

CEO's Review and Outlook



Dear Shareholders and other Stakeholders,

It is an honour and a pleasure to report on MTR Corporation Limited in my new capacity as Chief Executive Officer. Building on the Company's strong expertise, we continue to enhance people's lives in the communities that we serve as we "Keep Cities Moving". In 2025, we recorded higher revenue from our Hong Kong railway services as well as profit from several property developments, which will contribute to our railway upkeep and network expansion programmes and support our funding requirements. We upheld world-class safety and reliability standards throughout our transport networks, ensuring the kind of dependability our communities expect. We also continued to "Go Smart Go Beyond" in technology and innovation,

applying cutting-edge solutions to areas including railway construction, safety and maintenance, customer experience, and sustainability, enhancing every aspect of our operations and better preparing our networks – and Hong Kong – for future growth.

Among publicly listed companies, MTR has a unique mandate to deliver social benefits along with shareholder value by providing safe, accessible and environmentally friendly mass transit services that Keep Cities Moving. We are also passionate about creating new connections that energise local economies. Therefore, it is exciting for us to be helping progress one of the largest railway expansions in the city's history, a comprehensive programme of new lines under the "Hong Kong Major Transport Infrastructure Development Blueprint" and "Transport Strategy Blueprint" that are designed to enhance local links and establish stronger ties with fast-growing Greater Bay Area cities. We are working hard to deliver these networks of tomorrow, leveraging more than almost five decades of experience and a track record of performance excellence in Hong Kong and other major cities around the world.

Having a larger, even more connected transportation network means bigger opportunities for Hong Kong, its residents and businesses. Of course, an undertaking of such scale requires considerable financial resources, too, and thus far we have committed HK\$140 billion towards its execution. Our Rail plus Property business model (“R+P Model”) – through which we generate profits from residential and commercial property developments located at or near railway sites to help fund the construction of future railway lines – is an important factor in our ability to derive funds for major projects. Recently, we have also been exploring other options to supplement our long-term sustainable financing strategy and ensure that we can turn Government’s infrastructural vision into reality. In March, June and September 2025, respectively, we successfully priced a US\$3 billion senior unsecured bond offering, issued US\$3 billion in subordinated perpetual securities – the largest-ever US dollar corporate subordinated perpetual securities issuance from Asia outside of Japan – and signed a HK\$30 billion, seven-year syndicated green term loan facility. In January 2026, we priced our inaugural senior unsecured green bond in the Australian market, which at a total size of AU\$2 billion is the largest ever Australian dollar corporate green bond. These transactions garnered strong interest from both local and international institutional investors, demonstrating the confidence that global markets have in MTR, the crucial role MTR plays in the development of Hong Kong’s infrastructure, and the Company’s reputation for prudent financial management and robust planning. They also show the level of commitment we have towards our home city and the considerable efforts we make to ensure that our networks can deliver on the aspirations of its people.

MTR and Hong Kong have grown together for decades, and we are delighted to be helping write another bright chapter in the city’s growth story. Backed by our wealth of experience in railway development, maintenance and operations, we are investing substantially in Hong Kong’s infrastructure to build an even better future for the city while also taking MTR and its business to new heights.

BUSINESS PERFORMANCE AND GROWTH

MTR’s number one imperative is to provide safe, efficient, accessible and affordable low-carbon mass railway transit. In 2025, we once again achieved 99.9% in train service delivery and passenger journeys on-time for our heavy rail network, underscoring our commitment to world-class performance. In March 2025, we announced there would be no fare adjustment in 2025/2026, in line with the Fare Adjustment Mechanism. The calculated fare adjustment rate of +1.45% will instead be rolled over to 2026/2027, and the total rate of +1.91% to be recouped in 2025/2026 will also be carried forward to 2026/2027. During the year, we continued to “Go Smart Go Beyond” by employing the latest innovations and technologies for even better customer experience and railway operations. Highlights included the continuation of our Automatic Fare Collection system upgrade programme for greater payment convenience and enhanced functionality and personalisation for the MTR Mobile app. We are proud to be participating in Government’s Low-altitude Economy Regulatory Sandbox, experimenting with the adoption of drones to assist in smart inspections of critical railway assets and promoting innovative ways to enhance maintenance efficiency. Also, the new signalling system will commence service on the Tsuen Wan Line in mid-March 2026, marking a key milestone in our network’s signalling replacement programme.

As at 31 December 2025, the Company had nine residential property developments in progress that will provide around 8,000 more units to the local housing market. In November 2025, we awarded the tender for Tuen Mun A16 Station Package 1. Meanwhile, pre-sale activities continued for a number of residential properties.

The year also saw us continue to make steady progress on a number of important railway expansion projects, including the Tung Chung Line Extension, Oyster Bay Station, the Tuen Mun South Extension, Kwu Tung Station on the East Rail Line, and Hung Shui Kiu Station on the Tuen Ma Line. In July, we signed the Northern

Link (Part 1) Project Agreement with Government for the financing and construction of parts of the Northern Link Main Line, which will serve as the main railway transport artery for the burgeoning Northern Metropolis. In December, we were invited by Government to commence detailed planning and design for the South Island Line (West) project. In these and other capital works projects, we always "Go Beyond Boundaries" by utilising innovative construction methods wherever necessary to avoid potential impacts on existing railway operations, neighbouring communities and surrounding environments.

One of MTR's growth pillars is built from its Chinese Mainland and international businesses. In December 2025, Beijing Metro Line 17 and Shenzhen Metro Line 13 Phase 1 both achieved full-line operation. These milestones were reached after the final sections – the middle section of Beijing Metro Line 17 and the northern section of Shenzhen Metro Line 13 Phase 1 – commenced passenger service in December 2025. We were also pleased to announce the expansion of station commercial business in Chengdu, Zhengzhou, Xi'an and Guangzhou during 2025, and we continue to explore similar opportunities in other key markets. In Australia, our consortium with a subsidiary of CRRC Corporation Limited, the Metro Trains West Consortium, was awarded the contract for train supply, operation and maintenance of the Sydney Metro West project in December 2025. In November, we also participated in the opening of the new 9-km Metro Tunnel in Melbourne, which provides a fast and convenient new railway connection through the heart of the city's central business district.

All of us at MTR care deeply about the communities we serve. In the wake of the deadly fire at Wang Fuk Court in Tai Po, we acted as quickly as possible to help those affected by the tragedy and offered comprehensive support measures for our staff whose lives have been impacted by the fire. We also pay our respects to the heroic rescue personnel who came to their aid.

FINANCIAL PERFORMANCE

During the year under review, net profit attributable to shareholders of the Company was HK\$14,677 million, representing earnings per share of HK\$2.36. Profit attributable to equity shareholders from recurrent businesses was HK\$5,653 million, impacted by an increase in depreciation, a one-off write-down of certain unamortised rental concessions in our Hong Kong businesses and lower contributions from our Chinese Mainland businesses. Since we are now in the harvesting stage of our earlier property development projects, property development profit increased to HK\$11,084 million in 2025. Under the R+P Model, much of the profits from property development will be applied towards the construction and maintenance of future and existing Hong Kong railway projects. As a result, profit attributable to shareholders from underlying businesses was HK\$16,737 million.

In accordance with dividend policy, your Board has proposed a final ordinary dividend of HK\$0.89 per share, which together with the interim dividend of HK\$0.42 per share brings the full-year dividend to HK\$1.31 per share, same as that of 2024.

OUTLOOK

MTR has a strong track record of delivering solid performance for its shareholders and Hong Kong, in favourable and difficult operating conditions alike. While the macroeconomic situation remains challenging – particularly in relation to consumer behaviour and spending – the improving economic landscape and property sector suggest that we may begin to enjoy a somewhat healthier operating environment. Declining interest rates could also benefit the Company by driving down funding costs and mortgage rates.

Still, we have very considerable capital expenditures on the horizon, and a substantial portion of our earnings will be applied towards asset maintenance, upgrades and replacements as well as Hong Kong's extensive network

expansion programmes. There is no doubt that this poses considerable financial challenges. However, we are dedicated to managing these actively and effectively to deliver continued growth for MTR and Hong Kong.

As always, we will keep a close eye on geopolitical dynamics and inflation while seeking additional funding sources for capital works and maintaining fiscal prudence. Patronage levels and revenue from station retail rental, advertising and property rental will continue to be dictated largely by economic factors. Patronage may also be affected by aging demographics and evolving travel patterns, while changes in spending patterns among customers will likely continue to impact our station retail and property rental businesses.

Our property business has been generating satisfactory profits that will contribute to Hong Kong's future railway projects through the R+P Model. We expect to tender Kam Sheung Road Station Phase 2 and Tuen Mun A16 Station Package 2 in the coming 12 months or so, depending on market conditions. Subject to the progress of construction and sales, we also anticipate booking property development profit from LOHAS Park Package 13, THE SOUTHSIDE Package 6 and the Yau Tong Ventilation Building project while continuing to book profit from the Tai Wai Station project, THE SOUTHSIDE Package 5 and LOHAS Park Package 12. As always with this business, its performance and that of the wider property market will depend to some degree on prevailing economic conditions. It also remains to be seen how much the recent trend of falling interest rates will benefit unit sales.

MTR is committed to "Go Beyond Boundaries" in the design, planning, construction, maintenance and operations of railway projects. We are now firmly in the midst of an exciting new era of railway development for Hong Kong and are going at full steam ahead to deliver a world-class network of the future. While advancing the railway projects under the "Eight Vertical and Eight Horizontal Corridors" layout of the "Transport Strategy

Blueprint", we will also continue to support Government in building smart railways with innovative technology and providing thoughtful travel experiences for the public by participating in the "Transport Interchange Hub" initiative.

During the year under review, we took solid steps to diversify our revenue streams further by securing station commercial business opportunities in major Chinese Mainland cities. We also continue to explore growth opportunities that align with our Corporate Strategy in Chinese Mainland and overseas markets, particularly Belt and Road countries.

Finally, I would like to say that it is an honour to be appointed as Chief Executive Officer of MTR Corporation Limited, a role that Dr Jacob Kam filled with skill and professionalism for the better part of seven years, many of which were exceptionally challenging times for the Company and Hong Kong. I look forward to working with Dr Kam in his new role as Chairman of the Board. I would like to thank Dr Rex Auyeung for his exceptional leadership as Chairman, which has been invaluable to the Company. During his tenure with us, MTR achieved many successes, including the opening of new sections and lines and expansion of our businesses in Hong Kong, the Chinese Mainland and overseas. I would also like to welcome Mr Wilson Kwong, who was appointed as Hong Kong Transport Services Director effective 28 January 2026. In closing, I believe MTR and Hong Kong have a very bright future together, and I am excited to work with everyone in the months and years to come as we strive to Keep Cities Moving.



Jeny Yeung Mei-chun
Chief Executive Officer
Hong Kong, 12 March 2026