



MTR Corporation

2021 Annual Results

10 March 2022

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 Annual Results

Business Review

Financial Results

Outlook



Business Review

2021 Highlights

Corporate Strategy

- Progress on Board committees and a new management organisation
- Strengthening "three lines of defence"

Recurrent Businesses in Hong Kong

- Boundary closures and travel restrictions, while local patronage recovered
- Full Tuen Ma Line opened
- Service performance maintained, passenger journeys on time at 99.9%

Property Development

- Awarded THE SOUTHSIDE Package 5 and Package 6
- The layout plan for the Siu Ho Wan Depot topside development approved

New Projects*

- Cross-harbour extension of the East Rail Line target opening in June/July 2022
- Tung Chung Line Extension and Tuen Mun South Extension were gazetted
- Progressing the Northern Link and Hung Shui Kiu Station projects (subject to signing of project agreements)

Businesses Outside of Hong Kong

- Recovery of patronage and businesses in Mainland China and Australia
- Full Beijing Metro Line 14 and the initial section of Beijing Metro Line 17 commenced service in December 2021
- Construction work of Shenzhen Metro Line 13 continued with major contracts procured
- Took over operations of the Mälartåg train service in Sweden

* Subject to signing project agreements

Full Tuen Ma Line Opening

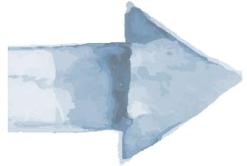


Full Tuen Ma Line Opening

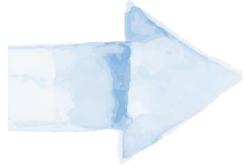
Together, We Fight Virus



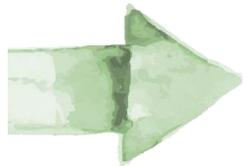
Fare concessions to public



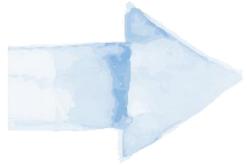
Rental concession for business partners



Enhanced cleaning and disinfection to protect our customers and staff



Outreach vaccination service for staff



Giving out annual passes to encourage public vaccination

Lay the Groundwork for Future Recovery and Growth



Enhanced Customer Experience

- New payment choice: QR code tickets
- Enhanced services via MTR Mobile, e.g. Train Car Loading Indicator and “Book Taxi”
- Additional baby care rooms and toilets



Caring for our Stakeholders

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



Smart Maintenance

- Smart Train Planning - AI platform generate optimised train deployment, maintenance and train assignment schedules



New Retail Format and Advertising

- “Kerry Express @ MTR Shops” outlets have commenced service
- Digitalise our advertising formats

Completion of Hung Hom Station Bifurcation Work



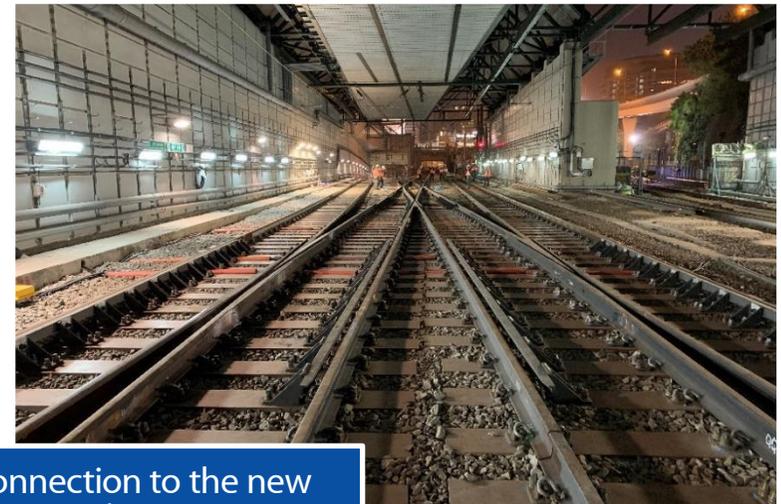
Installation of the new overhead line



Turnout installation connecting EAL and the new NSL



Installation and adjustment of signalling equipment



Track connection to the new section

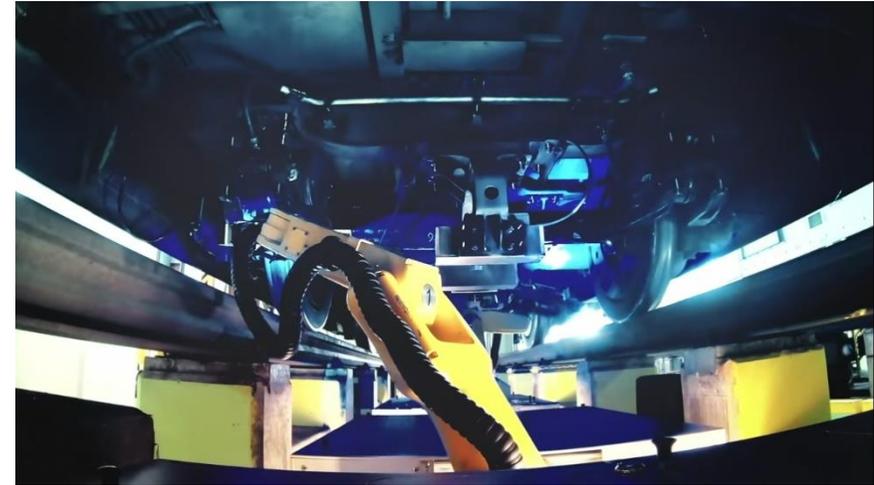
Signalling Replacement Project

- In 2021, we continued with the project to replace the existing signalling system (“SACEM System”) on our four urban lines and a total of approximately HK\$2.4B has been incurred as at 31 December 2021
- While the replacement of the signalling hardware along our tracks has been progressing well, the contractor is taking longer than expected to complete the software safety assurance processes required by the Corporation, due to the technical complexities involved and the pandemic situation. This work is of critical importance to assure the safety of the new signalling system and we shall continue to work closely with the contractor to progress the project
- Taking into account the significant challenges encountered in the signalling replacement project in terms of programme and costs, we have:
 - taken steps to ensure that the programme to bring in the new trains can proceed as planned (by equipping the trains in stages with the SACEM System) and the first of the 93 new trains is expected to come into service in 2022;
 - embarked upon certain asset replacements in the SACEM System, so as to be able to continue to provide quality and reliable train services in the short term; and
 - started to study options and their associated costs, including the possibility of upgrading the existing SACEM System for the long run as a possible alternative to the full implementation of the new signalling system.

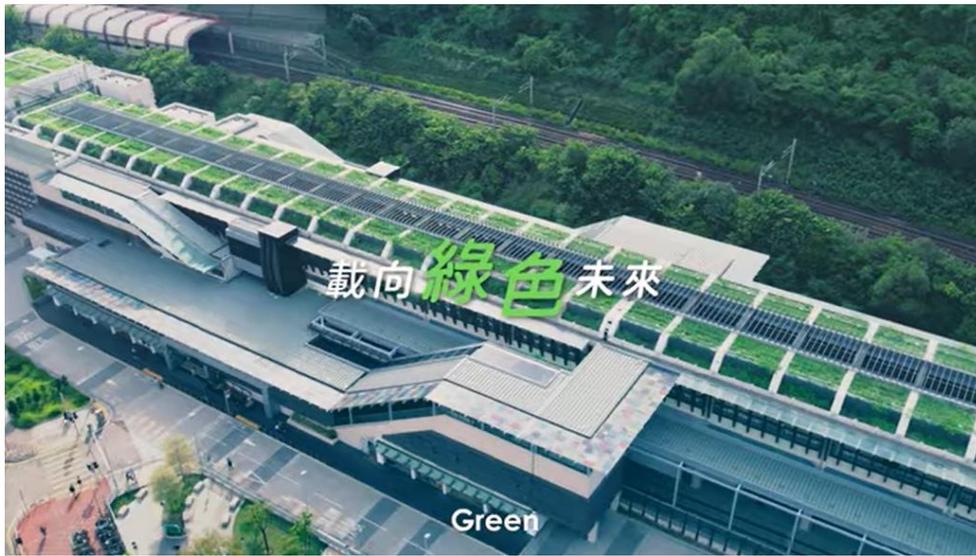
Go Smart Go Beyond



Go Smart – Smart Commuting, Smart Maintenance



Go Beyond – Social Inclusion & Sustainability



Carbon Neutrality by 2050

- Recognising the climate imperative for businesses, we have recently completed a carbon reduction study
- Following this study, we will be setting science-based reduction targets for 2030, with a longer-term goal of achieving carbon neutrality by 2050
- These targets will cover the scope 1 and 2 emissions from our Hong Kong operations and our scope 3 emissions and will be achieved by implementing a range of energy saving and carbon reduction initiatives, including investments in the latest technologies and innovative ways of working, while partnering with our key stakeholders, particularly the electricity suppliers in Hong Kong, in our concerted efforts to reduce carbon emission

Hong Kong Transport Operations

Revenue (HK\$m)



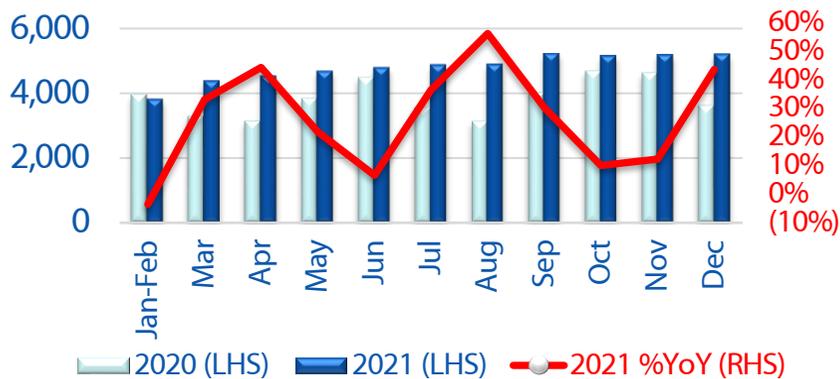
2021

- Average weekday patronage increased to 4.75 million, or an increase of 22.4% YoY
- The increase was primarily the result of higher Domestic Service patronage following improvements in the pandemic situation
- Cross-boundary service, High Speed Rail and Intercity Services remained suspended

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. Such rebate was extended to June 2022

Average weekday patronage ('000)



* 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.

Hong Kong Station Commercial Businesses

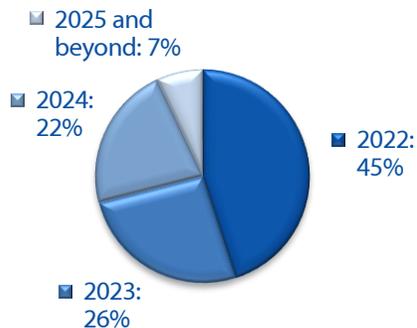
Revenue (HK\$m)



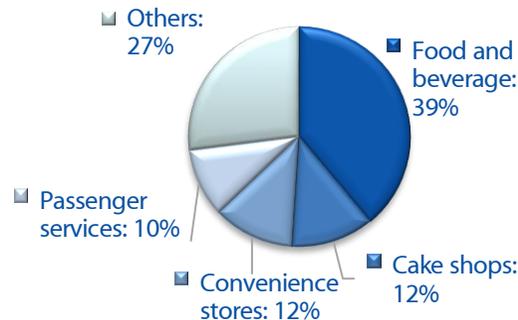
2021

- Loss of rental revenue resulting from the on-going suspension of cross-boundary rail services and station closures as well as rental concessions granted
- To retain and attract tenants, continued to offer flexible and/or shorter-term leases, particularly to small and medium tenants
- Average occupancy rate in our station kiosks was 98.0%
- Rental reversion was -17.0%
- Rental reversions in respect of the Duty Free Shops were adversely affected under the challenging market conditions
- Collaborated with Kerry e-Commerce on the launch of a new online-to-offline (“O2O”) retail solution
- Continued the digital transformation of our advertising media by launching new digital formats and customising digital solutions with real-time dynamic content

Lease expiry by area occupied*



Trade mix by leased area**



* Station kiosks and Duty Free Shops

** Station kiosks, excluding Duty Free Shops

MTR Corporation

Hong Kong Property Rental and Management Businesses

Revenue (HK\$m)

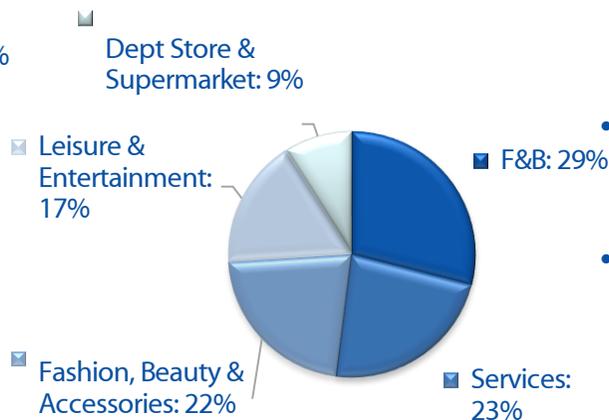
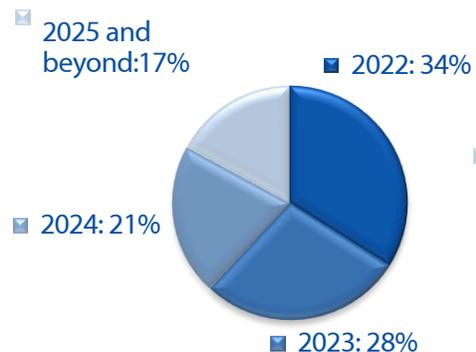


2021

- Revenue was impacted by rental concessions offered to tenants due to the pandemic
- Rental concessions were partially offset by full-year contributions from Telford Plaza II, Popcorn 2 as well as the newly opened The LOHAS
- MTR shopping malls recorded a rental reversion of -8.6% and an average occupancy rate of 98%
- Two IFC recorded an annual average occupancy rate of 98%
- Although retail sentiment generally improved in 2021, mall traffic and rentals remained sluggish compared to pre-pandemic levels
- Leveraged MTR Mobile app to apply targeted marketing according to shopper behaviour to stimulate spending
- Introduced “eVouchers” that allow customers to redeem and use electronic cash vouchers for MTR Malls and station shops

Lease expiry by area*

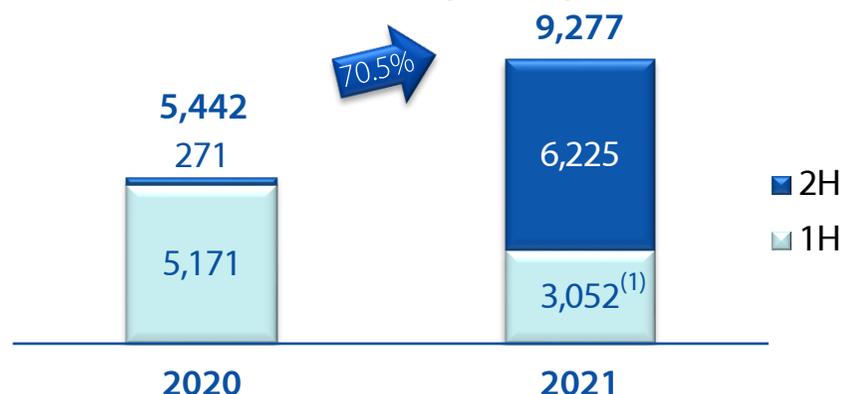
Trade mix by leased area*



* Shopping malls

Hong Kong Property Development

Hong Kong Property Development Profit after Tax (HK\$m)



2021

- Property development profit primarily due to surplus proceeds from LOHAS Park Packages 7, 8 and 9
- Presold LP10, THE PAVILIA FARM III, SOUTHLAND and La Marina
- Awarded two tenders: THE SOUTHSIDE Package 5 and Package 6
- Tender submissions on Tung Chung Traction Substation property development project not accepted and will retender in due course
- Continue to assess the issue of concrete quality at THE PAVILIA FARM III and ensuring that the Developer takes all necessary actions to ensure that the project meets its design and statutory requirements

Property Development Projects	Launch Date	Units Sold (end Dec 2021)
La Marina (THE SOUTHSIDE Package 2)	Sep 2021	76% of 600 units sold
THE PAVILIA FARM (Tai Wai Project)	Oct 2020 - Jun 2021	98% of 3,090 units sold (up to July 2021)
SOUTHLAND (THE SOUTHSIDE Package 1)	May 2021	78% of 800 units sold
LP10 (LOHAS Park Package 10)	Jan 2021	87% of 893 units sold
SEA TO SKY (LOHAS Park Package 8)	Jun 2020	100% of 1,422 units sold
MARINI, GRAND MARINI and OCEAN MARINI (LOHAS Park Package 9)	Aug 2019 - Mar 2020	100% of 1,653 units sold

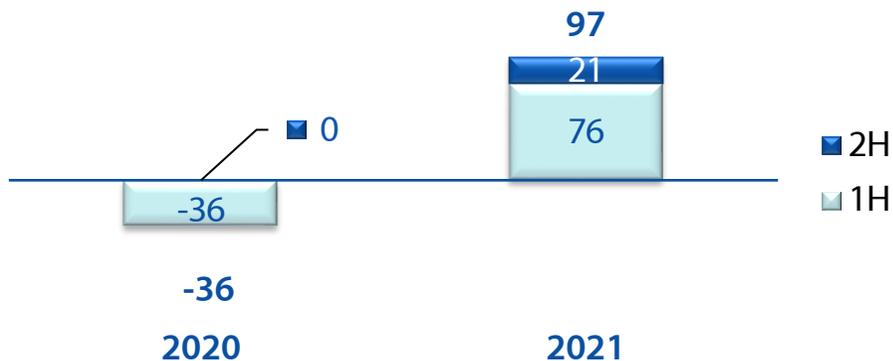
1. The amount has been adjusted from the amount disclosed in interim results to conform to full year's classification

Mainland China and International Businesses

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



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



2021

- Total passengers carried by our subsidiaries, associates and joint ventures outside of Hong Kong rebounded by 22.5% to about 1.7 billion
- For Mainland China and Macao, increase in recurrent business profit mainly derived from an improved contribution from Beijing, Hangzhou and Shenzhen
- International businesses turnaround to profit, mainly due to better performance from MTM and Sydney Metro North West
- BJL14 full line, first phase of BJL17 and one additional station of BJL16 opened in Dec 2021
- Took over operations of the Mälartåg train service in Sweden in December 2021 for an interim period of two years

Recent Update

- 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
- Shenzhen Metro Line 13 PPP is currently under construction with several key contracts awarded

* After deduction of headquarter expenses of HK\$21m (2020: HK\$27m), Recurrent Business Profit of Mainland of China and International Businesses was HK\$829m (2020: HK\$411m)

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 – 97.2% complete

- East Rail Line's new signaling system and new trains were commissioned in February 2021
- Target to open in June/July 2022

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

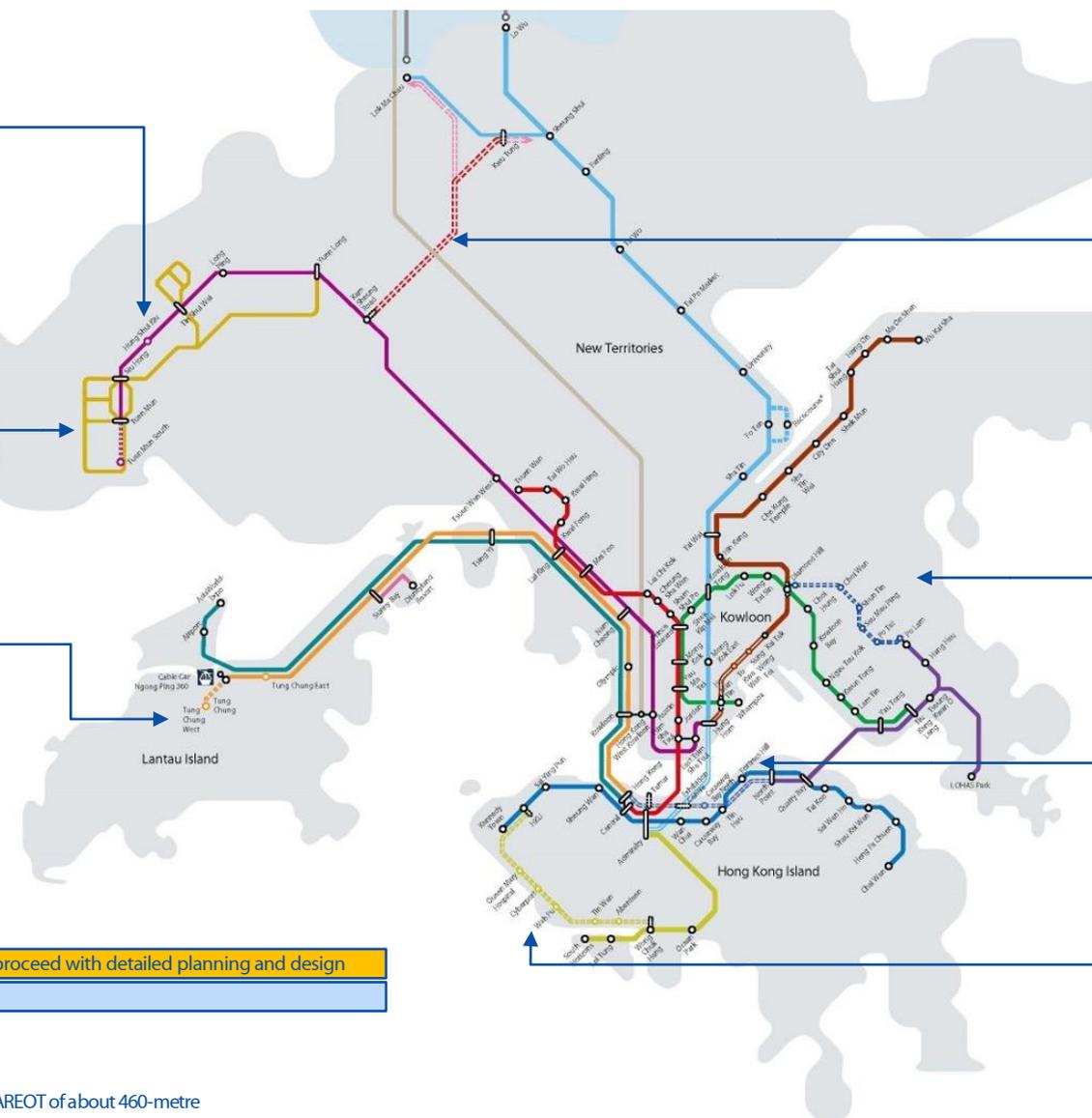
Tung Chung Line Extension
 Route length: 1.3 km****
 Est. cost: \$18.7B**
 Est. completion: 2029

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



Proposal submitted, invited by Government to proceed with detailed planning and design

Proposal submitted

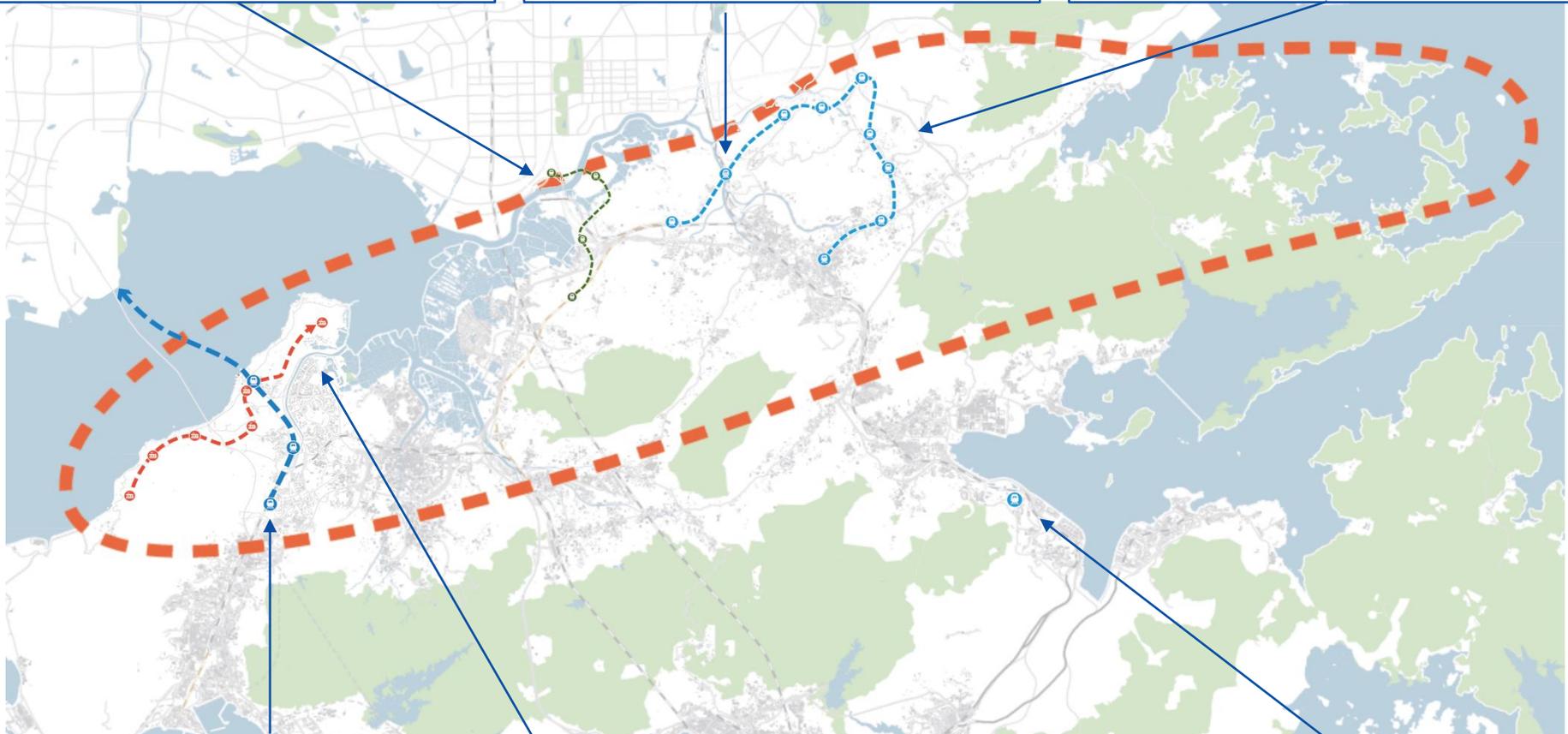
* Expected cost in December 2015 prices
 ** Expected cost in December 2016 prices
 *** Expected cost in December 2018 prices
 **** Route length of 1.3km does not include the AREOT of about 460-metre

Northern Metropolis

Northern Link (NOL) Spur Line
Connect to the new Huanggang Port

Lo Wu South Station
New station service between the existing Lo Wu Station and the Sheung Shui Station

Eastwards Extension of Northern Link
From the Kwu Tung Station to New Territories North New Town



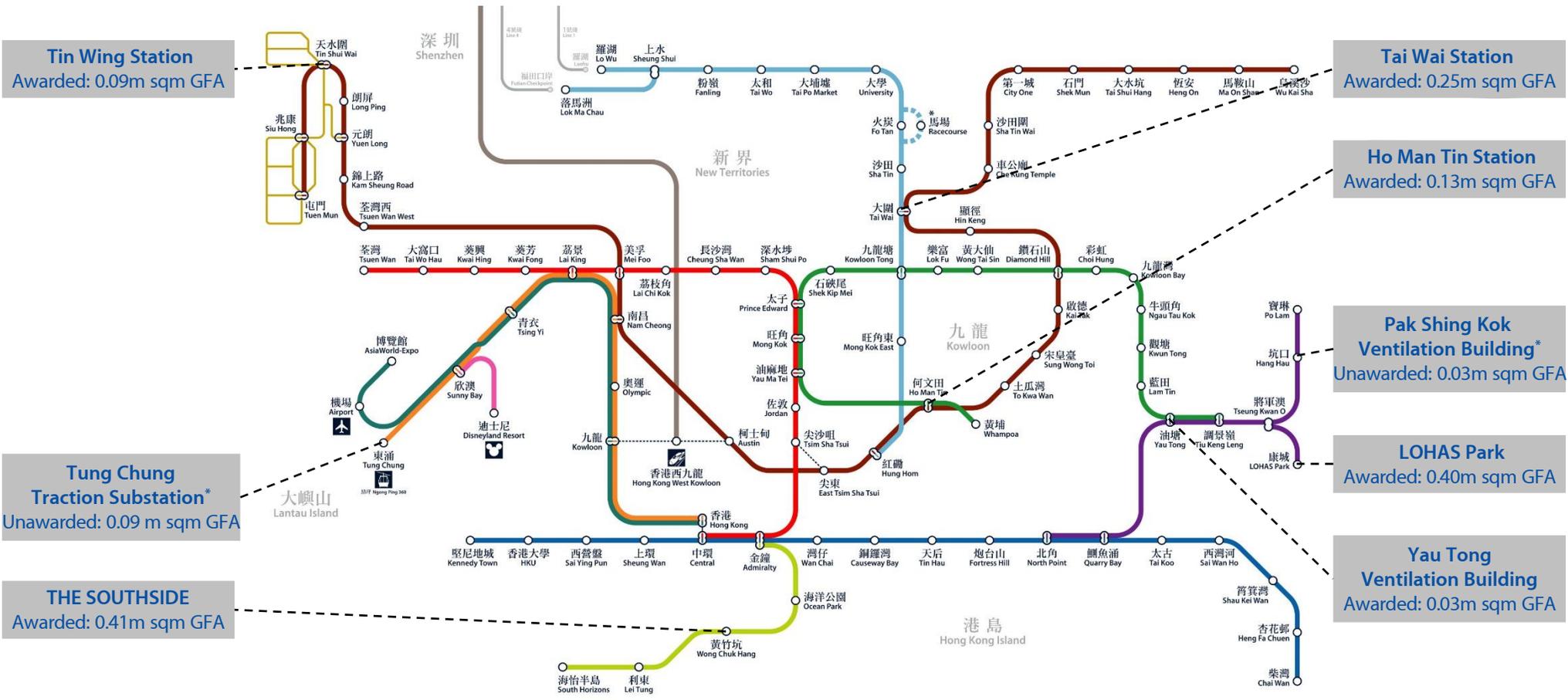
Hong Kong-Shenzhen Western Rail Link
Link up Hung Shui Kiu/Ha Tsuen and Qianhai of Shenzhen

Automated People Mover System
From Tsim Bei Tsui to Pak Nai to promote the development of the area and Lau Fau Shan

New Science Park/ Pak Shek Kok Station
New station along East Rail Line

Source: Northern Metropolis Development Strategy (Combined by MTRC)

Landbank



* We are now inviting developers to submit Expression of Interest for Pak Shing Kok Ventilation Building property development, and will tender out Tung Chung Traction Substation Site subject to market conditions

Note: Residential GFA: 1.31m sqm (awarded: 1.19m 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 approximately 30% to our shopping malls GFA when completed
- **Target completion:** The Wai (2023), THE SOUTHSIDE (2023)

Upcoming tenders

- Layout Plan for the **Siu Ho Wan Depot topside development** was approved. Detailed design and advance works have also commenced. The tender of Siu Ho Wan Depot Topside Property Development Package 1 will be subject to entering into a project agreement with Government and signing of the land grant
- Now inviting developers to submit Expression of Interest for the **Pak Shing Kok Ventilation Building** property development
- **Tung Chung East Station Package 1** site is expected to be tendered in 2022 subject to entering into a project agreement with Government



Siu Ho Wan Depot

ESG – Environmental

- **Reduce Greenhouse Gas Emissions:**

- HK\$4.8 billion in green financing arranged in the first half of 2021 will re-finance 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
- We will set our science-based target, to reduce carbon emission by 2030 with a view to achieving 2050 carbon neutrality.
- Selected Hin Keng Station as a trial of “Green Station” and installed different types of renewal energy 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:**

- 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
- Following the Board evaluation undertaken by an external consultant, a new Finance and Investment Committee and Technology Advisory Panel was established to strengthen Board governance and effectiveness
- 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



Financial Results

Financial Highlights

2021 (HK\$m)	Recurrent Businesses		
	Hong Kong ⁽¹⁾	Outside of Hong Kong ⁽¹⁾	Total
Revenue from recurrent businesses	21,804	25,045	46,849
Change (% YoY)	3.3	16.9	10.1
Recurrent business profit ⁽²⁾	979	829	1,808
Change (% YoY)	n/m	101.7	n/m

(HK\$m)	2021	% Change Favourable / (Unfavourable)
Recurrent business profit ⁽²⁾	1,808	n/m
Post-tax profit from property development		
Hong Kong	9,277	70.5
Mainland of China	66	1.5
Sub-total	9,343	69.7
Underlying business profit ⁽²⁾	11,151	154.5
Loss from fair value measurement of investment properties ⁽³⁾	(1,599)	82.6
Reported net profit attributable to shareholders of the company ⁽²⁾	9,552	n/m
Reported EPS (HK\$)	1.55	n/m
Underlying businesses EPS (HK\$)	1.80	153.5
Full year ordinary dividend per share (HK\$)	1.27	3.3

Note:

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 (2021: HK\$127m profit; 2020: HK\$12m loss)
 3. Loss from fair value measurement on investment properties comprises (i) revaluation on investment properties, (ii) fair value measurement on initial recognition of investment properties from property development, and (iii) related income taxes
 4. Certain comparative figures have been reclassified to conform to current year's presentation
- n/m: not meaningful

Segmental Profit/(Loss) of Underlying Businesses

	2021	2020	Favourable/ (Unfavourable)	
<i>(HK\$m)</i>			HK\$m	%
Hong Kong transport operations ⁽¹⁾	(4,262)	(5,408)	1,146	21.2
Hong Kong station commercial ⁽¹⁾	2,488	2,502	(14)	(0.6)
Hong Kong property rental and management ⁽¹⁾	4,048	4,185	(137)	(3.3)
Mainland of China and International Railway, Property Rental and Management Subsidiaries	622	261	361	138.3
Other Businesses, Project Study and Business Development Expenses ⁽²⁾	(567)	(1,949)	1,382	70.9
Share of Profit of Associates and Joint Ventures	968	605	363	60.0
Total Recurrent EBIT	3,297	196	3,101	n/m
Interest and Finance Charges	(1,045)	(1,097)	52	4.7
Income Tax	(317)	(237)	(80)	(33.8)
Non-controlling Interests	(127)	12	(139)	n/m
Recurrent Business Profit / (Loss)	1,808	(1,126)	2,934	n/m
Property Development Profit (Post-tax)	9,343	5,507	3,836	69.7
Underlying Business Profit	11,151	4,381	6,770	154.5

Note:

All segmental profit/(loss) shown are profit/(loss) before interest, finance charges and tax

1. Net of depreciation, amortisation and variable annual payment to KCRC
2. Includes consultancy, Ngong Ping 360 and project management for HKSAR Government
3. Certain comparative figures have been reclassified to conform to current year's presentation

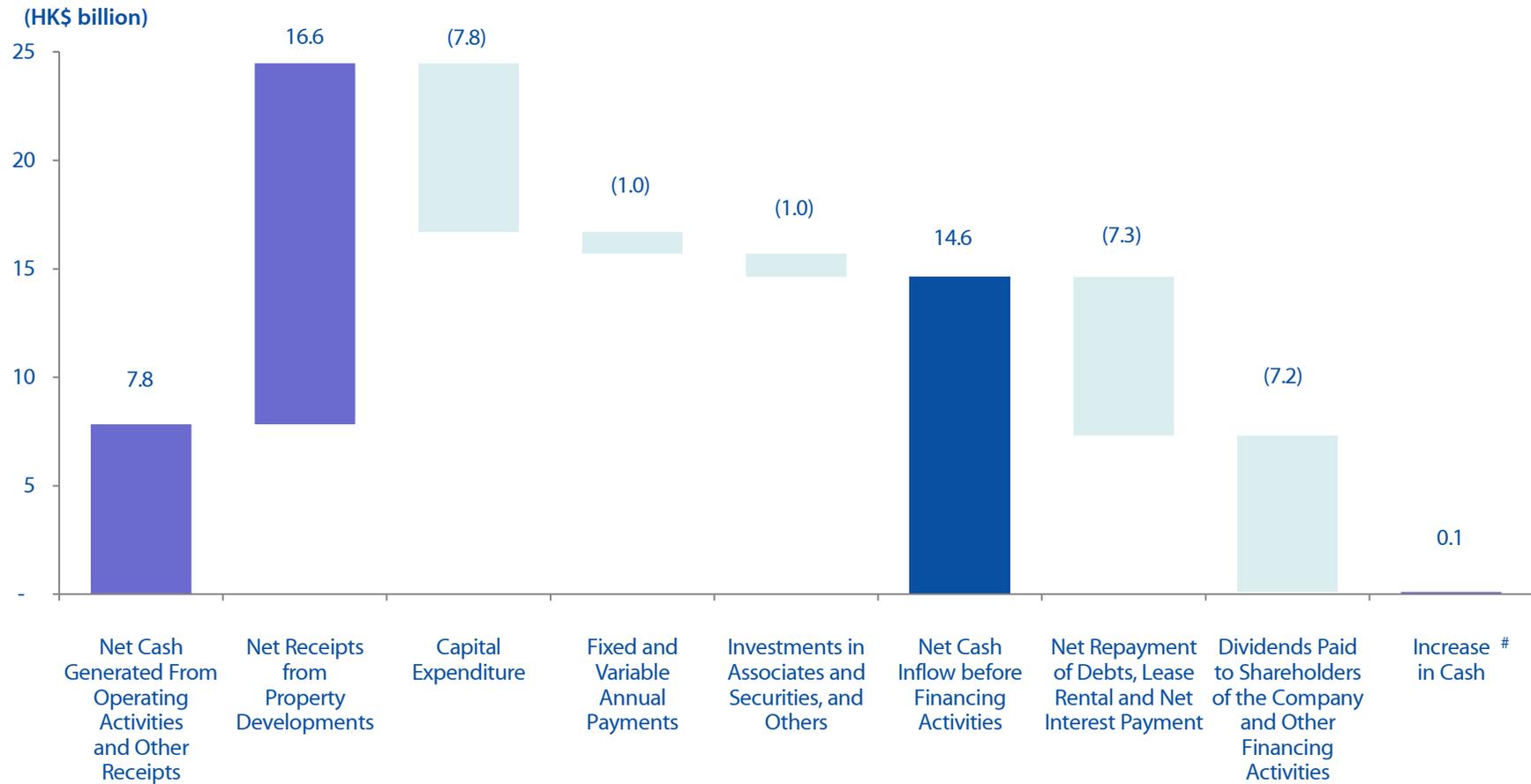
n/m: not meaningful

Consolidated Statement of Financial Position

(HK\$m)	31 Dec 2021	31 Dec 2020	Increase/ (Decrease)	
			HK\$m	%
Assets				
Investment properties	84,801	86,058	(1,257)	(1.5)
Other property, plant and equipment	101,517	101,999	(482)	(0.5)
Service concession assets	34,714	32,875	1,839	5.6
Property development in progress	11,215	11,942	(727)	(6.1)
Interests in associates & joint ventures	12,442	11,592	850	7.3
Properties held for sale	639	1,800	(1,161)	(64.5)
Debtors and other receivables	14,797	13,313	1,484	11.1
Amounts due from related parties	4,384	5,462	(1,078)	(19.7)
Cash, bank balances and deposits	20,970	20,906	64	0.3
Others	6,603	4,627	1,976	42.7
Total Assets	292,082	290,574	1,508	0.5
Liabilities				
Debts	43,752	50,340	(6,588)	(13.1)
Creditors, other payables and provisions	40,077	36,837	3,240	8.8
Current taxation	2,381	1,004	1,377	137.2
Amounts due to related parties	479	453	26	5.7
Obligations under service concession	10,231	10,295	(64)	(0.6)
Deferred tax liabilities	14,418	14,125	293	2.1
Others	707	539	168	31.2
Total Liabilities	112,045	113,593	(1,548)	(1.4)
Total Equity	180,037	176,981	3,056	1.7

Cash Flow

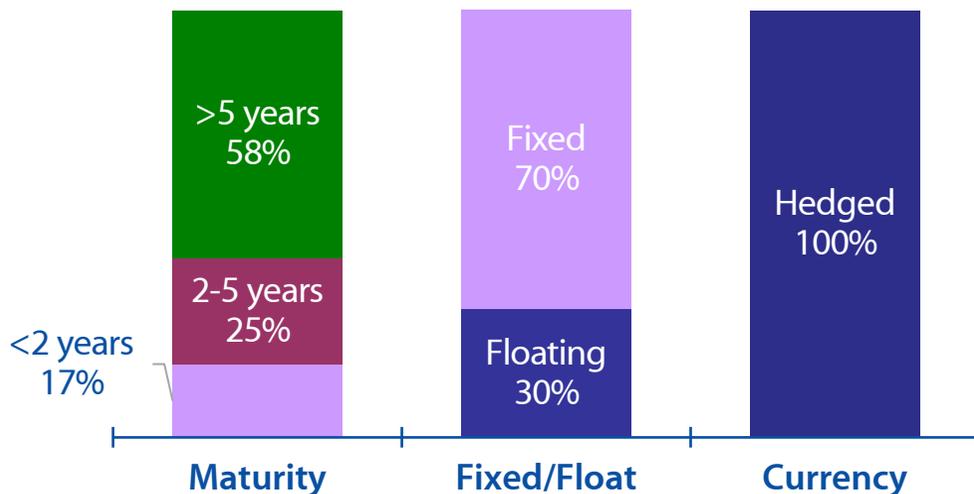
2021 Cash Flow



Excluding effect of exchange rate change

Financing and Credit Ratios

Company Debt Profile (31 Dec 2021)⁽¹⁾



Group's consolidated group debt position ⁽²⁾: HK\$43,752m (HK\$50,340m as at 31 Dec 2020)

Average cost of interest-bearing borrowings: 2.2% (-0.1% pt YoY)

Interest and finance charges: HK\$967m (-3.7% YoY)

	31 Dec 2021	31 Dec 2020
Net Debt / Equity ratio⁽³⁾	18.1%	22.5%
Interest cover⁽⁴⁾	2021	2020
	14.4x	8.2x

Note:

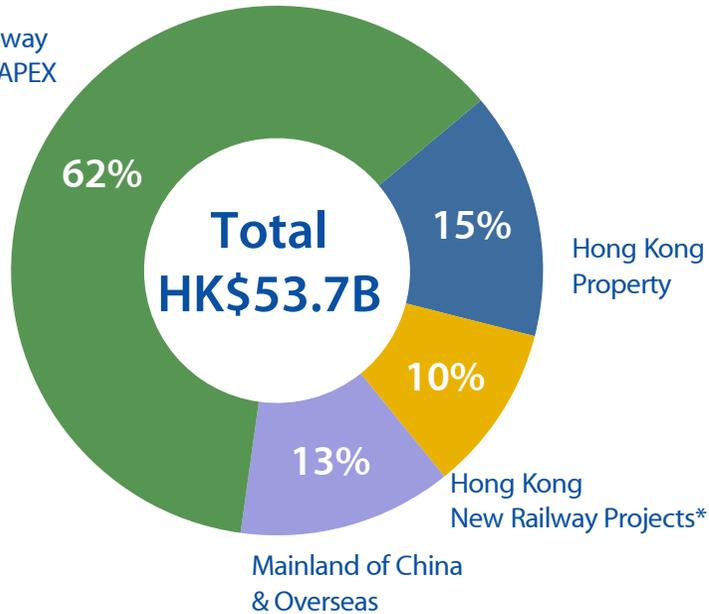
1. Excluding Mainland of China and overseas subsidiaries debts
2. Excluding obligations under service concession
3. Including lease liabilities, obligations under service concession and loan from holders of non-controlling interests as components of debt
4. Operating profit before fair value measurement of investment properties, depreciation, amortisation, variable annual payment, share of profit or loss of associates and joint ventures, interests, finance charges and taxation divided by gross interest and finance charges before capitalization and utilisation of government subsidy for Shenzhen Metro Line 4 operation

Capital Expenditure & Investments



2022-2024

Hong Kong Railway
Maintenance CAPEX



Estimated spend (HK\$Billion):

2022:	\$17.7
2023:	\$20.5
2024:	\$15.5
Total:	\$53.7

* including planning and design CAPEX for New Railway Projects, but excluding related construction CAPEX which are subject to the signing of project agreements.



Outlook

Outlook

Recurrent Businesses in Hong Kong

- The Omicron wave of infections has been imposing severe challenges and adverse impacts on the local patronage and activities in general
- Boundary closures, travel restrictions and the resulting drop in tourism – particularly from Mainland China have inevitable impacts on rental reversions
- Future performance of our Duty Free Shops business is expected to be impacted by contracts that were renewed in adverse market conditions
- Opening of the Hung Hom to Admiralty Section is now targeted for June /July 2022

Property Development

- Expect pre-sales for Ho Man Tin Station Package 2, LOHAS Park Package 11 and THE SOUTHSIDE Package 4
- Profit booking expected from LP10, SOUTHLAND and La Marina
- Now inviting developers to submit Expression of Interest for the Pak Shing Kok Ventilation Building property development
- Subject to market condition, and for some projects upon entering into project agreements with Government, will tender out Tung Chung Traction Substation site, Tung Chung East Station Package 1 and Siu Ho Wan Depot Development Package 1

New Projects in Hong Kong*

- Expect to make further progress on the projects under RDS 2014
- Explore how MTR can help Government advance the Northern Metropolis Development Strategy and the proposed new Pak Shek Kok Station

Growth outside of Hong Kong

- Continue to explore railway and TOD opportunities in Mainland China and internationally

* Subject to signing project agreements



Appendix

Consolidated Profit and Loss Account

	2021	2020	Favourable/ (Unfavourable) change	
			HK\$m	%
<i>(HK\$m)</i>				
HK transport operations	13,177	11,896	1,281	10.8
HK station commercial	3,208	3,269	(61)	(1.9)
HK property rental & management businesses	5,036	5,054	(18)	(0.4)
Mainland of China & international railway, property rental and management subsidiaries	25,045	21,428	3,617	16.9
Mainland of China property development	353	-	353	n/m
Other businesses	383	894	(511)	(57.2)
Total revenue	47,202	42,541	4,661	11.0
Operating expenses excluding Mainland of China & international subsidiaries ⁽¹⁾	(14,675)	(16,452)	1,777	10.8
Expenses relating to Mainland of China & international railway, property rental and management subsidiaries ⁽²⁾	(24,155)	(20,895)	(3,260)	(15.6)
Expenses relating to Mainland of China property development	(224)	(13)	(211)	n/m
Total operating expenses	(39,054)	(37,360)	(1,694)	(4.5)
EBITDA excluding Mainland of China & international subsidiaries ⁽¹⁾	7,129	4,661	2,468	53.0
EBITDA relating to Mainland of China & international railway, property rental and management subsidiaries ⁽²⁾	890	533	357	67.0
EBITDA relating to Mainland of China property development	129	(13)	142	n/m
EBITDA*	8,148	5,181	2,967	57.3
Hong Kong property development profit from share of surplus and interest in unsold properties	11,097	6,491	4,606	71.0
Loss from fair value measurement of investment properties	(1,616)	(9,190)	7,574	82.4
Total operating profit	17,629	2,482	15,147	610.3
Depreciation & amortisation	(5,430)	(5,365)	(65)	(1.2)
Variable annual payment	(260)	(238)	(22)	(9.2)
Share of profit of associates and joint ventures	968	605	363	60.0
Interest and finance charges	(967)	(1,004)	37	3.7
Profit / (loss) before taxation	11,940	(3,520)	15,460	n/m
Income tax	(2,261)	(1,301)	(960)	(73.8)
Non-controlling interests	(127)	12	(139)	n/m
Reported net profit / (loss) attributable to shareholders of the Company	9,552	(4,809)	14,361	n/m
Reported earnings / (loss) per share ("EPS") (HK\$)	1.55	(0.78)	2.33	n/m
Profit from underlying businesses	11,151	4,381	6,770	154.5
Underlying businesses EPS (HK\$)	1.80	0.71	1.09	153.5
Full year ordinary dividend per share (HK\$)	1.27	1.23	0.04	3.3

n/m: not meaningful

Note 1: Includes project studies and business development expenses

Note 2: Excludes project studies and business development expenses

* Before Hong Kong property development profit from share of surplus and interest in unsold properties

Cash flow

<i>(HK\$m)</i>	2021	2020	Favourable/ (Unfavourable) change HK\$m	%
Net Cash Generated From Operating Activities and Other Receipts	7,833	916	6,917	755.1
Receipts from Property Developments	17,779	8,583	9,196	107.1
Net Cash Receipts	25,612	9,499	16,113	169.6
Capital Expenditure	(7,785)	(9,249)	1,464	15.8
Payments in respect of Property Developments	(1,137)	(412)	(725)	n/m
Fixed Annual Payment	(750)	(750)	-	-
Variable Annual Payment	(238)	(2,583)	2,345	90.8
Investments in Associates and Securities	(1,013)	(140)	(873)	(623.6)
Others Payments	(52)	(81)	29	35.8
Total Cash Outflow	(10,975)	(13,215)	2,240	16.9
Net Cash Inflow / (Outflow) before Financing Activities	14,637	(3,716)	18,353	n/m
Net (Repayment) / Drawdown of Debts, and Lease Rental Payments	(6,583)	10,145	(16,728)	n/m
Net Interest Payment	(734)	(484)	(250)	(51.7)
Net (Repayment) / Drawdown of Debts, Lease Rental and Net Interest Payments	(7,317)	9,661	(16,978)	n/m
Dividends Paid to Shareholders of the Company	(7,165)	(6,808)	(357)	(5.2)
Other Financing Activities	(49)	(9)	(40)	(444.4)
Increase / (Decrease) in Cash[#]	106	(872)	978	n/m

n/m: not meaningful

[#] Excluding effect of exchange rate change

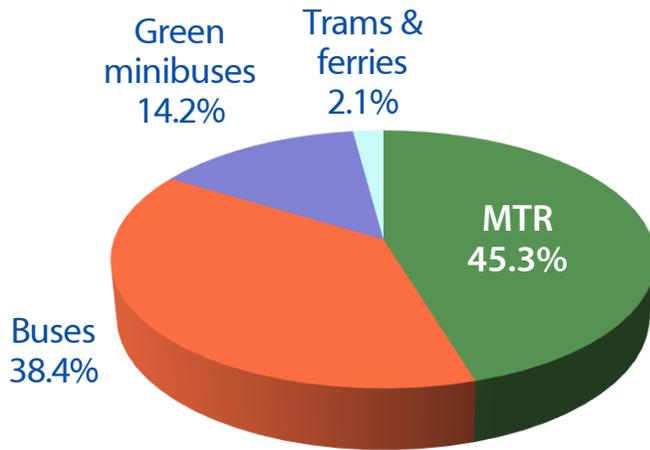
Hong Kong Transport Operations

	2021	2020	Favourable/ (Unfavourable) change (%)
Patronage (million)			
- Domestic Service	1,421.7	1,145.0	24.2
- Cross-boundary Service	0.5	7.6	(93.6)
- High Speed Rail	-	1.0	n/m
- Airport Express	2.2	3.1	(30.0)
- Light Rail and Bus	191.9	154.0	24.6
- Intercity	-	0.1	n/m
Total	1,616.3	1,310.8	23.3
Average fare (HK\$)			
- Domestic Service	7.64	7.82	(2.3)
- Cross-boundary Service	9.9	27.2	(63.8)
- High Speed Rail	-	86.4	n/m
- Airport Express	41.3	45.5	(9.3)
P&L (HK\$m)			
- Domestic Service	11,067	9,229	19.9
- Cross-boundary Service	5	516	(99.0)
- High Speed Rail	1,363	1,277	6.7
- Airport Express	89	140	(36.4)
- Light Rail and Bus	583	481	21.2
- Intercity	-	20	n/m
- Others	70	233	(70.0)
Total Revenue	13,177	11,896	10.8
EBITDA	834	(422)	n/m
Depreciation and amortization	(4,882)	(4,810)	(1.5)
Variable Annual Payment	(214)	(176)	(21.6)
EBIT	(4,262)	(5,408)	21.2
EBITDA Margin (%)	6.3%	(3.5%)	+9.8%pts
EBIT Margin (%)	(32.3%)	(45.5%)	+13.2%pts

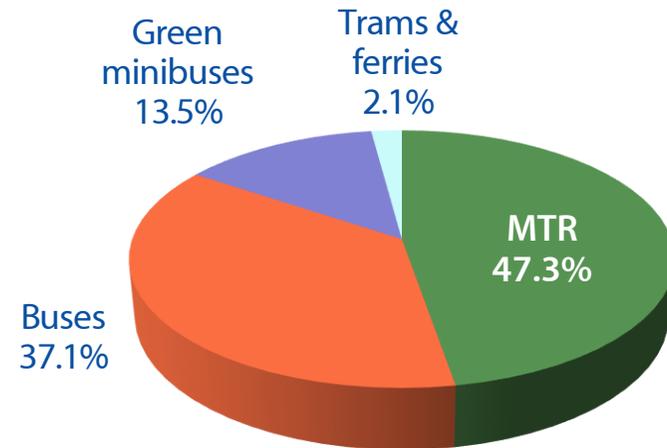
n/m: not meaningful

Hong Kong Transport Operations: Market Share

Hong Kong Franchised Public Transport



Jan – Dec 2020



Jan – Dec 2021

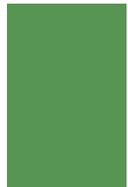
Cross-harbour

66.1%



Jan-Dec 2020

67.6%



Jan-Dec 2021

Cross-boundary & HSR

47.2%



Jan-Dec 2020

0%⁽²⁾

Jan-Dec 2021

Airport Express

16.3%



Jan-Dec 2020⁽¹⁾

21.6%



Jan-Dec 2021⁽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

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

Hong Kong Station Commercial

Hong Kong Station Commercial (HK\$m)	2021	2020	Favourable/ (Unfavourable) change (%)
- Station Retail Rental	1,594	2,021	(21.1)
- Advertising	894	516	73.3
- Telecommunication	631	640	(1.4)
- Other Station Commercial	89	92	(3.3)
Total Revenue	3,208	3,269	(1.9)
EBITDA	2,728	2,760	(1.2)
Depreciation and Amortisaion	(195)	(197)	1.0
Variable Annual Payment	(45)	(61)	26.2
EBIT	2,488	2,502	(0.6)
EBITDA Margin (%)	85.0%	84.4%	+0.6%pt
EBIT Margin (%)	77.6%	76.5%	+1.1%pts
Average Occupancy Rate (% , Station Kiosks)	98.0%	98.3%	-0.3%pt
Rental Reversion (% , Station Kiosks)	-17.0%	-8.0%	-9.0%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.

Hong Kong Property Rental and Management; and Hong Kong Property Development

Hong Kong Property Rental and Management (HK\$m)	2021	2020	Favourable/ (Unfavourable) change (%)
- Property Rental	4,787	4,817	(0.6)
- Property Management	249	237	5.1
Total Revenue	5,036	5,054	(0.4)
EBITDA	4,066	4,204	(3.3)
Depreciation and Amortization	(17)	(18)	5.6
Variable Annual Payment	(1)	(1)	-
EBIT	4,048	4,185	(3.3)
EBITDA Margin (%)	80.7%	83.2%	-2.5%pts
EBIT Margin (%)	80.4%	82.8%	-2.4%pts
Average Occupancy Rate (% Malls)	98.0%	99.0%	-1.0%pt
Average Occupancy Rate (% Two ifc)	98.0%	98.3%	-0.3%pts
Rental Reversion (% Malls)	-8.6%	-21.4%	+12.8%pts

Hong Kong Property Development (HK\$m)	2021	2020	Favourable/ (Unfavourable) change (%)
- Share of Surplus, Income and Interest in Unsold Properties from Property Development	11,048	6,481	70.5
- Agency Fee and Other Income from West Rail Property Development	67	42	59.5
- Overheads and Miscellaneous Studies	(18)	(32)	43.8
EBIT	11,097	6,491	71.0

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 7-9 and sales of inventory units in 2021

Certain comparative figures have been reclassified to conform to current year's presentation

Mainland China and International Businesses

<i>(HK\$m)</i>	2021	2020	Favourable/ (Unfavourable) change (%)
Recurrent Businesses Revenue of Subsidiaries	25,045	21,428	16.9
- Melbourne Train	332	28	n/m
- Sydney Metro Northwest	41	(71)	n/m
- Sydney Metro City & Southwest	15	19	(21.1)
- Nordic Group	164	147	11.6
- TfL Rail/Elizabeth Line	122	186	(34.4)
- Shenzhen Metro Line 4	61	(27)	n/m
- Others	155	251	(38.2)
EBITDA	890	533	67.0
Depreciation and Amortisation	(268)	(272)	1.5
EBIT	622	261	138.3
EBIT (net of Non-controlling Interests)	495	273	81.3
EBITDA Margin (%)	3.6%	2.5%	+1.1%pts
EBIT Margin (%)	2.5%	1.2%	+1.3%pts
Recurrent Business Profit	312	170	83.5
Associates & Joint Ventures			
Share of EBIT	1,433	907	58.0
Share of Profit	736	424	73.6
Net Profit			
- From Recurrent Businesses (before Business Development Expenses)	1,048	594	76.4
- Business Development Expenses	(219)	(183)	(19.7)
- Arising from Recurrent Businesses (after Business Development Expenses)	829	411	101.7
- Arising from Mainland of China Property Development	66	65	1.5
Net profit outside of Hong Kong	895	476	88.0

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.

Hong Kong Property Development (end of 31 Dec 2021)

Development profit yet to be booked: ~20,000 residential units (GFA : ~1.19 million sqm)

	Property Tender	Date of Tender Award	Developer partners	Residential Gross Floor Area (sq m)	Units	Profit model			Presale 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	1,976		✓			2024
3	LOHAS Park Package 10	Mar 2016	Nan Fung	75,400	893	✓	✓		87% presale	2022
4	Ho Man Tin Station Package 1	Dec 2016	Great Eagle	69,000	990	✓	✓			2024
5	THE SOUTHSIDE Package 1	Feb 2017	Road King Infrastructure & Ping An Real Estate	53,600	800	✓	✓		78% presale	2022
6	THE SOUTHSIDE Package 2	Dec 2017	Sino Land & Kerry Properties	45,800	600	✓	✓		76% presale	2022
7	Yau Tong Ventilation Building	May 2018	Sino Land & CSI Properties	30,225	792	✓	✓			2025
8	THE SOUTHSIDE Package 3	Aug 2018	Cheung Kong	92,900	1,200	✓	✓	✓		2024
9	Ho Man Tin Station Package 2	Oct 2018	Chinachem	59,400	845	✓	✓			2024
10	LOHAS Park Package 11	Apr 2019	Sino Land, K. Wah, China Merchants	88,858	1,880	✓	✓			2025
11	THE SOUTHSIDE Package 4	Oct 2019	Kerry Properties, Swire Properties, Sino Land	59,300	800	✓	✓			2025
12	LOHAS Park Package 12	Feb 2020	Wheelock	89,290	2,000	✓	✓			2026
13	LOHAS Park Package 13	Oct 2020	Sino Land, Kerry Properties, K. Wah & China Merchants	143,694	2,550	✓	✓			2026
14	THE SOUTHSIDE Package 5	Jan 2021	New World, Empire Development, CSI Properties and Lai Sun Dev	59,100	1,050	✓	✓			2026
15	THE SOUTHSIDE Package 6	Apr 2021	Wheelock	46,800	750	✓	✓			2027

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



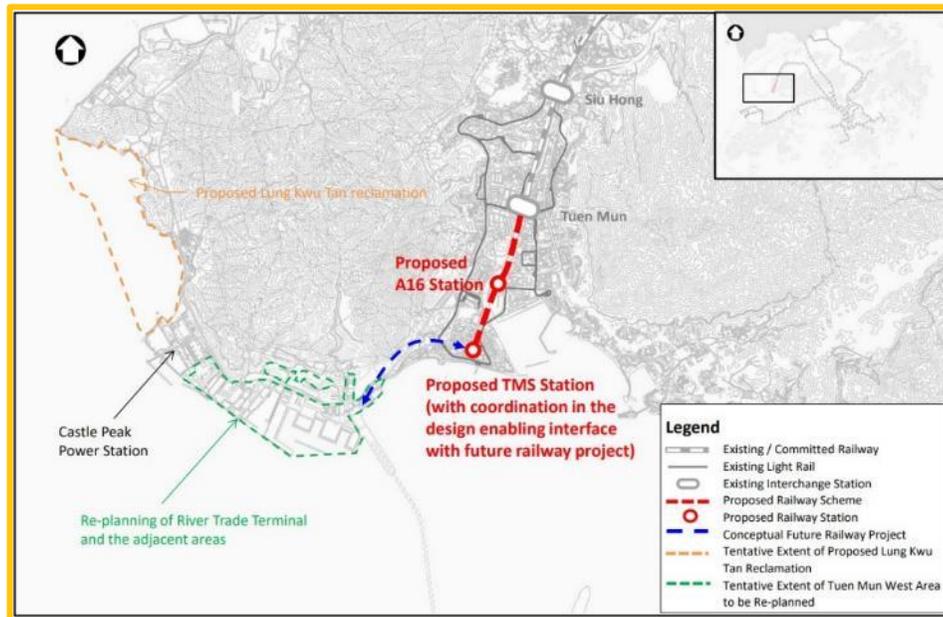
Source: LegCo document

* 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



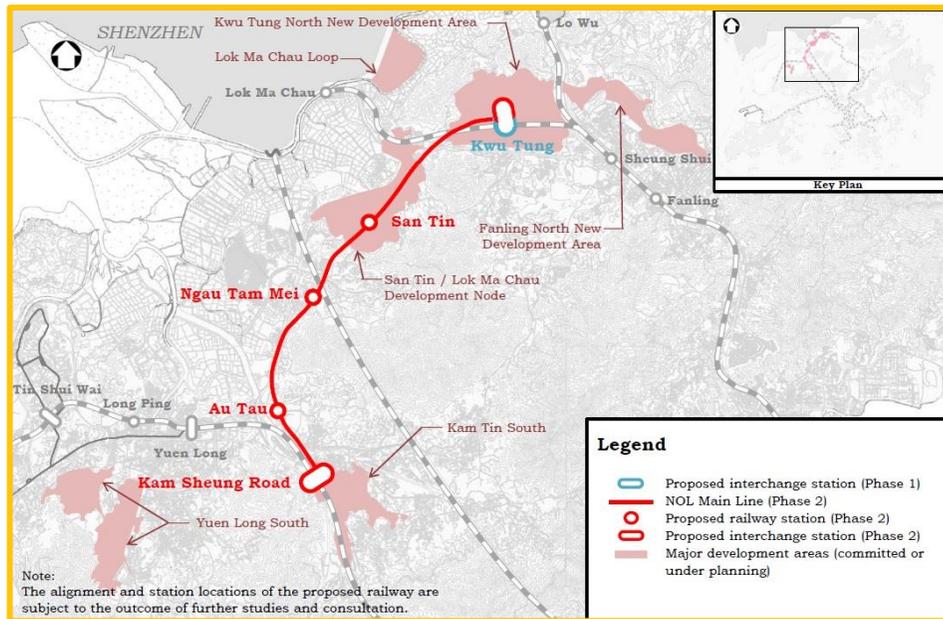
Source: LegCo document

* 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



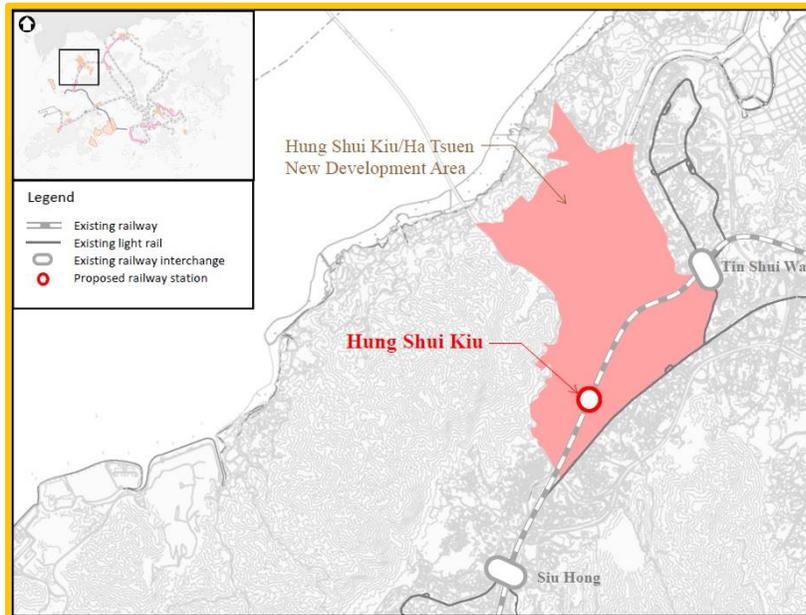
Source: LegCo document

* Expected cost of HK\$3.5 billion and HK\$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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