

MTR Corporation at a Glance

MTR is recognised as one of the world's leading railway operators, with a successful track record of building sustainable communities based on an integrated approach to rail transport and property development. We opened our first railway line in 1979, since when our activities have increased in size, scale, geographical coverage and diversity. Our growth strategy is making good progress, with significant expansion of our network in Hong Kong and our portfolio of rail-related operations in the Mainland of China and overseas.



Hong Kong Transport Operations

Business Description

We operate a predominantly rail-based transportation system in Hong Kong, comprising Domestic and Cross-boundary services, a dedicated high-speed Airport Express railway and a light rail system. The entire system stretches 220.9 km and has 87 stations and 68 Light Rail stops. Our network is one of the most intensively used in the world, and its reliability, safety and efficiency are held in high regard. We also provide intercity services to and from the Mainland of China as well as a small bus operation in Hong Kong offering convenient feeder services.

2014 Highlights

- Fare revenue increased 7.0% on higher patronage, further gains in market share and increased fares
- Total patronage increased 4.5% to 1,905 million with on-time performance maintained at 99.9%
- Spending of over HK\$6 billion on maintenance, renewals and service improvements
- A new package of fare promotions introduced with an estimated value of approximately HK\$500 million, as part of our 35th Anniversary celebrations
- Enhanced train frequencies with over 2,400 additional weekly services provided since 2012
- Western extension of the Island Line opened in December 2014

- Construction works for the South Island Line (East), Kwun Tong Line Extension, Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and Shatin to Central Link all proceeding with further review and monitoring of the projects in light of the complexity and continued challenges encountered

Hong Kong Station Commercial Businesses

Business Description

We leverage on our Hong Kong railway assets and expertise into other businesses, including rental of station retail space, advertising in trains and stations and telecommunications.

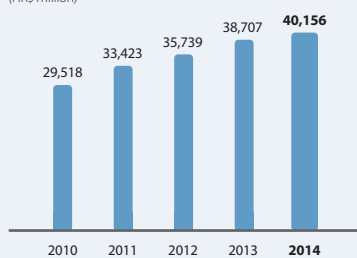
2014 Highlights

- Station rental revenue rose on trade mix refinements, rental renewal of station shops and rental increases from the Duty Free Shops
- "Soccer Fever" and other sales packages have been rolled out in the year to generate more advertising revenue
- Installation is underway for Wi-Fi services in South Island Line (East) and Kwun Tong Line Extension stations, targeting services on first day of station operation



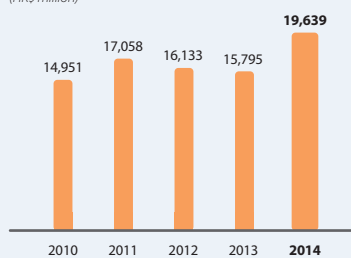
Turnover

(HK\$ million)



Operating Profit Before Depreciation, Amortisation and Variable Annual Payment

(HK\$ million)



Total Assets

(HK\$ million)



Hong Kong Property and Other Businesses

Business Description

In Hong Kong, we develop for sale mainly residential properties in conjunction with property developers. We hold investment properties, principally shopping malls and offices, managing these and other properties. Our investment portfolio primarily includes shopping malls and 18 office floors of the Two International Finance Centre office tower. We also engage in cable car operations, the Octopus card payments system, consulting and project management.

2014 Highlights

- Strong pre-sale of Grand Austin (Austin Station Site D) with 99% of units sold, and property development profit generated from both The Austin (Austin Station Site C) and Grand Austin
- Successfully tendered LOHAS Park Packages 4 and 5 as well as Tai Wai Station site in 2014; LOHAS Park Package 6 and Tin Wing Stop sites in the first quarter of 2015
- Successful completion of the repartitioning and trademix enhancement project of Luk Yeung Galleria ground floor

Mainland of China and International Businesses

Business Description

We have invested in and operate urban rail networks and related property developments in the Mainland of China, operating concessions in the UK, Sweden and Australia. We have also invested in our first international Public-Private-Partnership project, in Sydney, Australia. Going forward, we will focus on successfully delivering our newly awarded businesses and continue prudently to pursue new railway and rail-related business opportunities that will generate incremental benefits to our shareholders.

2014 Highlights

In our Mainland of China railway and property businesses:

- Beijing Metro Line 14 Phase 2 East Section opened on 28 December 2014, covering 12 stations (two are currently bypassed)
- Phase 1 pre-sales of our first property project in Shenzhen, Tiara, will be launched in the first half of 2015, subject to market conditions

In our International railway businesses:

- Awarded the concession contract to operate Crossrail services for an eight-year period, with an option to extend to ten years
- Awarded the Operations, Trains and Systems Public-Private-Partnership Contract for the Sydney North West Rail Link, our first international Public-Private-Partnership project
- Secured the track access between Stockholm and Gothenburg to launch the MTR Express inter-city service in Sweden in March 2015

