

2023 Interim Results

10 August 2023

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.

2023 Interim Results

Business Review

Financial Results

Outlook

Business Review



1H2023 Highlights

Recurrent Businesses in Hong Kong

- Together with the contribution from new lines, our Domestic Service patronage reached more than 90% of pre-pandemic levels
- Train service delivery and passenger journeys on-time maintained at 99.9%
- Concluded FAM review
- Opened our new shopping mall at Tai Wai Station, The Wai, in July 2023

Property Development

- Initial booking on the fair value measurement gain of THE SOUTHSIDE shopping mall

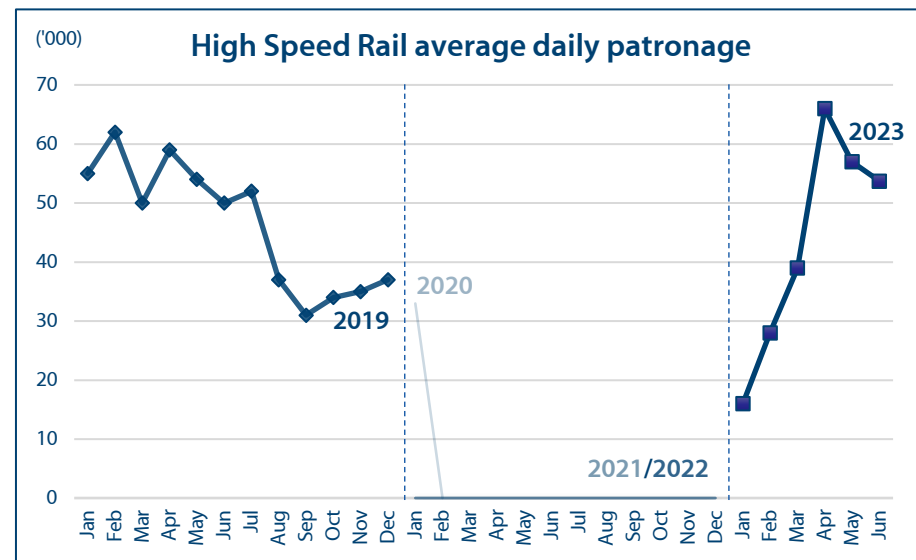
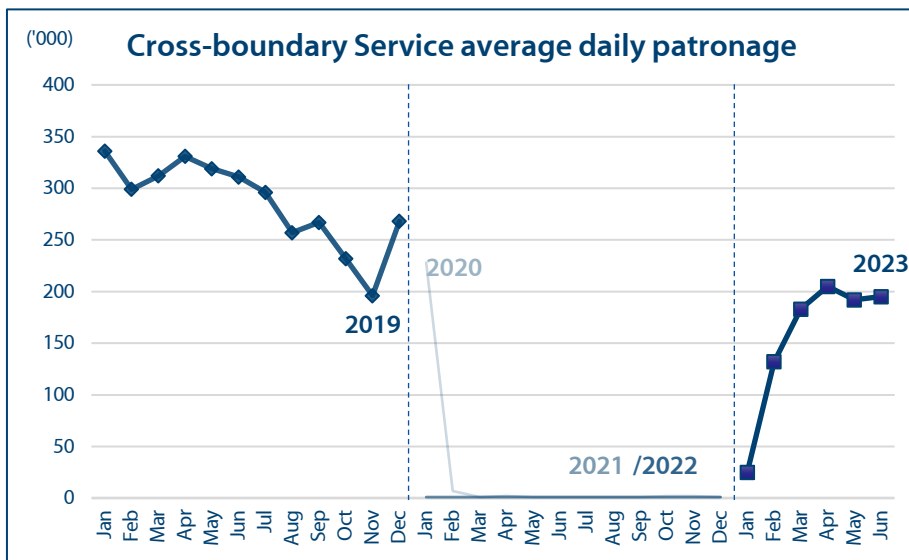
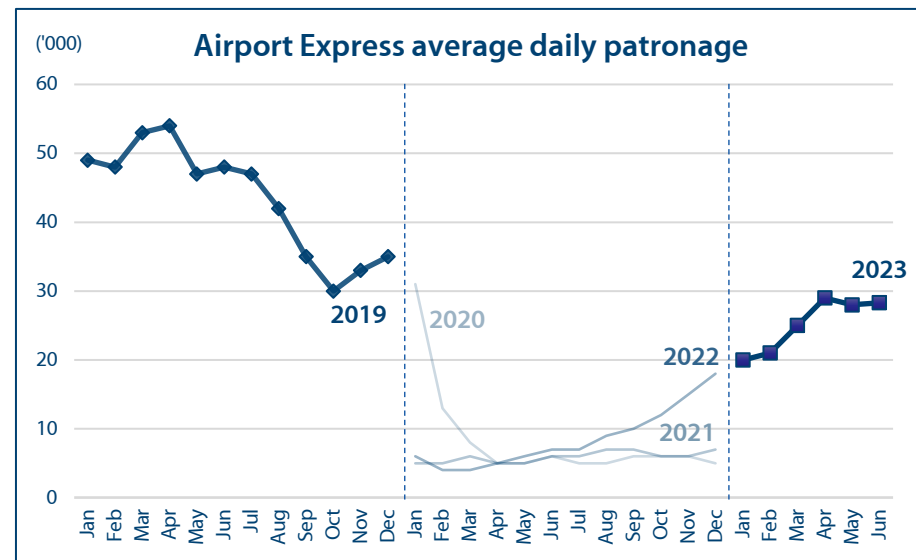
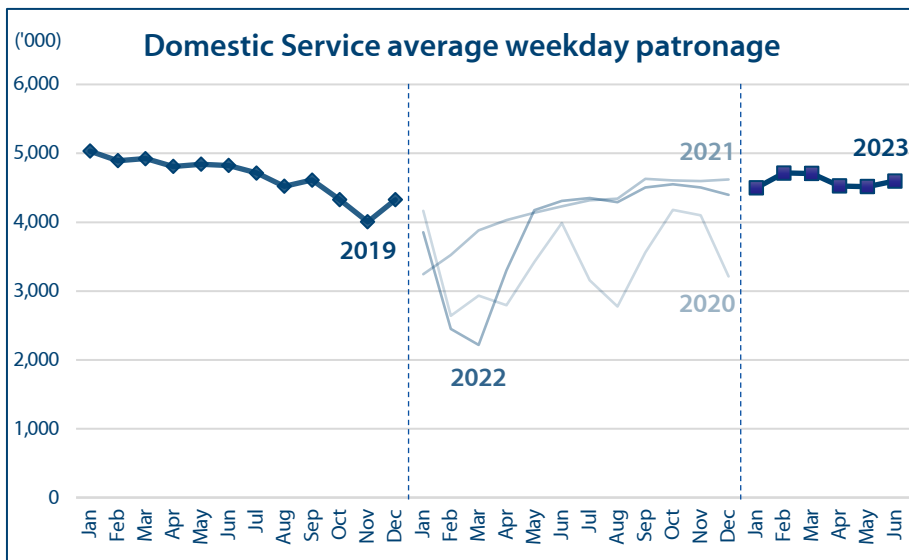
New Projects

- Entered into Project Agreement and commenced construction for Tung Chung Line Extension
- Project agreements for Tuen Mun South Extension and Kwu Tung Station are at advanced stages of negotiation with Government

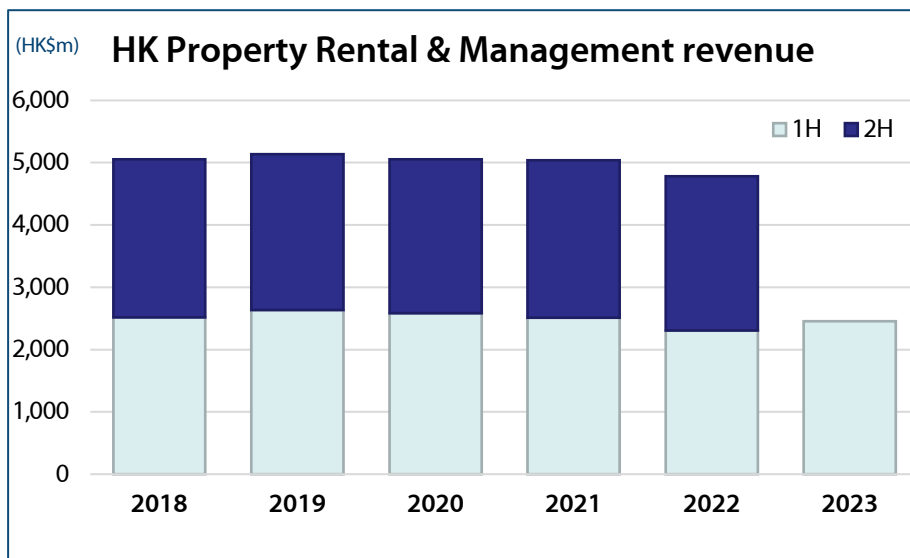
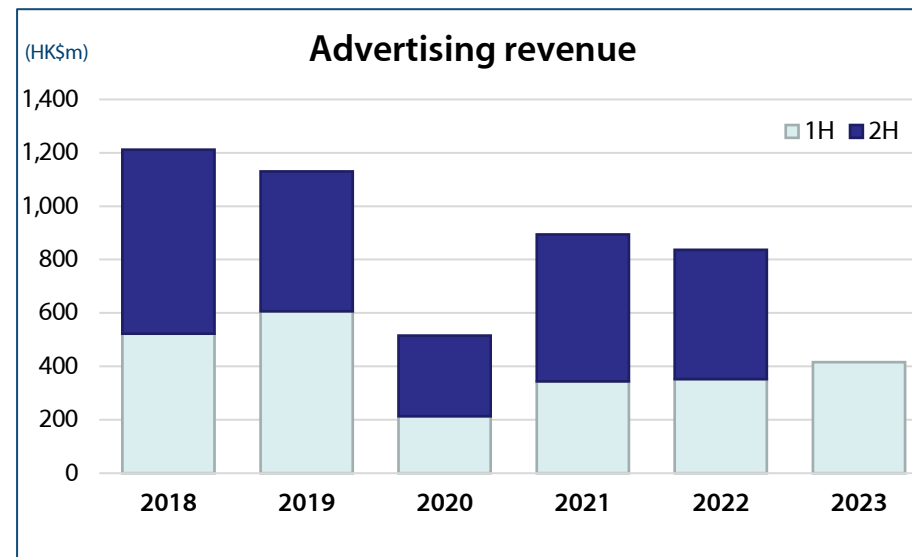
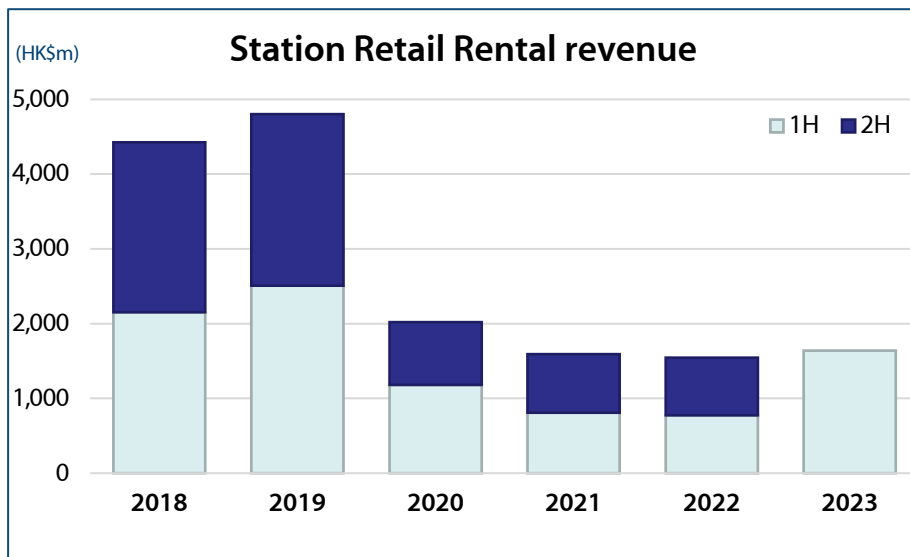
Businesses Outside of Hong Kong

- Concessions of Melbourne's metropolitan train service and the South Western Railway in the UK extended to mid-2026 and May 2025 respectively
- Continuing challenges in operational and financial performances in Stockholms pendeltåg and Mälartåg regional traffic

Patronage Recovery in 1H2023



Rental & Advertising Revenue Recovery in 1H2023



Maintaining Financial Sustainability

Fare Adjustment Mechanism ("FAM") Review
Linked to the Hong Kong property development profit



"Rail plus Property" development model
ensures a stable financial foundation

Advancing new railway
projects

Railway assets renewal and
maintenance

Foster Smart Railway

Upgrading entry / exit gates to offer more e-payment options



Signed MoUs on Railway Research and Development with research institutions



Introduction of new technologies and green features in design, construction and operation of new railway projects



New Railway Projects

Tung Chung Line Extension

- Entered into the Project Agreement in February 2023
- Works on the extension commenced in May this year, and completion is scheduled for 2029
- The project will be developed under the rail-plus-property model, with a total GFA of about 0.63m sqm (residential: about 0.46m sqm; retail: about 0.06m sqm; office: about 0.11m sqm)

Note: Airport Railway Extended Overrun Tunnel not included



Ground-breaking Ceremony



Other New Railway Projects

- Project agreements for Tuen Mun South Extension and Kwu Tung Station are at advanced stages of negotiation with Government. Construction on these projects is expected to commence later this year
- The design works of the Northern Link main line remain in progress



Expand existing retail portfolio by nearly 30% in GFA



Soft opening of The Wai on 22 July 2023

The Wai at Tai Wai Station

- GFA: 60,620 sqm
- No. of floors: 4
- Over 150 retail tenants
- Open on 22 July 2023

THE SOUTHSIDE at Wong Chuk Hang Station

- GFA: 47,000 sqm
- No. of floors: 5
- Phased opening starting from 4Q2023
- More than 50% pre-leased



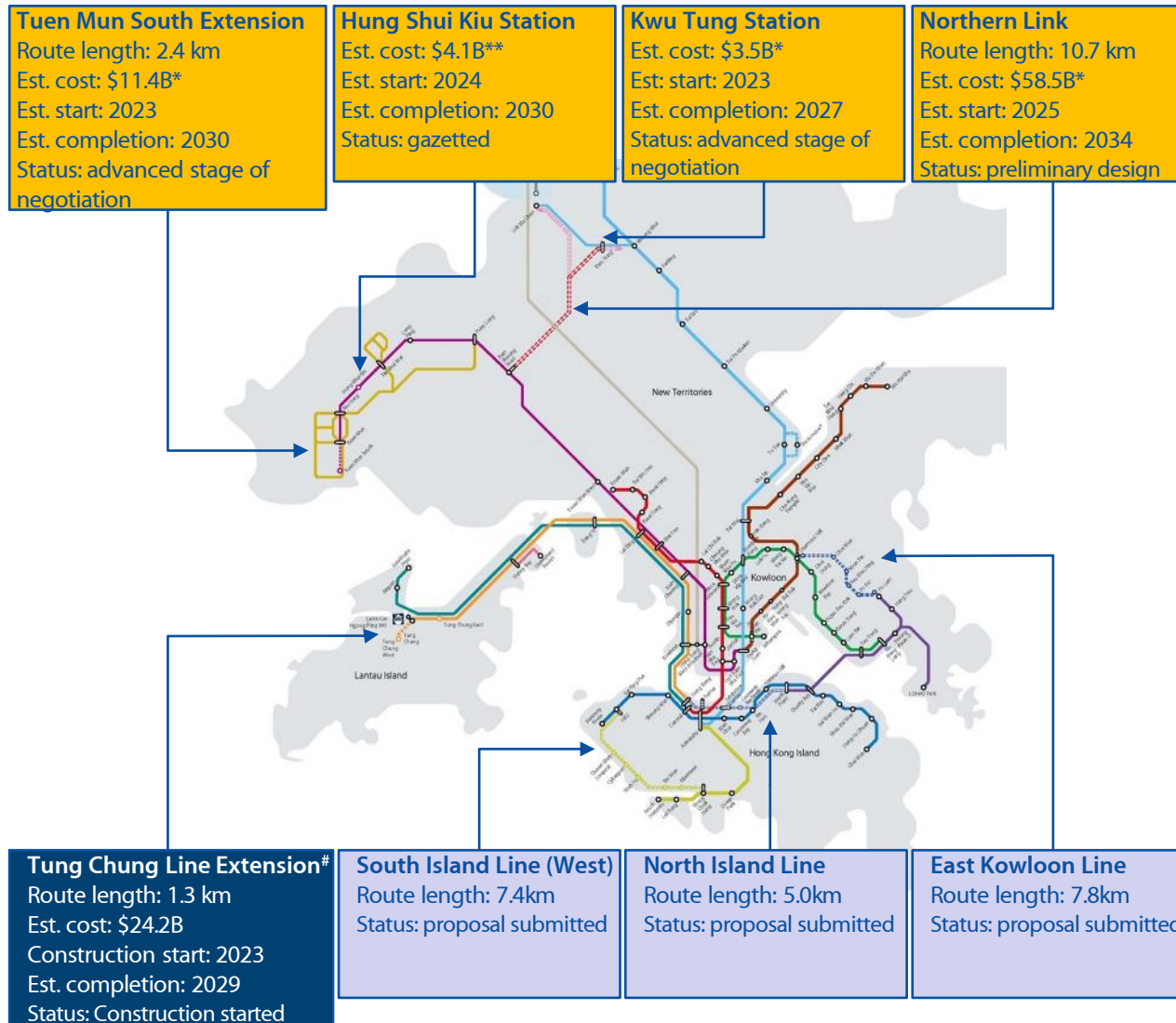
An artist's impression of THE SOUTHSIDE

Two new malls will expand our retail portfolio by approximately 30% in attributable GFA

New Railway Projects – RDS2014

Progress

- Tung Chung Line Extension has commenced construction
- Project agreements for Tuen Mun South Extension and Kwu Tung Station are at advanced stages of negotiation with Government



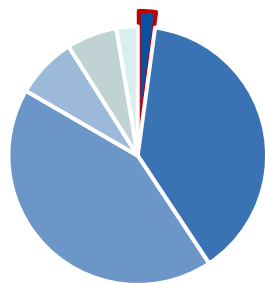
Challenges

- Availability of sufficient labour
- Works needing to be carried out at night during non-traffic hours

* Expected cost in December 2015 prices
 ** Expected cost in December 2018 prices
 # Airport Railway Extended Overrun Tunnel not included

Source: MTR, LegCo documents

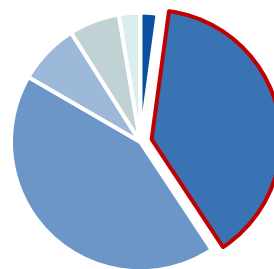
Hong Kong Transport Services



EBIT
HK\$774m loss, +72.1% YoY
(1H2022: HK\$2,775m loss)

Transport Operations

- ☐ FAM review concluded, resulting in retention of existing direct-drive mechanism and ensuring Company's financial sustainability
- ☐ More than HK\$65 billion to be invested in railway asset maintenance and renewal over the next five years to create smart railways
- ☐ Maintained world-class 99.9% train service delivery and passenger journeys on-time



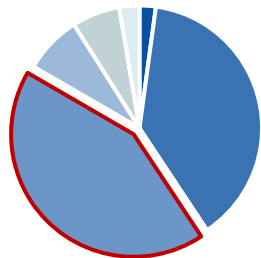
EBIT
HK\$1,798m, +63.8% YoY
(1H2022: HK\$1,098m)

Station Commercial

- ☐ Duty-Free shops and advertising in the cross-boundary stations resumed
- ☐ 79 stations now have 5G services
- ☐ A variety of promotions via MTR Mobile app



Hong Kong Property Rental and Management



EBIT
HK\$1,990m, +6.7% YoY
(1H2022: HK\$1,865m)

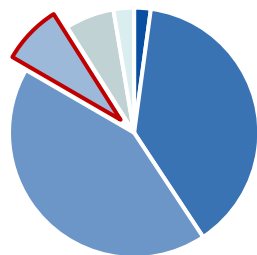
Rental Income



- ☐ Opened The Wai shopping centre on 22 July 2023
- ☐ Tactical promotions and targeted marketing campaigns
- ☐ "Happy Together" Click & Grab Coupon campaign, giving our shopping vouchers worth a total of more than HK\$20 million



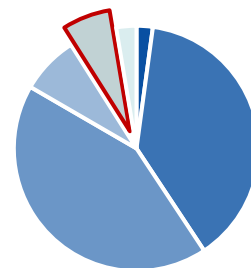
Mainland China and International Businesses



EBIT*
HK\$357m, -3.8% YoY
(1H2022#: HK\$371m)

Mainland China and Macao

- ☐ Recovery of patronage following the removal of anti-pandemic restrictions
- ☐ (Beijing) Remaining section of BJL16 is targeted for opening by the end of this year
- ☐ (Beijing) The remaining sections of BJL17 are under construction, and the northern section is targeted to open by the end of this year
- ☐ (Shenzhen) SZL13 remains under construction with an expected initial opening date of 2024



EBIT*
HK\$295m, -58.6% YoY
(1H2022: HK\$712m)

International

- ☐ (UK) Concessions for South Western Railway was extended to May 2025
- ☐ (UK) The Elizabeth line achieved stable operations and introduced the final full peak timetable
- ☐ (Sweden) Stockholms pendeltåg and Mälartåg continued to face challenges
- ☐ (Australia) Concessions for Melbourne's metropolitan rail service was extended to mid-2026



* EBIT of Subsidiaries and Share of profit of Associates and Joint Ventures from Recurrent Businesses

Excluding the Impairment Loss of HK\$962 million in respect of Shenzhen Metro Line 4 ("SZL4") in Mainland China

Hong Kong Property Development

Profit before-tax: HK\$783m, -91.6% YoY (1H2022: HK\$9,277m)

Profit after-tax: HK\$712m, -90.8% YoY (1H2022: HK\$7,747m)

Property Sales

- ☐ Booked property development profits from LOHAS Park Package 11 and various completed projects
- ☐ Pre-sales for IN ONE (Ho Man Tin Station Package 2) were launched in between March to May
- ☐ La Montagne (THE SOUTHSIDE Package 4 Phase 4A) was also launched in July



Project Tenders

- ☐ Subject to market conditions, we plan to tender out about 4,000 units in the next 12 months or so
- ☐ Tung Chung East Station Package 1 is expected to be the first tender to be put to the market
- ☐ Other projects are under preparation including technical studies, land grant and statutory procedures



Environmental and Social Objectives



Environmental and Social Objective 1: Social Inclusion

As a provider of public transport services for all, social inclusion lies at the very heart of who we are and what we do.



Universal Basic Mobility

We commit to providing access to a safe, affordable, accessible and sustainable transport system for all and ensuring our fare and other concessions target those who need them the most.



Diversity & Inclusion

We commit to eliminating discrimination in our practices and policies and to increasing the diversity of our workforce.



Equal Opportunities

We commit to helping excluded and underserved populations access their fair share of opportunity.



Environmental and Social Objective 2: Advancement & Opportunities

As we fulfil our vision to connect and grow communities, we create opportunities for others to develop themselves and grow alongside us.



Employees

We commit to helping employees grow personally and professionally through learning and opportunities for career advancement, and to fostering their well-being.



Business Partners

We commit to enhancing and rewarding the environmental, social and governance ("ESG") performance of our supply chain and increasing our spend on green procurement.



Future Skills & Innovation

We commit to collaborating with local schools and universities, as well as startups and the technology ecosystem to foster innovation.



Environmental and Social Objective 3: Greenhouse Gas Emissions Reduction

As a low-carbon transport provider, we are committed to managing our environmental footprint and achieving carbon neutrality.



Carbon Emissions

We commit to integrating low-carbon measures into our policies, strategies and planning as well as strengthening our resilience and adaptation to climate-related risks



Clean Energy & Energy Efficiency

We commit to adopting suitable energy efficiency measures in our operations and increasing the generation of renewable energy



Waste Management

We commit to reducing waste at source, increasing our recycling rates and upcycling our waste



Green and Low-carbon Designs

We commit to developing sustainable infrastructure with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies

Science-based Carbon Reduction Targets

- The Science Based Targets initiative (SBTi), the international agency that defines and promotes best practice in science-based target setting for combatting global climate change, has approved MTR's targets for reducing greenhouse gas (GHG) emissions

By 2030,



GHG emissions from rail transport will be reduced by **46.2%** per passenger km



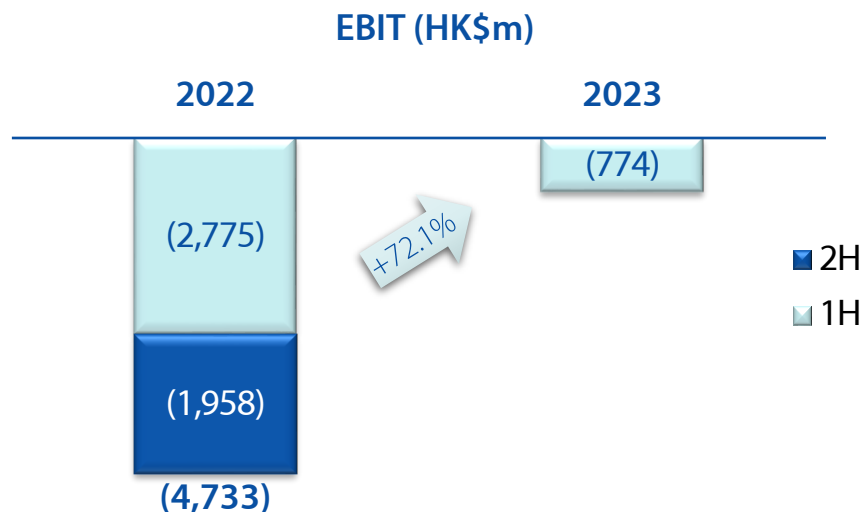
GHG emissions from investment properties will be reduced by **58.6%** per square metre of floor area



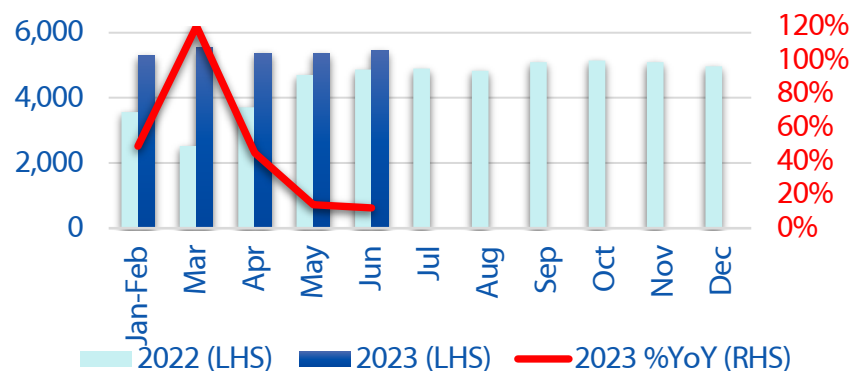
Absolute indirect GHG emissions will be reduced by **13.5%**

Financial Results

Hong Kong Transport Operations



Average weekday patronage ('000)



1H2023

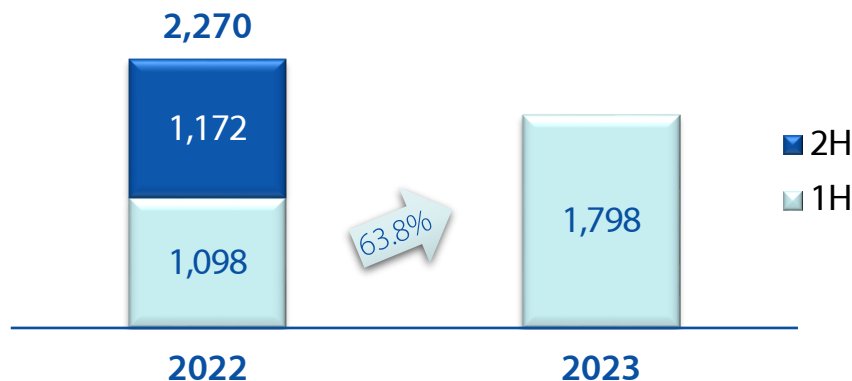
- Average weekday patronage increased to 5.40 million, or +40.3% YoY
- Domestic Service enjoyed growth in patronage and the Cross- boundary Service and High Speed Rail both resumed operations
- Full six-month period impact after the opening of East Rail Line Cross-Harbour Extension in May 2022
- Operating expenses increased due to inflation, enhanced/resumption of train services, as well as incremental cost from the new East Rail Line Cross-Harbour Extension

FAM, Promotions and Concessions

- In March, MTR and Government concluded the FAM review
- Overall Fare Adjustment Rate for 2023/2024 is +2.3%

Hong Kong Station Commercial Businesses

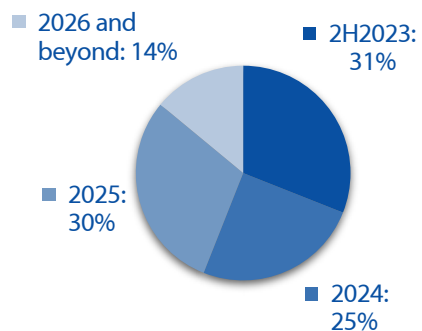
EBIT (HK\$m)



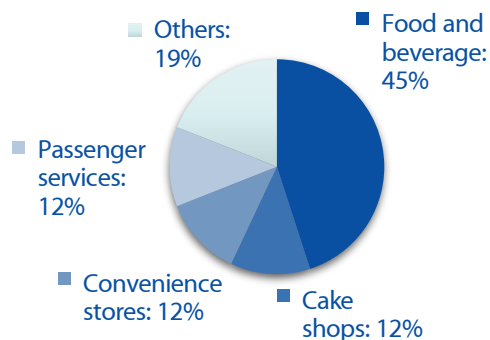
1H2023

- The resumption of Duty Free business and relaxation of social distancing measures helped Station rental revenue, but partly offset by negative rental reversions
- Advertising revenue increased mainly the result of increased advertising spend following the relaxation of pandemic-related measures
- Average occupancy rate in our station kiosks was 97.0%
- Rental reversion in our station kiosks was -8.4%

Lease expiry by area occupied*



Trade mix by leased area**

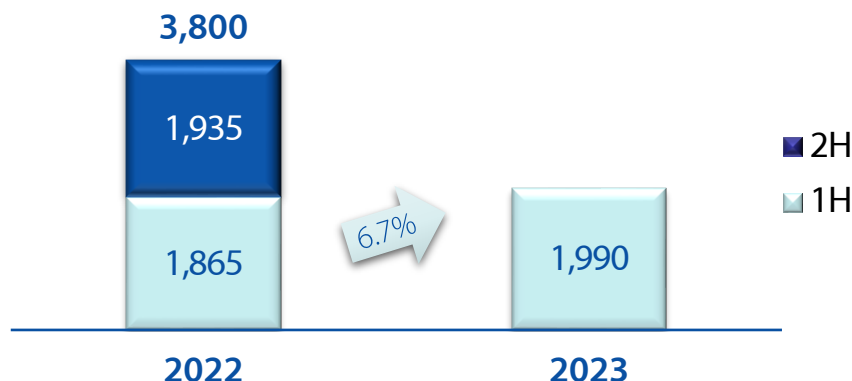


* Station kiosks and Duty Free Shops

** Station kiosks, excluding Duty Free Shops

Hong Kong Property Rental and Management Businesses

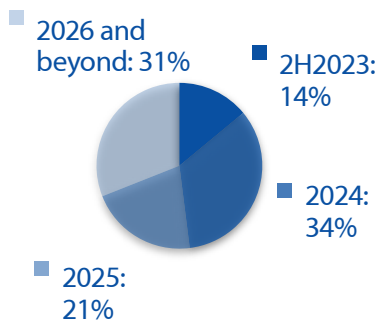
EBIT (HK\$m)



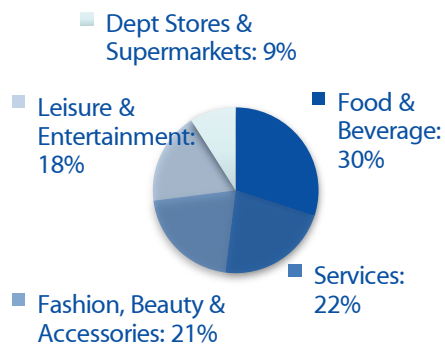
1H2023

- The increased in EBIT was mainly due to less rental concessions granted and amortised, when compared to the same period last year
- The increase was partially offset by negative rental reversions
- MTR shopping malls recorded a rental reversion of -12.6% and an average occupancy rate of 99%
- Two IFC recorded an average occupancy rate of 99%

Lease expiry by area occupied*



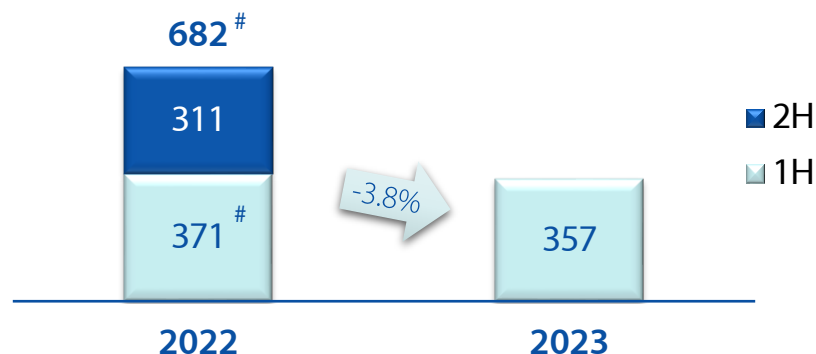
Trade mix by leased area*



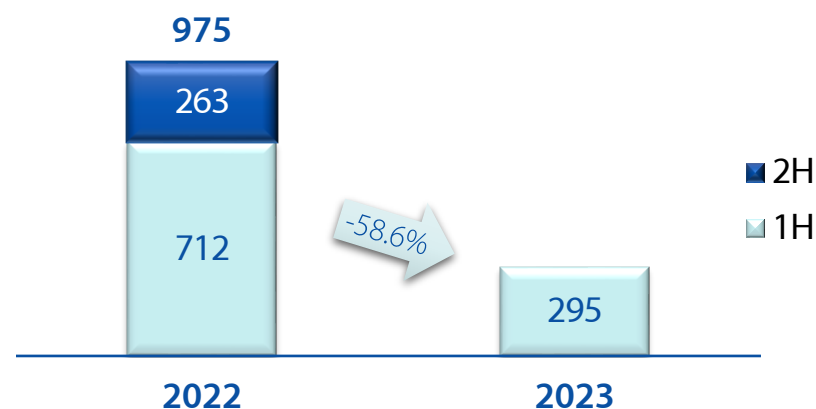
* Shopping malls

Mainland China and International Businesses

Mainland China and Macao EBIT* (HK\$m)



International EBIT* (HK\$m)



* EBIT of Subsidiaries and Share of Profit of Associates and Joint Ventures from Recurrent Businesses

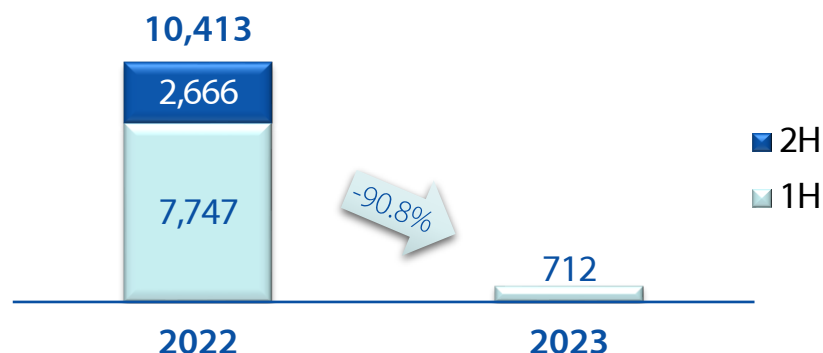
[#] Excluding the Impairment Loss of HK\$962 million in respect of SZL4 in Mainland China made in 1H 2022

1H2023

- **Mainland China:** Recovery of patronage following the removal of anti-pandemic restrictions
- Depletion of government subsidy by late 2022 for SZL4 resulting in no government subsidy booked in profit or loss
- The long-term financial viability of HZL1 will be impacted if patronage remains at a lower level over a further period of time, especially when compounded by lower average fare resulting from the expanded network
- **Macao:** The Macao Light Rapid Transit Taipa Line service contract will end in December 2024
- **UK:** Under the contracts, the UK Department for Transport retains all revenue risk and substantially all cost risk
- **Sweden:** Stockholm Metro contract for this service runs to 2025. Bid for the new contract was submitted
- Stockholms pendeltåg contract will not be extended when it ends in 2026
- If the operational issues cannot be resolved in the near term, the financial sustainability of Mälartåg contract may be impacted and a loss provision would need to be considered
- **Australia:** Stable operations

Hong Kong Property Development

Hong Kong Property Development Profit (Post-tax) (HK\$m)



1H2023

- Property development profits mainly derived from the initial profit recognition of LOHAS Park Package 11 and residual profits from various completed projects
- Pre-sales for IN ONE (Ho Man Tin Station Package 2) were launched in between March to May
- Pre-sales for La Montagne (THE SOUTHSIDE Package 4 Phase 4A) was also launched in July

Property Project Profit Recognised	GFA (sqm)	No. of Units
Villa Garda (LOHAS Park Package 11) – initial profit	n/m	n/m

Property Tendered	GFA (sqm)	No. of Units
Nil	Nil	Nil

n/m: not meaningful

Property Projects Launched	Launch Date	Units Sold (end Jun 2023)
La Marina (THE SOUTHSIDE Package 2)	Sep 2021	84% of 600 units sold
SOUTHLAND (THE SOUTHSIDE Package 1)	May 2021	79% of 800 units sold
LP10 (LOHAS Park Package 10)	Jan 2021	90% of 893 units sold
Villa Garda I (LOHAS Park Package 11)	Jun 2022	79% of 592 units sold
Villa Garda II (LOHAS Park Package 11)	Jul 2022	24% of 644 units sold
IN ONE 1A (Ho Man Tin Station Package 2)	May 2023	13% of 447 units sold
IN ONE 1B (Ho Man Tin Station Package 2)	Mar 2023	98% of 183 units sold
IN ONE 1C (Ho Man Tin Station Package 2)	Apr 2023	85% of 214 units sold

Financial Highlights

(HK\$m)	1H2023	YoY % Change Favourable / (Unfavourable)
- Hong Kong ⁽¹⁾	14,495	48.7%
- Outside Hong Kong ⁽¹⁾	13,079	(0.5%)
Revenue from recurrent businesses	27,574	20.4%
- Hong Kong ⁽¹⁾	2,227	n/m
- Outside Hong Kong ⁽¹⁾⁽²⁾	193	n/m
Recurrent business profit⁽²⁾	2,420	n/m
- Hong Kong	712	(90.8%)
- Outside Hong Kong	20	(48.7%)
Property development profit (post-tax)	732	(90.6%)
Underlying business profit⁽²⁾	3,152	(55.7%)
Gain from fair value measurement of investment properties (post-tax) ⁽³⁾	1,026	n/m
Reported net profit attributable to shareholders of the company⁽²⁾	4,178	(11.7%)
Reported EPS (HK\$)	0.67	(11.8%)
Underlying businesses EPS (HK\$)	0.51	(55.7%)
Interim ordinary dividend per share (HK\$)	0.42	-

Note:

1. Recurrent business profit/(loss) in Hong Kong includes HK transport operations, HK station commercial, HK property rental and management, other businesses (mainly investment in Octopus Holding Limited, Ngong Ping 360, and consultancy) and project studies and business development expenses. Recurrent business profit/(loss) outside of Hong Kong includes business development expenses
 2. Net of non-controlling interests (1H2023: HK\$175m profit; 1H2022: HK\$196m profit)
 3. Gain from fair value measurement on investment properties comprises (i) fair value remeasurement of investment properties, (ii) fair value measurement of investment properties on initial recognition from property development, and (iii) related income taxes
- n/m: not meaningful

Segmental Profit/(Loss) of Underlying Businesses

	1H2023	1H2022	Favourable/ (Unfavourable) change %	
Recurrent EBIT (HK\$m)				
EBIT ⁽¹⁾				
- Hong Kong Transport Operations ⁽²⁾	(774)	(2,775)	2,001	72.1
- Hong Kong Station Commercial ⁽²⁾	1,798	1,098	700	63.8
- Hong Kong Property Rental and Management ⁽²⁾	1,990	1,865	125	6.7
- Mainland China and International Railway, Property Rental and Management Subsidiaries ⁽³⁾	290	791	(501)	(63.3)
- Other Businesses, Project Study and Business Development Expenses ⁽⁴⁾	(146)	(317)	171	53.9
Share of Profit of Associates and Joint Ventures	632	490	142	29.0
Total Recurrent EBIT (before Impairment Loss)	3,790	1,152	2,638	229.0
Impairment Loss on Shenzhen Metro Line 4	-	(962)	962	n/m
Total Recurrent EBIT (after Impairment Loss)	3,790	190	3,600	n/m
Interest and Finance Charges	(626)	(501)	(125)	(25.0)
Income Tax	(569)	(171)	(398)	(232.8)
Non-controlling Interests	(175)	(196)	21	10.7
Recurrent Business Profit / (Loss)	2,420	(678)	3,098	n/m
Property Development Profit (Post-tax)	732	7,786	(7,054)	(90.6)
Underlying Business Profit	3,152	7,108	(3,956)	(55.7)

Note:

1. EBIT shown are profit /(loss) before interest, finance charges and tax, excluding "Share of Profit of Associates and Joint Ventures" and "Impairment Loss on Shenzhen Metro Line 4"

2. Net of depreciation, amortisation and variable annual payment to KCRC

3. Net of depreciation, amortisation but before impairment loss

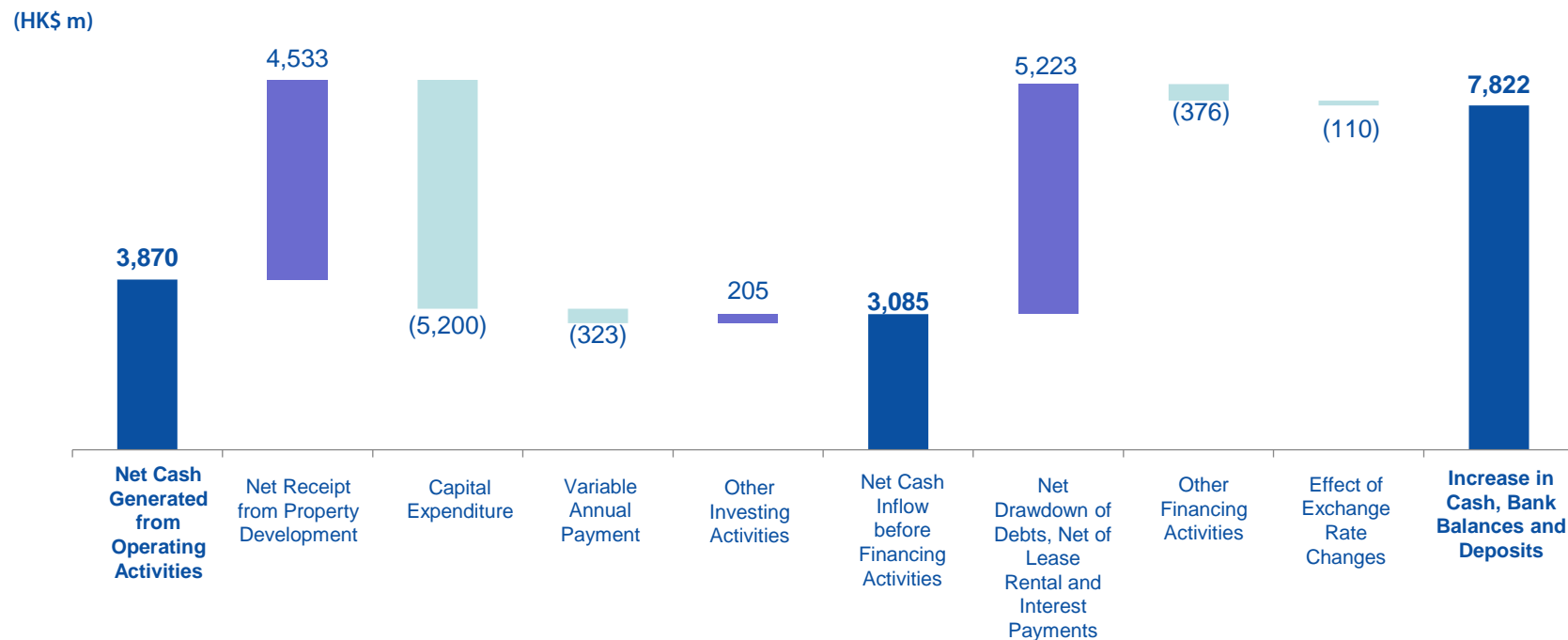
4. Includes consultancy and Ngong Ping 360

n/m: not meaningful

Consolidated Statement of Financial Position

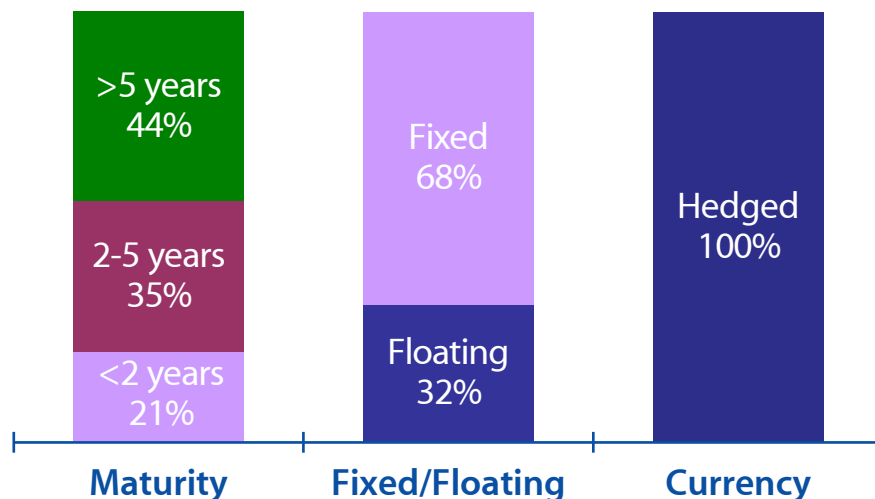
	30 Jun 2023	31 Dec 2022	Increase/ (Decrease)	
(HK\$m)				%
Assets				
Fixed Assets	235,748	229,491	6,257	2.7
Property Development in Progress	41,465	41,269	196	0.5
Interests in Associates and Joint Ventures	12,350	12,338	12	0.1
Debtors and Other Receivables	13,045	13,889	(844)	(6.1)
Cash, Bank Balances and Deposits	23,956	16,134	7,822	48.5
Other Assets	15,162	13,960	1,202	8.6
Total Assets	341,726	327,081	14,645	4.5
Liabilities				
Total Loans and Other Obligations	53,330	47,846	5,484	11.5
Creditors and Other Liabilities	85,984	74,481	11,503	15.4
Obligations Under Service Concession	10,090	10,142	(52)	(0.5)
Deferred Tax Liabilities	14,661	14,700	(39)	(0.3)
Total Liabilities	164,065	147,169	16,896	11.5
Total Equity	177,661	179,912	(2,251)	(1.3)

Consolidated Cash Flows for the 6 months ended 30 Jun 2023



Financing and Credit Ratios

Company Debt Profile (30 Jun 2023)⁽¹⁾



Group's consolidated debt position⁽²⁾:
HK\$53,330m

(HK\$47,846m as at 31 Dec 2022)

Average cost of interest-bearing borrowings: 3.3% (+1.1% pts YoY)

Interest and finance charges for our recurrent businesses:
HK\$626m (+25.0% YoY)

	30 Jun 2023	31 Dec 2022
Net Debt / Equity ratio⁽³⁾	22.3%	23.3%
	1H2023	1H2022
Interest cover⁽⁴⁾	9.2x	19.8x
Credit ratings, Long-term ratings (Rating agency)	AA+ / Aa3 / AA+ (S&P / Moody's / R&I)	

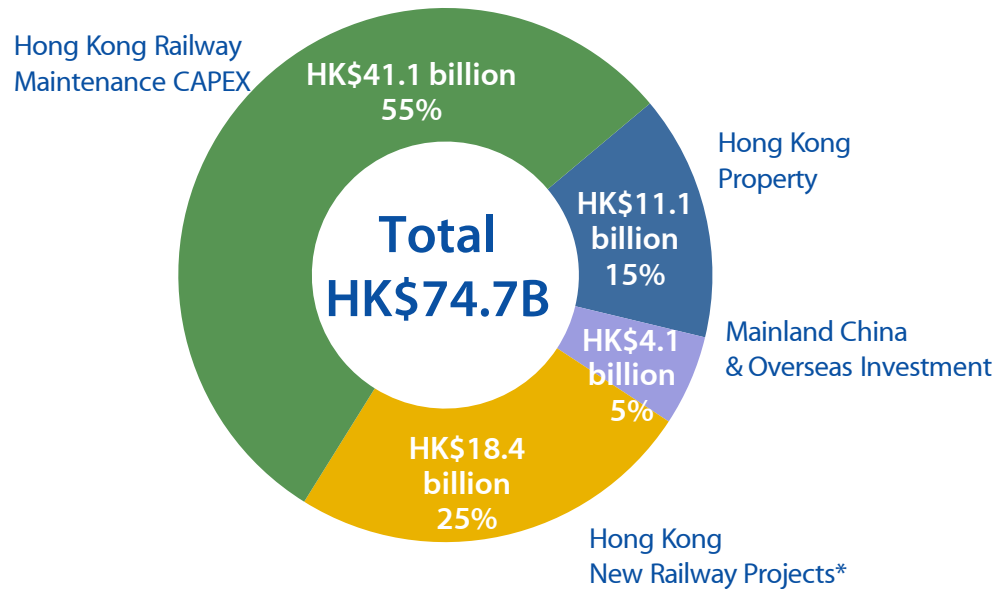
Note:

1. Excluding Mainland 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, impairment loss, variable annual payment, share of profit of associates and joint ventures divided by interest and finance charges before capitalisation and utilisation of government subsidy for Shenzhen Metro Line 4 operation

Capital Expenditure & Investments



2023-2025



Estimated spend (HK\$Billion):

2023: \$18.8

2024: \$28.8

2025: \$27.1

Total: \$74.7

* including planning and design CAPEX but excluding related construction CAPEX of new railway projects which are subject to the signing of project agreements

Outlook

Outlook

Recurrent Businesses in Hong Kong

- Patronages have rebounded and are on track to approach pre-COVID patronage levels
- The openings of the new shopping malls, The Wai and THE SOUTHSIDE, are expected to make incremental contributions to the property rental revenue
- Advertising revenue remains dependent on the extent of the economic recovery and improvement in consumer sentiment and spending

Property Development

- Subject to the progress of construction and sales, and depending on the payment terms chosen by property buyers, expect to continue booking profit from LOHAS Park Package 11 in 2H2023
- Subject to market conditions, tender out about 4,000 units in the next 12 months or so. Tung Chung East Station Package 1 is expected to be the first tender to be put to the market.

New Projects*

- Continue to progress various railway projects under RDS 2014 and assist on initiatives planned under Government's Northern Metropolis Development Strategy

Businesses outside of Hong Kong

- Continue to seek opportunities in Mainland China and overseas

* Subject to signing project agreements

Appendix

Consolidated Cash flow

(HK\$m)	1H2023	1H2022	Favourable/ (Unfavourable) change (%)	
Net Cash Generated from Operating Activities	3,870	3,775	95	2.5
Net receipts from Property Development	4,533	11,152	(6,619)	(59.4)
Capital Expenditure	(5,200)	(4,053)	(1,147)	(28.3)
Variable Annual Payment	(323)	(260)	(63)	(24.2)
Other Investing Activities	205	(217)	422	n/m
Net cash Inflow before Financing Activities	3,085	10,397	(7,312)	(70.3)
Net Drawdown / (Repayment) of Debts, Net of Lease Rental and Interest Payments	5,223	(4,362)	9,585	n/m
Other Financing Activities	(376)	(109)	(267)	(245.0)
Effect of Exchange Rate Changes	(110)	(475)	365	76.8
Increase in Cash, Bank Balances and Deposits, Net of Bank Overdraft	7,822	5,451	2,371	43.5

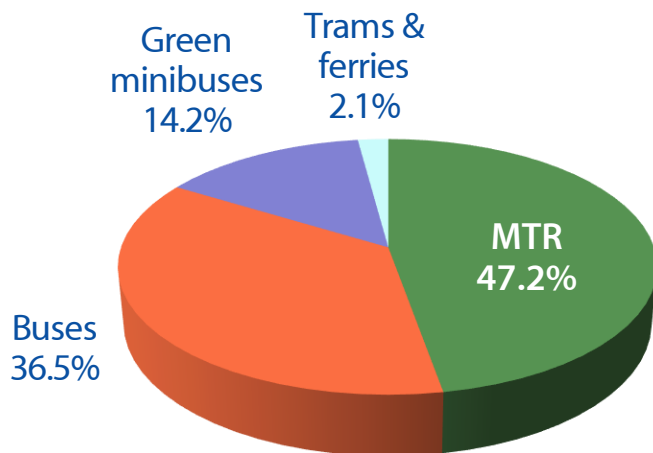
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Hong Kong Transport Operations

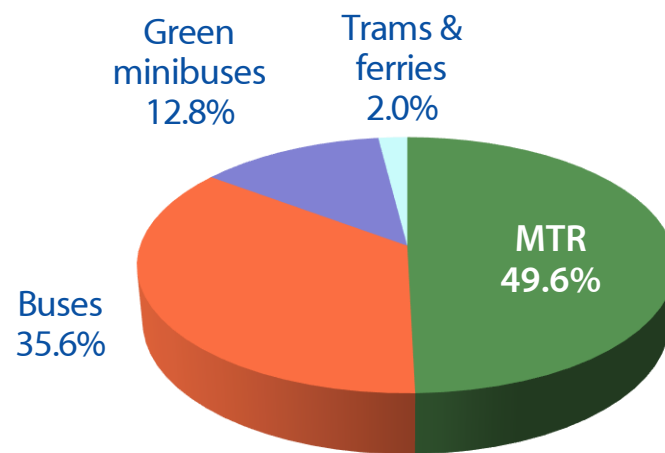
	1H2023	1H2022	Favourable/ (Unfavourable) change (%)
Patronage (million)			
- Domestic Service	777.2	570.5	36.2
- Cross-boundary Service	28.1	0.2	n/m
- High Speed Rail	7.6	-	n/m
- Airport Express	4.6	1.0	360.0
- Light Rail and Bus	102.6	77.7	32.0
- Intercity	-	-	n/m
Total	920.1	649.4	41.7
Average fare (HK\$)			
- Domestic Service	8.26	8.08	2.3
- Cross-boundary Service	30.00	9.64	211.2
- High Speed Rail	84.25	-	n/m
- Airport Express	61.29	34.68	76.7
P&L (HK\$m)			
- Domestic Service	6,680	4,782	39.7
- Cross-boundary Service	842	2	n/m
- High Speed Rail	1,172	723	62.1
- Airport Express	280	33	748.5
- Light Rail and Bus	323	248	30.2
- Intercity	-	-	n/m
- Others	45	27	66.7
Total Revenue	9,342	5,815	60.7
Staff Costs and Related Expenses	(3,363)	(3,155)	(6.6)
Maintenance and Related Works	(1,154)	(1,019)	(13.2)
Energy and Utilities	(1,175)	(877)	(34.0)
General and Administration Expenses	(349)	(343)	(1.7)
Stores and Spares Consumed	(263)	(253)	(4.0)
Railway Support Services	(154)	(89)	(73.0)
Government Rent and Rates	(77)	(77)	-
Other Expenses	(127)	(118)	(7.6)
EBITDA	2,680	(116)	n/m
Depreciation and amortization	(2,644)	(2,496)	(5.9)
Variable Annual Payment	(810)	(163)	(369.9)
EBIT	(774)	(2,775)	72.1
EBITDA Margin (%)	28.7%	(2.0%)	n/m
EBIT Margin (%)	(8.3%)	(47.7%)	+39.4% pts
n/m: not meaningful			

Hong Kong Transport Operations: Market Share

Hong Kong Franchised Public Transport



Jan – May 2022



Jan – May 2023

Cross-harbour

67.1%



Jan-May 2022

71.8%



Jan-May 2023

Cross-boundary & HSR

0%⁽¹⁾

Jan-May 2022

53.5%



Jan-May 2023

Airport Express

16.3%



Jan-May 2022

20.1%



Jan-May 2023

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

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

Hong Kong Station Commercial

Hong Kong Station Commercial (HK\$m)	1H2023	1H2022	Favourable/ (Unfavourable) change (%)
- Station Retail Rental Revenue	1,640	774	111.9
- Advertising Revenue	416	352	18.2
- Telecommunication Income	309	316	(2.2)
- Other Station Commercial Income	50	39	28.2
Total Revenue	2,415	1,481	63.1
Operating expenses	(255)	(244)	(4.5)
EBITDA	2,160	1,237	74.6
Depreciation and Amortisation	(123)	(105)	(17.1)
Variable Annual Payment	(239)	(34)	(602.9)
EBIT	1,798	1,098	63.8
EBITDA Margin (%)	89.4%	83.5%	+5.9%pts
EBIT Margin (%)	74.5%	74.1%	+0.4%pt
Average Occupancy Rate (% Station Kiosks)	97.0%	97.4%	-0.4%pt
Rental Reversion (% Station Kiosks)	(8.4)%	(13.5)%	+5.1%pts

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

Hong Kong Property Rental and Management (HK\$m)	1H2023	1H2022	Favourable/ (Unfavourable) change (%)
- Property Rental	2,324	2,188	6.2
- Property Management	132	119	10.9
Total Revenue	2,456	2,307	6.5
Operating Expenses	(458)	(434)	(5.5)
EBITDA	1,998	1,873	6.7
Depreciation and Amortization	(5)	(7)	28.6
Variable Annual Payment	(3)	(1)	(200.0)
EBIT	1,990	1,865	6.7
EBITDA Margin (%)	81.4%	81.2%	+0.2%pt.
EBIT Margin (%)	81.0%	80.8%	+0.2%pt.
Average Occupancy Rate (% Malls)	99.0%	99.0%	-
Average Occupancy Rate (% Two ifc)	99.0%	92.0%	+7.0%pts
Rental Reversion (% Malls)	(12.6)%	(6.8)%	-5.8%pts

Hong Kong Property Development (HK\$m)	1H2023	1H2022	Favourable/ (Unfavourable) change (%)
- Share of Surplus and Interest in Unsold Properties from Property Development	786	9,161	(91.4)
- Agency Fee and Other Income from West Rail Property Development	4	122	(96.7)
- Overheads and Miscellaneous Studies	(7)	(6)	(16.7)
Hong Kong property development profit (pre-tax)	783	9,277	(91.6)
Hong Kong property development profit (post-tax)	712	7,747	(90.8)

Note: Hong Kong property development profit was primarily derived from LP11 and residual profits from various completed projects in 1H2023

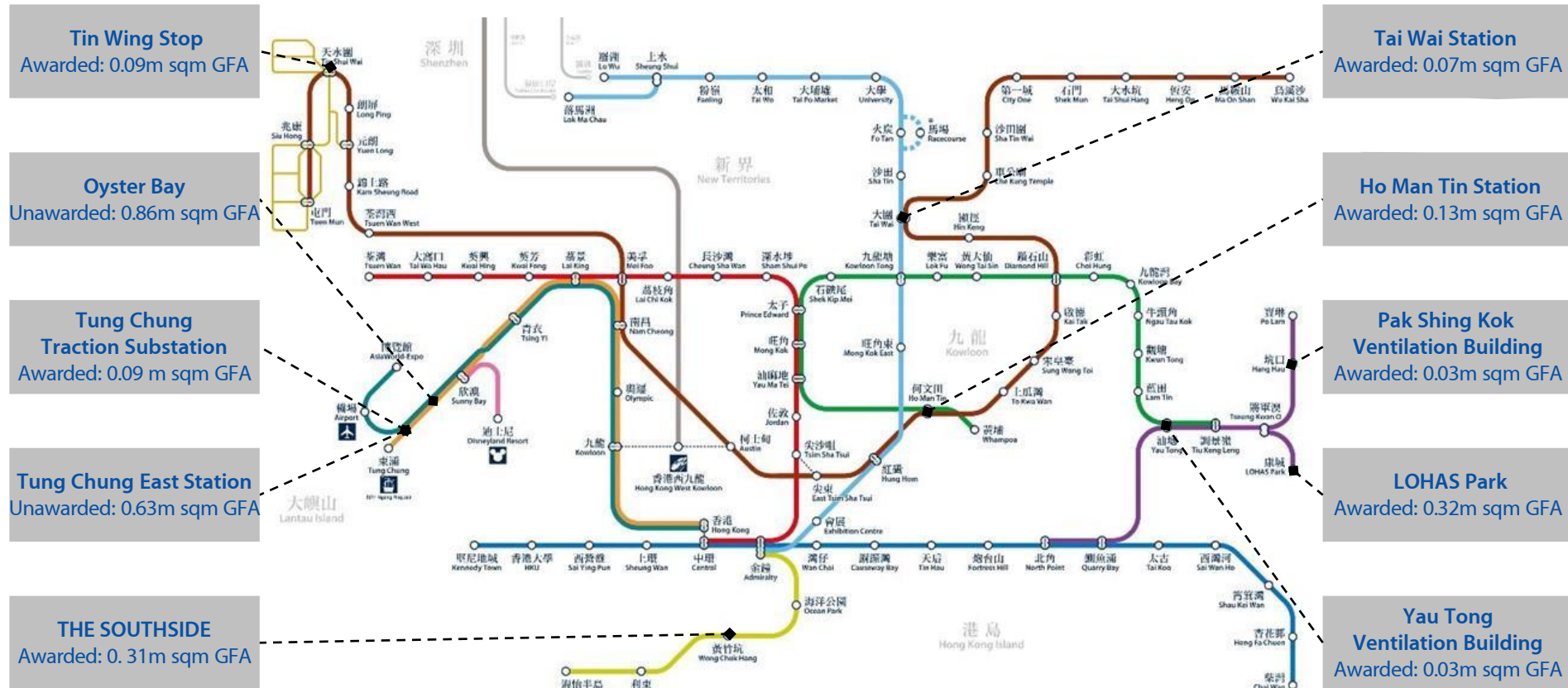
Mainland China and International Businesses

(HK\$m)	1H2023	1H2022	Favourable/ (Unfavourable) change (%)
Recurrent Businesses Revenue of Subsidiaries	13,079	13,150	(0.5)
EBITDA			
- Melbourne Train	548	580	(5.5)
- Sydney Metro Northwest	38	27	40.7
- Sydney Metro City & Southwest	21	113	(81.4)
- Nordic Group	(297)	(12)	n/m
- London Elizabeth Line	70	94	(25.5)
- Shenzhen Metro Line 4	90	43	109.3
- Others	62	78	(20.5)
	532	923	(42.4)
Depreciation and Amortisation	(242)	(132)	(83.3)
EBIT*	290	791	(63.3)
EBITDA Margin (%)	4.1%	7.0%	-2.9%pts
EBIT Margin (%)	2.2%	6.0%	-3.8%pts
Recurrent Business (Loss)/Profit (Net of Non-controlling interests)*	(41)	364	n/m
Associates & Joint Ventures			
Share of Profit	362	292	24.0
Profit/(Loss) Attributable to Shareholders of the Company			
Arising from Recurrent Businesses (before Business Development Expenses and Impairment Loss)	321	656	(51.1)
- Business Development Expenses	(128)	(140)	8.6
Arising from Recurrent Businesses (after Business Development Expenses but before Impairment Loss)	193	516	(62.6)
- Impairment Loss on Shenzhen Metro Line 4	-	(962)	n/m
Arising from Recurrent Businesses (after Business Development Expenses and Impairment Loss)	193	(446)	n/m
- Arising from Mainland China Property Development	20	39	(48.7)
Arising from Underlying Businesses	213	(407)	n/m

* Excluding the impairment loss of HK\$962 million on SZL4 in Mainland China in 1H2022

n/m: not meaningful

Landbank



Note: Residential GFA: 1.01m sqm (awarded); 1.29m sqm (unawarded)
Shopping mall GFA: 0.05m sqm (awarded); 0.09m sqm (unawarded)
Office GFA: 0.11m sqm (unawarded)

Hong Kong Property Development

Development profit yet to be booked: ~17,000 residential units (GFA : 1.01 million sqm)

	Property Project Tender	Date of Tender Award	Developer partners	Residential Gross Floor Area (sq m)	Units	Profit model			Expected completion
						Lump-sum upfront and/or backend	Share of surplus proceeds	Sharing in kind	
1	Tai Wai Station Phase 3	Oct 2014	New World	65,750	892		✓		TBC
2	Tin Wing Stop	Feb 2015	Sun Hung Kai	91,051	1,918		✓		2024
3	Ho Man Tin Station Package 1	Dec 2016	Great Eagle	69,000	990	✓	✓		2024
4	Yau Tong Ventilation Building	May 2018	Sino Land & CSI Properties	30,225	792	✓	✓		2025
5	THE SOUTHSIDE Package 3	Aug 2018	Cheung Kong	92,900	1,200	✓	✓		2025
6	Ho Man Tin Station Package 2	Oct 2018	Chinachem	59,400	845	✓	✓		2024
7	LOHAS Park Package 11	Apr 2019	Sino Land, K. Wah, China Merchants	88,858	1,880	✓	✓		2024
8	THE SOUTHSIDE Package 4	Oct 2019	Kerry Properties, Swire Properties, Sino Land	59,300	800	✓	✓		2024
9	LOHAS Park Package 12	Feb 2020	Wheelock	89,290	1,985	✓	✓		2026
10	LOHAS Park Package 13	Oct 2020	Sino Land, Kerry Properties, K. Wah & China Merchants	143,694	2,550	✓	✓		2026
11	THE SOUTHSIDE Package 5	Jan 2021	New World, Empire Development, CSI Properties and Lai Sun Dev	59,100	824	✓	✓		2026
12	THE SOUTHSIDE Package 6	Apr 2021	Wheelock	46,800	615	✓	✓		2028
13	Pak Shing Kok Ventilation Building	Apr 2022	New World and China Merchants Land	27,000	550	✓	✓		2031
14	Tung Chung Traction Substation	Jul 2022	Chinachem	87,300	1,600	✓	✓		2031

Note: Not including unawarded Property Development projects



MTR Corporation

www.mtr.com.hk
investor@mtr.com.hk