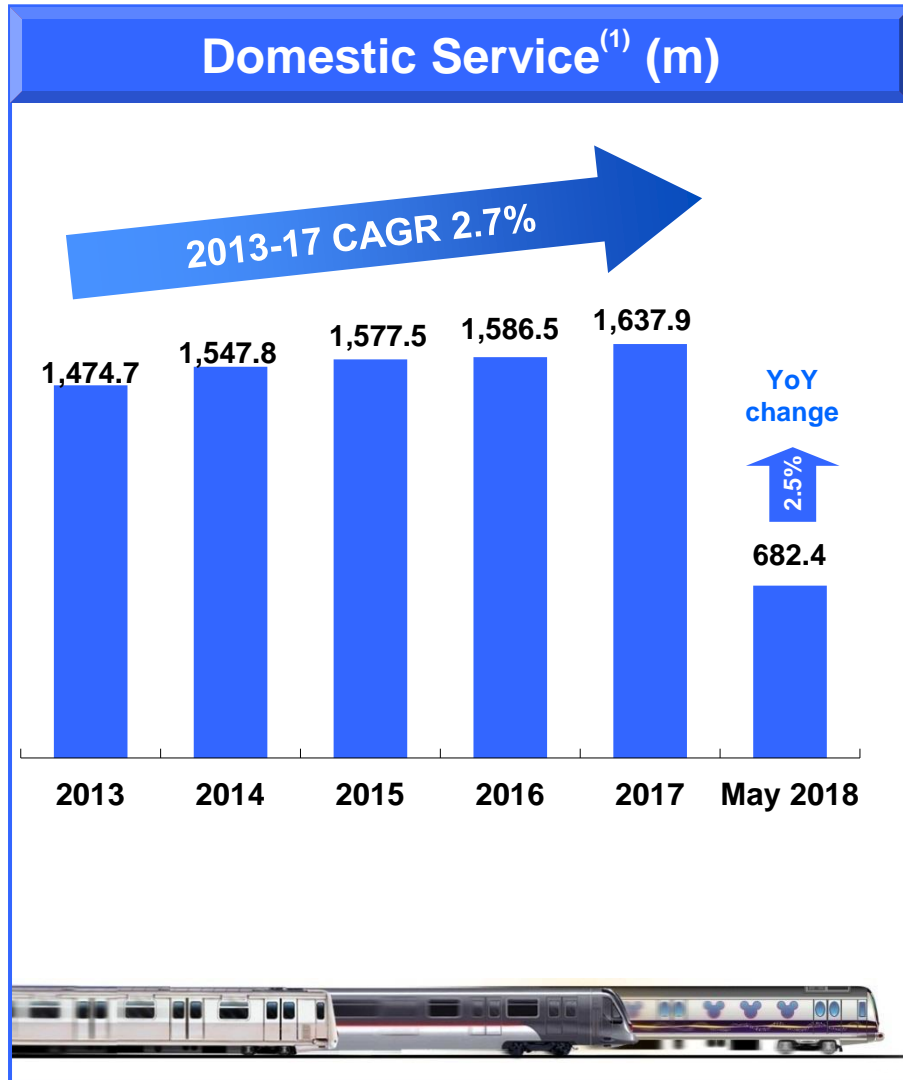
Jan-Dec 2016⁽¹⁾

Jan-Dec 2017⁽¹⁾

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

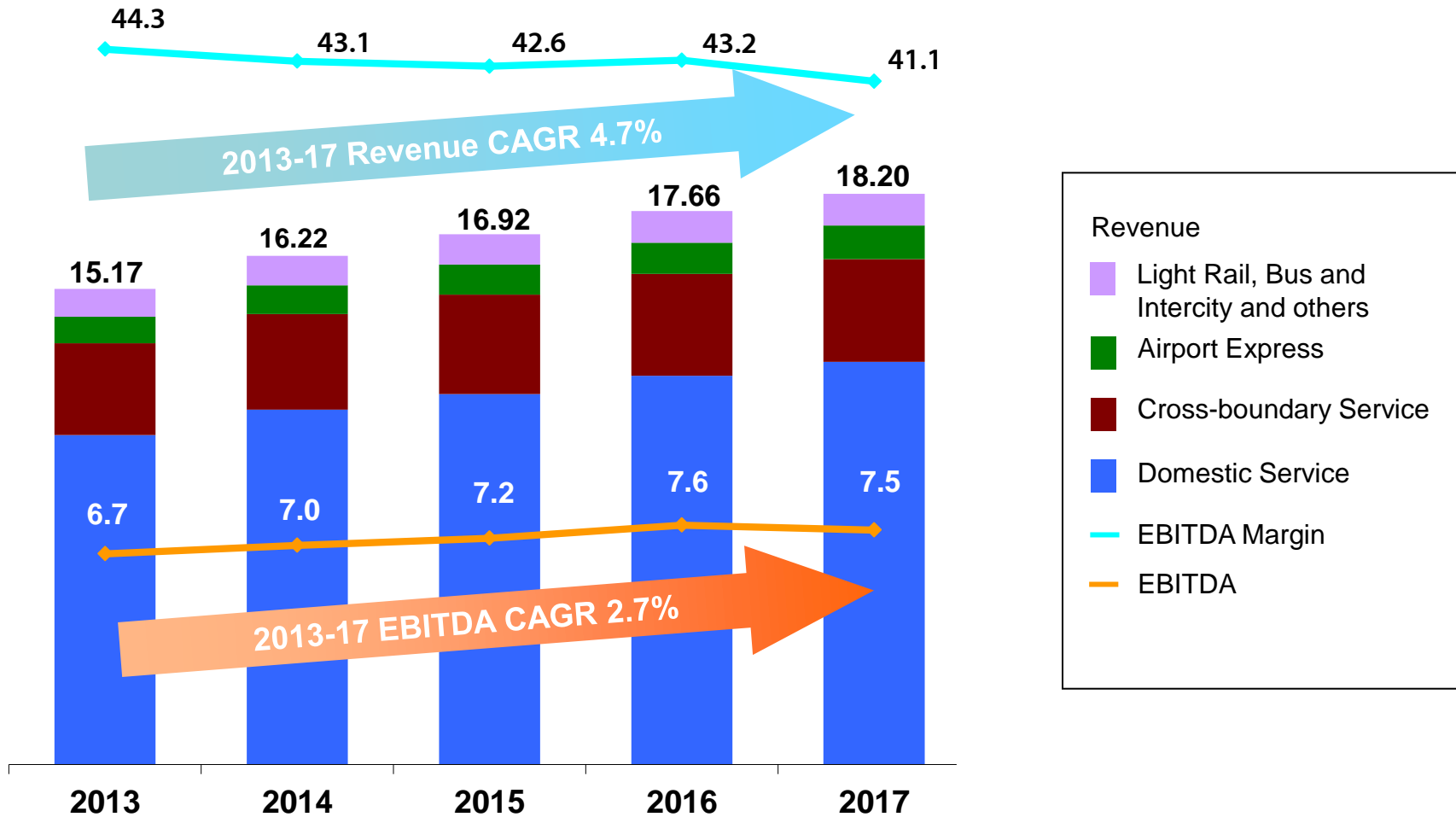
Patronage



1. Domestic Service comprises the Kwun Tong, Tsuen Wan, Island, South Island, Tung Chung, Tseung Kwan O, Disneyland Resort, East Rail (excluding Cross-boundary service), West Rail and Ma On Shan lines

Hong Kong Transport Operations

(HK\$b)



Fare Adjustment Mechanism (FAM)

- FAM – a direct drive mechanism providing a measure of certainty for fare setting
- Next scheduled review in 2022/23

$$\text{Fare Adjustment} = 0.5 * \Delta \text{CCPI} + 0.5 * \Delta \text{WAGE INDEX} - t$$

- Wage index: the yearly percentage change in the Nominal Wage Index (Transportation Sector)
- t: productivity factor

■ Productivity Factor

- t = greater of zero and 0.5 x CAGR in **Productivity** over a **reference period (t = 0 from 2017 to 2022)**

- Productivity: $\frac{\text{HK Transport Operations Revenue}}{\text{HK Transport Operations Expenses}}$

■ Fare Promotions – 3% rebate for Every Octopus Trip for at least 6 months (linked to profitability and service performance arrangements), and others

■ Special applications from 2017 to 2022

- Fare rise under FAM shall be reduced by 0.6 percentage point from 2017 to 2022
- In 2017, it will be followed by a further 10% discount

■ Past Fare Adjustments

2009: +2.05%, effective in June 2010

2011: +5.40%, effective in June 2012

2013: +3.60%, effective in June 2014

2015: +2.65%, effective in June 2016

2017: +3.14%, effective in June 2018

2010: +2.20%, effective in June 2011

2012: +2.70%, effective in June 2013

2014: +4.30%, effective in June 2015

2016: +1.49% (rolled over to 2018/19)

Hong Kong Station Commercial



Hong Kong Station Commercial Businesses



Station Kiosks



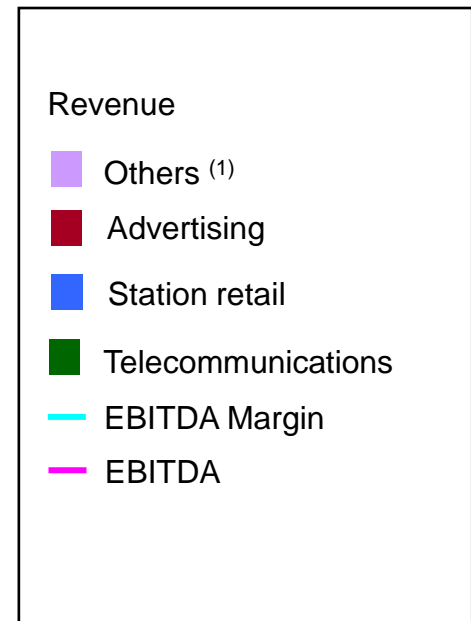
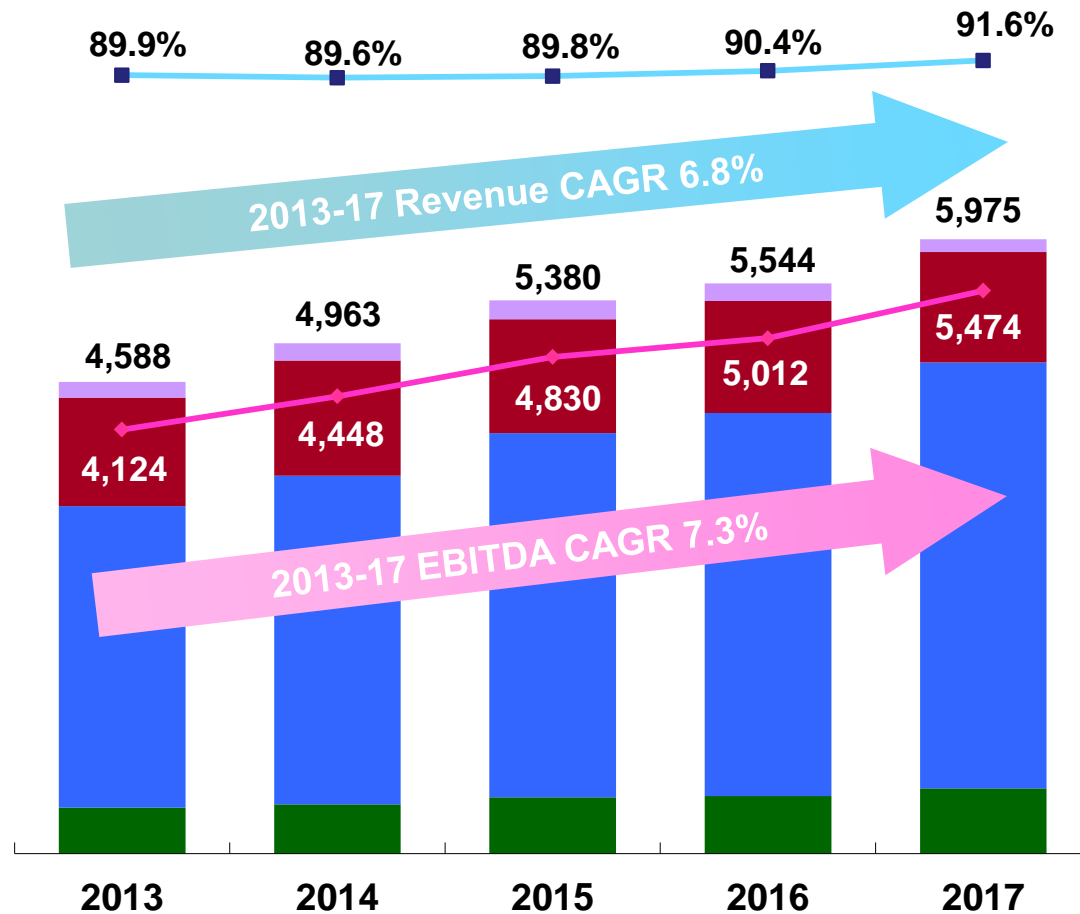
Advertising



Telecommunications

Hong Kong Station Commercial

(HK\$m)



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

Hong Kong Property Rental & Management



MTR Investment Property Portfolio

Elements (Retail)

Maritime Square (Retail)



Plaza Ascot (Retail)

Citylink Plaza (Retail)

Telford Plaza (Retail)



Ocean Walk Hanford Plaza Sun Tuen Mun Shopping Centre (Retail)

Luk Yeung Galleria (Retail)

Two IFC (Offices)

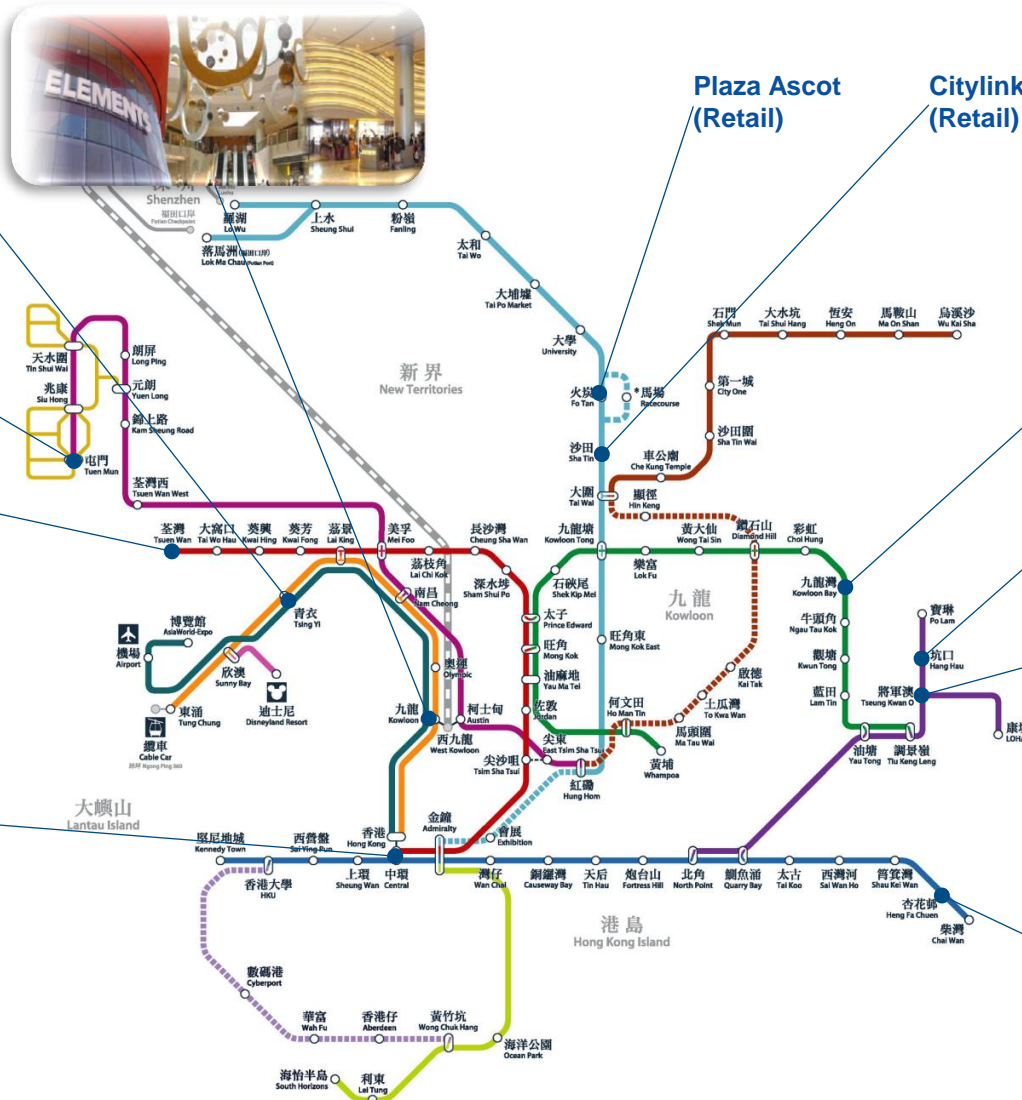


The Lane (Retail)

PopCorn 1 & 2 (Retail)



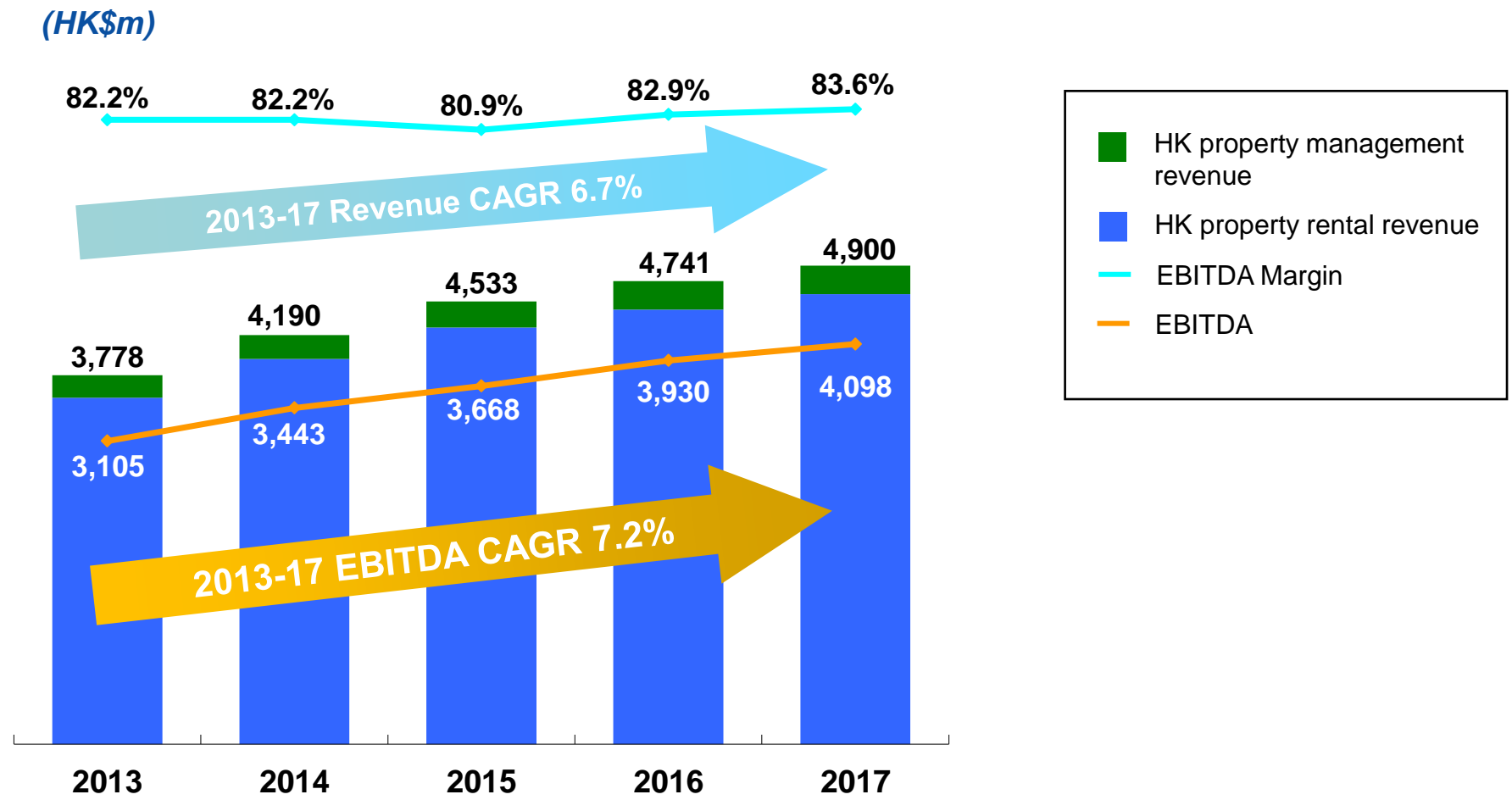
Paradise Mall (Retail)



- 13 malls – 218,251 sqm, Office – 39,410 sqm, Others – 17,764 sqm
- Total Area: 275,425 sqm LFA

* Lettable floor area attributable to MTR, as at 31 Dec 2017

Hong Kong Property Rental and Management



New Investment Property Initiatives

Tai Wai Shopping Mall



- MTR contribution: HK\$7.5 billion
- Profit sharing in the residential development
- MTR will take ownership of and invest further in fitting out the shopping mall
- Shopping mall GFA: 60,620 sqm
- Expected project completion in 2022

LOHAS Park Shopping Mall

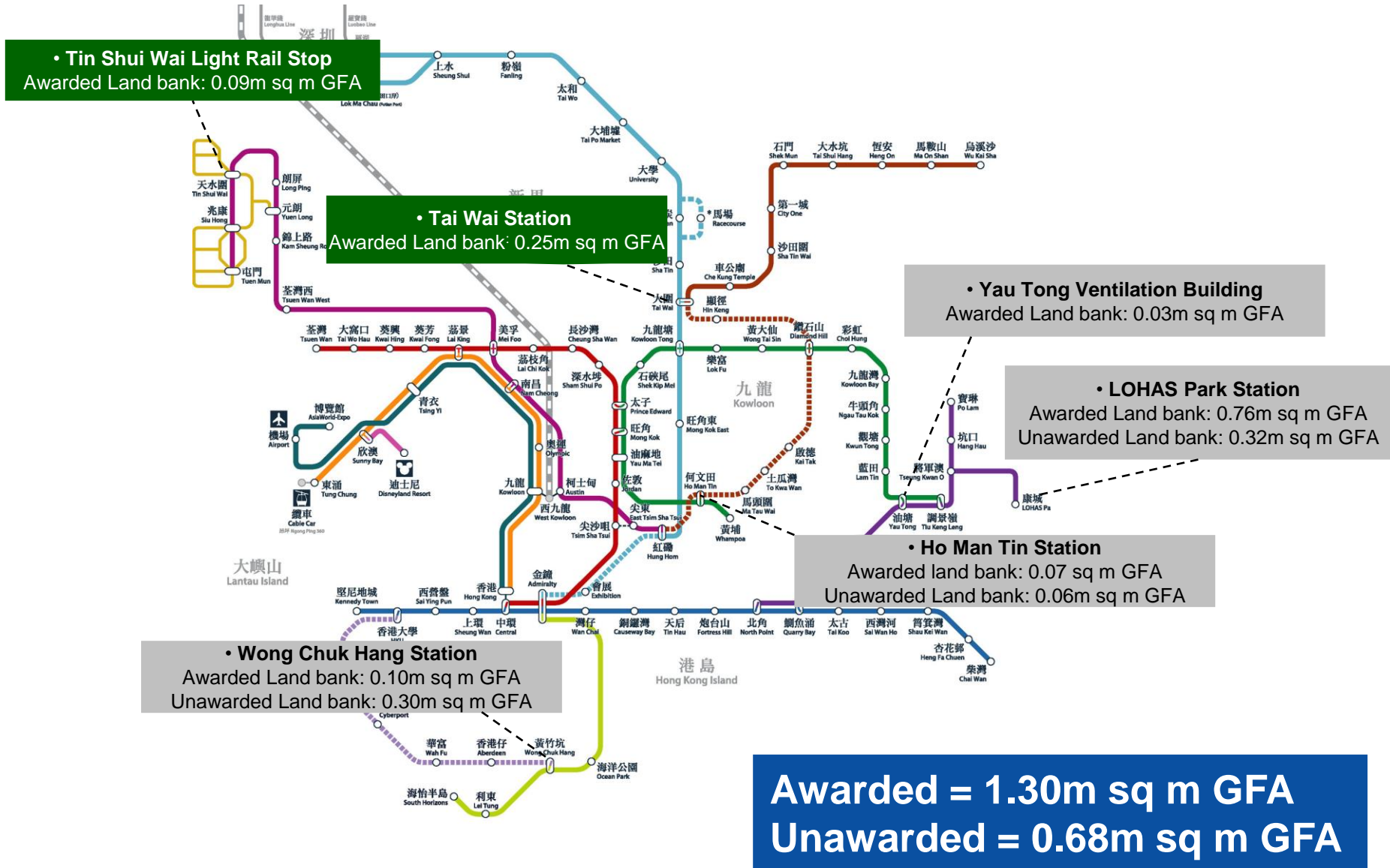


- MTR contribution: HK\$4.98 billion
- Profit sharing in the residential development
- MTR will take ownership of and invest further in fitting out the shopping mall
- Shopping mall GFA: 44,500 sqm
- Expected project completion in end-2020

Hong Kong Property Development



MTR Land bank⁽¹⁾ – 1.98 Million sq m GFA



1. Definitions of landbank:

- Property development rights granted by the Government as part of the "Rail + Property" model or through acquisition from KCRC
- Where profit has not yet been recognised, status in May 2018

Update on Hong Kong Property Development

Land Tendering

■ Tendering activities

- Yau Tong Ventilation Building Property Development awarded to Sino Land and CSI Properties in May 2018
- Between now and March 2019, subject to market conditions, aiming to tender out Ho Man Tin Station Package 2, LOHAS Park Package 11 and Wong Chuk Hang Station Package 3

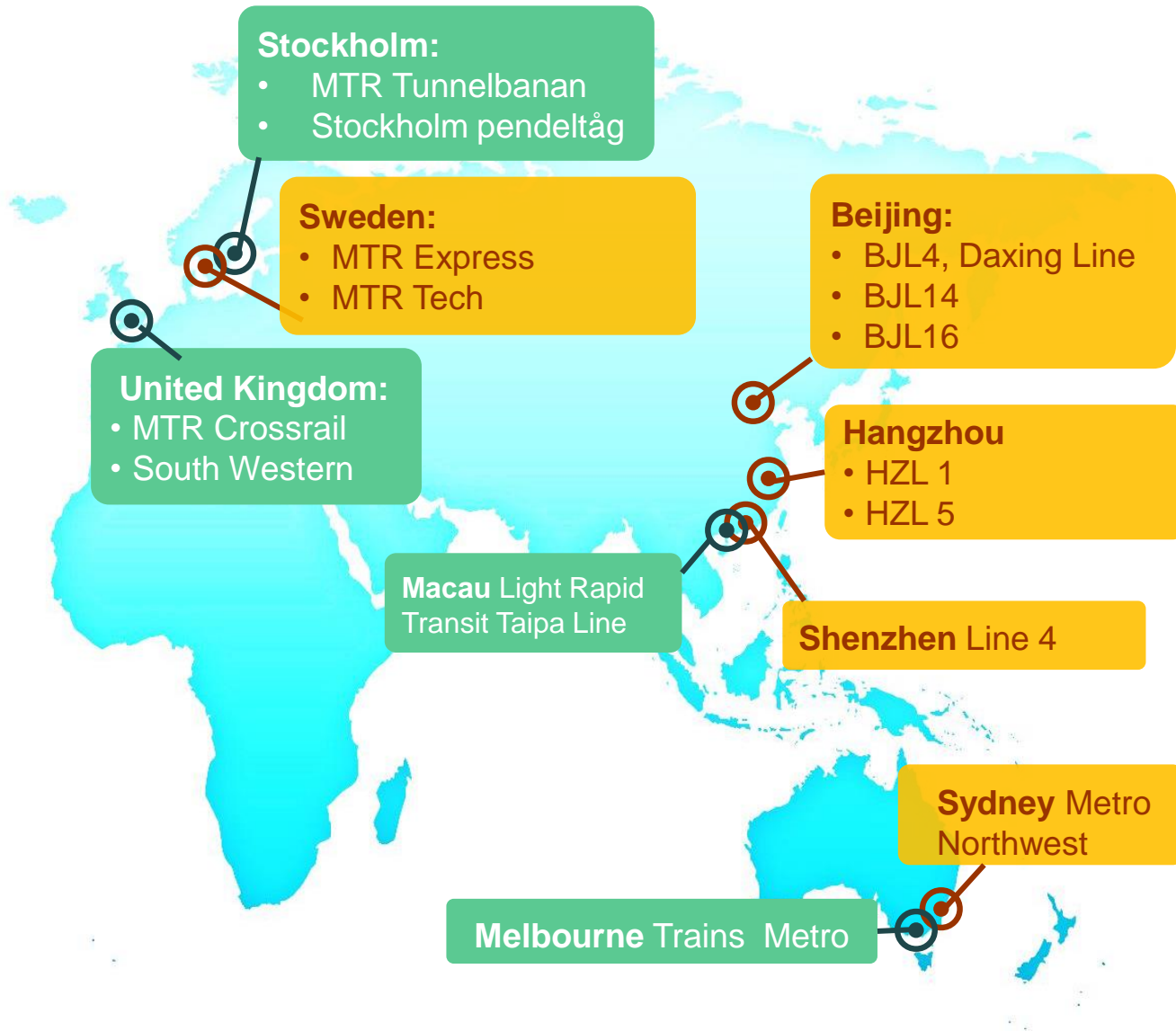
Property Sales

- Pre-sales of LOHAS Park property development packages
- Pre-sales of West Rail residential projects where we act as agent for KCRC
- Sales of inventory units or car parks, subject to market conditions

Mainland of China & International Businesses



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

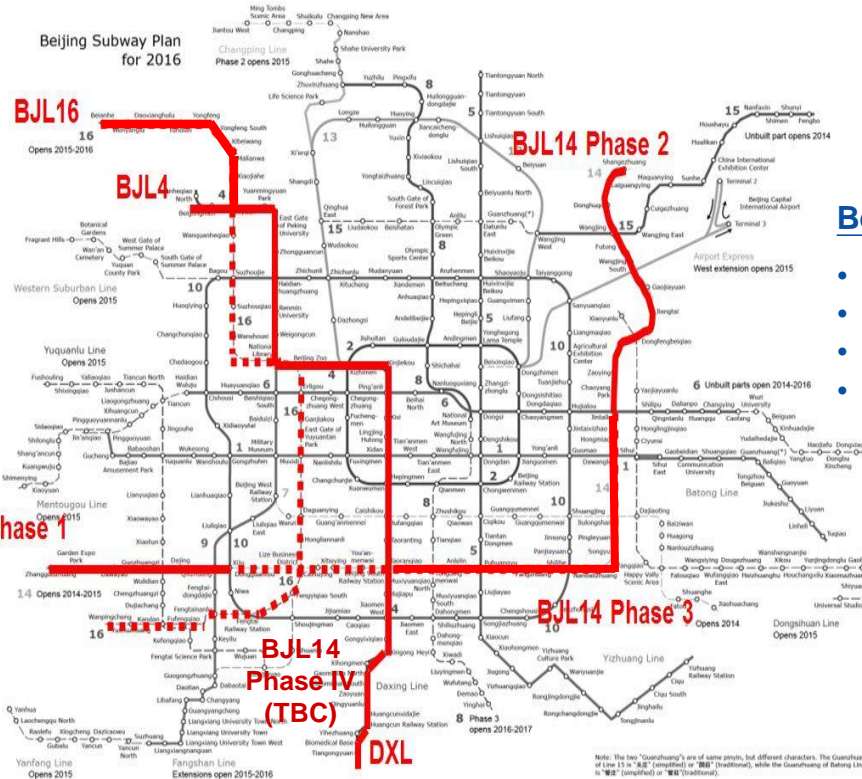
Existing Businesses on Mainland of China – Beijing

Beijing Metro Line 16 (BJL16)

- 49%/ RMB 2.45billion
- 50km/ 29 stations
- 30 years
- Phase 1: Dec 2016; full line: after 2018

Beijing Metro Line 4 (BJL4)

- 49%/ RMB 700 million
- 28km/ 24 stations
- 30 years
- Sep 2009



Beijing Metro Line 14 (BJL14)

- 49% ownership/ RMB 2.45billion
- 47.3km/ 37 stations
- 30 years
- Phase 1: May 2013; Phase 2: Dec 2014; Phase 3: Dec 2015

Daxing Line

- O&M contract
- 22km/ 11 stations (Southward extension of BJJ4)
- 10 years
- Dec 2010

Metro Line

- % Ownership/ equity investment
- Route length/ no. of stations
- Concession period
- Year of service commencement

Existing Businesses on Mainland of China – Shenzhen and Hangzhou; Macau

Shenzhen Metro Line 4 (Longhua Line)

- 100%/ RMB 2.4 billion
- 20.5 km/ 15 stations
- 30 years
- Jun 2011



Hangzhou Metro Line 1

- 49%/ RMB 2.2 billion
- 54km/ 34 stations (including a 5.7km 3-station extension under O&M)
- 25 years
- Nov 2012

Hangzhou Metro Line 5

- Up to 60%/ RMB 2.6 billion
- 51.5km/ 38 stations
- 25 years
- Around end-2019

Macau Light Rapid Transit Taipa Line

- O&M contract of ~HK\$5.71 billion
- 9.3 km/ 11 stations
- 80 months
- 2019

Metro Line

- % Ownership/ equity investment
- Route length/ no. of stations
- Concession period
- Year of service commencement



Existing Overseas Operations - Sweden

Stockholm Metro

MTR Tech

- Total investment: HK\$180 million (for 50% interest in TBT)
- 100% ownership
- Rolling stock maintenance for the metro network in Stockholm fully under our management
- Feb 2016

MTR Stockholm

- O&M concession for 8 years to 2017
- 6-year extension from 2017 to 2023
- 100% ownership
- Contract amount: HK\$20 billion
- 108km/ 100 stations
- Since Nov 2009



Intercity Service

MTR Express

- Total investment: HK\$830 million
- 100% ownership
- 457km intercity service between Stockholm & Gothenburg
- Since 21 March 2015



Commuter Service

Stockholms pendeltåg

- O&M concession for 10 years (with option to extend a further 4 years)
- 100% ownership
- Contract amount: SEK30 billion (14 years)
- 247km/ 53 stations
- Since Dec 2016



Existing Overseas Operations

Australia

Melbourne's Metropolitan Rail Services

- O&M concession for 7 years (plus a 3-year option)
- 60% ownership
- 390km and 217 stations
- 8-year concession since Nov 2009; new franchise to start on 30 Nov 2017

Sydney Metro Northwest (PPP)

- Equity investment: AUD63 million
- 36km high capacity rapid transit between Chatswood and Rouse Hill
- Design and delivery of railway system and O&M for 15 years
- To commence in 2019

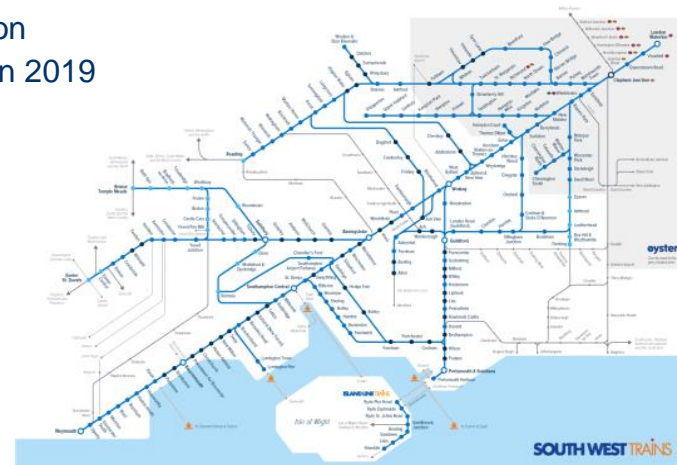


MTR Crossrail

- O&M concession for 8 years (with an option to extend 2 more years to 10 years)
- 100% ownership
- Contract amount: GBP1.4 billion
- 118km and 40 stations, including 42km of new tunnels across London
- Commenced first section of service in May 2015; full line operation in 2019

South Western Railway

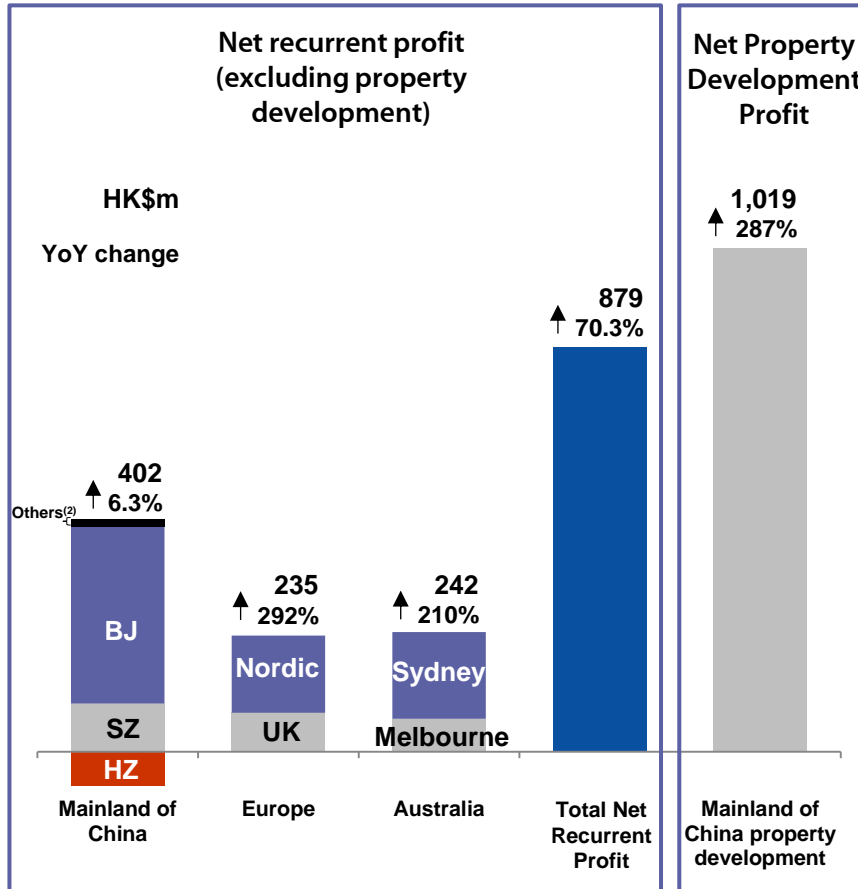
- The new franchise from Aug 2017 for 7 years (with the option for an 11-month extension)
- 70:30 joint venture between FirstGroup and MTR
- 998.2km network serving 203 stations (186 stations operator managed)
- Covers routes between London Waterloo and south western England, including Bristol, Exeter and Portsmouth



United Kingdom

Mainland China and International Businesses

Net profit (including property development)⁽¹⁾ : **HK\$1,898m** **144%**



Recurrent

Mainland of China

- **Beijing MTR** – good operational and financial performance
- **MTR Shenzhen** – decline in profit due to higher operating expenses
- **Hangzhou MTR** – share of loss worsened due to one-off provision

Europe

- **MTR Pendeltågen, Sweden** – takeover in Dec 2016 and full year contribution in 2017
- **South Western Rail franchise, UK** – contribution since our takeover in Aug 2017
- **MTR Express, Sweden** – making every effort to improve financial results

Australia

- **Sydney Metro North West (SMNW)** - Initial profit recognition from project design and delivery phase
- **Metro Trains Melbourne (MTM)** – decrease in net profit mainly due to increased operating cost in operation activities

Property Development

Mainland of China Property Development

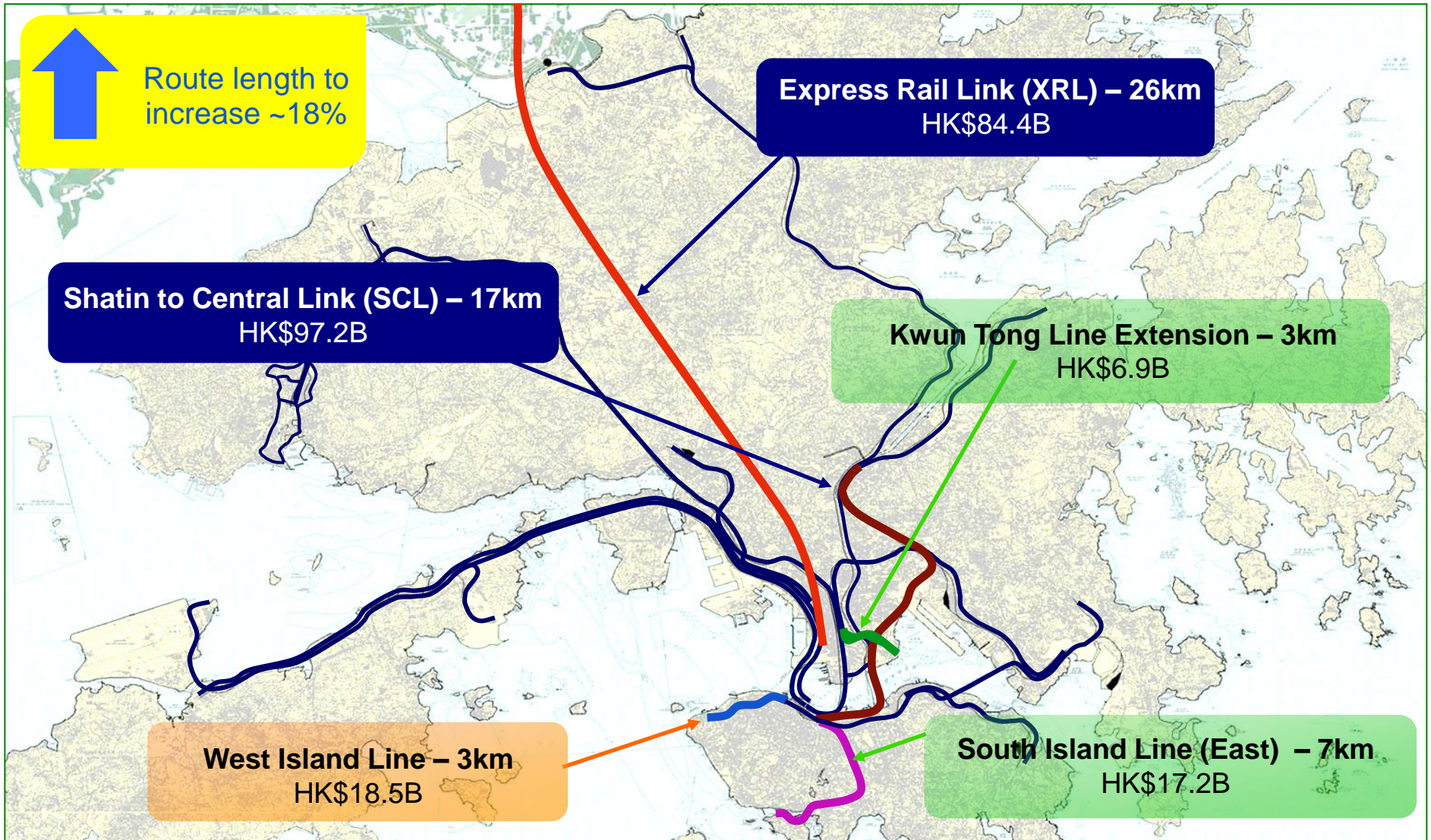
- **Tiara, Shenzhen** - Profit bookings with handover of high-rise and podium units

1. On attributable basis comprising net profit from Mainland of China and international business (MC&IB) subsidiaries net of non-controlling interests, and share of profit or loss from MC&IB associates and joint venture
 2. Mainland of China Property rental and management

Growth Initiatives in Hong Kong



Unprecedented HK Railway Growth



■ SCL is service concession while XRL is subject to negotiation

■ Cash grant

■ "Rail + Property"

* Project cost estimates (before capitalised interest) subject to regular review

Rail Projects under Project Management

Express Rail Link (XRL)

Project Background

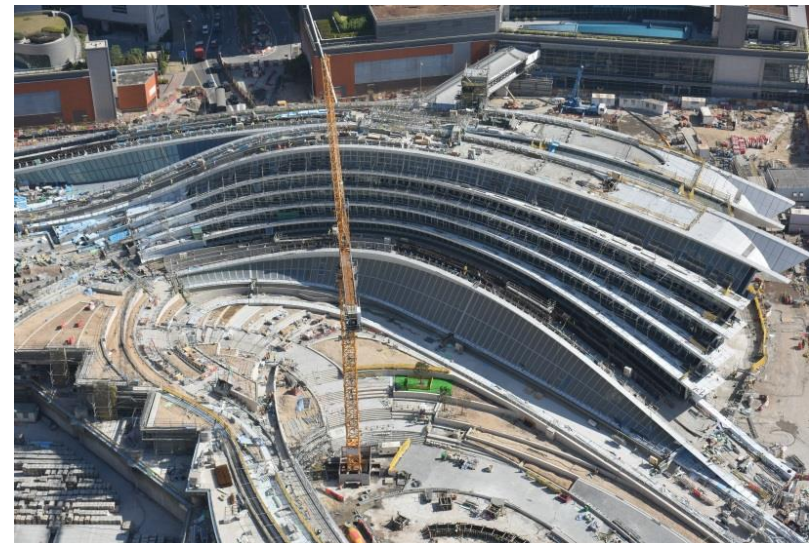
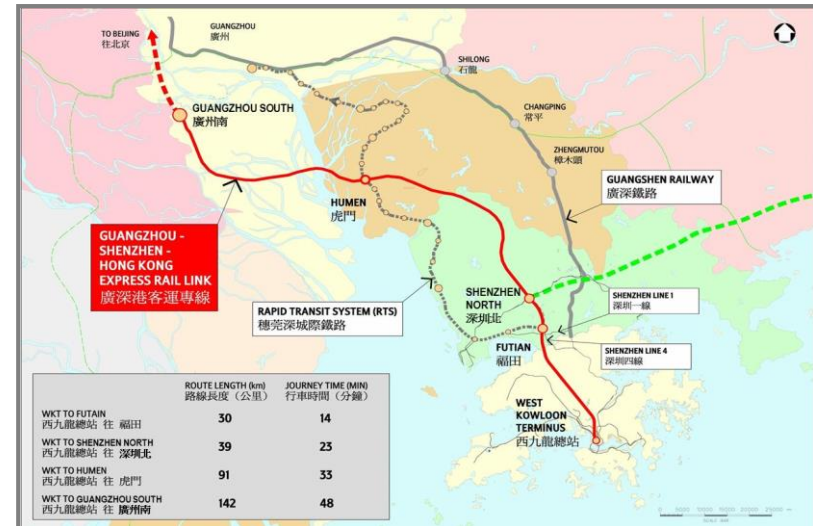
- The 26-km XRL to provide high speed cross-boundary rail services connecting Hong Kong to Shenzhen, Guangzhou and the high speed rail network in Mainland of China

Project Progress

- Close to 99.4% complete as at 31 March 2018
- Civil works at West Kowloon Station substantially complete
- All tracks in tunnels laid and overhead lines energised

Target Completion and Project Cost Estimate

- Completion timetable remains in 3Q 2018
- Project cost estimate remains at HK\$84.42 billion



Rail Projects under Project Management

Shatin to Central Link

Project Background

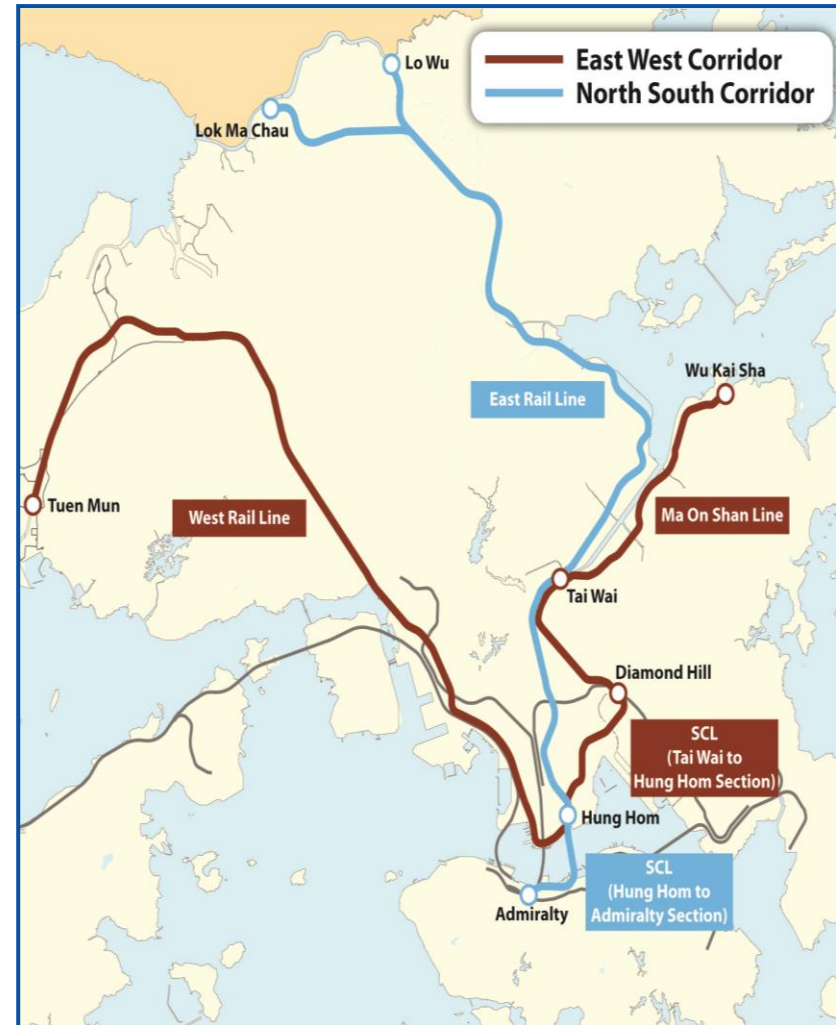
- SCL comprises two sections, the East West Corridor and North South Corridor
- New link across the New Territories, serving residential and working population of 640,000
- Entrustment Agreement signed with Government in May 2012
- Construction commenced in June 2012

Project Progress

- Overall completion at 84% as at 31 Mar 2018
 - East-West Corridor at 96%
 - North-South Corridor at 68%

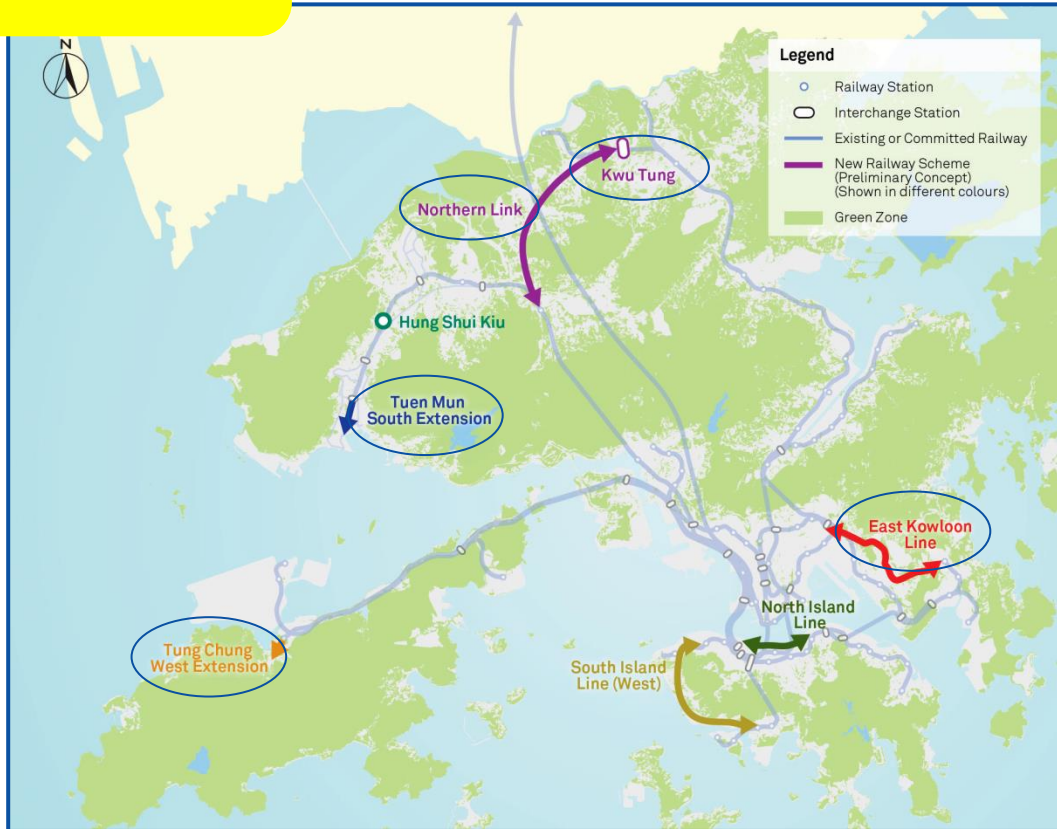
Target Completion and Project Cost Estimate

- East-West Corridor target completion in mid-2019
- North-South Corridor target completion in 2021



Railway Development Strategy 2014

 Total route length of about 34.8km



Project	Route Length (km)
Tuen Mun South Extension	2.4
Northern Link (and Kwu Tung Station)	10.7
East Kowloon Line	7.8
Tung Chung West Extension (and Tung Chung East Station)	1.5
North Island Line	5.0
Hung Shui Kiu Station	-
South Island Line (West)	7.4
Total	34.8

Financial Results



Financial Highlights

Contribution from Recurrent Businesses

2017 (HK\$m)	Recurrent Businesses		
	Hong Kong ⁽¹⁾	Outside of Hong Kong	Total
Revenue	31,454	16,990	48,444
Change (YoY)	3.6%	26.1%	10.5%
Recurrent profits	7,701	879 ⁽²⁾	8,580
Change (YoY)	(8.3)%	70.3%	(3.8)%

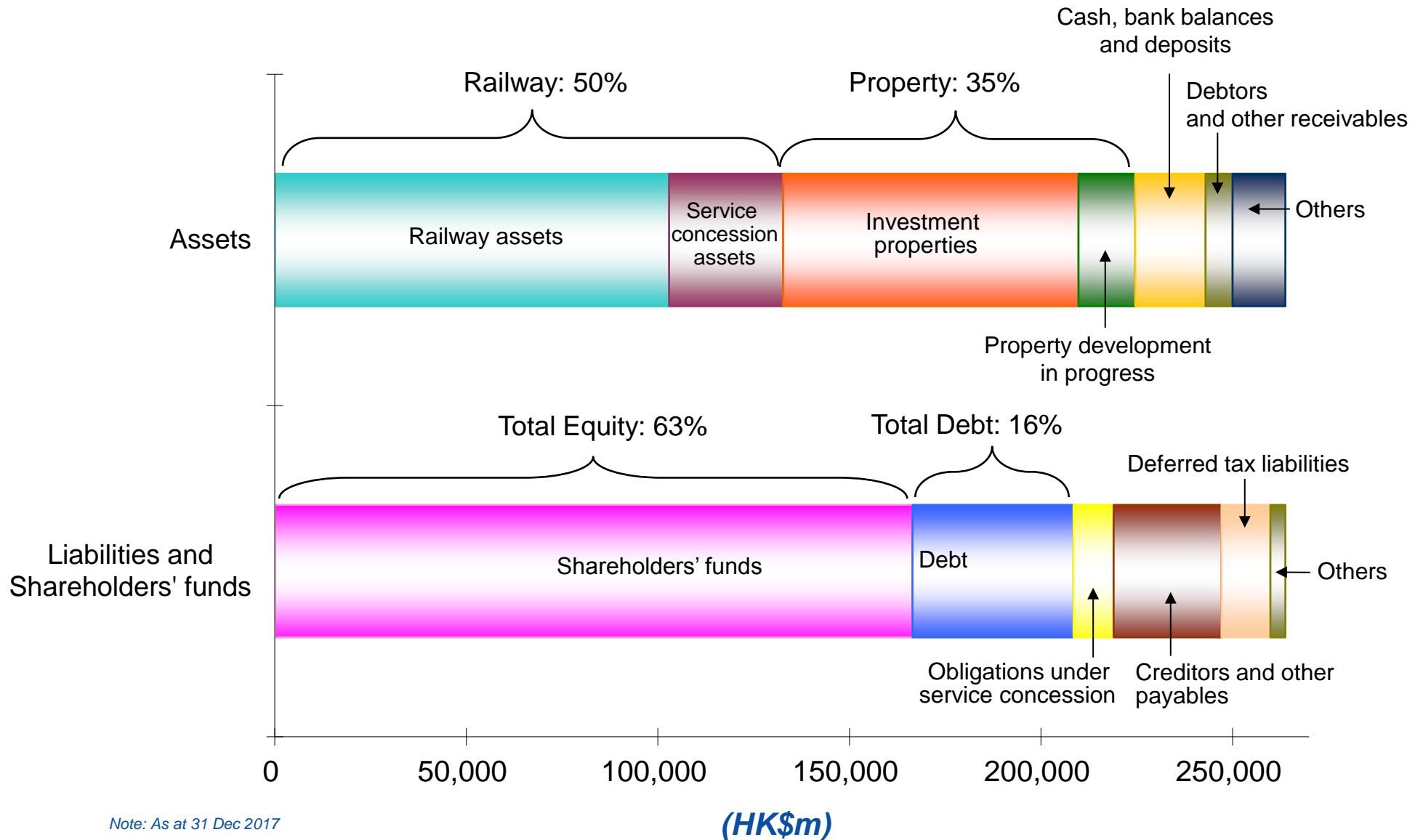
Net Profit

(HK\$m)	2017	Change (YoY)
Profit from recurrent businesses⁽²⁾	8,580	(3.8)%
Post-tax profit from property development		
Hong Kong	916	243.1%
Mainland of China	1,019	287.5%
Sub-total	1,935	265.1%
Profit from underlying businesses⁽²⁾	10,515	11.3%
Investment property revaluation	6,314	681.4%
Report net profit attributable to shareholders of the company⁽²⁾	16,829	64.1%
Reported EPS (HK\$) ⁽²⁾	2.83	62.6%
Underlying businesses EPS (HK\$) ⁽²⁾	1.77	9.9%
Ordinary dividend per share (HK\$)	1.12	4.7%

1. Hong Kong recurrent businesses include HK transport operations, HK station commercial, HK property rental and mgt, other businesses (mainly project management services to Gov't, Ngong Ping 360, and consultancy) and project studies and business development expenses

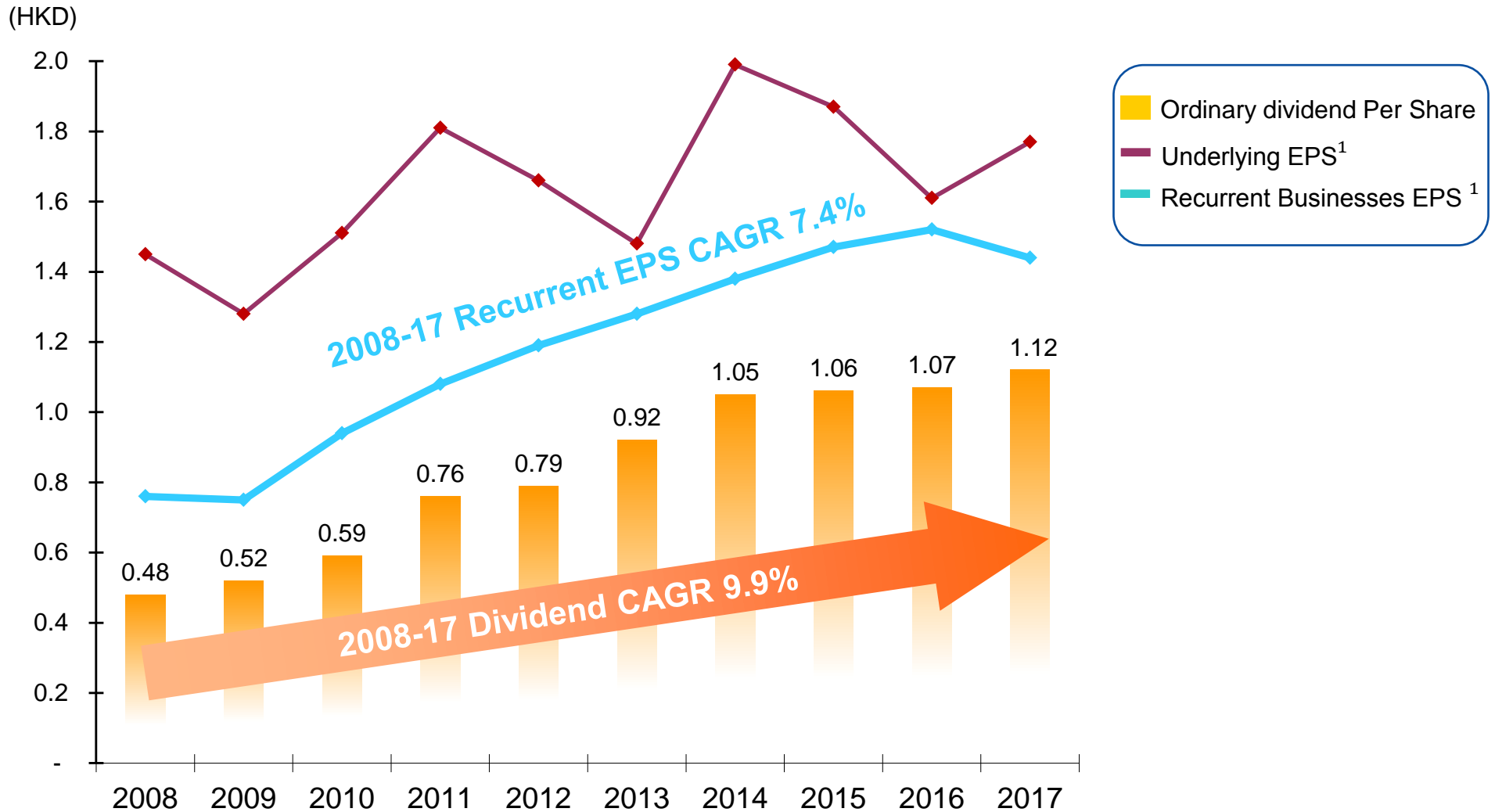
2. Net of non-controlling interests (2017: HK\$56m; 2016: HK\$94m)

Consolidated Balance Sheet



Note: As at 31 Dec 2017

Progressive Dividend Policy



1. 2012 figures restated due to retrospective adoption of Revised HKAS19, Employee Benefits

Investment Highlights



- One of the world's most efficient and highly utilised urban railway operator generating strong and stable cash flow



- Successful property developments with limited downside risks



- Clear growth strategy
 - Growth within Hong Kong
 - Strategic expansion in China and other countries



- Progressive dividend policy



- Professional management team



- Good corporate governance with high level of transparency



- Government remains a major shareholder until 2020



- Superior credit ratings on par with Hong Kong Sovereign



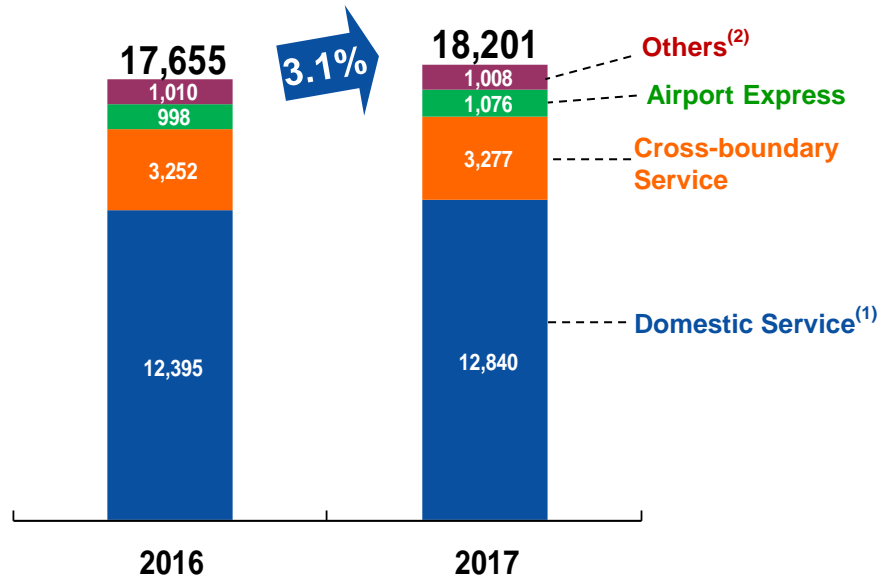
Appendix

Hong Kong Transport Operations

Total Patronage: 2 billion **2.6%**

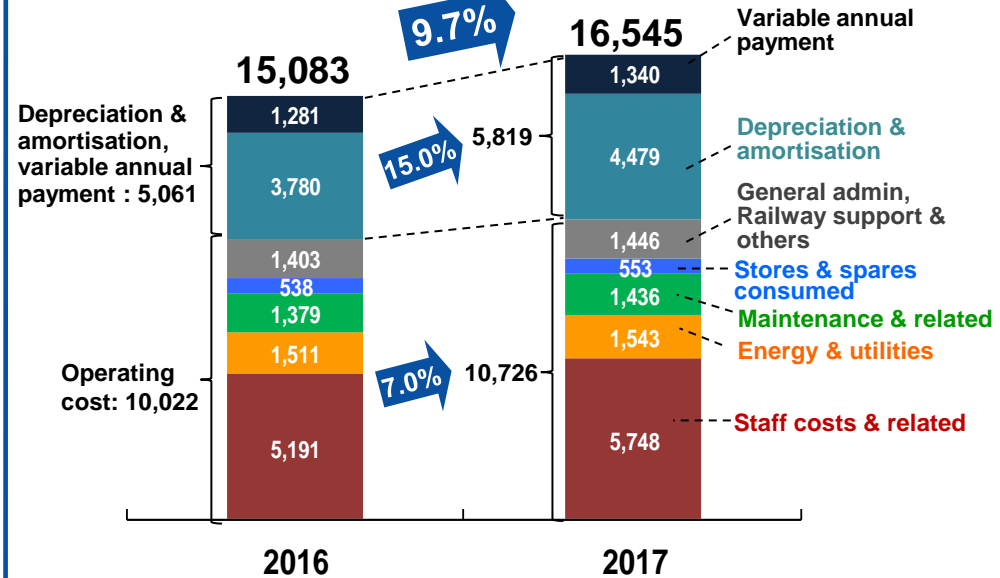
Revenue

(HK\$m)



Cost

(HK\$m)



EBITDA:
HK\$7,475m

2.1%

Margin:
41.1%

2.1% pts

EBIT⁽³⁾:
HK\$1,656m

35.6%

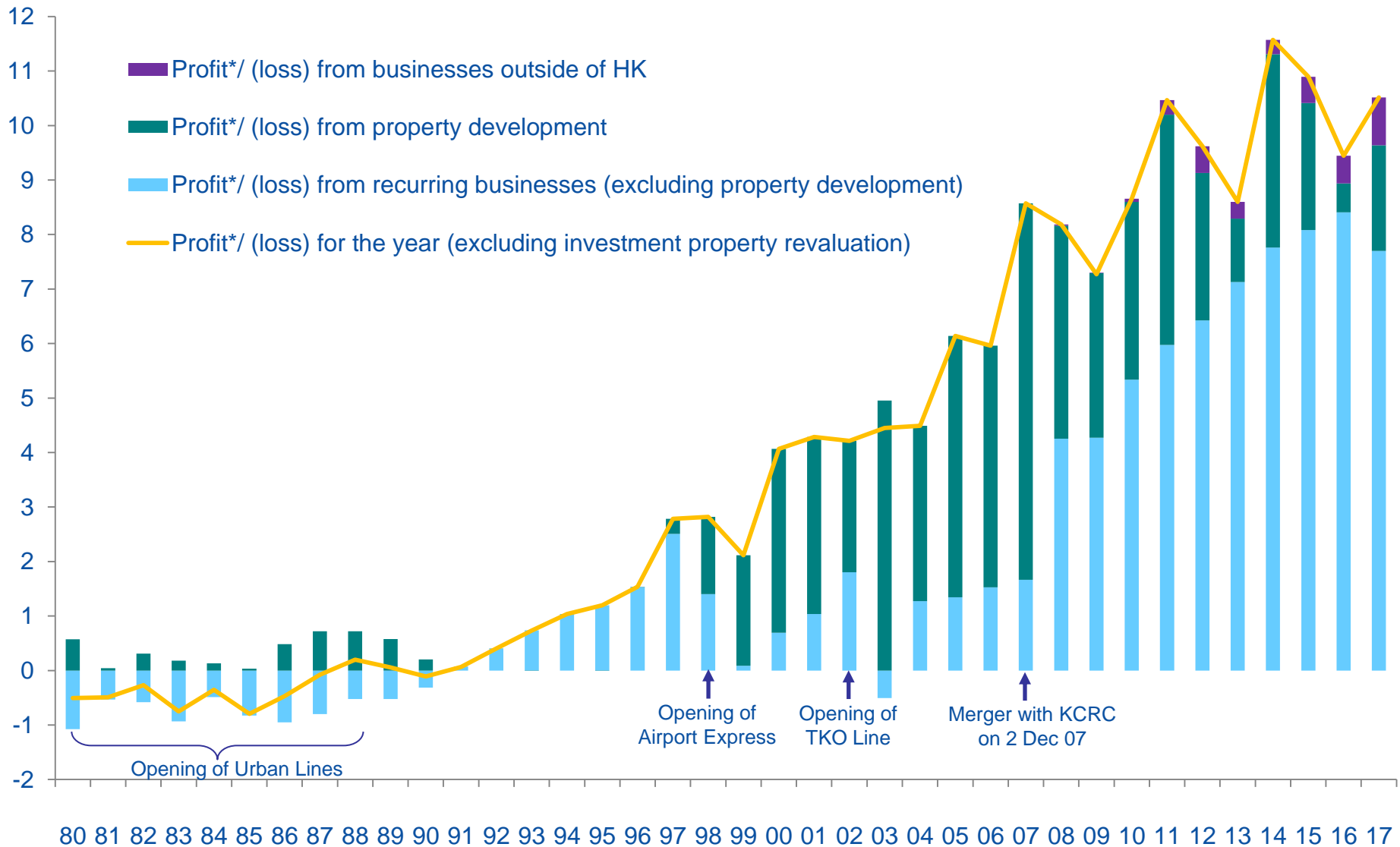
Margin:
9.1%

5.5% pts

1. Domestic Service comprises the Kwun Tong, Tsuen Wan, Island, South Island, Tung Chung, Tseung Kwan O, Disneyland Resort, East Rail (excluding Cross-boundary Service), West Rail and Ma On Shan lines
2. Others comprise Light Rail, Bus, Intercity and other rail related income
3. After depreciation, amortisation and variable annual payment to KCRC

Contributions to Underlying Profits

(HK\$b)



* Profits were on pre-tax basis prior 2002, and on post-tax basis from 2002 onwards

Consolidated Profit and Loss Account

	<u>2017</u>	<u>2016</u>	<u>Favourable/ (adverse) change</u>	
			HK\$m	%
(HK\$m)				
HK transport operations	18,201	17,655	546	3.1
HK station commercial and HK property rental & management businesses	10,875	10,285	590	5.7
Mainland of China & international railway, property rental and management subsidiaries	16,990	13,478	3,512	26.1
Other businesses	2,378	2,423	(45)	(1.9)
	<u>48,444</u>	<u>43,841</u>	<u>4,603</u>	<u>10.5</u>
Mainland of China property development	6,996	1,348	5,648	419.0
Total revenue	55,440	45,189	10,251	22.7
Operating expenses excluding Mainland of China & international subsidiaries	(14,679)	(14,004)	(675)	(4.8)
Expenses relating to Mainland of China & international railway, property rental and management subsidiaries	(16,088)	(12,890)	(3,198)	(24.8)
Expenses relating to Mainland of China property development	(4,682)	(982)	(3,700)	(376.8)
Total operating expenses	(35,449)	(27,876)	(7,573)	(27.2)
EBITDA excluding Mainland of China & international subsidiaries	16,775	16,359	416	2.5
EBITDA relating to Mainland of China & international railway, property rental and management subsidiaries	902	588	314	53.4
EBITDA relating to Mainland of China property development	2,314	366	1,948	532.2
Total EBITDA	19,991	17,313	2,678	15.5
HK property development profit	1,097	311	786	252.7
Total operating profit	21,088	17,624	3,464	19.7
Depreciation & amortisation	(4,855)	(4,127)	(728)	(17.6)
Variable annual payment	(1,933)	(1,787)	(146)	(8.2)
Interest and finance charges	(905)	(612)	(293)	(47.9)
Investment property revaluation	6,314	808	5,506	681.4
Share of profit of associates and joint venture	494	535	(41)	(7.7)
Profit before taxation	20,203	12,441	7,762	62.4
Income tax	(3,318)	(2,093)	(1,225)	(58.5)
Reported net profit attributable to shareholders of the Company⁽¹⁾	16,829	10,254	6,575	64.1
Reported earnings per share (HK\$)	2.83	1.74	1.09	62.6
Profit from underlying businesses⁽¹⁾	10,515	9,446	1,069	11.3
Underlying businesses EPS (HK\$)	1.77	1.61	0.16	9.9
Final ordinary dividend per share (HK\$)	0.87	0.82	0.05	6.1
Total ordinary dividend per share (HK\$)	1.12	1.07	0.05	4.7

1. Net of non-controlling interests of HK\$56 million and HK\$94 million in 2017 and 2016 respectively

Consolidated Statement of Financial Position

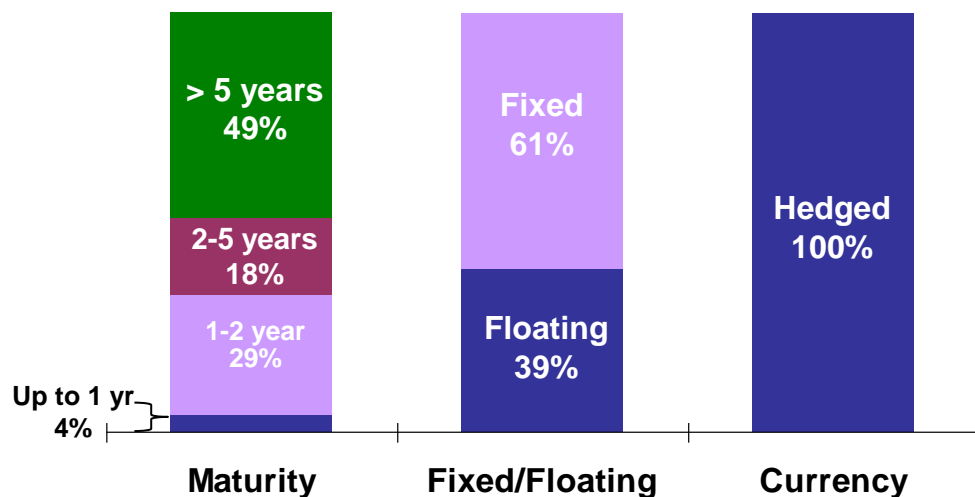
(HK\$m)	<u>31 Dec 2017</u>	<u>31 Dec 2016</u>	<u>Increase/ (Decrease)</u>	
			<u>HK\$m</u>	<u>%</u>
<u>Assets</u>				
Investment properties	77,086	70,060	7,026	10.0
Other property, plant and equipment	102,889	103,613	(724)	(0.7)
Service concession assets	29,797	28,269	1,528	5.4
Property development in progress	14,810	17,484	(2,674)	(15.3)
Interests in associates & joint venture	6,838	7,015	(177)	(2.5)
Properties held for sale	1,347	1,394	(47)	(3.4)
Debtors and other receivables	7,058	4,073	2,985	73.3
Amounts due from related parties	2,570	2,171	399	18.4
Cash, bank balances and deposits	18,354	20,290	(1,936)	(9.5)
Others	3,019	2,971	48	1.6
Total Assets	263,768	257,340	6,428	2.5
<u>Liabilities</u>				
Debts	42,043	39,939	2,104	5.3
Creditors and other payables	28,166	32,629	(4,463)	(13.7)
Current taxation	1,080	123	957	778.0
Amounts due to related parties	2,226	11,783	(9,557)	(81.1)
Obligations under service concession	10,470	10,507	(37)	(0.4)
Deferred tax liabilities	12,760	12,125	635	5.2
Others	597	678	(81)	(11.9)
Total Liabilities	97,342	107,784	(10,442)	(9.7)
Total Equity	166,426	149,556	16,870	11.3

Cash Flow

<i>(HK\$m)</i>	<u>2017</u>	<u>2016</u>	<u>Favourable/ (adverse)</u> <u>change</u>	
			HK\$m	%
<u>Cash Inflow</u>				
Cash flows from operations	22,239	19,156	3,083	16.1
Receipt of government subsidy for Shenzhen Metro Longhua Line operation	588	625	(37)	(5.9)
Receipts from property developments	3,344	5,403	(2,059)	(38.1)
Others	517	1,160	(643)	(55.4)
Total inflows	26,688	26,344	344	1.3
<u>Cash Outflow</u>				
Tax paid	(1,408)	(2,626)	1,218	46.4
Purchase of tax reserve certificates	(1,816)	(20)	(1,796)	N/A
Capital expenditure				
- Hong Kong existing rail	(5,226)	(4,615)	(611)	(13.2)
- Hong Kong new rail	(1,342)	(5,243)	3,901	74.4
- Property related	(1,753)	(1,789)	36	2.0
- Mainland of China and international railway related	(202)	(292)	90	30.8
Fixed and variable annual payment	(2,537)	(2,399)	(138)	(5.8)
Investments in/ loan to associates & joint venture	(402)	(1,286)	884	68.7
Net interest paid	(578)	(519)	(59)	(11.4)
Dividends paid	(15,460)	(18,616)	3,156	17.0
Others	-	(99)	99	100.0
Total outflows	(30,724)	(37,504)	6,780	18.1
Net cash outflow before financing	(4,036)	(11,160)	7,124	63.8
Cash inflow from net borrowings	1,494	19,431	(17,937)	(92.3)
Net cash (outflow)/ inflow	(2,542)	8,271	(10,813)	N/A

Financing and Credit Ratios

Company Debt Profile (31 Dec 2017)⁽¹⁾



Consolidated group borrowings outstanding:

HK\$42,043m (HK\$39,939m as at 31 Dec 2016)

Average borrowing cost: **2.5%**

0.4
%pt

Net interest expense:
HK\$905m

47.9%

Compared to 2016 figures

	31 Dec 2017	31 Dec 2016
Net Debt / Equity ratio⁽²⁾	20.6%⁽³⁾	20.2%
Interest cover	2017	2016
	15.0x	12.7x

1. Excludes Mainland of China and overseas subsidiaries debts

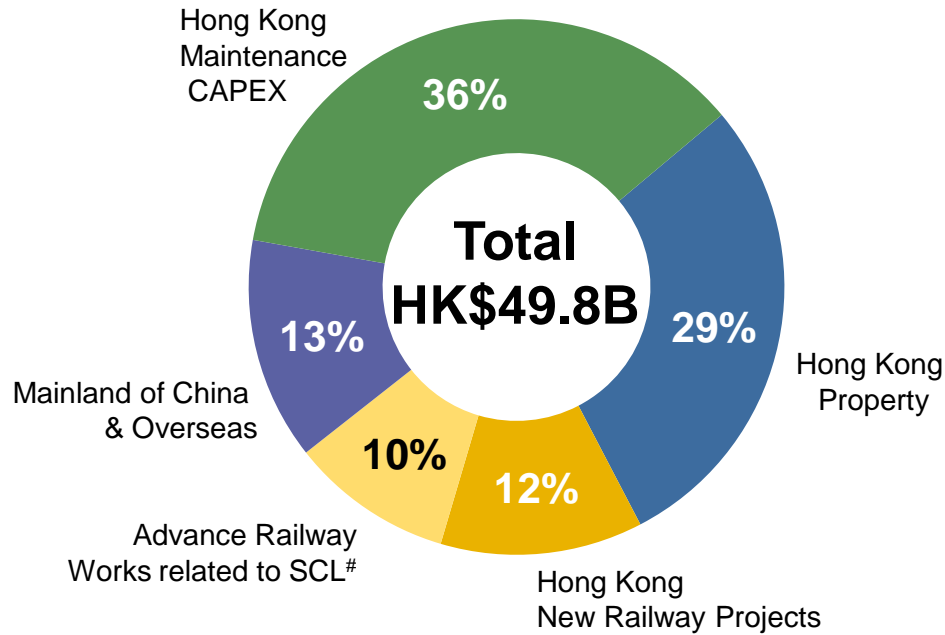
2. Including obligations under service concession and loan from holders of non-controlling interests as components of debt

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

Capital Expenditure & Investments



2018-2020



Estimated spend:
 2018 - HK\$13.7 billion
 2019 - HK\$21.4 billion
 2020 - HK\$14.7 billion

Total - HK\$49.8 billion

Advance Railway Works 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

Business Update

Patronage	Jan to May 2018 (YoY%)
- Domestic services	Up 2.5%
- Airport express	Up 5.4%
- Cross-boundary services	Up 4.7%
Fare	Mid-2018
- FAM rise	3.14%
Total tenant sales turnover	Jan to Mar 2018 (YoY%)
Station commercial	
- Station kiosks	Up mid-to-high single-digit
- Duty free shops	Up mid-to-high single-digit
Shopping malls	
- Elements	Up over 20%
- Shopping malls excluding Elements	Up low-to-mid teens
Industry statistics	Jan to Mar 2018 (YoY%)
- Hong Kong retail sales	Up 14.3%
- Hong Kong tourist arrivals	Up 9.6%

Source: Company data and government figures



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