



MTR Corporation

2020 Annual Results

11 March 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.

Driving MTR's Continuous Success

2020 Business Review

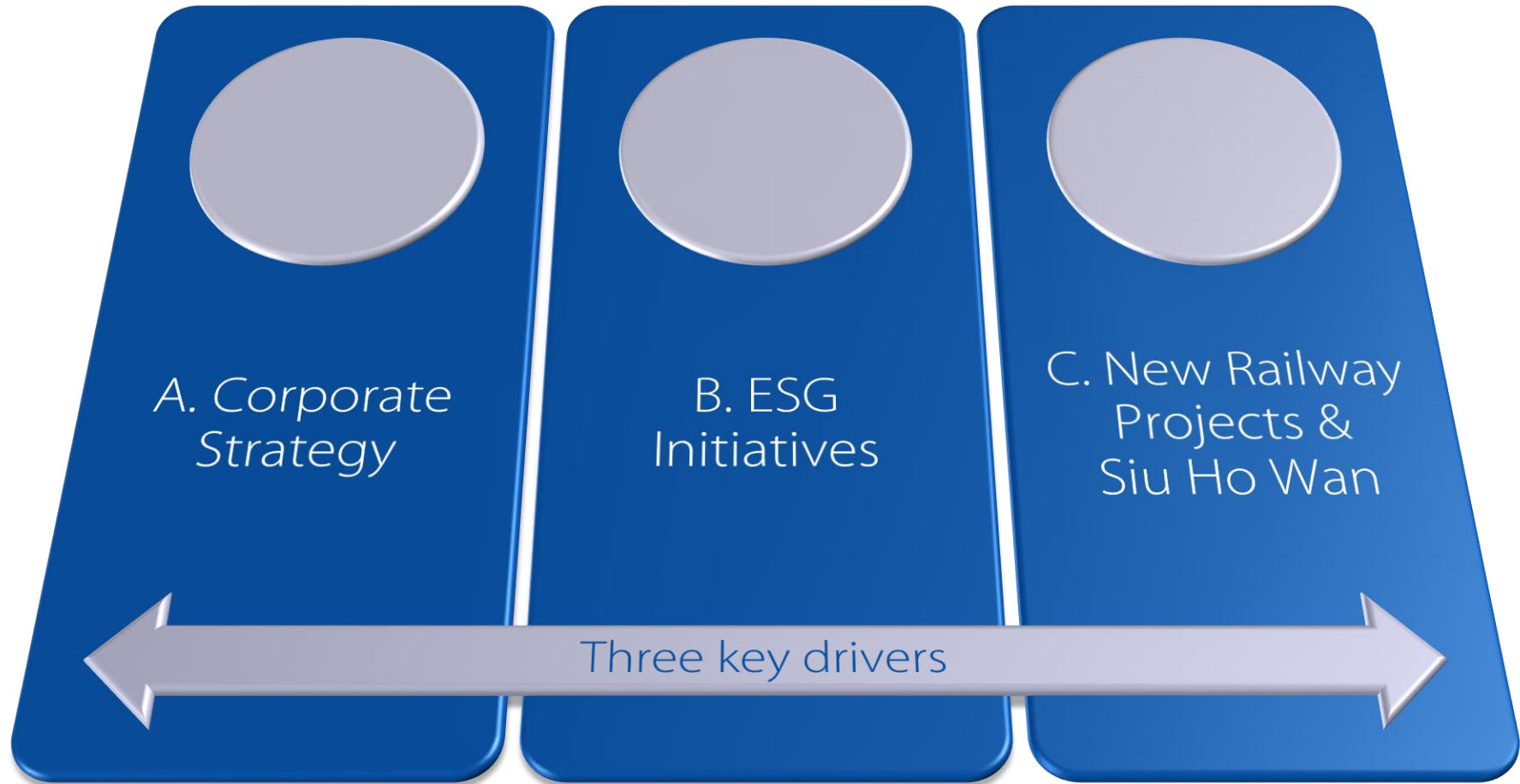
2020 Financial Results

Outlook



Driving MTR's Continuous Success

Driving MTR's Continuous Success

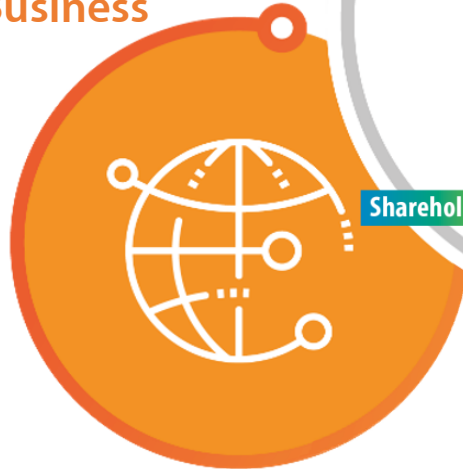


A. Corporate Strategy

A1. Hong Kong Core



A2. Mainland China & International Business



A3. New Growth Engine



Embedding ESG into our operations

A1. Hong Kong Core

Grow Profit and Deliver Large Projects



RDS2014



Property Development
& Investment



Digitalisation & Technology



Station Commercial



Cost Efficiency

Pursuing growth opportunities leveraging on
current businesses and adjacencies

A1. Hong Kong Core

Digitise Customer Journeys and Internal Processes



Smart Mobility

enhance customer experience

- Smart Commuting
- Video Analytics
- Smart Train Operations



Smart Maintenance

improve efficiency & work quality

- Smart Asset Management
- Robotics & Automation
- Data Digitalisation
- IoT & Interconnectivity

A1.5 ENABLERS

5 enablers that together strengthen our operational foundation



Technology

Utilising data and analytics to make decisions and identify opportunities



Organisation & Processes

Making faster and more accountable business decisions



People

Investing resources in talent development and smart working



Finance

Enhancing accountability and focus on sustainable financial goals



Transformation Management Office (TMO)

Guiding the delivery of our Corporate Strategy

A2. MC&IB: Maintain a Steady Growth

- Hub based growth in Mainland China
- Contribute to the Greater Bay Area (GBA) development, and expand across Mainland China
- Explore and capture new opportunities across Europe and Australia



A3. New Growth Engine: Riding on technology and innovation

Potential Vectors fuelling long-term growth



Strengthen our
railway
operations
competitiveness



"Mobility as a
Service" to
redefine
mobility



Engagement and
new experience,
digital & beyond



Upgrade and
gear up for
new way of
living

B. ESG Initiatives

Our aspiration is to

Keep Cities Moving Sustainably

By committing to managing our business sustainably with best-in-class governance, we aim to help individuals and communities thrive, while contributing to the climate change goals



3 Key Goals

The MTR Sustainable Communities Plan comprises 3 Key Goals that span areas that allow us to take lead in building sustainable communities

Social Inclusion



Foster social inclusion and enable equality in communities we serve

GHG Emissions



Manage our environmental and carbon footprint progressively, becoming carbon neutral

Advancement & Opportunities



Enable social mobility and advance livelihoods by connecting them with opportunities

3 Key Goals

Social Inclusion



1. Universal Basic Mobility
2. Equal Opportunities
3. Diversity & Inclusion

GHG Emissions



1. Carbon Emissions
2. Energy Efficiency
3. Waste Management
4. Green and Low Carbon Designs

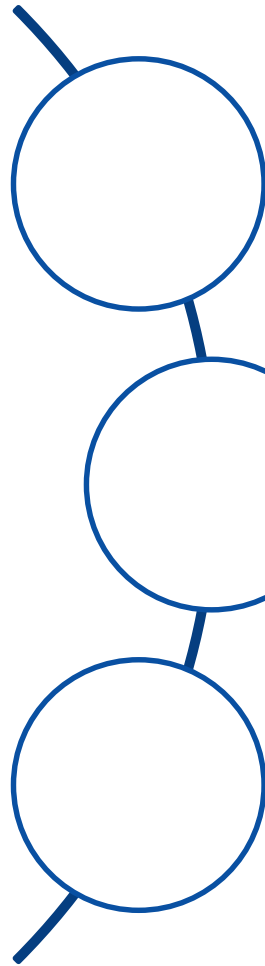
Advancement & Opportunities



1. Employees
2. SMEs
3. Future Skills and Innovation

Sustainable Development Goals





Adopt Best Practices in Corporate Governance

- A well-defined Governance Structure
- Achieve Board diversity
- Committed to complying with revised HKEx ESG reporting standards

Stakeholder Engagement

- Maintain communications and balance the needs of various stakeholders

Set Effective Crisis Management Mechanism

C. New Railway Projects – RDS2014

↑ 13% Total route length to reach 309km

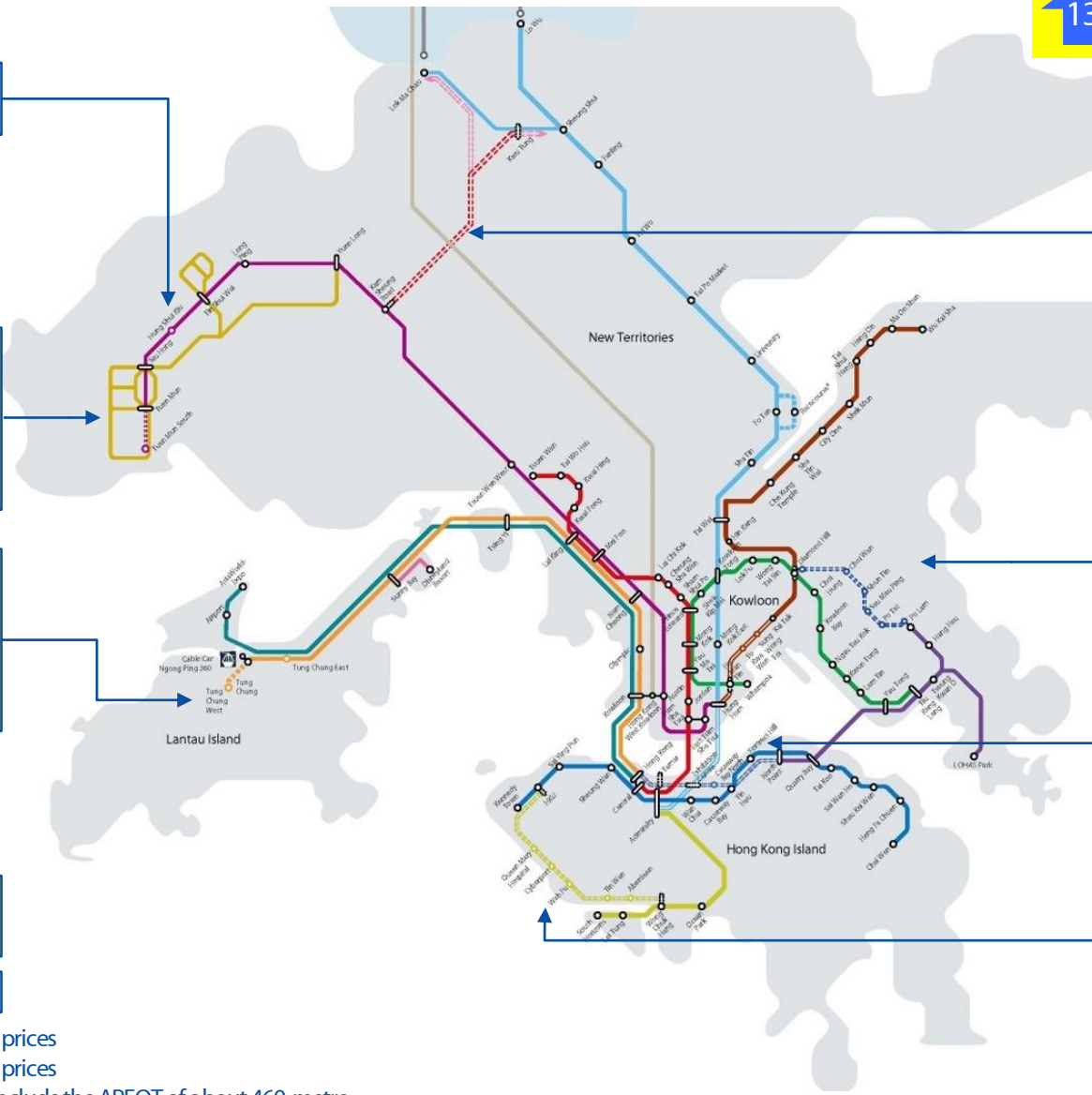
Hung Shui Kiu station

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

Invited by Gov't to proceed with detailed planning and design

Proposal submitted



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

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

C. Siu Ho Wan Depot topside development

- Outline Zoning Plan approved; Pending Town Planning approval
- A 30-hectare site area, providing over 1 million sqm residential GFA, a 30,000 sqm shopping mall, and various community facilities
- ~20,000 residential units, about half of which being private housing, with the rest being Subsidised Sale Flats
- The first ~6,000 public and private housing units are expected to take in residents from 2030



Siu Ho Wan Depot



2020 Business Review

2020 Highlights

Recurrent Businesses in Hong Kong

- Adverse impact from COVID-19 across all businesses
- Various concessions, e.g. additional fare concessions and rental concessions
- Service performance maintained, passenger journeys on time at 99.9%
- Opening of Tuen Ma Line Phase 1
- Opened of The LOHAS
- Acquired remaining interest in Telford Plaza II and PopCorn 2

Property Development

- Profit booking from LP6 (LOHAS Park Package 6)
- Presale of new projects, e.g. OCEAN MARINI, SEA TO SKY and THE PAVILIA FARM I&II
- Awarded LOHAS Park Packages 12 & 13 in 2020; and The Southside Package 5 in Jan 2021

Businesses Outside of Hong Kong

- Opened SZL4 North Extension, HZL1 Phase 3, HZL5 full line and BJL16 Middle Section
- Was awarded the Shenzhen Metro Line 13 PPP project and Mälartåg O&M concession
- Signed joint venture agreement for exploration and development of station commercial and related businesses in Chengdu

New Projects

- Approval of additional funding for Shatin to Central Link
- Commencement of design-related works on Tung Chung Line Extension, Tuen Mun South Extension, and Kwu Tung Station and Northern Link

Riding Out Tough Times Together

Caring for Customers



- Extended 20% fare discount to all Octopus users and price reduction for frequent users tickets
- Strengthened our disinfection and cleaning measures across the MTR network, our malls and estates; Enhanced ventilation in stations and malls

Caring for the Society



- Donated 100,000 masks to those in need, and tablet devices to students to facilitate online learning
- The Board and the Executive Directors donated part of their director's fees and salary to our community partners to help those directly affected by COVID-19

Caring for our Staff



- Enhanced protection measures for our staff
- Strengthened health & hygiene practices to protect against COVID-19

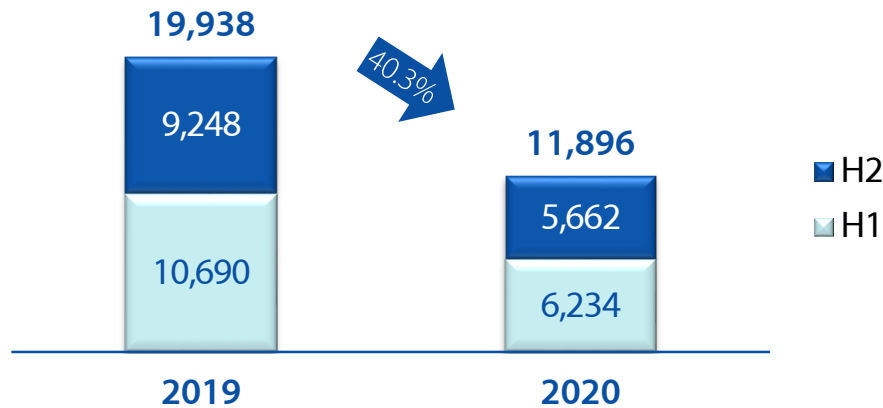
Caring for our Business Partners



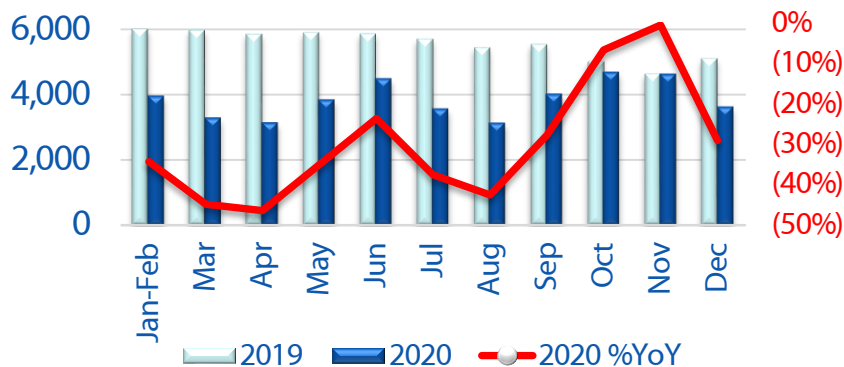
- Provided rental concessions to tenants at MTR stations and malls
- Enhanced disinfection measures

Transport Operations

Revenue (HK\$m)



Average weekday patronage ('000)



2020

- Average weekday patronage fell to 3.88 million, a drop of 30.9% YoY (1H2020: -36.1% YoY; 2H2020: -25.1% YoY)
- Patronage significantly hit by COVID-19, with work-from-home arrangement, social distancing, school suspension, border closure and declined tourist visitation
- 20%-discount for Octopus users since 1st July 2020
- Patronage partially recovered in May-Jun and Sep-Nov, but softened again since the 4th wave of COVID-19

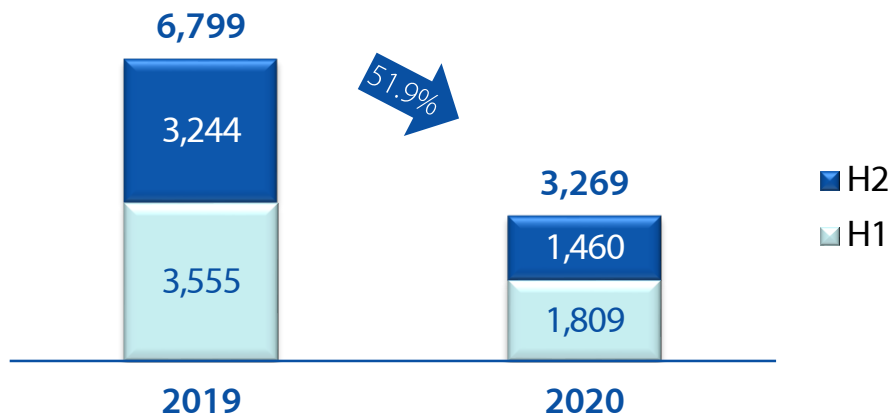
Recent update

- Further patronage recovery would depend on COVID-19 development
- 20%-discount for Octopus and QR Code users extended to March 2021*
- Lo Wu, Lok Ma Chau and West Kowloon stations remain closed until further notice
- Tuen Ma Line full line opening is expected to be in 3Q2021

* Discount on MTR City Saver and Monthly Pass Extras extends to June 2021

Station Commercial Businesses

Revenue (HK\$m)



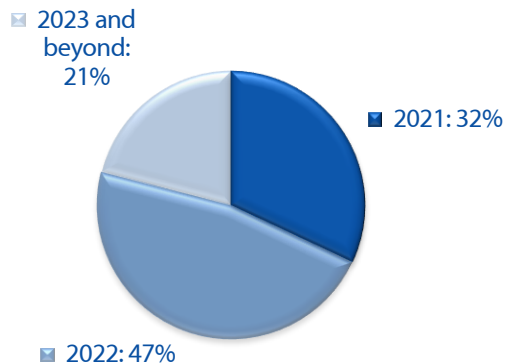
2020

- Decline across all segments, i.e. Duty Free Shops, station kiosks, advertising, telecom and others
- Significant revenue loss from station closures
- Rental concessions to tenants since Feb 2020
- Occupancy rates at 98.3%
- Rental reversion at -8.0%
- Loyalty and redemption programmes to boost business
- Developed telecom infrastructure to help tenants benefit from online-to-offline retail
- Opened two “v-smart” robotics-powered station shops
- Offered more aggressive sales packages and offline-to-online advertising solutions

Recent update

- Reopening of cross boundary services and tourist-related trades are dependent on COVID-19 development
- Continued challenges in 2021 rental reversion

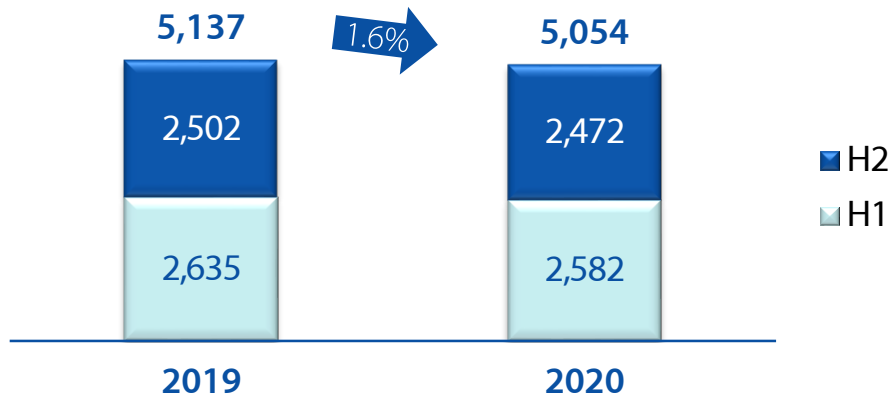
Lease expiry*



* Station kiosk and Duty Free Shops

Property Rental and Management Businesses

Revenue (HK\$m)



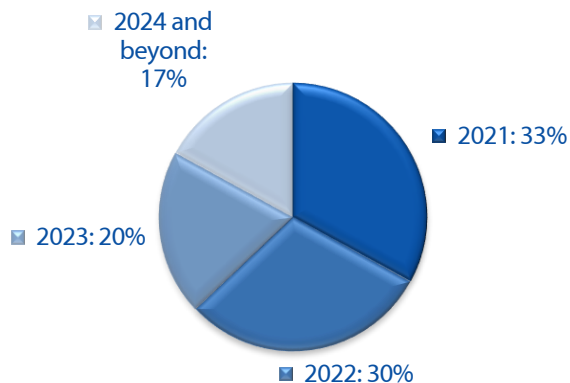
2020

- Rental concessions to tenants since Feb 2020
- Occupancy at 99% for shopping malls and 98% for Two IFC
- Rental reversion at -21.4%
- Loyalty and redemption programmes to boost business
- Helped e-commerce and online merchants open pop-up stores
- Incremental revenue contribution from acquisition of remaining interests in Telford Plaza II and PopCorn2 in Mar 2020, as well as the phased opening of The LOHAS in Aug and Nov 2020
- Revaluation loss of over HK\$9 billion for the portfolio

Recent update

- Challenges in rental reversion as well as the accounting amortisation of rental concessions will impact 2021
- Construction works on Tai Wai and The Southside (Wong Chuk Hang) shopping centres on track

Lease expiry*



* Shopping malls

HK Property Development

Property Development Profit after tax (HK\$m)



Property Development projects	Launch date	Units sold (end-Dec 2020)
THE PAVILIA FARM II (Tai Wai Project Phase 2)	Nov 2020	95% of 1,415 units sold
THE PAVILIA FARM I (Tai Wai Project Phase 1)	Oct 2020	97% of 783 units sold
SEA TO SKY (LOHAS Park Package 8)	Jun 2020	70% of 1,422 units sold
OCEAN MARINI (LOHAS Park Package 9C)	Mar 2020	98% of 503 units sold

2020

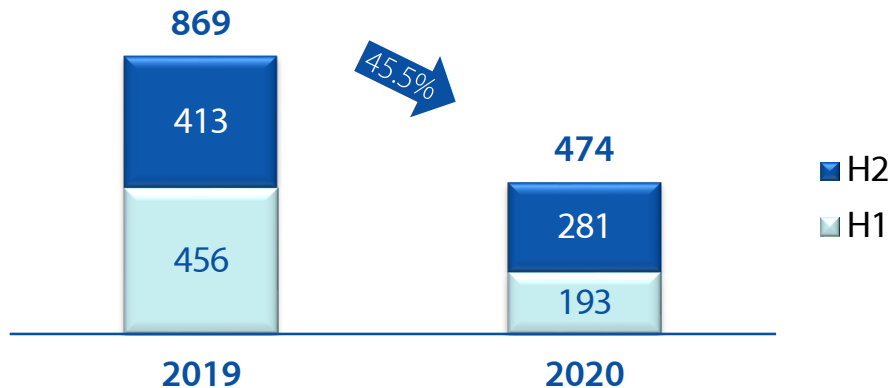
- Primarily from LP6 and inventory units
- Launched presales of OCEAN MARINI, SEA TO SKY and THE PAVILIA FARM I&II
- Awarded two tenders: LOHAS Park Packages 12 & 13 in 2020; and awarded The Southside Package 5 in Jan 2021

Recent update

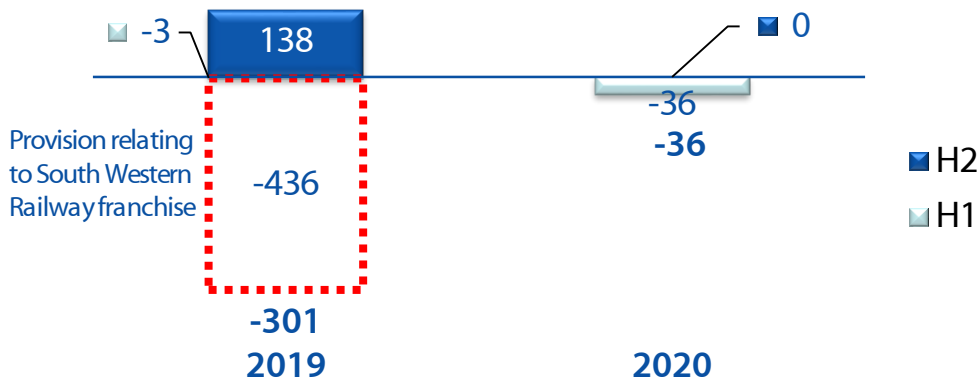
- Depending on construction progress, target to book profits from LOHAS Park Packages 7, 8 and 9 in 2021
- Recently launched presale of LP10; applications for presale consent for The Southside Packages 1 & 2 and THE PAVILIA FARM III in progress
- Depending on market situation and necessary government approval, tender The Southside Package 6, Tung Chung Traction Substation, Pak Shing Kok Ventilation Building and Tung Chung Line Extension Package 1 in the next 12 months or so

Mainland China and International Businesses

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



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



2020

- Total passengers carried by our subsidiaries, associates and joint venture outside of Hong Kong dropped to 1.38 billion, due to COVID-19
- The adverse financial impact mainly affected Shenzhen, Hangzhou, Beijing, MTM and MTRX, as well as initial operating loss at Sydney Metro Northwest O&M
- Partly offset by much-improved operating performance from Stockholms pendeltåg
- Full line of HZL5 commenced operation in Apr 2020
- SZL4 North Extension formally opened in Oct 2020
- HZL1 Phase 3 (Airport Extension) and BJL16 Middle Section opened in Dec 2020

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
- A fare adjustment framework for the Shenzhen Metro network has taken effect on 1 January 2021 for five years
- Was awarded Mälartåg O&M concession, MTR service will commence from Dec 2021

* Including other unallocated business development expenses, Recurrent Business Profit outside of Hong Kong in 2020 was HK\$411 million (2019: HK\$525 million)

Full Steam Ahead for Shatin to Central Link

Tai Wai to Hung Hom Section – 99.99% complete

- Tuen Ma Line Phase 1 was opened in February 2020, with an average daily passengers of 125,000
- Full Tuen Ma Line target opening in 3Q 2021

Hung Hom to Admiralty Section – 91.2% complete

- Track-laying works completed
- New signaling system and new 9-car trains put into service in February 2021
- 1Q 2022 opening target significantly at risk

Project Funding

- The additional funding was approved in Jun 2020
- A provision of \$1.4 billion was made in 2020 P&L, in relation to the project management cost



Rolling out Railway Development Strategy 2014

Tung Chung Line Extension

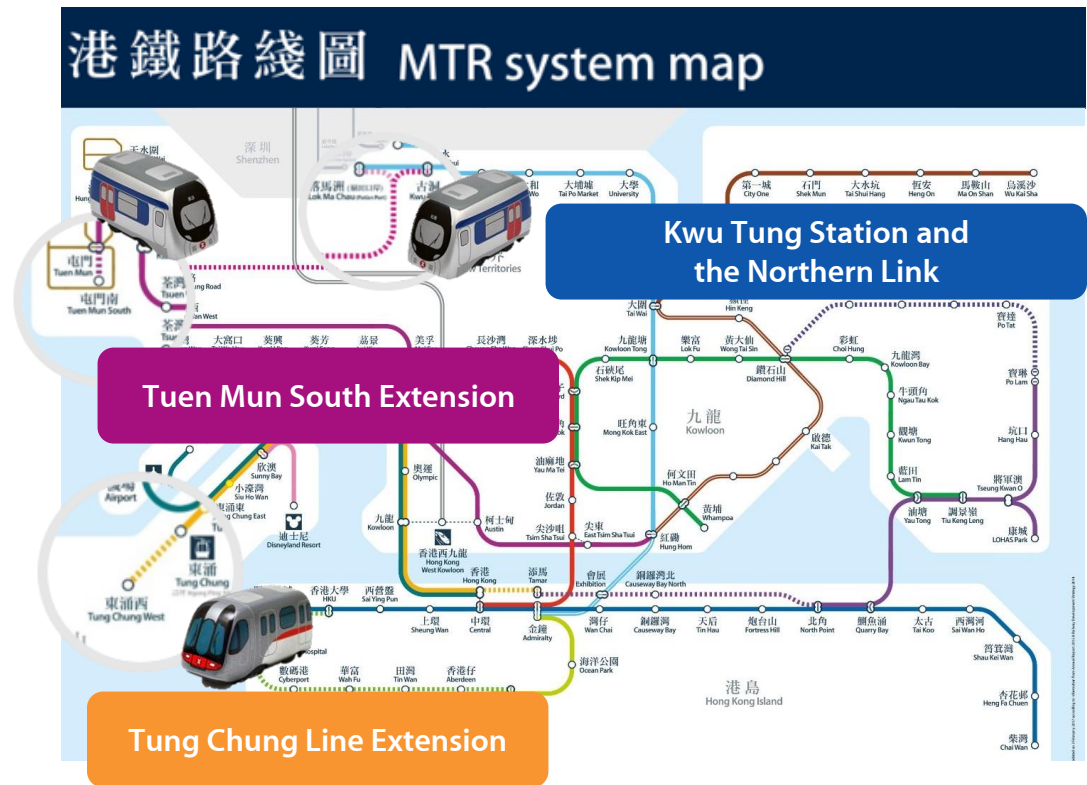
- Detailed planning and design commenced

Tuen Mun South Extension

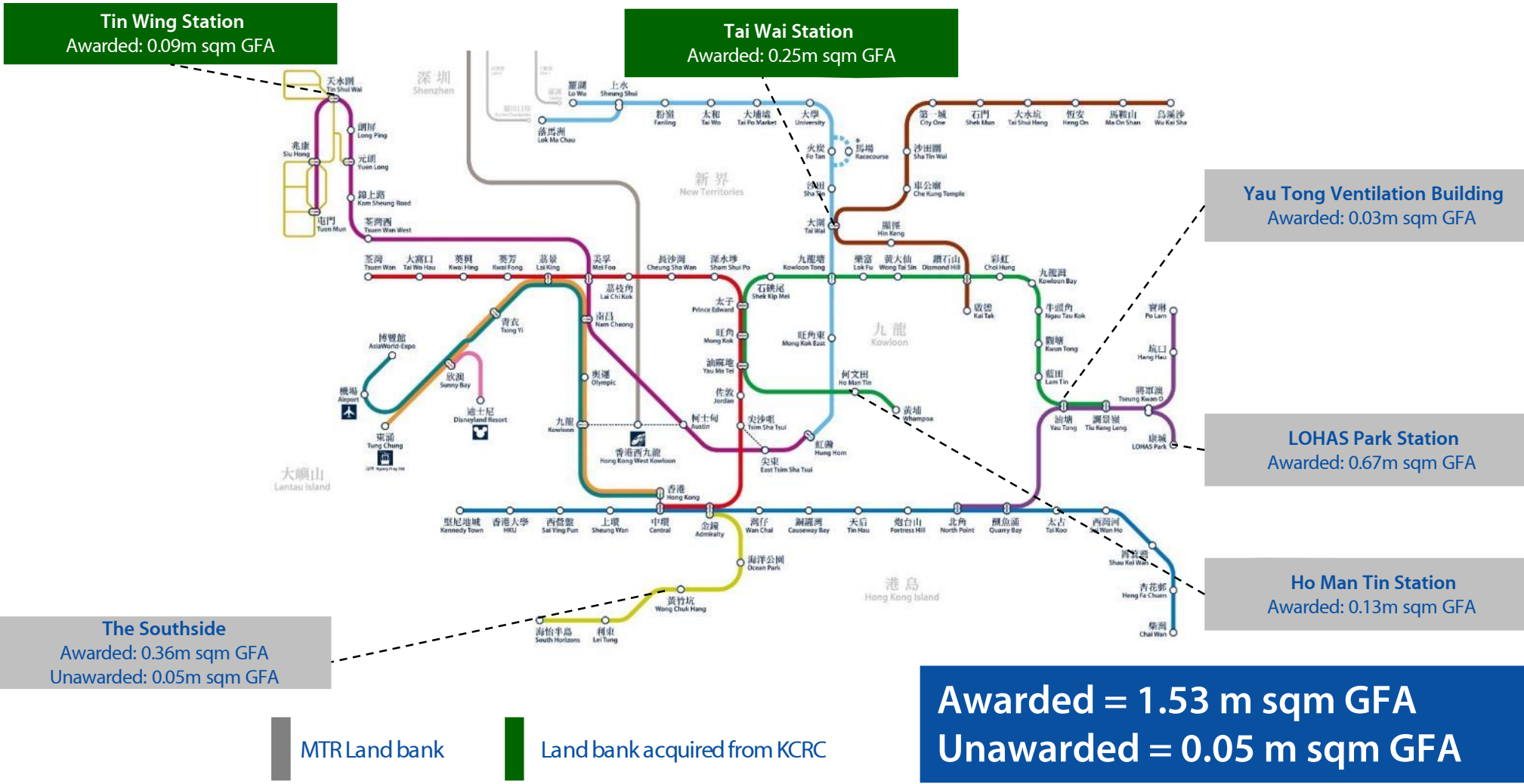
- Detailed planning and design commenced

Kwu Tung Station and the Northern Link

- Detailed planning and design to commence in 2021



Landbank⁽¹⁾: 1.58 Million sqm GFA



1. Definitions of landbank:
 - Property development rights granted by the Government as part of the "Rail + Property" model or through aquisition from KCRC
 - Where profit has not yet been recognised, status in Dec 2020

Good Progress in Property Development



An artist's impression of The Southside

New MTR Malls – Tai Wai / The Southside (Wong Chuk Hang)

- **GFA:** 60,620 sqm / 47,000 sqm, respectively, adding 30% to our shopping mall by GFA when completed
- **Target completion:** 2023

Potential Development

- **Siu Ho Wan depot:** about 20,000 residential units (about half of which being private housing; with the rest being subsidised sale flats), community facilities and a 30,000 sqm shopping mall. Pending Town Planning approval
- **Tung Chung Traction Substation & Pak Shing Kok Ventilation Building:** Outline zoning plans were approved. Pending Town Planning approval. Target to tender in the next 12 months or so
- **Tung Chung Line Extension site:** Subject to entering into a project agreement with Government, target to tender Package 1 in the next 12 months or so



Siu Ho Wan Depot

Growth Outside Hong Kong

Good progress was made in 2020

Shenzhen

Won the SZL13 PPP project

Hangzhou

Won several rolling stock fleet overhaul contracts

Chengdu

A joint-venture formed with Chengdu Rail Transit Group to explore and develop station commercial and related businesses

Australia

The Sydney Metro City and Southwest project continued to move forward with milestones achieved as planned

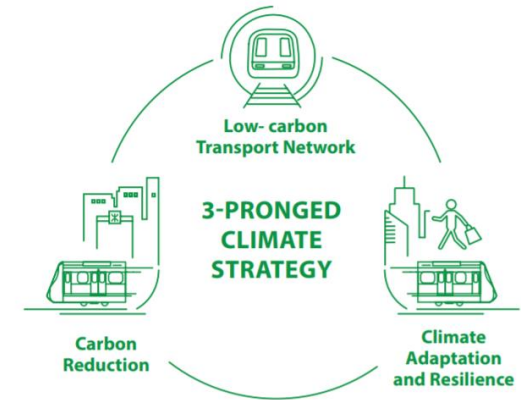
Sweden

Won the 8-year O&M concession for the Mälartåg train service commence from Dec 2021

ESG Highlights

- **Environment:**

- Published a Climate Change Strategy to specify our 3-pronged approach to address climate change
- Setting long-term carbon reduction targets for HK operations to support the HKSAR Government's pledge of achieving carbon neutral by 2050; MTR Nordic has committed to set a science-based target
- Installed solar panels at our Hung Hom office and Headquarters Building to support the development of renewable energy in HK
- Issued a US\$1.2 billion 10-year Green Bond – the largest ever single tranche Green Bond for corporates in Asia Pacific



ESG Highlights

- **Social:**

- Provided babycare rooms at 9 stations and breastfeeding areas at 14 stations to create a family friendly environment across our network
- Launched a series of COVID caring initiatives, helping over 50,000 beneficiaries

Donated surgical masks



Volunteer services in distributing meals, e-learning devices, and packing teaching materials, etc.



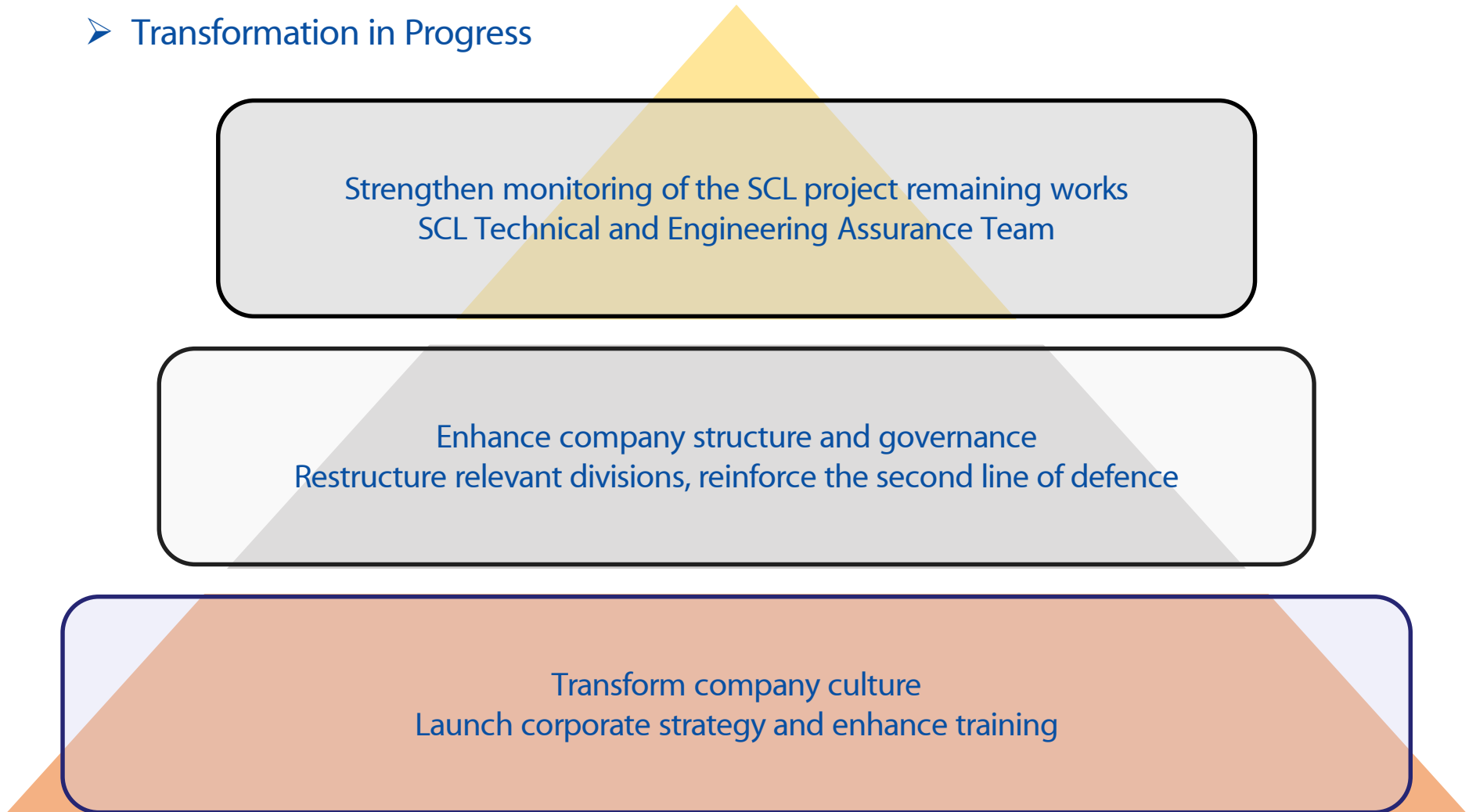
Station Poster Campaign with drawings from kids



ESG Highlights

- **Governance:**

- Transformation in Progress



Strengthen monitoring of the SCL project remaining works
SCL Technical and Engineering Assurance Team

Enhance company structure and governance
Restructure relevant divisions, reinforce the second line of defence

Transform company culture
Launch corporate strategy and enhance training



2020 Financial Results

Financial Highlights

2020 (HK\$m)	Recurrent Businesses		
	Hong Kong ⁽¹⁾	Outside of Hong Kong ⁽¹⁾	Total
Revenue	21,113	21,428	42,541
Change (YoY)	(36.8%)	1.6%	(21.9%)
Recurrent business (loss)/profit ⁽²⁾	(1,537)	411	(1,126)
Change (YoY)	n/m	(21.7%)	n/m

(HK\$m)	2020	Change (YoY)
Recurrent business loss ⁽²⁾	(1,126)	n/m
Post-tax profit from property development		
Hong Kong	5,442	(1.6%)
Mainland of China	65	32.7%
Sub-total	5,507	(1.3%)
Underlying business profit ⁽²⁾	4,381	(58.5%)
Investment property revaluation loss	(9,190)	n/m
Reported net loss attributable to shareholders of the company ⁽²⁾	(4,809)	n/m
Reported EPS (HK\$)	(0.78)	n/m
Underlying businesses EPS (HK\$)	0.71	(58.7%)
Total ordinary dividend per share (HK\$)	1.23	-

n/m: not meaningful

1. Recurrent business (loss)/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 (2020: HK\$12m loss; 2019: HK\$160m profit)

Segmental (Losses)/Profits of Underlying Businesses

	2020	2019	Favourable/ (adverse) change	
<i>(HK\$m)</i>			HK\$m	%
Hong Kong transport operations ⁽¹⁾	(5,408)	(591)	(4,817)	n/m
Hong Kong station commercial ⁽¹⁾	2,502	5,122	(2,620)	(51.2)
Hong Kong property rental and management ⁽¹⁾	4,185	4,264	(79)	(1.9)
Mainland of China and international railway, property rental & management (including share of EBIT from associates and joint venture) ⁽²⁾	997	1,330	(333)	(25.0)
Project studies and business development expenses	(96)	(75)	(21)	(28.0)
Others ⁽³⁾	(1,534)	(1,884)	350	(18.6)
EBIT on recurrent businesses	646	8,166	(7,520)	(92.1)
Interest and finance charges on recurrent businesses ⁽⁴⁾	(1,325)	(1,104)	(221)	(20.0)
Tax on recurrent businesses ⁽⁵⁾	(447)	(2,082)	1,635	78.5
Post-tax recurrent business (loss)/profit	(1,126)	4,980	(6,106)	n/m
HK property development profit after tax	5,442	5,531	(89)	(1.6)
Mainland of China property development profit after tax and interest	65	49	16	32.7
Post-tax property development profit	5,507	5,580	(73)	(1.3)
Profit from underlying businesses	4,381	10,560	(6,179)	(58.5)

Note:

n/m: not meaningful

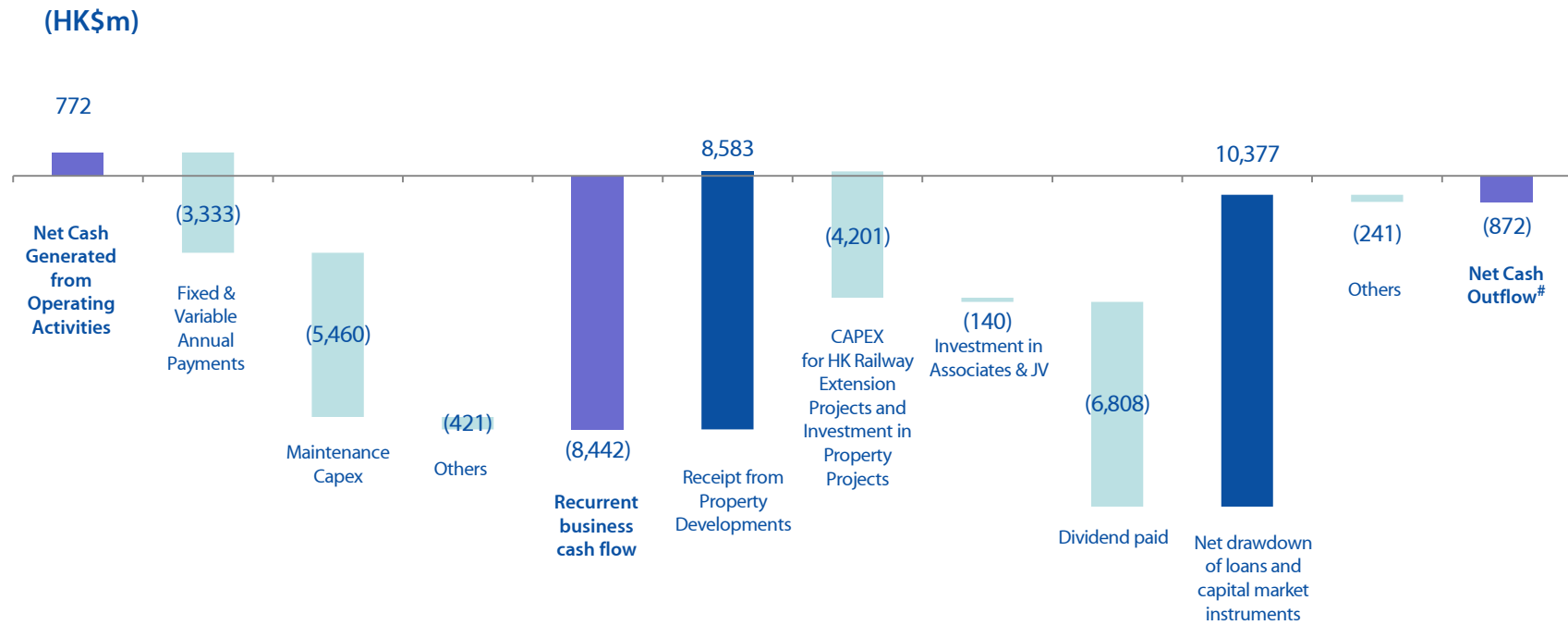
All segmental profits/(losses) shown are pre-tax profits/(losses)

1. Net of depreciation, amortisation and variable annual payment to KCRC
2. Net of non-controlling interests and includes business development expenses; 2019 EBIT included a \$436 million provision in relation to South Western Railway franchise
3. Includes consultancy, Ngong Ping 360, project management for HKSAR Government and share of EBIT from Octopus Holdings Limited; 2020 EBIT included a \$1.4 billion provision in relation to SCL Project Management Cost; 2019 EBIT included a \$2 billion provision in relation to Hung Hom Incident
4. Includes share of interest and finance charges incurred by associates and joint venture
5. Includes share of tax incurred by associates and joint venture

Consolidated Statement of Financial Position

(HK\$m)	31 Dec 2020	31 Dec 2019	Increase/ (Decrease)	
			HK\$m	%
Assets				
Investment properties	86,058	91,712	(5,654)	(6.2)
Other property, plant and equipment	101,999	102,632	(633)	(0.6)
Service concession assets	32,875	31,261	1,614	5.2
Property development in progress	11,942	12,022	(80)	(0.7)
Interests in associates & joint venture	11,592	10,359	1,233	11.9
Properties held for sale	1,800	1,245	555	44.6
Debtors and other receivables	13,313	11,169	2,144	19.2
Amounts due from related parties	5,462	3,041	2,421	79.6
Cash, bank balances and deposits	20,906	21,186	(280)	(1.3)
Others	4,627	4,587	40	0.9
Total Assets	290,574	289,214	1,360	0.5
Liabilities				
Debts	50,340	39,456	10,884	27.6
Creditors, other payables and provisions	36,837	33,315	3,522	10.6
Current taxation	1,004	2,024	(1,020)	(50.4)
Amounts due to related parties	453	2,990	(2,537)	(84.8)
Obligations under service concession	10,295	10,350	(55)	(0.5)
Deferred tax liabilities	14,125	13,729	396	2.9
Others	539	552	(13)	(2.4)
Total Liabilities	113,593	102,416	11,177	10.9
Total Equity	176,981	186,798	(9,817)	(5.3)

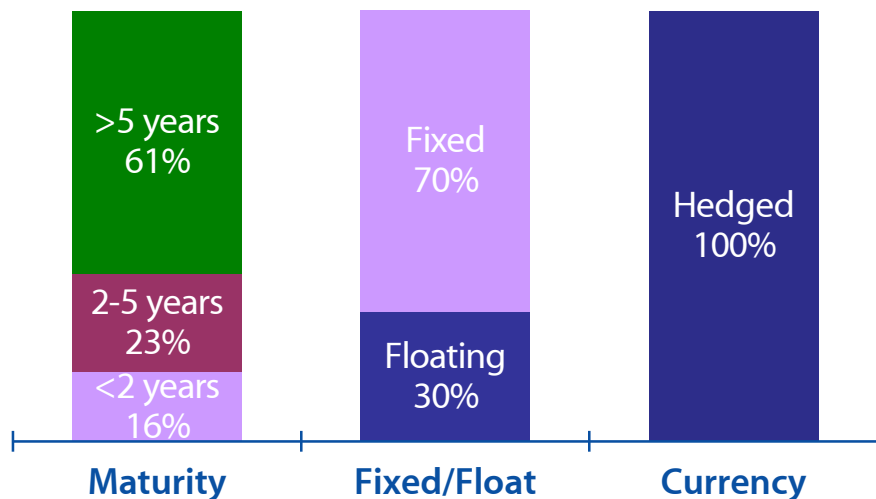
Cash Flow (year ended 31 Dec 2020)



Excluding effect of exchange rate change

Financing and Credit Ratios

Company Debt Profile (31 Dec 2020)⁽¹⁾



Consolidated group borrowings and other obligations⁽²⁾:

HK\$50,340 m (HK\$39,456m as at 31 Dec 2019)

Average cost of interest bearing borrowings: 2.3% (-0.5%pt YoY)

Interest and finance charges: HK\$1,004 m (+16.9% YoY)

	31 Dec 2020	31 Dec 2019
Net Debt / Equity ratio⁽³⁾	22.5%	15.4%
Interest cover	2020 8.2 x	2019 15.3x

1. Excluding Mainland of China and overseas subsidiaries debts

2. Excluding obligations under service concession

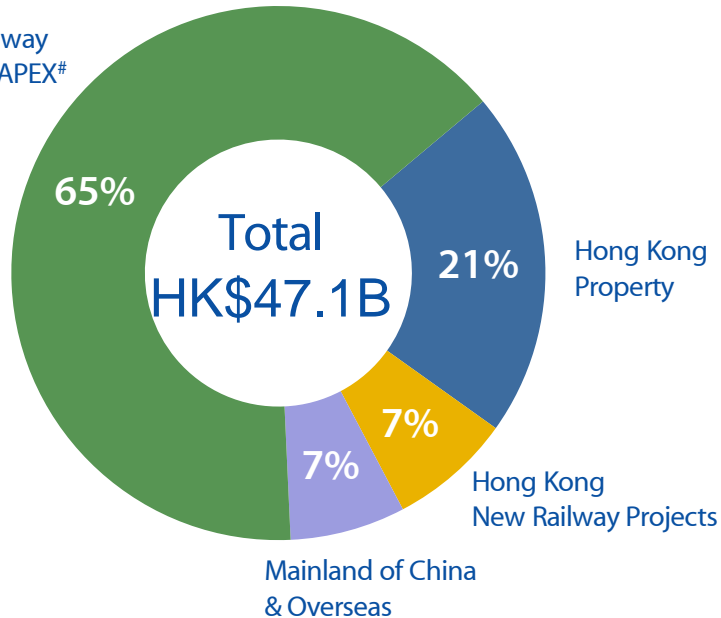
3. Including lease liabilities, obligations under service concession and loan from holders of non-controlling interests as components of debt

Capital Expenditure & Investments



2021-2023

Hong Kong Railway
Maintenance CAPEX#



Estimated spend:

2021: HK\$15.4 billion

2022: HK\$17.5 billion

2023: HK\$14.2 billion

Total: HK\$47.1 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

- COVID-19 has been a global phenomenon with long-lasting impacts
- Return to normalcy for patronage will not be immediate and may take longer than a year
- Station commercial and shopping mall may continue to face challenges
- Duty free business will depend completely on the timing of the re-opening of borders and the recovery of cross-border patronage
- Advertising income will depend on economic recovery and consumer spending

Property development

- Residential property projects under development with a total of over 23,000 units expected to be completed in the next five years
- Profit booking from LOHAS Park Packages 7, 8 and 9 in 2021, depending on construction progress

New projects in Hong Kong

- Full opening of Tuen Ma Line in 3Q2021
- New projects of Tung Chung Line Extension, Tuen Mun South Extension, and Kwu Tung Station and Northern Link
- 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



Appendix

Consolidated Profit and Loss Account

	2020	2019	Favourable/ (adverse) change	
			HK\$m	%
<i>(HK\$m)</i>				
HK transport operations	11,896	19,938	(8,042)	(40.3)
HK station commercial and HK property rental & management businesses	8,323	11,936	(3,613)	(30.3)
Mainland of China & international railway, property rental and management subsidiaries	21,428	21,085	343	1.6
Other businesses	894	1,545	(651)	(42.1)
Total revenue	42,541	54,504	(11,963)	(21.9)
Operating expenses excluding Mainland of China & international subsidiaries ⁽¹⁾	(16,452)	(19,393)	2,941	15.2
Expenses relating to Mainland of China & international railway, property rental and management subsidiaries ⁽²⁾	(20,895)	(19,760)	(1,135)	(5.7)
Expenses relating to Mainland of China property development	(13)	(25)	12	48.0
Total operating expenses	(37,360)	(39,178)	1,818	4.6
EBITDA excluding Mainland of China & international subsidiaries	4,661	14,026	(9,365)	(66.8)
EBITDA relating to Mainland of China & international railway, property rental and management subsidiaries	533	1,325	(792)	(59.8)
EBITDA relating to Mainland of China property development	(13)	(25)	12	48.0
Total EBITDA	5,181	15,326	(10,145)	(66.2)
HK property development profit	6,491	5,707	784	13.7
Total operating profit	11,672	21,033	(9,361)	(44.5)
Depreciation & amortisation	(5,365)	(5,237)	(128)	(2.4)
Variable annual payment	(238)	(2,583)	2,345	90.8
Share of profit or loss of associates and joint venture	605	288	317	110.1
Interest and finance charges	(1,004)	(859)	(145)	(16.9)
Investment property revaluation (loss) / gain	(9,190)	1,372	(10,562)	n/m
(Loss)/profit before taxation	(3,520)	14,014	(17,534)	n/m
Income tax	(1,301)	(1,922)	621	32.3
Non-controlling interests	12	(160)	172	n/m
Reported net (loss)/profit attributable to shareholders of the Company	(4,809)	11,932	(16,741)	n/m
Reported (loss)/earnings per share ("EPS") (HK\$)	(0.78)	1.94	(2.72)	n/m
Profit from underlying businesses	4,381	10,560	(6,179)	(58.5)
Underlying businesses EPS (HK\$)	0.71	1.72	(1.01)	(58.7)
Final ordinary dividend per share (HK\$)	0.98	0.98	-	-
Total ordinary dividend per share (HK\$)	1.23	1.23	-	-

n/m: not meaningful

Note 1: Includes project studies and business development expenses

Note 2: Excludes project studies and business development expenses

Cash flow

	2020	2019	Favourable/ (adverse) change	
(HK\$m)			HK\$m	%
Cash Inflow				
Cash flows from operations	2,548	17,120	(14,572)	(85.1)
Receipt of government subsidy for Shenzhen Metro Line 4 operation	587	608	(21)	(3.5)
Receipts from property developments	8,583	9,175	(592)	(6.5)
Others	63	121	(58)	(47.9)
Total inflows	11,781	27,024	(15,243)	(56.4)
Cash Outflow				
Tax paid	(2,306)	(631)	(1,675)	n/m
Purchase of tax reserve certificates	(57)	(54)	(3)	(5.6)
Capital expenditure and investments				
- Hong Kong existing rail	(5,226)	(5,291)	65	1.2
- Hong Kong new rail	(250)	(292)	42	14.4
- Mainland of China and international businesses	(234)	(181)	(53)	(29.3)
- Property related	(3,951)	(3,567)	(384)	(10.8)
Fixed and variable annual payment	(3,333)	(3,055)	(278)	(9.1)
Net investment and loans in associates & joint ventures	(140)	(1,539)	1,399	90.9
Total outflows	(15,497)	(14,610)	(887)	(6.1)
Net cash (outflow)/inflow before financing	(3,716)	12,414	(16,130)	n/m
Cash inflow/(outflow) from net repayment	10,377	(1,513)	11,890	n/m
Net interest paid	(484)	(684)	200	29.2
Dividend paid to shareholders of the company	(6,808)	(6,649)	(159)	(2.4)
Others	(241)	(282)	41	14.5
Net cash (outflow)/inflow[#]	(872)	3,286	(4,158)	(126.5)

n/m: not meaningful

Excluding effect of exchange rate change

Transport Operations

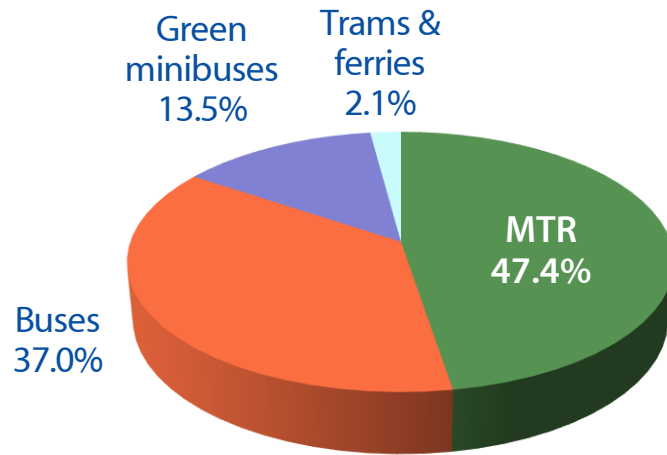
	2020	2019	Favourable/ (adverse) change (%)
Patronage (million)			
- Domestic Service	1,145.0	1,568.2	(27.0)
- Cross-boundary Service	7.6	104.2	(92.7)
- High Speed Rail	1.0	16.9	(93.9)
- Airport Express	3.1	15.8	(80.5)
- Light Rail and Bus	154.0	207.4	(25.8)
- Intercity	0.1	1.9	(94.5)
Total	1,310.8	1,914.3	(31.5)
Average fare (HK\$)			
- Domestic Service	7.82	8.11	(3.6)
- Cross-boundary Service	27.23	29.08	(6.4)
- High Speed Rail	86.44	88.73	(2.6)
- Airport Express	45.52	64.16	(29.1)
P&L (HK\$m)			
- Domestic Service	9,229	12,714	(27.4)
- Cross-boundary Service	516	3,164	(83.7)
- High Speed Rail	1,277	2,098	(39.1)
- Airport Express	140	1,011	(86.2)
- Light Rail and Bus	481	677	(29.0)
- Intercity	20	175	(88.6)
- Others	233	99	135.4
Total revenue (HK\$m)	11,896	19,938	(40.3)
EBITDA	(422)	5,909	n/m
Depreciation and amortisation	(4,810)	(4,728)	(1.7)
Variable annual payment	(176)	(1,772)	90.1
EBIT	(5,408)	(591)	n/m
EBITDA margin (%)	(3.5%)	29.6%	-33.1%pts
EBIT margin (%)	(45.5%)	(3.0%)	-42.5%pts

n/m: not meaningful

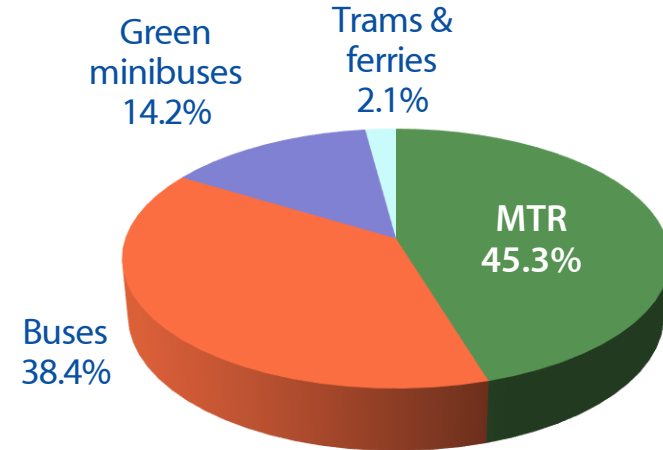
Note: Patronage decreased as a result of various border closures, travel restrictions, social distancing, work-from-home and school closure arrangements, etc

Transport Operations: Market Share

Hong Kong Franchised Public Transport

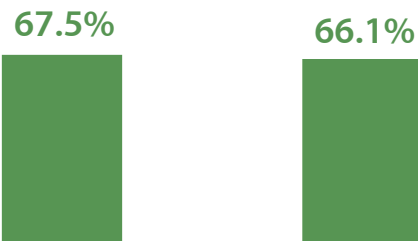


Jan – Dec 2019



Jan – Dec 2020

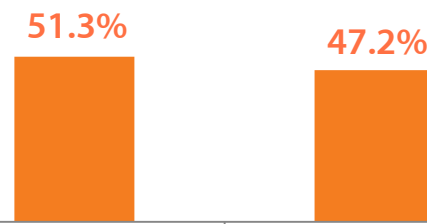
Cross-harbour



Jan-Dec 2019

Jan-Dec 2020

Cross-boundary & HSR



Jan-Dec 2019

Jan-Dec 2020

Airport Express



Jan-Dec 2019⁽¹⁾ Jan-Dec 2020⁽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

Station Commercial

Station Commercial (HK\$m)	2020	2019	Favourable/ (adverse) change (%)
- Station Retail Rental	2,021	4,800	(57.9)
- Advertising	516	1,130	(54.3)
- Telecommunication	640	743	(13.9)
- Other Station Commercial	92	126	(27.0)
Total Revenue	3,269	6,799	(51.9)
EBITDA	2,760	6,119	(54.9)
Depreciation and amortisation	(197)	(192)	(2.6)
Variable annual payment	(61)	(805)	92.4
EBIT	2,502	5,122	(51.2)
EBITDA Margin (%)	84.4%	90.0%	-5.6%pts
EBIT Margin (%)	76.5%	75.3%	+1.2%pts
Average occupancy rate (% , station kiosks)	98.3%	99.3%	-1.0%pt
Rental reversion (% , station kiosks)	-8.0%	3.7%	-11.7%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)	2020	2019	Favourable/ (adverse) change (%)
- Property Rental	4,817	4,833	(0.3)
- Property Management	237	304	(22.0)
Total Revenue	5,054	5,137	(1.6)
EBITDA	4,204	4,286	(1.9)
Depreciation and amortisation	(18)	(16)	(12.5)
Variable annual payment	(1)	(6)	83.3
EBIT	4,185	4,264	(1.9)
EBITDA Margin (%)	83.2%	83.4%	-0.2%pt
EBIT Margin (%)	82.8%	83.0%	-0.2%pt
Average occupancy rate (% malls)*	99%	Close to 100%	
Average occupancy rate (% Two ifc)	98%	Close to 100%	
Rental reversion (% malls)	-21.4%	3.1%	-24.5%pts

HK Property Development (HK\$m)	2020	2019	Favourable/ (adverse) change (%)
- Share of surplus, income and interest in unsold properties from property development	6,481	4,376	48.1
- Income from receipt of sharing in kind	-	1,211	(100.0)
- Agency fee and other income from West Rail property development	42	182	(76.9)
- Overheads and miscellaneous studies	(32)	(62)	48.4
EBIT	6,491	5,707	13.7

* Excluding The LOHAS which was opened in August 2020

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 from LOHAS Park Package 6 and sales of inventory units in 2020

Mainland China and International Businesses

<i>(HK\$m)</i>	2020	2019	Favourable/ (adverse) change (%)
Subsidiaries			
- Melbourne Train	28	526	(94.7)
- Sydney Metro Northwest	(71)	37	n/m
- Sydney Metro City & Southwest	19	65	(70.8)
- Nordic Group	147	30	390.0
- TfL Rail/Elizabeth Line	186	138	34.8
- Shenzhen Metro Line 4	(27)	162	n/m
- Others	251	367	(31.6)
EBITDA	533	1,325	(59.8)
Depreciation and amortisation	(272)	(236)	15.3
EBIT	261	1,089	(76.0)
EBIT (net of non-controlling interests)	273	929	(70.6)
EBITDA margin (%)	2.5%	6.3%	-3.8%pts
EBIT margin (%)	1.2%	5.2%	-4.0%pts
Recurrent business profit	170	672	(74.7)
Associates & Joint venture			
Share of EBIT	907	602	50.7
Share of Profit/(Loss)	424	54	n/m
Net profit			
- From Recurrent Businesses (before Business Development Expenses)	594	726	(18.2)
- Business Development Expenses	(183)	(201)	(9.0)
- Arising from Recurrent Businesses (after Business Development Expenses)	411	525	(21.7)
- Arising from Mainland of China Property Development	65	49	32.7
Net profit outside of Hong Kong	476	574	(17.1)

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

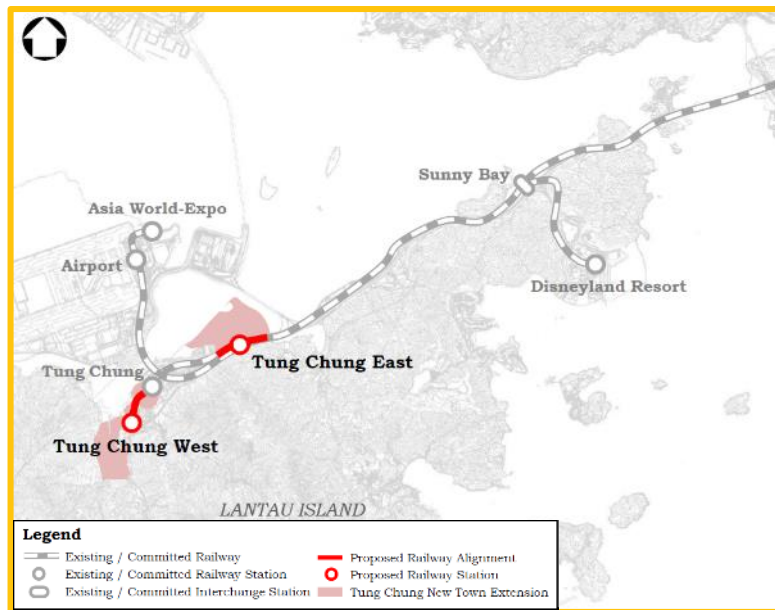
Development profit yet to be booked: over 23,000 residential units (GFA : ~1.42 million sqm)

	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		✓	✓	68% presale	2022
2	Tin Wing Stop	Feb 2015	Sun Hung Kai	91,051	1,976		✓		Foundation works	2024
3	LOHAS Park Package 7	Jun 2015	Wheelock	70,260	1,120		✓	✓	100% presold	2021
4	LOHAS Park Package 8	Oct 2015	Cheung Kong	97,000	1,422	✓	✓		70% presale	2021
5	LOHAS Park Package 9	Dec 2015	Wheelock	104,110	1,653	✓	✓		97% presale	2021
6	LOHAS Park Package 10	Mar 2016	Nan Fung	75,400	893	✓	✓		Superstructure	2022
7	Ho Man Tin Station Package 1	Dec 2016	Great Eagle	69,000	918	✓	✓		Foundation works	2022
8	The Southside Package 1	Feb 2017	Road King Infrastructure & Ping An Real Estate	53,600	800	✓	✓		Superstructure	2022
9	The Southside Package 2	Dec 2017	Sino Land & Kerry Properties	45,800	600	✓	✓		Superstructure	2023
10	Yau Tong Ventilation Building	May 2018	Sino Land & CSI Properties	30,225	800	✓	✓		Foundation works	2025
11	The Southside Package 3	Aug 2018	Cheung Kong	92,900	1,200	✓	✓	✓	Foundation works	2024
12	Ho Man Tin Station Package 2	Oct 2018	Chinachem	59,400	845	✓	✓		Foundation works	2024
13	LOHAS Park Package 11	Apr 2019	Sino Land, K. Wah, China Merchants	88,858	1,880	✓	✓		Design	2025
14	The Southside Package 4	Oct 2019	Kerry Properties, Swire Properties, Sino Land	59,300	800	✓	✓		Design	2025
15	LOHAS Park Package 12	Feb 2020	Wheelock	89,290	2,000	✓	✓		Design	2026
16	LOHAS Park Package 13	Oct 2020	Sino Land, Kerry Properties, K. Wah & China Merchants	143,690	2,550	✓	✓		Design	2026
17	The Southside Package 5	Jan 2021	New World, Empire Development, CSI Properties and Lai Sun Dev	59,100	1,050	✓	✓		Design	2026

* Project status as of Dec 2020
MTR Corporation

Tung Chung Line Extension project

- On 7th 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.



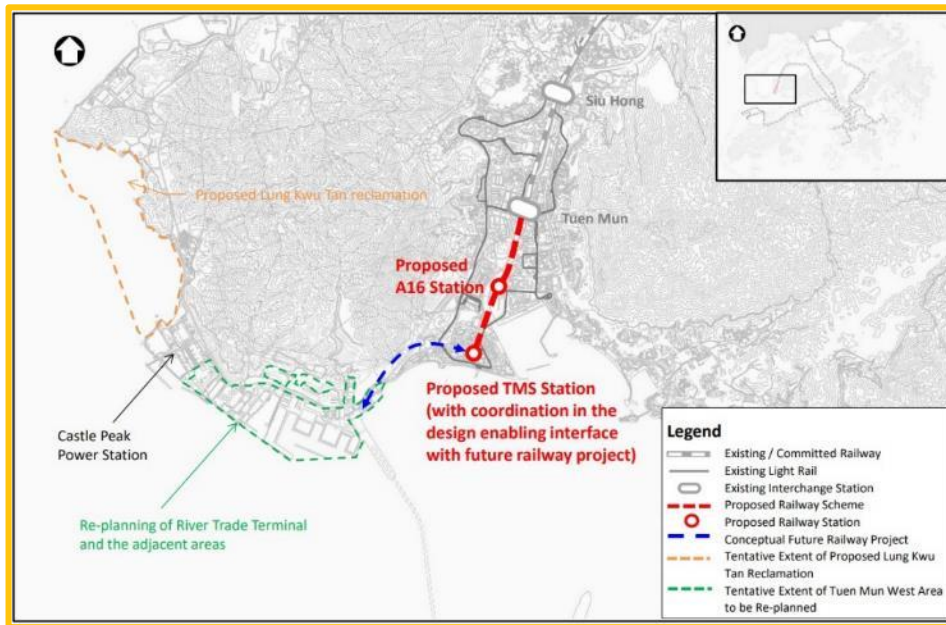
Source: LegCo document

* 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 29th 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.



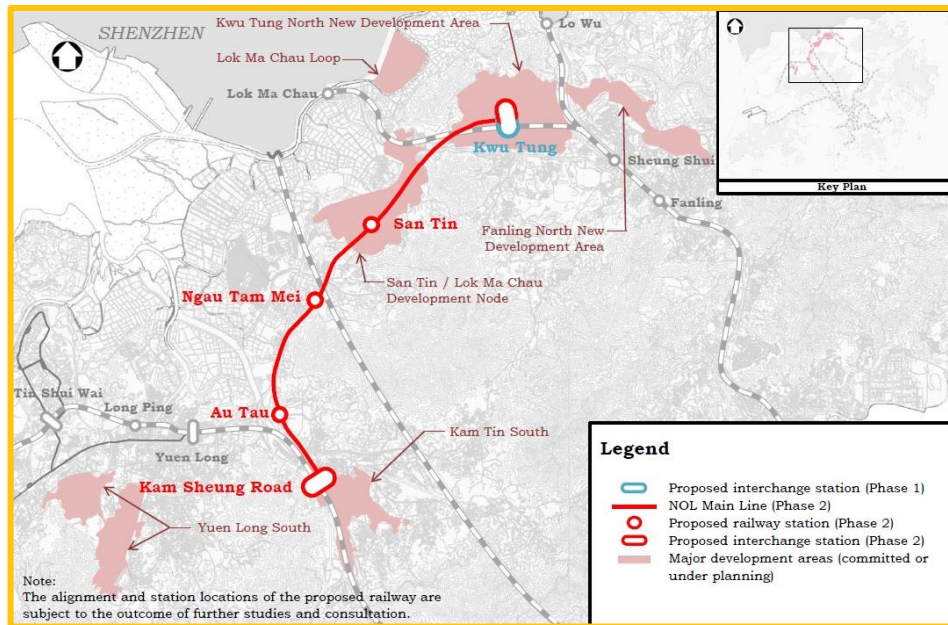
Source: LegCo document

* 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 16th 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 West Rail Line (future 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