












# CONNECTING COMMUNITIES BUILDING THE FUTURE

# 2025 INTERIM RESULTS

## FINANCIAL HIGHLIGHTS

|   |   |  |
|---|---|--|
|    | Total Revenue   | HK\$ <b>27.4</b> billion<br>▼ 6.5%   |
|    | Recurrent Business Profit                                 | HK\$ <b>3.4</b> billion<br>▼ 15.7%   |
|    | Property Development Profit                               | HK\$ <b>5.5</b> billion<br>▲ 218.5%  |
|   | Loss from Fair Value Measurement of Investment Properties | HK\$ <b>1.2</b> billion<br>(vs HK\$0.3 billion gain from fair value measurement for the six months ended 30 June 2024) |
|  | Net Profit Attributable to Shareholders of the Company    | HK\$ <b>7.7</b> billion<br>▲ 27.5%   |
|  | Interim Ordinary Dividend                                 | HK\$ <b>0.42</b> per share<br>(same as 2024 interim)   |
|  | Total Assets  | HK\$ <b>402.6</b> billion<br>▲ 9.6% (vs 31 December 2024)  |
|  | Net Assets  | HK\$ <b>211.2</b> billion<br>▲ 13.5% (vs 31 December 2024)   |
|  | Net Debt-to-equity Ratio                                  | <b>18.8</b> %<br>▼ 12.8% pts. (vs 31 December 2024)  |

# CONTENTS



## Our Vision

We aim to be an internationally-recognised company that connects and grows communities with caring, innovative and sustainable services.



## Our Purpose

Keep Cities Moving



## Our Values

- Excellent Service
- Value Creation
- Mutual Respect
- Enterprising Spirit



## Our Cultural Focus Areas

- Participative Communication
- Collaboration
- Effectiveness & Innovation
- Agility to Change

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## Corporate Strategy 3 Strategic Pillars



### Hong Kong Core

Attain Full Potential of Hong Kong Core Business and Advance our Social Objectives



### Mainland China and International Businesses

Expand into New Hubs and New Products across Mainland China and International Business, Maintaining a Steady Growth



### New Growth Engine

Invest in New Technologies and Mobility Services to Reinforce our Core for Long-term Growth



Interim Report  
2025



Sustainability  
Report 2024



# OUR NETWORK

## LEGEND

- Station
- Interchange Station
- Proposed Station
- Proposed Interchange Station
- Shenzhen Metro Network
- \* Racing days only

## EXISTING NETWORK

- Airport Express
- Disneyland Resort Line
- East Rail Line
- High Speed Rail
- Island Line
- Kwun Tong Line
- Light Rail
- South Island Line
- Tseung Kwan O Line
- Tsuen Wan Line
- Tuen Ma Line
- Tung Chung Line

## PROJECTS IN PROGRESS

- Tuen Mun South Extension
- Kwu Tung Station
- Hung Shui Kiu Station
- Tung Chung Line Extension: Tung Chung East and Tung Chung West stations
- Airport Railway Extended Overrun Tunnel
- Oyster Bay Station
- Northern Link (Part 1)

## POTENTIAL FUTURE EXTENSIONS

- Northern Link (Part 2)
- Tseung Kwan O Line Southern Extension
- South Island Line (West)
- Pak Shek Kok Station

## PROPERTIES OWNED / DEVELOPED / MANAGED BY THE CORPORATION

- Telford Gardens / Telford Plaza I and II
- World-wide House
- Admiralty Centre
- Argyle Centre
- Luk Yeung Sun Chuen / Luk Yeung Galleria
- New Kwai Fong Gardens
- Sun Kwai Hing Gardens
- Fairmont House
- Kornhill / Kornhill Gardens
- Fortress Metro Tower
- Hongway Garden / Infinitus Plaza
- Perfect Mount Gardens
- New Jade Garden
- Southern Garden
- Heng Fa Chuen / Heng Fa Villa / Paradise Mall
- Park Towers
- Felicity Garden
- Tierra Verde / Maritime Square 1 / Maritime Square 2
- Tung Chung Crescent / Citygate / Novotel Citygate / Seaview Crescent / Coastal Skyline / Caribbean Coast
- Central Park / Island Harbourview / Park Avenue / Harbour Green / Bank of China Centre / HSBC Centre / Olympian City One / Olympian City Two
- The Waterfront / Sorrento / The Harbourside / The Arch / Elements / The Cullinan / The Harbourview Place / W Hong Kong / International Commerce Centre / The Ritz-Carlton, Hong Kong
- One International Finance Centre / Two International Finance Centre / IFC Mall / Four Seasons Hotel / Four Seasons Place
- Central Heights / The Grandiose / The Wings / PopCorn 1 / PopCorn 2 / Crowne Plaza Hong Kong Kowloon East / Holiday Inn Express Hong Kong Kowloon East / Vega Suites
- Residence Oasis / The Lane
- No.8 Clear Water Bay Road / Choi Hung Park & Ride
- Metro Town
- Royal Ascot / Plaza Ascot
- Ocean Walk
- Sun Tuen Mun Centre / Sun Tuen Mun Shopping Centre
- Hanford Garden / Hanford Plaza
- Citylink Plaza
- MTR Hung Hom Building / Hung Hom Station Carpark
- Trackside Villas
- The Capitol / Le Prestige / Hemera / Wings at Sea / MALIBU / LP6 / MONTARA / SEA TO SKY / MARINI / GRAND MONTARA / GRAND MARINI / OCEAN MARINI / LP10 / VILLA GARDA / The LOHAS
- The Palazzo
- Lake Silver
- Festival City
- The Riverpark
- Century Gateway
- THE PAVILIA FARM I / THE PAVILIA FARM II / The Wai
- YOHO WEST

- The Austin / Grand Austin
- SOUTHLAND / La Marina / THE SOUTHSIDE / LA MONTAGNE
- ONMANTIN / IN ONE
- Ocean Pride / Ocean Supreme / PARC CITY / THE PAVILIA BAY / City Point
- Cullinan West
- The Spectra / Sol City
- The YOHO Hub
- GRAND MAYFAIR

## PROPERTY DEVELOPMENTS UNDER CONSTRUCTION / PLANNING

- LOHAS Park Packages
- Tai Wai Station
- Tin Wing Stop
- THE SOUTHSIDE Packages
- Yau Tong Ventilation Building
- Tung Chung Traction Substation
- Pak Shing Kok Ventilation Building
- Oyster Bay Packages
- Tung Chung East Station Packages
- A16 Station Packages
- Kwu Tung Station Packages
- Hung Shui Kiu Station Packages

## WEST RAIL PROPERTY DEVELOPMENTS (AS AGENT FOR THE RELEVANT SUBSIDIARIES OF KCRC)

- Century Gateway
- Ocean Pride / Ocean Supreme / PARC CITY / THE PAVILIA BAY / City Point
- Cullinan West
- The Spectra / Sol City
- The YOHO Hub
- Kam Sheung Road Station Packages
- Pat Heung Maintenance Centre

## MAINLAND CHINA AND INTERNATIONAL BUSINESSES



Lantau Island





# CHAIRMAN'S LETTER



## Dear Shareholders and other Stakeholders,

It is a pleasure to share my thoughts on the highlights of the first six months of the year and what the future holds for MTR Corporation.

When I assumed the role of Chairman of the Board in 2019, I found myself immensely impressed by the leaders, managers and frontline staff who drive MTR and keep the city moving. These individuals and their predecessors have all been 100 percent committed to providing world-class railway transport for the billions of passengers the Company has served over the years, no matter the challenges or circumstances. Thanks to their heroic and tireless efforts, MTR has become a leader in mass transit whose expertise is sought all over the world. Meanwhile, the MTR brand has come to represent more than a mere railway operation, but instead a central player in our city's growth story and a corporate citizen dedicated to creating social value by helping communities, their families and businesses thrive.

The beginning of 2025 found MTR and its people hard at work on Hong Kong's next phase of infrastructure development, which includes a full slate of railway projects strategically designed to fuel economic and community growth. The Company has already committed about HK\$140 billion towards advancing these projects. Initiatives include an array of new lines and stations that will enhance connectivity throughout Hong Kong, strengthen links with neighbours in the Greater Bay Area, and create plentiful opportunities for residential and commercial developments to flourish around new transport hubs. We are proud to be investing in the city's infrastructural framework of the future and helping spur its economy for generations to come.

One cannot overstate the importance of MTR's "Rail plus Property" business model (often referred to as the "R+P Model") to making endeavours like these possible. It enables us to build vibrant new communities centred on convenient railway transport links. Under the R+P Model, MTR invests its own funds in new railway projects, eventually to be repaid through the development profits generated by the sale of development rights on land allocated by Government to each new project. In addition to generating social and business value, this model also helps finance our ability to maintain and upgrade our existing trains, railway stations and other assets that are crucial to our core mission to Keep Cities Moving. In fact, we pledged HK\$65 billion covering the years 2023 – 2027 for a comprehensive asset maintenance and renewal programme that would upkeep the conditions of our ageing assets and bolster already high levels of safety, efficiency and reliability.

Financially, MTR is determined to operate to the highest prudent principles. This applies to financial governance and control, as it does to the importance we attach to the strength of our balance sheet and our credit ratings. Furthermore, we recognise that at this time of investment and growth, we need a new and innovative approach. We will balance our usual prudent approach with an openness to novel financing opportunities and with a desire to drive growth for MTR

and Hong Kong in a manner that delivers value for all our stakeholders. With this in mind, in the first half of this year we concluded two groundbreaking transactions, raising a total of US\$6 billion towards the funding of our network expansion.

The first of these was a US\$3 billion bond issuance. This was the Company's largest public bond issuance to date and included a 30-year tranche of US\$1.5 billion, the largest 30-year USD bond issuance from a Hong Kong corporate in over 20 years. This transaction shows our commitment to long-term investment in long-term projects, such as the various railway projects now ahead of us. The second transaction was our inaugural issuance of subordinated perpetual securities, which, at a total size of US\$3 billion, constitutes the largest ever corporate issuance of such securities from Asia ex-Japan. Implementation of this second transaction allowed us to introduce a new tier of hybrid capital into our capital structure, on a long-term basis, enabling us to commit to the works ahead while simultaneously demonstrating our prioritisation of sound financial management. The transactions are solid proof of our on-going preparations to serve all our stakeholders by delivering the growth plan ahead.

Together, these transactions will give us the added capacity and flexibility to carry out our capital works and asset management programmes and continue providing Hong Kong with safe, accessible, efficient and environmentally friendly public transport for decades to come. The overwhelmingly positive response from local and global institutional investors also strongly reflects the market's confidence in MTR and the Company's ability to continue delivering first-rate railway infrastructure.

The most rewarding opportunities often arise from the biggest challenges. We take our role in Hong Kong's development very seriously, and we are excited to carry it out with characteristic professionalism as the city heads full steam into the future. In addition to practising strong fiscal prudence, we will continue to draw from our Corporate Strategy, which emphasises the adoption of innovation and technology throughout our business.

The research, adoption, adaptation and application of innovation and technology certainly serve to derive new solutions that reinforce our high standards in safety and passenger experience as well as project delivery. Along our innovation journey also lie potential opportunities for efficiency growth, new services and commercialisation. We will also keep approaching all aspects of our business through the lens of our robust environmental, social and governance ("ESG") framework for the environmental and social benefit of all, providing our services to people from all walks of life in the most sustainable manner possible. MTR is ready to lend the full weight of its know-how, experience and newly bolstered resources to move forward confidently with Hong Kong and achieve even greater successes.

## BUSINESS PERFORMANCE AND GROWTH

MTR strives to deliver its high-quality public transport services in the safest, most efficient manner possible. This commitment to excellence has enabled the Company to continue to achieve outstanding safety and on-time performance levels despite operating one of the busiest networks anywhere. Our HK\$65 billion asset maintenance, upgrade and replacement programme is an example of our constant work to improve. We also "Go Smart Go Beyond" by incorporating the latest railway advancements – including many that employ AI and big data technology – to enhance the quality and dependability of our services. We continue to enhance our capability in managing and rectifying incidents in the event that they do occur. During the period under review, these wide-ranging efforts to update and innovate contributed greatly to our network management and expansion programmes and will also be instrumental in supporting Hong Kong's long-term strategic planning and development.

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 while also commencing the detailed planning and design of the Northern Link Spur Line. The Northern Link will be the main artery moving passengers through the Northern Metropolis, one of the most important economic development engines for Hong Kong leveraging the

advantages of the Greater Bay Area. The first half of this year also saw us make strong progress on a host of other important initiatives including Oyster Bay Station, the Tung Chung Line Extension, Kwu Tung Station, the Tuen Mun South Extension and Hung Shui Kiu Station.

Under MTR's R+P Model, much of the profit reinvested into future railway network development is directly derived from the Company's property development projects, many of which continued to progress over the first half of 2025. We recognised property development profit from a number of packages at Ho Man Tin Station and THE SOUTHSIDE, while presale activities launched for three new property developments. Overall, our residential property projects in progress are expected to provide approximately 9,000 units to Hong Kong's housing market.

We also continue to seek new opportunities to grow MTR's business and brand outside of Hong Kong, including the rest of the Greater Bay Area, Mainland China and overseas. We marked the first full six-month period of operations for the initial section of Phase 1 of Shenzhen Metro Line 13, while in Australia we remain hard at work on the southwest section of the Sydney Metro M1 Metro North West & Bankstown Line. In the UK, we handed over operations of the Elizabeth line and South Western Railway in May.

## FINANCIAL PERFORMANCE

In the first half of 2025, profit attributable to equity shareholders from recurrent businesses decreased to HK\$3,391 million when compared to the same period last year, mainly due to lower contributions from our Hong Kong businesses, which were impacted by increased operating costs. Together with property development profit of HK\$5,542 million, profit arising from underlying businesses was HK\$8,933 million, representing a 55.0% increase compared to the first six months of 2024.

Including the loss arising from fair value measurement of investment properties of HK\$1,224 million, net profit attributable to shareholders of the Company increased by 27.5% year on year to HK\$7,709 million, representing earnings per share of HK\$1.24. Your Board has declared an interim dividend of HK\$0.42 per share, same as the first six months of 2024.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

MTR's ESG framework defines the community benefits we seek to attain in the course of our everyday mission to Keep Cities Moving. For 2025, we have set 45 ESG-related key performance indicators to guide our actions in 10 focus areas covering our three primary environmental and social objectives of reducing Greenhouse Gas Emissions, promoting Social Inclusion, and fostering Advancement & Opportunities.

As a world leader in low-carbon transport services that are readily accessible to people from all walks of life, we continue to progress in integrating ESG principles into our businesses. We now have 10 electric buses in passenger service, and 25 more are to be delivered between the remainder of this year and next. In the first half of 2025, 178 volunteering projects involving a total participating headcount of 2,334 volunteers were organised under the "More Time Reaching Community" Scheme to help society. We also continued our programme to provide on-the-job training for youths from ethnically diverse backgrounds and/ or those with disabilities and launched a new scholarship scheme for students who have passion for community service and keen interest in the railway sector. We are also committed to promoting inclusivity and diversity among our employees.

As a leading public transport provider and blue-chip listed company, we strive to meet or surpass global standards of corporate governance, ethics and transparency for the benefit of our many shareholders and stakeholders.

## ACKNOWLEDGEMENTS AND APPRECIATION

I would like to take this opportunity to recognise the vast accomplishments of our current CEO, Dr Jacob Kam, who will conclude his tenure on 31 December 2025. Dr Kam oversaw MTR's operations during a period when the Company completed several important projects both at home and abroad, including major railways and extensions, residential and commercial properties, and major asset replacements. He was also instrumental in guiding MTR through the challenges of the pandemic and leading the Company to enter a new period of railway

network growth and digital transformation. Following a global search, the Board has appointed Ms Jeny Yeung, currently Managing Director – Hong Kong Transport Services of MTR Corporation, to be the new CEO with effect from 1 January 2026. Her strong experience at MTR, spanning transport services, commercial development, customer experience, digital transformation and more, will be invaluable as the Company moves forward into an exciting new era.

I would also like to take this opportunity to welcome Ms Susanna Shen Shuk-ching as an Independent Non-Executive Director ("INED") of the Board, effective 21 May 2025. In addition, I would like to thank Mr Walter Chan Kar-lok, who retired as an INED on 21 May 2025, for his valuable contributions to the MTR Board during his tenure.

The success of Hong Kong is not the result of any one individual's efforts, but rather the collective dedication of many, most notably the tens of thousands of MTR staff members who all deserve recognition. Over the past six years, I have witnessed their unwavering commitment and persistence, and I felt honoured to be part of this team. Their tireless work has shaped MTR into what it is today. I would like to take this opportunity to extend my heartfelt appreciation to every team member whose outstanding contributions have made a meaningful impact on both the company and the community of Hong Kong.

We are very much looking forward to continuing our participation in the Hong Kong story, and the next chapter has only just begun. Backed by our unsurpassed railway expertise and extensive track record, as well as our strive for sustainable financial strength, we are confident in our ability to move forward with Hong Kong and achieve continued mutual success.



Dr Rex Auyeung Pak-kuen  
Chairman  
Hong Kong, 14 August 2025



# CEO'S REVIEW AND OUTLOOK



## Dear Shareholders and other Stakeholders,

The first six months of 2025 proved to be an eventful time that saw MTR take meaningful steps forward in its expanding capital works programme, while rising patronage figures drove solid results for the Company's operating revenue. We continued to achieve strong levels of safety and efficiency despite running services at ever greater frequency. We also remained committed to innovation and technology as a means to enhance our operations – including our railway maintenance, customer experience and also project construction initiatives – while adhering to the high environmental, social and governance standards that are expected of a world-class mass transit company.

Of particular note is the encouraging progress we have made in our preparations to deliver Hong Kong's future railway infrastructure. This exciting but challenging task involves the construction of new lines, extensions and stations in accordance with both the Railway Development Strategy 2014 and Hong Kong Major Transport Infrastructure Development Blueprint, initiatives designed by Government to enhance Hong Kong's rail network, catalyse new communities and integrate the city more closely with the economy of the Greater Bay Area. MTR has committed about HK\$140 billion towards the fulfilment of these projects. As we have previously reported, the Company has also earmarked HK\$65 billion for the upgrading, replacement and maintenance of its existing railway assets. The investment spans a five-year period from 2023 to 2027, though efforts to upkeep its assets will for sure continue beyond this dedicated allocation.

In periods of significant rail network growth, MTR's "Rail plus Property" business model does much of the heavy lifting by enabling the Company to build residential and commercial projects along new rail lines and then apply a portion of the resultant development profit towards funding new railway infrastructure. We will also continue to explore and draw from global capital markets to further bolster our ability to meet the financial demands of our large-scale infrastructure programmes to build for Hong Kong and power the Company's future growth. In the first half of 2025, we carried out two public securities issuances in support of this goal. In March, we successfully priced a US\$3 billion public senior bond offering, our largest public bond issuance to date and the largest 30-year US dollar bond issue from a Hong Kong corporate issuer in more than two decades. In June, we raised another US\$3 billion through our inaugural dual-tranche corporate subordinated perpetual securities offering, the biggest of its kind ever issued in Asia outside of Japan. It also achieved the highest issue ratings ever for this funding format, reflecting market recognition of MTR's pivotal role in Hong Kong infrastructure. These transactions demonstrate our level of preparedness for and commitment to meeting Hong Kong's growth needs, developing vibrant new communities and providing social value for residents from all walks of life.

Meanwhile, we continue to prepare for the substantial planning works that this new phase of railway development entails, which include managing the impacts on existing railway operations and surrounding communities while, at the same time, proceeding with construction at full speed so as to support Hong Kong's future development and facilitate further integration into the national network. On 8 July 2025, the Company entered into the Northern Link (Part 1) Project Agreement with Government. This agreement covers the construction of parts of the Northern Link Main Line, which, when completed, will be a key component of the public transport backbone of Hong Kong's future Northern Metropolis. It also covers the detailed planning and design of the Northern Link Spur Line, which is to be a cross-boundary bifurcation of the Northern Link connecting the metro networks of Hong Kong and Shenzhen through Huanggang Port. To achieve the commissioning of both the Main Line and Spur Line no later than 2034, Part 1 will proceed first to facilitate early commencement of works. This demonstrates that the Company is fully committed to supporting innovative Government policies that optimise and streamline procedures while leveraging local, Mainland and overseas technologies to expedite project works and support rapid regional development.

Foresight, innovation, prudence and strong governance are hallmarks of MTR, and they will continue to play central roles as we navigate this critical stage in Hong Kong's development. Whatever Hong Kong's needs, MTR is ready to deliver on its mission to Keep Cities Moving.

## BUSINESS PERFORMANCE AND GROWTH

MTR once again achieved 99.9% in passenger journeys on-time and train service delivery for its heavy rail network in Hong Kong over the first six months of 2025. We also continued to "Go Smart Go Beyond" by enhancing our customer service, operations and maintenance with innovative and smart technologies, aiming to improve safety, efficiency and passenger experience.

In March 2025, we announced that MTR fares will remain unchanged in 2025/2026, in line with the results of the Fare Adjustment Mechanism ("FAM") and demonstrating the FAM's ability to cater for public affordability. The calculated fare adjustment rate of +1.45% will be rolled over to 2026/2027, while the total rate of +1.91% to be recouped in 2025/2026 will also be carried forward to 2026/2027. Meanwhile, we continue to offer a range of concessions for passengers from all walks of life, making our railway services even more affordable for members of the public.

In our property business, we currently have 10 residential projects in the pipeline that will bring approximately 9,000 housing units to the market. Elsewhere, pre-sales continue for several properties in communities across the city, including packages at LOHAS Park and THE SOUTHSIDE.

MTR strives to "Go Beyond Boundaries" in its efforts to deliver high-quality new railway projects serving existing and emerging communities across Hong Kong. Apart from signing the Northern Link (Part 1) Project Agreement with Government in July 2025, construction also continued for Oyster Bay Station, the Tung Chung Line Extension, Kwu Tung Station on the East Rail Line, the Tuen Mun South Extension and Hung Shui Kiu Station.

Over the first half of the year, we continued to pursue new opportunities in our Mainland China and international businesses, which together form a growth pillar for the Company and a valuable channel for promoting MTR's railway industry leadership outside of Hong Kong. In our existing businesses, after the opening of the initial section of Shenzhen Metro Line 13 Phase 1 in December 2024, construction continued to progress for other sections of Shenzhen Metro Line 13 as well as the middle section of Beijing Metro Line 17. In the United Kingdom, we completed the handover of the Elizabeth line and South Western Railway to the next operators in May 2025. Meanwhile, in our Australian railway business, work continued to progress on the southwest section of the Sydney Metro M1 Metro North West & Bankstown Line, which is due to open in 2026.

## FINANCIAL PERFORMANCE

Profit attributable to equity shareholders from recurrent businesses was HK\$3,391 million in the first half of 2025 compared with the HK\$4,024 million that was recorded over the same period last year. This was mainly due to lower contributions from Hong Kong businesses, which were impacted by increased operating costs. Since we are now in the harvesting stage of our earlier property development projects, the period under review also saw higher property development profit of HK\$5,542 million. As a result, profit from underlying businesses increased by 55.0% to HK\$8,933 million. Including the loss arising from fair value measurement of investment properties (a non-cash accounting item) of HK\$1,224 million, net profit attributable to shareholders of the Company increased by 27.5% to HK\$7,709 million, representing earnings per share of HK\$1.24. Your Board has declared an interim dividend of HK\$0.42 per share, same as the first six months of 2024.

## OUTLOOK

We are moving prudently but confidently into the second half of the year, fully intent on helping Hong Kong achieve its aspirations for sustainable future growth. In the more than 45 years that MTR has been serving the city, it has established an enviable track record of quality railway network development. We look forward to extending the railway network via the many current initiatives under the Railway Development Strategy 2014 and Hong Kong Major Transport Infrastructure Development Blueprint. We stand ready to "Go Beyond Boundaries" to support Government's new initiatives, delivering world-class new railways in Hong Kong while adhering to prudent cost control and robust financial management. We will also continue to seek growth opportunities in Mainland China and overseas that align with our Corporate Strategy and enable us to build the MTR and Hong Kong brands internationally.

In the meantime, the world is still dealing with geopolitical and macroeconomic uncertainties that continue to influence key measurement parameters like inflation and interest rates. MTR's patronage has been steadily climbing since the pandemic – particularly High Speed Rail and Cross-boundary Service – but the success of our railway operations remains dependent to some extent on the health of the local and regional economies. Patronage may also be affected by aging demographics and evolving travel patterns such as the rising popularity of northbound travel by Hong Kong residents on weekends and holidays, the slow recovery of visitor arrivals, less nighttime traffic, and the continuation of work-from-home arrangements.

The Hong Kong retail sector has yet to fully recover from the effects of the pandemic on the local operating environment. In this new normal – characterised by increased northbound travel among local residents seeking cost-effective holidays as well as changing spending patterns among Mainland Chinese visitors – we are striving to adapt with the times and technologies, leveraging our popular MTR Mobile app as well as our growing capabilities in areas such as digital, social and offline-plus-online marketing to drive foot traffic and sales. We also continue to launch targeted, loyalty-driven sales campaigns and seasonal promotions in liaison with our station and mall tenants, regularly reviewing our retail mix to ensure it is on trend. Advertising revenue will continue to be dictated by advertiser appetite for spending in this current period of sluggish consumer sentiment.

In our property business – a key driver of our Rail plus Property strategy – we expect to tender Tung Chung East Station Package 2 and Tuen Mun A16 Station Package 1 in the coming 12 months or so depending on market conditions. We have also applied for pre-sale consent for THE SOUTHSIDE Package 6. Subject to the progress of construction and sales, we expect to book property development profit from LOHAS Park Package 12 and to continue booking profit from THE SOUTHSIDE Package 5 in the second half of the year. The state of the global and local economies and interest rate trends will continue to influence the future performance of this segment.

Finally, I want to take this opportunity before my term as Chief Executive Officer finishes at the end of 2025 to sincerely thank Chairman, the Board and everyone at MTR Corporation for their trust and support. It has been a pleasure working alongside such talented, dedicated and professional colleagues and to serve the people of Hong Kong, Mainland China and around the world for so many years. Since first joining the Company in 1995, I have had the honour of taking part in its remarkable growth story, including its public listing, the Rail Merger, and the completion of 27 railway projects in Hong Kong and globally. Furthermore, the Company endured difficult times such as the COVID pandemic, during which we kept up critical transport services, protected jobs, provided rent relief to our shop tenants and business partners, and maintained our fiscal strength and discipline. It has also been a delight to have been able to lead the Company into a new growth period with six new railway projects and into an era of innovation- and technology-enabled business progress. These cherished experiences will never be forgotten. I also want to congratulate Ms Jeny Yeung, who will assume the role of CEO on 1 January 2026. I wish Jeny every success in this challenging but exciting role. She has served MTR for more than 25 years, and her experience and passion will be invaluable as the Company sets a course to Keep Cities Moving over this next critical phase of infrastructure development and beyond.



Dr Jacob Kam Chak-pui  
*Chief Executive Officer*  
Hong Kong, 14 August 2025



# THE FIRST HALF IN REVIEW

## BUSINESS PERFORMANCE

### HONG KONG BUSINESSES

MTR's Hong Kong businesses comprise rail and bus transport services, station commercial activities such as retail rentals and advertising sales, property activities including development, rental and management, and the investment, design and construction of new railway lines

throughout the city. The Company operates according to a "Rail plus Property" business model ("R+P Model") that enables it to generate funds from property developments along existing railway lines to support future infrastructure projects as well as on-going operations and maintenance while also creating vibrant communities centred on convenient transport links.

### HONG KONG TRANSPORT SERVICES TRANSPORT OPERATIONS

#### HIGHLIGHTS

- MTR maintained world-class 99.9% train service delivery and passenger journeys on-time
- Company saw higher patronage and revenue from Cross-boundary Service and High Speed Rail ("HSR")
- Company continued to "Go Smart Go Beyond" by employing technological advancements and innovative solutions across its operations



| HK\$ million   | Six months ended 30 June |        |               |
|--|--------------------------|--------|---------------|
|  | 2025                     | 2024   | Inc./(Dec.) % |
| <b>Hong Kong Transport Operations</b>  |                          |        |               |
| Total Revenue  | <b>11,509</b>            | 11,138 | 3.3           |
| Operating Profit before Depreciation, Amortisation and Variable Annual Payment ("EBITDA")    | <b>3,966</b>             | 4,059  | (2.3)         |
| Profit before Interest, Finance Charges, Taxation and after Variable Annual Payment ("EBIT") | <b>98</b>                | 415    | (76.4)        |
| EBITDA Margin (in %)   | <b>34.5%</b>             | 36.4%  | (1.9)% pts.   |
| EBIT Margin (in %)   | <b>0.9%</b>              | 3.7%   | (2.8)% pts.   |

In the first half of 2025, revenue from Hong Kong transport operations was HK\$11,509 million, an increase of 3.3% compared to the same period last year, which was driven by higher contribution from Domestic Service as well as higher patronage for Cross-boundary

Service and HSR. Profit before interest, finance charges and taxation and net of the variable annual payment to Kowloon–Canton Railway Corporation ("KCRC") decreased to HK\$98 million, which was mainly attributable to higher operating costs.



## Patronage and Revenue

|                                       | Patronage<br>In million          |                | Revenue<br>HK\$ million          |                |
|---------------------------------------|----------------------------------|----------------|----------------------------------|----------------|
|                                       | Six months ended<br>30 June 2025 | Inc./ (Dec.) % | Six months ended<br>30 June 2025 | Inc./ (Dec.) % |
| <b>Hong Kong Transport Operations</b> |                                  |                |                                  |                |
| Domestic Service                      | <b>786.0</b>                     | (0.2)          | <b>7,241</b>                     | 2.9            |
| Cross-boundary Service                | <b>51.2</b>                      | 10.1           | <b>1,810</b>                     | 6.6            |
| HSR and Intercity                     | <b>14.7</b>                      | 16.2           | <b>1,656</b>                     | 2.1            |
| Airport Express                       | <b>6.4</b>                       | 2.3            | <b>402</b>                       | 2.8            |
| Light Rail and Bus                    | <b>105.4</b>                     | 0.9            | <b>355</b>                       | 5.7            |
|                                       | <b>963.7</b>                     | 0.7            | <b>11,464</b>                    | 3.4            |
| Others                                |                                  |                | <b>45</b>                        | (16.7)         |
| Total                                 |                                  |                | <b>11,509</b>                    | 3.3            |

Driven by enhanced cross-boundary transportation capacity, the more frequent two-way flow of travellers between Hong Kong and Mainland China has boosted patronage for Cross-boundary Service and HSR. Total patronage for all rail and bus services was 963.7 million compared to the 957.4 million recorded over the first half of 2024, representing an increase of 0.7%. Average weekday patronage increased by 1.2% to 5.65 million.

### Market Share

MTR's overall market share of the franchised public transport market in Hong Kong was 50.0% in the first five months of 2025 compared with 50.1% over the same period in 2024. Of this total, our share of cross-harbour traffic was 72.5% compared with 72.2% in the first five months of 2024.

The Company's share of the cross-boundary transport business in the first five months of 2025 decreased to 48.8% from 50.7%, mainly due to faster traffic growth at emerging land-based control points. Our share of traffic to and from the airport in the first five months of 2025 decreased to 17.7% from 18.3%, mainly due to increasing competition from other modes of transport.

### Fare Adjustment, Promotions and Concessions

In March 2025, we announced that MTR fares would remain unchanged in 2025/2026 in accordance with the Fare Adjustment Mechanism. The calculated fare adjustment rate of +1.45% fell within the range of  $\pm 1.5\%$  and will instead be rolled over to 2026/2027. The total rate of +1.91% to be recouped in 2025/2026 will also be carried forward to 2026/2027 for recoupment according

to the mechanism. The fare freeze demonstrates the mechanism's considerations of public affordability based on objective data that reflect Hong Kong's overall economic situation. We continued to offer fare concessions this year for passengers from all walks of life, including the elderly, children, eligible students, persons with disabilities and more, as well as the City Saver and HK\$0.5 interchange discount with Green Minibus while extending the Monthly Passes and Early Bird Discount for another year. An overall fare adjustment of +9.24% for Airport Express became effective on 22 June 2025 along with fare promotions for various passenger groups. This marked the first fare adjustment for this line since 2017.

### Service Performance

Over the first half of the year, MTR once again achieved a world-class level of 99.9% for both passenger journeys on-time and train service delivery, exceeding the Company's Operating Agreement commitment as well as its own, even more demanding Customer Service Pledge. During this period, MTR ran over 0.92 million train trips on its heavy rail network and more than 0.45 million trips on its light rail network, with six delays in total on heavy rail and no delays on light rail. Delays are defined as those lasting 31 minutes or more and attributable to factors within MTR's control. In all cases of delay, we investigated thoroughly to determine the cause and prevent future occurrences from happening. Eight follow-up actions aimed at strengthening the overall resilience of the railway network were formulated after the investigations of the incidents on the East Rail Line and Tseung Kwan O Line in the first half of 2025.

### Safety Performance

Over the first six months of 2025, the total number of reportable events on our heavy rail network and light rail network decreased year on year by 20%, demonstrating the high priority we place on public and staff safety. The drop in the number of cases also underscores the effectiveness of the Company's various safety initiatives, such as launching escalator safety initiatives targeted primarily towards youth and the elderly, reopening the MTR Safety Experience Zone and organising the Light Rail Model Pedestrian Campaign.

### Enhancing the Customer Experience

MTR is regarded as a global leader in mass transit because of its commitment to world-class safety and reliability as well as its focus on ensuring the highest possible level of passenger service. During the period under review, the Company continued to "Go Smart Go Beyond" by upgrading its networks and services with the latest innovations to provide a convenient, comfortable, smart and sustainable customer experience.

### Boosting Passenger Convenience

We continued to enhance service for passengers in the first half of 2025 with increased frequencies along the Tseung Kwan O Line. To address the diverse travel needs of passengers and promote inclusive mobility, the "Cat/Dog Carrying Trial Scheme" was launched on the Light Rail in May 2025 to provide greater convenience for passengers wishing to travel with their cats and dogs during weekends and public holidays. We were also pleased to trial a new Light Rail sightseeing route, "Tuen Mun Voyager" which enables passengers to explore the unique charm of the area, promotes local tourism and deepens traveller connections with local communities.

### Upgrade of Automatic Fare Collection System

As at 30 June 2025, 1,669 new or retrofitted Automatic Fare Collection ("AFC") system entry/ exit ticket gates had been installed under our HK\$1.3 billion upgrade programme, and 37 stations had completed replacements.

### New Trains

Our programme to replace older trains with newer, more comfortable Q-train models continued over the first six

months of 2025. A total of 28 new trains are now in use along the Kwun Tong and Island lines. Meanwhile, we commenced type testing of new Tung Chung Line trains, and new Disneyland Resort Line trains are in the design stage and expected to be brought into operation in 2028. We have also commenced the design stage for new trains along the Tuen Mun South Extension.

### Replacement of Signalling System

We continue to advance our programme replacing the existing SACEM signalling system along the Tsuen Wan, Island, Kwun Tong and Tseung Kwan O lines with a communication-based train control signalling system ("CBTC system"). Service along the Tsuen Wan Line is expected to commence in 2026, followed by implementation on the Island, Kwun Tong and Tseung Kwan O lines. Overall project completion is expected around 2029. Besides replacing long-serving assets, this programme facilitates our works to boost carrying capacity, increase passenger convenience and fulfil the Company's long-term operational needs.

### Replacement of Power Distribution Systems

During the review period, a large-scale power system replacement project designed to improve equipment performance and enhance the system reliability of power supply for train services and station operations is progressing. The first phase of the project covers the Kwun Tong and Tsuen Wan lines and is targeted for completion in 2028. The second phase covers the Island and Tseung Kwan O lines and is targeted for completion in 2032.

### Replacement of Air Conditioning Systems

Batch 2 of our programme to replace chillers at various stations with newer, more energy-efficient models is progressing, with 31 units to be replaced between 2022 and 2025. This initiative will provide passengers with additional comfort in stations while reducing our carbon footprint.

### Enhancing Station Facilities

Our programme to install automatic platform gates ("APGs") along the East Rail line was completed by the end of May 2025, about six months ahead of schedule. In all, approximately 1,600 APGs were installed across 13 stations.

## Operations Performance in the first half of 2025

| Service Performance Item  | Performance Requirement | Customer Service Pledge Target | Actual Performance |
|---|-------------------------|--------------------------------|--------------------|
| <b>Train service delivery</b>   |                         |                                |                    |
| – Island Line and South Island Line   | 99.0%                   | 99.5%                          | <b>99.9%</b>       |
| – Kwun Tong Line, Tsuen Wan Line and Tseung Kwan O Line   | 99.0%                   | 99.5%                          | <b>99.8%</b>       |
| – Tung Chung Line, Disneyland Resort Line and Airport Express   | 99.0%                   | 99.5%                          | <b>99.9%</b>       |
| – East Rail Line  | 99.0%                   | 99.5%                          | <b>99.8%</b>       |
| – Tuen Ma Line  | 99.0%                   | 99.5%                          | <b>99.9%</b>       |
| – Light Rail  | 99.0%                   | 99.5%                          | <b>99.9%</b>       |
| <b>Passenger journeys on-time</b>   |                         |                                |                    |
| – Kwun Tong Line, Tsuen Wan Line, Island Line, Tseung Kwan O Line, South Island Line, Tung Chung Line and Disneyland Resort Line  | 99.0%                   | 99.5%                          | <b>99.9%</b>       |
| – Airport Express   | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| – East Rail Line  | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| – Tuen Ma Line  | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| <b>Train punctuality</b>  |                         |                                |                    |
| – Island Line and South Island Line   | 98.5%                   | 99.0%                          | <b>99.8%</b>       |
| – Kwun Tong Line, Tsuen Wan Line and Tseung Kwan O Line   | 98.5%                   | 99.0%                          | <b>99.8%</b>       |
| – Tung Chung Line, Disneyland Resort Line and Airport Express   | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| – East Rail Line  | 98.5%                   | 99.0%                          | <b>99.8%</b>       |
| – Tuen Ma Line  | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| – Light Rail  | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| <b>Train reliability: train car-km per train failure causing delays <math>\geq 5</math> minutes</b>   |                         |                                |                    |
| – Kwun Tong Line, Tsuen Wan Line, Island Line, Tseung Kwan O Line, South Island Line, Tung Chung Line, Disneyland Resort Line and Airport Express                               | N/A                     | 1,000,000                      | <b>3,546,641</b>   |
| – East Rail Line and Tuen Ma Line   | N/A                     | 1,000,000                      | <b>6,804,753</b>   |
| <b>Ticket reliability: smart ticket transactions per ticket failure</b>   |                         |                                |                    |
| – Kwun Tong Line, Tsuen Wan Line, Island Line, Tseung Kwan O Line, South Island Line, Tung Chung Line, Disneyland Resort Line, Airport Express, East Rail Line and Tuen Ma Line | N/A                     | 18,000                         | <b>49,501</b>      |
| <b>Add value machine reliability</b>  |                         |                                |                    |
| – Kwun Tong Line, Tsuen Wan Line, Island Line, Tseung Kwan O Line, South Island Line, Tung Chung Line, Disneyland Resort Line and Airport Express                               | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| – East Rail Line  | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| – Tuen Ma Line  | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| <b>Ticket machine reliability</b>   |                         |                                |                    |
| – Kwun Tong Line, Tsuen Wan Line, Island Line, Tseung Kwan O Line, South Island Line, Tung Chung Line, Disneyland Resort Line and Airport Express                               | 98.0%                   | 99.0%                          | <b>99.8%</b>       |
| – East Rail Line  | 98.0%                   | 99.0%                          | <b>99.9%</b>       |
| – Tuen Ma Line  | 98.0%                   | 99.0%                          | <b>99.9%</b>       |
| – Light Rail  | N/A                     | 99.0%                          | <b>99.9%</b>       |
| <b>Ticket gate reliability</b>  |                         |                                |                    |
| – Kwun Tong Line, Tsuen Wan Line, Island Line, Tseung Kwan O Line, South Island Line, Tung Chung Line, Disneyland Resort Line and Airport Express                               | 98.0%                   | 99.0%                          | <b>99.9%</b>       |
| – East Rail Line  | 98.0%                   | 99.0%                          | <b>99.9%</b>       |
| – Tuen Ma Line  | 98.0%                   | 99.0%                          | <b>99.9%</b>       |
| <b>Light Rail platform Octopus processor reliability</b>  | N/A                     | 99.0%                          | <b>99.9%</b>       |
| <b>Escalator reliability</b>  |                         |                                |                    |
| – Kwun Tong Line, Tsuen Wan Line, Island Line, Tseung Kwan O Line, South Island Line, Tung Chung Line, Disneyland Resort Line and Airport Express                               | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| – East Rail Line  | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| – Tuen Ma Line  | 98.5%                   | 99.0%                          | <b>99.9%</b>       |
| <b>Passenger lift reliability</b>   |                         |                                |                    |
| – Kwun Tong Line, Tsuen Wan Line, Island Line, Tseung Kwan O Line, South Island Line, Tung Chung Line, Disneyland Resort Line and Airport Express                               | 99.0%                   | 99.5%                          | <b>99.9%</b>       |
| – East Rail Line  | 99.0%                   | 99.5%                          | <b>99.9%</b>       |
| – Tuen Ma Line  | 99.0%                   | 99.5%                          | <b>99.9%</b>       |
| <b>Temperature and ventilation</b>  |                         |                                |                    |
| – Trains, except Light Rail: to maintain a cool, pleasant and comfortable train environment generally at or below 26°C  | N/A                     | 97.5%                          | <b>99.9%</b>       |
| – Light Rail: on-train air-conditioning failures per month  | N/A                     | <3                             | <b>0</b>           |
| – Stations: to maintain a cool, pleasant and comfortable environment generally at or below 27°C for platforms and 29°C for station concourses, except on very hot days          | N/A                     | 94.0%                          | <b>99.9%</b>       |
| <b>Cleanliness</b>  |                         |                                |                    |
| – Train compartment: cleaned daily  | N/A                     | 99.0%                          | <b>100%</b>        |
| – Train exterior: washed every two days (on average)  | N/A                     | 99.0%                          | <b>100%</b>        |
| <b>Northwest transit service area bus service</b>   |                         |                                |                    |
| – Service Delivery  | N/A                     | 99.0%                          | <b>99.9%</b>       |
| – Cleanliness: washed daily   | N/A                     | 99.0%                          | <b>100%</b>        |
| <b>Passenger enquiry response time within six working days</b>  | N/A                     | 99.0%                          | <b>100%</b>        |

## Smart Mobility, Operations and Maintenance

At MTR, we constantly strive to innovate the passenger journey with smart technologies that provide greater convenience and an even higher-quality customer experience at multiple touchpoints. In March 2025, we upgraded our MTR Mobile app to include more personalised, real-time information, enhanced the app's "Trip Planner", "Next Train" and "Traffic News" features, and improved the accuracy of journey time estimations. In May, we launched the "e-City Saver" on MTR Mobile, enabling members to purchase the City Saver as a QR code ticket and skip the queues for physical tickets at Customer Service Centres, among numerous other benefits.

We are actively integrating advanced technologies, including AI and deep learning, to strengthen our operational resilience and play a leading role in shaping smart mobility solutions as well as smart operations and maintenance. Some of our award-winning projects included the "Hypersonic Acoustic and Vibration Fusion Sensor", "Automatic Tunnel Inspections System" and "Metro Maestro", the latter of which is a smart mobility solution that uses machine learning and big data analytics to reveal ridership patterns, predict passenger flow and assist with crowd management. During the period under review, we also continued to explore innovative applications for low-altitude drone technology, including railway operations and maintenance.

## HONG KONG TRANSPORT SERVICES STATION COMMERCIAL BUSINESSES

### HIGHLIGHTS

- Station retail revenue increased mainly due to higher rentals from Duty Free shops
- Advertising revenue affected by economic uncertainties and changing consumer patterns among locals and tourists



| HK\$ million                                   | Six months ended 30 June |       |                |
|--|--------------------------|-------|----------------|
|  | 2025                     | 2024  | Inc./ (Dec.) % |
| <b>Hong Kong Station Commercial Businesses</b> |                          |       |                |
| Station Retail Rental Revenue                  | <b>1,834</b>             | 1,787 | 2.6            |
| Advertising Revenue                            | <b>451</b>               | 496   | (9.1)          |
| Telecommunication Income                       | <b>272</b>               | 296   | (8.1)          |
| Other Station Commercial Income                | <b>64</b>                | 59    | 8.5            |
| Total Revenue                                  | <b>2,621</b>             | 2,638 | (0.6)          |
| EBITDA   | <b>2,244</b>             | 2,328 | (3.6)          |
| EBIT   | <b>1,798</b>             | 1,897 | (5.2)          |
| EBITDA Margin (in %)                           | <b>85.6%</b>             | 88.2% | (2.6)% pts.    |
| EBIT Margin (in %)                             | <b>68.6%</b>             | 71.9% | (3.3)% pts.    |

In the first half of 2025, total revenue from all Hong Kong station commercial activities decreased by 0.6% year on year to HK\$2,621 million. This was mainly due to declines in advertising and telecommunication revenue, which were partially offset by higher rental revenue from station retail business.

### Station Retail

Station retail rental revenue over the first six months of 2025 increased by 2.6% to HK\$1,834 million. This was primarily attributed to higher rentals from Duty Free shops. As at 30 June 2025, the total number of retail shops in our stations was 1,585, covering 71,386 square metres of station retail area. Rental reversion and average occupancy rates for our station kiosks were -7.0% and 98.6%, respectively.

The Hong Kong retail market remained soft during the period under review, characterised once again by low consumer sentiment and changing shopping behaviours, especially the growing popularity of cross-boundary spending by Hong Kong residents and shifting purchasing habits by Mainland tourists. To drive spending at station shops, we held a variety of sales promotion campaigns through the MTR Mobile app. We also introduced more pop-up stores carrying enticing new brands and products to drive foot traffic. In the meantime, we continued to offer flexible and/ or shorter-term leases to build tenant relationships and regularly reviewed our tenant mix to ensure that our retail offerings are in line with consumer expectations.

As at 30 June 2025, the lease expiry profile of our station kiosks (including Duty Free shops) by area occupied was such that approximately 23% will expire in the second half of 2025, 28% in 2026, 36% in 2027, and 13% in 2028 and beyond.

In terms of trade mix, food and beverage accounted for approximately 37% of the leased area of our station kiosks (excluding Duty Free shops), followed by cake shops at 13%, convenience stores at 13%, passenger services at 10% and others at 27% as at 30 June 2025.

### Advertising

Revenue from advertising decreased by 9.1% to HK\$451 million in the first half of 2025. This was mainly due to economic uncertainties and low consumer sentiment impacting advertiser spending. In this challenging environment, we continue to adapt our offerings away from traditional media and towards more targeted, results-driven digital strategies to meet the evolving preferences of local advertisers. We also launched personalised ads and extended our digital portrait and digital landscape networks during the period under review. As at 30 June 2025, the total number of advertising units in MTR stations and trains was 42,625.

### Telecommunications

Revenue from our telecommunications business decreased by 8.1% to HK\$272 million over the first six months of 2025, mainly due to lower income from bandwidth service and common systems. All MTR stations now offer 5G service, and a new commercial system supporting more 5G services and providing faster data throughput is now available in 10 stations, with 14 more stations expected to host the system in future. We continue to operate our Tseung Kwan O data centre business while exploring other data centre business opportunities.



## PROPERTY BUSINESSES

### HIGHLIGHTS

- Property development profit recognised mainly from Ho Man Tin Station packages 1 and 2 and THE SOUTHSIDE packages 3 and 5
- Property rental revenue affected by the challenging retail environment in Hong Kong



### Property Rental and Management

| HK\$ million  | Six months ended 30 June |       |                |
|---|--------------------------|-------|----------------|
|   | 2025                     | 2024  | Inc./ (Dec.) % |
| <b>Hong Kong Property Rental and Property Management Businesses</b> |                          |       |                |
| Revenue from Property Rental  | <b>2,500</b>             | 2,545 | (1.8)          |
| Revenue from Property Management                                    | <b>157</b>               | 143   | 9.8            |
| Total Revenue   | <b>2,657</b>             | 2,688 | (1.2)          |
| EBITDA  | <b>2,101</b>             | 2,163 | (2.9)          |
| EBIT  | <b>2,084</b>             | 2,154 | (3.2)          |
| EBITDA Margin (in %)  | <b>79.1%</b>             | 80.5% | (1.4)% pts.    |
| EBIT Margin (in %)  | <b>78.4%</b>             | 80.1% | (1.7)% pts.    |

### Property rental

Property rental revenue decreased by 1.8% to HK\$2,500 million in the first half of 2025, mainly due to the continued impact of negative rental reversion driven by on-going northbound spending and shifting consumption patterns. MTR shopping malls in Hong Kong recorded a rental reversion of -7.8% and an average occupancy rate of 99%. The Company's 18 floors in Two International Finance Centre were 98% let on average.

Hong Kong's retail environment remained challenging over the first six months of the year as many residents continued to travel to Mainland China on weekends and holidays. However, MTR shopping mall tenants still benefit to a degree from being located in convenient,

high-traffic areas around major transport hubs. We also continued to launch promotional activities and leveraged the MTR Mobile app and MTR Points Loyalty Scheme to drive traffic and sales at our shopping malls during the period under review.

As at 30 June 2025, our attributable share of investment properties in Hong Kong was 315,882 square metres of lettable floor area of retail properties, 39,451 square metres of lettable floor area of office space and 19,206 square metres of property for other use.

As at 30 June 2025, the lease expiry profile of our shopping malls by area occupied was such that approximately 10% will expire in the second half of 2025, 36% in 2026, 29% in 2027, and 25% in 2028 and beyond.

## Property Development Packages Awarded and in Progress

| Location   | Developers  | Type                  | Gross floor area (sq. m.) | Tender award date | Expected completion date  |
|--|---|-----------------------|---------------------------|-------------------|---|
| <b>Ho Man Tin Station</b>                        |   |                       |                           |                   |   |
| ONMANTIN   | Great Eagle Group   | Residential           | 69,000                    | December 2016     | By phases in 2025   |
| IN ONE   | Chinachem Group   | Residential           | 59,400                    | October 2018      | By phases from 2024 to 2025   |
| <b>LOHAS Park Station</b>                        |   |                       |                           |                   |   |
| SEASONS PLACE/<br>PARK SEASONS/<br>GRAND SEASONS | Wheelock and Company Limited  | Residential           | 89,290                    | February 2020     | By phases in 2025   |
| Package 13                                       | Sino Land Company Limited, Kerry Properties Limited, K. Wah International Holdings Limited and China Merchants Land Limited                       | Residential           | 143,694                   | October 2020      | By phases in 2026   |
| <b>Tai Wai Station</b>                           |   |                       |                           |                   |   |
| THE PAVILIA FARM                                 | New World Development Company Limited   | Residential           | 190,480                   | October 2014      | Phases I and II completed in 2022<br>Phase III to be confirmed<br>Completed in 2022 |
|  |   | Retail                | 60,620*                   |                   |   |
| <b>Tin Wing Stop</b>                             |   |                       |                           |                   |   |
| YOHO WEST  | Sun Hung Kai Properties Limited   | Residential<br>Retail | 91,051<br>205             | February 2015     | By phases from 2024 to 2025   |
| <b>Wong Chuk Hang Station (THE SOUTHSIDE)</b>    |   |                       |                           |                   |   |
| Blue Coast/Blue Coast II                         | CK Asset Holdings Limited   | Residential<br>Retail | 92,900<br>47,000          | August 2018       | Completed in 2025<br>Completed in 2023  |
| Deep Water Pavilia/<br>Deep Water Pavilia II     | New World Development Company Limited, Empire Development Hong Kong (BVI) Limited, CSI Properties Limited and Lai Sun Development Company Limited | Residential           | 59,100                    | January 2021      | 2026  |
| Package 6  | Wheelock Properties Limited   | Residential           | 46,800                    | April 2021        | 2028  |
| <b>Yau Tong Ventilation Building</b>             |   |                       |                           |                   |   |
| Yau Tong Ventilation Building                    | Sino Land Company Limited and CSI Properties Limited  | Residential           | 30,225                    | May 2018          | 2026  |
| <b>Pak Shing Kok Ventilation Building</b>        |   |                       |                           |                   |   |
| Pak Shing Kok Ventilation Building               | New World Development Company Limited and China Merchants Land Limited  | Residential           | 27,006                    | April 2022        | 2031  |
| <b>Tung Chung Traction Substation</b>            |   |                       |                           |                   |   |
| Tung Chung Traction Substation                   | Chinachem Group   | Residential           | 87,288                    | July 2022         | 2031  |
| <b>Tung Chung East Station</b>                   |   |                       |                           |                   |   |
| Package 1  | Nan Fung Group Holdings Limited   | Residential           | 30,000                    | December 2024     | 2031  |
| <b>Kam Sheung Road Station<sup>#</sup></b>       |   |                       |                           |                   |   |
| GRAND MAYFAIR                                    | Sino Land Company Limited, China Overseas Land & Investment Limited and K. Wah International Holdings Limited                                     | Residential           | 114,896                   | May 2017          | By phases from 2024 to 2025   |

# as a development agent for the relevant subsidiaries of KCRC

\* excluding a bicycle park with cycle track

## Property Development Packages to be Awarded<sup>(1)</sup>

| Location                             | Type                                  | Gross floor area (sq. m.)  | Period of package tenders | Expected completion date |
|--------------------------------------|---------------------------------------|----------------------------|---------------------------|--------------------------|
| Oyster Bay                           | Residential<br>Retail<br>Kindergarten | 826,000<br>30,000<br>4,500 | To be confirmed           | To be confirmed          |
| Tung Chung East Station              | Mixed-use Development                 | 598,400                    | 2025 – 2029               | 2032 – 2036              |
| Tuen Mun A16 Station <sup>(2)</sup>  | Mixed-use Development                 | 397,700                    | 2025 – 2030               | To be confirmed          |
| Kwu Tung Station <sup>(2)</sup>      | Mixed-use Development                 | 303,300                    | To be confirmed           | To be confirmed          |
| Hung Shui Kiu Station <sup>(2)</sup> | Mixed-use Development                 | 574,100                    | To be confirmed           | To be confirmed          |

Notes:

1 Property development packages for which we are acting as development agent for the relevant subsidiaries of KCRC are not included.

2 These property development packages are subject to review in accordance with land grant conditions and completion of statutory processes.

## THE FIRST HALF IN REVIEW

In terms of trade mix, food and beverage accounted for approximately 31% of the leased area of our shopping malls, followed by fashion, beauty and accessories at 21%, services at 20%, leisure and entertainment at 19%, and department stores and supermarkets at 9% as at 30 June 2025.

### Property management

Property management revenue in Hong Kong increased by 9.8% to HK\$157 million over the first six months of the year, which was mainly due to the incremental income from new intake of managed units. As at 30 June 2025, MTR managed over 128,000 residential units and over 920,000 square metres of commercial and office space.

### Property Development and Tendering

Hong Kong property development profit (post-tax) for the first half of 2025 was HK\$5,530 million, which was mainly due to profit recognition from Ho Man Tin Station packages 1 and 2 as well as THE SOUTHSIDE packages 3 and 5.

### Pre-sales and Sales Activities

Pre-sales and sales activities continued over the first six months of the year. For Ho Man Tin Station packages, ONMANTIN and IN ONE were 72% and 70% sold, respectively, as at 30 June 2025. Located at Tai Wai Station, THE PAVILIA FARM I and THE PAVILIA FARM II were 98% sold as at 30 June 2025.

For LOHAS Park packages, VILLA GARDA I, VILLA GARDA II and VILLA GARDA III (Package 11) were 45% sold as at 30 June 2025. Pre-sales for GRAND SEASONS (Package 12 Phase XIIC) launched in January 2025 and were 34% sold as at 30 June 2025. Pre-sales continued for SEASONS PLACE and PARK SEASONS (Package 12 phases XIIA and XIIB) and were 76% sold as at 30 June 2025.

At THE SOUTHSIDE, pre-sales for Deep Water Pavilia (Package 5 Phase 5A) launched in May 2025 and were 78% sold as at 30 June 2025. Pre-sales continued for Blue Coast and Blue Coast II (Package 3 phases 3B and 3C) and were 75% sold as at 30 June 2025. SOUTHLAND (Package 1), La Marina (Package 2) and LA MONTAGNE (Package 4 Phase 4A) were 96%, 96% and 63% sold, respectively, as at 30 June 2025.

Located at Tin Wing Stop, YOHO WEST (Phase 1) was 87% sold as at 30 June 2025. Pre-sales for YOHO WEST PARKSIDE (Phase 2) launched in February 2025 and were 97% sold as at 30 June 2025. Meanwhile, we obtained pre-sale consent for LOHAS Park Package 13 (Phase XIIIA and XIIB) and the Yau Tong Ventilation Building property development in November 2024 and February 2025, respectively. The application for pre-sale consent for THE SOUTHSIDE Package 6 is in progress.

For West Rail properties, where we act as agent for relevant subsidiaries of KCRC, sales activities continued for the Cullinan West Development (Nam Cheong Station Package). As at 30 June 2025, The YOHO Hub and The YOHO Hub II (Yuen Long Station Package) were 63% sold. Sales for GRAND MAYFAIR I and II (Kam Sheung Road Station Package 1) continued, with 86% of units sold as at 30 June 2025.

### Property Tendering

We monitor market conditions closely and conduct reviews of our property tendering programme accordingly. We anticipate tendering Tung Chung East Station Package 2 and Tuen Mun A16 Station Package 1 in the coming 12 months or so.

### Expanding the Property Portfolio

As at 30 June 2025, the Company had 10 residential property projects that are expected to deliver approximately 9,000 more units to the housing market in the coming years. We also continue to explore the potential for development in other areas along our existing and future railway lines. During the year, we continued working on development sites for railway expansion projects such as Oyster Bay Station, the Tung Chung East Station site on the Tung Chung Line Extension and the A16 Station site on the Tuen Mun South Extension as well as the sites at Kwu Tung and Hung Shui Kiu stations and the Northern Link project. We are also conducting a study on developing the waterfront and former pier sites located to the south of Hung Hom Station into a new harbourfront landmark as well as a study on the Pak Shek Kok Station property development.

## HONG KONG NETWORK EXPANSION

### HIGHLIGHTS

- Entered into the Northern Link (Part 1) Project Agreement with Government on 8 July 2025
- Continued to advance works on several important new railway and station projects designed to enhance links between major population centres



MTR continues to “Go Beyond Boundaries” in developing the railway infrastructure needed to support Hong Kong’s future growth. In the first half of 2025, we continued to invest resources into new projects that will connect existing and future communities with world-class mass transit services and provide growth opportunities benefitting the Company and its shareholders. Construction of many new railway projects is now in full swing. We are proactively managing project-specific challenges, including building new tracks and stations on operating lines. The projects team has to optimise the “Golden Two Hours” during non-traffic hours and coordinate closely with the operations and maintenance team to avoid train service disruptions. To progress multiple projects on existing railway sections, the projects team initiated preparations early with prudent planning, careful risk management and well-organised working procedures. Innovative technologies and flexible work plans tailored to each project have been introduced to minimise risks to the existing rail service and to enhance construction efficiency and quality. Backed by deep expertise in project design, construction and management, and supported by innovative technologies and new construction methods, our dedicated teams are committed to delivering a more connected and accessible future for Hong Kong.

### Projects in Progress

#### Tung Chung Line Extension

In February 2023, MTR signed the Project Agreement with Government for the financing, design, construction, operation and maintenance of the Tung Chung Line Extension, a major project that will serve new town extensions in the Tung Chung East new reclamation area

and Tung Chung West, enhance connectivity in Lantau North, and support sustainable, long-term population and economic growth. It is being funded by the financial contribution from the R+P Model and the Company’s internal resources. In the first half of 2025, we commenced westbound tunnel construction works using the tunnel boring machine “Xihe” and plan to commence eastbound tunnel construction works by the end of 2025. The Tung Chung Line Extension is expected to be completed in 2029.

#### Oyster Bay Station

In September 2022, MTR entered into a Project Agreement with Government for the financing, design, construction, operation and maintenance of Oyster Bay Station, a project located at Siu Ho Wan between Sunny Bay and Tung Chung stations that is designed to enhance connectivity in Lantau North and cater to the future population of Oyster Bay. In the first half of 2025, 50% of the bored piling works had been completed at Siu Ho Wan Depot. Piling and foundation works on remaining areas for Oyster Bay Station will continue during the year. The station is expected to be completed in 2030.

#### Tuen Mun South Extension

In September 2023, MTR signed the Project Agreement with Government for the financing, design, construction, operation and maintenance of the Tuen Mun South Extension. This project involves extending the Tuen Ma Line southward by approximately 2.4 km from Tuen Mun Station by way of a viaduct as well as building an intermediate station at Area 16 and a new terminal station at Tuen Mun South near the Tuen Mun Ferry Terminal. Foundation construction for Tuen Mun South Station, A16 Station and the viaduct sections has commenced.

Regarding the reprovision of the new Tuen Mun Swimming Pool, critical works have already approached the final stage to facilitate handover to Government by the end of 2025. Only after this can the construction of the A16 Station fully commence. The overall project, which is being funded by financial contributions from the R+P Model and the Company's internal resources, is expected to be completed in 2030.

### Kwu Tung Station on the East Rail Line

In September 2023, the Company signed the Project Agreement with Government for the financing, design, construction, operation and maintenance of Kwu Tung Station on the East Rail Line, a new station to be situated in the town centre of the future Kwu Tung North New Development Area between Lok Ma Chau and Sheung Shui stations on the East Rail Line. The project is being funded by financial contributions from the R+P Model and the Company's internal resources. The first half of 2025 saw significant progress on station civil works with the completion of the underground structure to ground-floor level in June 2025. Works on the station structure are in full swing, and the station is set to be topped out in the fourth quarter of this year. Installation of the platform screen doors has also begun. The project's target date for completion remains 2027, at which time it will become the Hong Kong MTR network's 100<sup>th</sup> heavy rail station and the first to be commissioned in this wave of new railway projects.

### Hung Shui Kiu Station

In September 2024, the Company signed the Project Agreement with Government for the financing, design, construction, operation and maintenance of Hung Shui Kiu Station, a new station to be located on the Tuen Ma Line between Tin Shui Wai and Siu Hong stations that will serve the future Hung Shui Kiu/ Ha Tsuen New Development Area in the western part of the Northern Metropolis. Detailed design works have commenced, and the parapet wall of the Tuen Ma Line viaduct section along the new station location was removed in May 2025 in preparation for the start of main works for station construction. The project is being funded by the financial contribution from the R+P Model and the Company's internal resources and is expected to be completed in 2030.

### Northern Link

On 8 July 2025, the Company signed the Northern Link (Part 1) Project Agreement with Government for the financing and construction of parts of the Northern Link Main Line ("Main Line") and commencement of detailed planning and design for the Northern Link Spur Line ("Spur Line").

The 10.7-km Main Line comprises two terminal and interchange stations at Kwu Tung and Kam Sheung Road, connecting to the East Rail Line and Tuen Ma Line, respectively, as well as three intermediate stations at San Tin, Ngau Tam Mei and Au Tau. In April 2025, the Chief Executive in Council authorised the railway scheme of the Main Line under the Railways Ordinance. The 6.2-km Spur Line connects by the interchange San Tin Station to Huanggang Port in Shenzhen via Chau Tau and The Loop stations. The commissioning of both lines is targeted for no later than 2034. The construction works of the Part 1 Project Agreement will be funded by financial contributions from the R+P Model and the Company's internal resources.

### Supporting New Railway Projects

Following the signing of the Northern Link (Part 1) Project Agreement in July 2025, the Company and Government have been actively engaged in discussions to finalise the signing of the (Part 2) Project Agreement, which will cover the financing and construction of the remaining works of the Main Line and Spur Line as well as the operation and maintenance of both lines. The Company is committed to optimising synergy and cost efficiency and to accomplishing the simultaneous commissioning of the Main Line and Spur Line no later than 2034. Government has announced its intention to proceed with MTR using the ownership approach, and different funding models, including the R+P Model, may be deployed to ensure commercial returns on the Company's investments. The Company is proactively studying a range of financing approaches in order to determine the optimal means of delivering the next stage of Hong Kong's railway growth story.

We continue to provide support to Government on the South Island Line (West), Pak Shek Kok Station on the East Rail Line and numerous other railway initiatives, including the Central Rail Link, Tseung Kwan O Line Southern Extension, Northern Link Eastern Extension and Northeast New Territories Line, all of which are part of the "Hong Kong Major Transport Infrastructure Development Blueprint" that was announced by Government in 2023. In addition, we are closely monitoring the progress of the Hong Kong-Shenzhen Western Rail Link as well as smart and green mass transit system initiatives in areas such as East Kowloon, Kai Tak, and the Hung Shui Kiu/ Ha Tsuen and Yuen Long South New Development Areas, providing full support where required. We will consider investing in these initiatives if investment returns are commercially justified.



## MAINLAND CHINA AND INTERNATIONAL BUSINESSES

### HIGHLIGHTS

- Continued to progress station commercial business in Chengdu, Zhengzhou and Xi'an
- Works continued on southwest section of Sydney Metro M1 Metro North West & Bankstown Line, other sections of Shenzhen Metro Line 13 and middle section of Beijing Metro Line 17



Our Mainland China and international businesses represent a growth pillar for the Company, helping diversify our revenue streams geographically while promoting the MTR and Hong Kong brands in markets

around the world. Over the first six months of 2025, MTR, its subsidiaries, associates and joint ventures served approximately 1.2 billion passengers in Mainland China, Europe and Australia.

#### Mainland China and International Businesses

| Six months ended 30 June<br>HK\$ million  | Mainland China and Macao<br>Railway, Property Rental<br>and Property Management<br>Businesses |              |                | International Railway<br>Businesses |            |                | Total      |            |                |
|---|---|--------------|----------------|-------------------------------------|------------|----------------|------------|------------|----------------|
|   | 2025  | 2024         | Inc./ (Dec.) % | 2025                                | 2024       | Inc./ (Dec.) % | 2025       | 2024       | Inc./ (Dec.) % |
| <b>Recurrent Businesses</b>   |   |              |                |                                     |            |                |            |            |                |
| <b>Subsidiaries</b>   |   |              |                |                                     |            |                |            |            |                |
| Revenue   | 514   | 937          | (45.1)         | 9,669                               | 11,492     | (15.9)         | 10,183     | 12,429     | (18.1)         |
| EBITDA  | 40  | 14           | 185.7          | 636                                 | 695        | (8.5)          | 676        | 709        | (4.7)          |
| EBIT  | (161)   | (114)        | (41.2)         | 570                                 | 600        | (5.0)          | 409        | 486        | (15.8)         |
| EBITDA Margin (in %)  | 7.8%  | 1.5%         | 6.3% pts.      | 6.6%                                | 6.0%       | 0.6% pt.       | 6.6%       | 5.7%       | 0.9% pt.       |
| EBIT Margin (in %)  | (31.3)%   | (12.2)%      | (19.1)% pts.   | 5.9%                                | 5.2%       | 0.7% pt.       | 4.0%       | 3.9%       | 0.1% pt.       |
| <b>Recurrent Business (Loss)/Profit<br/>(Net of Non-controlling Interests)</b>        | <b>(173)</b>  | <b>(132)</b> | <b>(31.1)</b>  | <b>329</b>                          | <b>368</b> | <b>(10.6)</b>  | <b>156</b> | <b>236</b> | <b>(33.9)</b>  |
| <b>Associates and Joint Ventures</b>  |   |              |                |                                     |            |                |            |            |                |
| <b>Share of Profit</b>  | <b>377</b>  | <b>401</b>   | <b>(6.0)</b>   | <b>12</b>                           | <b>47</b>  | <b>(74.5)</b>  | <b>389</b> | <b>448</b> | <b>(13.2)</b>  |
| <b>Total Recurrent Business Profit<br/>(before Business Development<br/>Expenses)</b> | <b>204</b>  | <b>269</b>   | <b>(24.2)</b>  | <b>341</b>                          | <b>415</b> | <b>(17.8)</b>  | <b>545</b> | <b>684</b> | <b>(20.3)</b>  |
| <b>Profit Attributable to Shareholders of the Company for the Period</b>              |   |              |                |                                     |            |                |            |            |                |
| – Arising from Recurrent Businesses (before Business Development Expenses)            |   |              |                |                                     |            |                | 545        | 684        | (20.3)         |
| – Business Development Expenses   |   |              |                |                                     |            |                | (127)      | (142)      | 10.6           |
| – Arising from Recurrent Businesses (after Business Development Expenses)             |   |              |                |                                     |            |                | 418        | 542        | (22.9)         |
| – Arising from Mainland China Property Development                                    |   |              |                |                                     |            |                | 12         | 18         | (33.3)         |
| – Arising from Underlying Businesses  |   |              |                |                                     |            |                | 430        | 560        | (23.2)         |

Excluding Mainland China property development, our railway, property rental and management subsidiaries (after business development expenses), together with our associates and joint ventures outside of Hong Kong, contributed a net after-tax profit of HK\$418 million in the first half of 2025 on an attributable basis compared with the net after-tax profit of HK\$542 million that was recorded over the same period last year.

In our Mainland China businesses, total recurrent business profit from our railway, property rental and property management subsidiaries, associates and joint ventures decreased to HK\$204 million in the first half of 2025. This was due in part to the operating losses arising from the opening of the initial section of Shenzhen Metro Line 13 Phase 1 in end-2024 and a lower contribution from our Hangzhou railway business.

In our international businesses, total recurrent business profit from our railway subsidiaries, associates and joint ventures decreased to HK\$341 million in the first half of 2025. This was mainly due to having a lower contribution from the South Western Railway and no contribution from MTRX during the period under review following the disposal of the business in May last year.

### Railway Businesses in Mainland China

#### Beijing

In Beijing, our associate operates Beijing Metro Line 4, the Daxing Line, Beijing Metro Line 14, Beijing Metro Line 16, and the Southern and Northern sections of Beijing Metro Line 17. All lines achieved stable operations with average on-time performance exceeding 99.9% in the first half of 2025. The middle section of Beijing Metro Line 17 is under construction and scheduled to be opened by the end of 2025.

#### Shenzhen

##### *Shenzhen Metro Line 4*

Shenzhen Metro Line 4 ("SZL4"), including the SZL4 North Extension, is operated by our wholly owned subsidiary. The line maintained stable operations during the first half of the year with average on-time performance of 99.9% and a gradual increase in patronage.

As previously stated, there has been no increase in fares for SZL4 since we began operating the line in 2010. We expect that the mechanism and procedures for fare adjustments will take time to implement and that patronage will remain at a lower level for longer than

expected. 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*

The initial section of Shenzhen Metro Line 13 ("SZL13") Phase 1 opened in December 2024 and achieved stable operations with on-time performance of 99.9% over the first six months of 2025. Other sections of SZL13 remain under construction as planned.

#### Hangzhou

##### *Hangzhou Metro Line 1 and Its Extensions*

In Hangzhou, Hangzhou Metro Line 1 ("HZL1"), the Xiasha Extension and Airport Extension achieved stable operations during the period under review with average on-time performance of 99.9%.

As we have previously reported, HZL1 has been loss-making in recent years due to slow growth in patronage and the pandemic. As there is no patronage protection mechanism under this concession agreement, the line's long-term financial viability will be impacted if patronage remains at a lower level over a further period of time, especially when compounded by the lower average fare resulting from the expanded network.

##### *Hangzhou Metro Line 5*

Hangzhou Metro Line 5 achieved stable operations during the first six months of the year with average on-time performance of 99.9% and a gradual increase in patronage.

### Property Businesses in Mainland China

MTR is also involved in the development and management of commercial and residential properties in Mainland China. The Company continues to study possible strategic options for its malls in the country due to challenging retail and property market conditions. Following our exit from Ginza Mall in Beijing in May 2024, we continue to evaluate strategic options for TIA Mall in Shenzhen and the shopping mall at Tianjin's Beiyunhe Station, where preparations remain underway for an opening targeted after 2026.

Our transit-oriented development ("TOD") project at Hangzhou West Station continued during the period under review. Meanwhile, we continue to provide TOD consultancy services for the Shenzhen Xili Station Comprehensive Transportation Hub and Beijing Sub-Centre Station Comprehensive Transportation Hub.

## Other Businesses in Mainland China

Our station commercial businesses in Chengdu, Zhengzhou and Xi'an continued to progress and now cover over 700 station shops; meanwhile, we are exploring further opportunities to extend the business to other Mainland cities.

On 10 July 2025, our wholly owned subsidiary, MTR (Beijing) Investment Co., Ltd., entered into an agreement with the existing shareholders to invest in CRRC Guangdong Co., Ltd., marking our first investment in the railway equipment industry in Guangdong Province.

## International Railway Businesses

### Australia

The Melbourne metropolitan rail network achieved stable operations during the period under review. Our concession for this service currently runs to November 2027. We continue to support our client, the Victoria State Government, on various network improvement initiatives. These include the new 9-km Metro Tunnel, scheduled to open this year, which will provide a new railway connection through Melbourne's central business district and boost capacity by more than half a million passengers a week.

The Sydney Metro M1 Metro North West & Bankstown Line achieved stable operations over the first six months of the year. Works for the line's southwest section are on-going in preparation for opening in 2026.

### Sweden

Stockholm Metro (Stockholms tunnelbana) achieved stable operations over the first half of the year. The service contract for this service will end in November 2025.

### United Kingdom

In the United Kingdom, we completed the handover of operations for the Elizabeth line and South Western Railway to the next operators in May 2025.

## Growth Outside of Hong Kong

Our bid for the Sydney Metro West project was submitted in late 2024, and the result is expected in the second half of 2025. Elsewhere, we continue to seek growth opportunities in Mainland China and overseas, including Belt and Road countries.

## OTHER BUSINESSES

### Ngong Ping 360

Revenue from Ngong Ping 360 increased by 0.8% to HK\$241 million in the first half of 2025 with visitation of 0.75 million. The attraction continued to drive patronage and spending through a variety of marketing initiatives, including seasonal promotions and a collaboration with the popular Hong Kong film "Four Trails". Eleven new Crystal+ cabins were tested, commissioned and added to the Ngong Ping 360 fleet, bringing the total of these premium cabins in service to 21.

### Octopus

Our share of profit from Octopus Holdings Limited ("OHL") decreased by 5.8% to HK\$212 million in the first half of the year. OHL sustained strong transaction volumes during this period despite economic headwinds and robust outbound spending. As at 30 June 2025, Octopus was accepted at over 190,000 points in Hong Kong and 34 million globally, including in Mainland China, Thailand and South Korea, as Octopus intensified its efforts in key travel corridors. There are approximately 33 million Octopus cards and products in circulation with average daily transaction volume and value of 15.8 million and HK\$335 million, respectively. Notably, there has been robust growth in the adoption of the digital versions of Octopus, particularly among Gen Z, which accounts for one third of Octopus App users.

### MTR Academy

In the first six months of the year, the MTR Academy jointly organised the "Belt and Road Advanced Professional Development Programme in Railway Transport" programme with The Hong Kong Polytechnic University and Beijing Jiaotong University, attracting 44 senior railway executives and scholars from 13 countries and regions. It also continued to collaborate with local universities on instilling railway elements for undergraduates.

### MTR Lab

In May 2025, MTR Lab completed its first investment in AI retail technology by investing in Whale, a Singapore-based AI-native company providing digital retail and marketing solutions. MTR Lab also formed a pair of strategic partnerships in the first half of the year: one with TusStar, one of the largest technology incubators in Mainland China, to collaborate on startup scouting in verticals such as smart city, smart mobility and sustainability; and another with CROSSBIE JAPAN K.K., a cross-border innovation accelerator based in Yokohama, Japan, to bolster MTR Lab's local deal-sourcing capabilities in Japan.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

At MTR, we take our responsibility to be a good corporate citizen seriously. Our robust Environmental, Social and Governance (“ESG”) framework helps guide our operations in 10 focus areas spanning three core environmental and social objectives: Greenhouse Gas Emissions Reduction, Social Inclusion, and Advancement & Opportunities. For 2025, we have set a total of 45 key performance indicators to gauge the effectiveness of our efforts.

### Environmental Aspects

Our programme to reduce our carbon emissions by introducing electric vehicles continued as 10 electric buses are now in passenger service. Twenty-five more will gradually be delivered to replace retiring diesel buses between 2025 and 2026. Overall, we continue to make progress towards achieving our approved 2030 science-based target for carbon emissions reduction.

### Social Aspects

MTR Volunteering Month 2025, themed “Love Across Generations, Together for 20 Years”, took place between March and April to celebrate the 20<sup>th</sup> anniversary of the “More Time Reaching Community” Scheme. In the first half of 2025, 178 volunteering projects were organised under the Scheme, supported by a headcount of 2,334 participating volunteers.

In the first half of the year, we celebrated the completion of the first cohort of our “EmpowerZ Youth Placement Pilot Programme for Diverse Talents”, an initiative developed to provide job opportunities, tailored training and mentorship for applicants from ethnically diverse backgrounds and/ or those with disabilities. Meanwhile, our “Train’ for Life’s Journey 2.0” programme continues to engage over 1,000 students this year. Participants have proposed innovative solutions to social inclusion topics through bootcamps and a social innovation challenge.

We also continued our “Art in MTR” programme, promoting public appreciation of the arts by hosting exhibitions and performances in our stations. Highlights included “My Boy: A Nostalgic Journey Exhibition” at the Hong Kong Station Living Art Stage in March 2025, featuring the works of comic legend Wong Sze Ma as well as “My Boy” artworks created by local artists to reimagine the famous comic’s characters. Another highlight was the “THE COMMEOWNITY” Feline Store Managers Heartening Photography Exhibition” at Central Station in March 2025, which displayed inspiring interactions between the city’s

well-known “feline store managers” and shop owners, locals and visitors, all captured by photographers and exhibited in four themed zones. We also joined hands with dayday330 to promote mental well-being and encourage passengers to relish quiet moments and share therapeutic experiences during their journeys.

### Governance

MTR strives to practise strong corporate governance in order to ensure that the Company operates ethically, transparently, and in the interests of shareholders and stakeholders. Our comprehensive enterprise risk management framework is designed to protect the health and safety of members of the public and our staff while also helping us manage strategic, operational, financial, compliance and reputational risks. Top risks such as emerging and ESG-related risks are regularly reviewed to help us respond to constantly evolving business and operating environments. In addition, our “three lines of defence” framework helps ensure proactive, effective risk management.

## HUMAN RESOURCES

As at 30 June 2025, MTR and its subsidiaries employed 18,641 people in Hong Kong and 12,159 people outside of Hong Kong. Our associates and joint ventures employed an additional 16,029 people in Hong Kong and worldwide. In Hong Kong, the voluntary staff turnover rate remained stable at 5.1%.

MTR strives to be an employer of choice by enhancing its employer brand, offering competitive pay and benefits, and providing short- and long-term incentive schemes under the Company’s total reward framework. To engage and attract talent, especially the new generation of workforce, we refreshed our employer brand with new recruitment visuals and adopted innovative recruitment marketing strategies. Our graduate development programmes and revamped railway technical trainee and summer internship programmes offer a wide range of career choices for youth. We also actively listen to our employees and maintain two-way communication with them through various channels, and we strive to foster a caring workplace by implementing various well-being initiatives and family-friendly practices and promoting work-life balance under the Wellness Connect platform. Our comprehensive learning and development programmes provide employees with career advancement and growth opportunities and strengthen their future-oriented skills to adopt new ways of working.

## FINANCIAL PERFORMANCE

In addition to the above brief report of the Group's results and operations, this section discusses and analyses such results in more details.

### CONSOLIDATED PROFIT OR LOSS

| HK\$ million   | Six months ended 30 June |               | Favourable/<br>(Unfavourable) Change |               |
|--|--------------------------|---------------|--------------------------------------|---------------|
|  | 2025                     | 2024          | HK\$ million                         | %             |
| <b>Total Revenue</b>   | <b>27,360</b>            | <b>29,271</b> | <b>(1,911)</b>                       | <b>(6.5)</b>  |
| <b>Recurrent Business Profit</b>   |                          |               |                                      |               |
| EBIT <sup>ε</sup>  |                          |               |                                      |               |
| Hong Kong Transport Services   |                          |               |                                      |               |
| – Hong Kong Transport Operations   | <b>98</b>                | 415           | (317)                                | (76.4)        |
| – Hong Kong Station Commercial Businesses  | <b>1,798</b>             | 1,897         | (99)                                 | (5.2)         |
| Total Hong Kong Transport Services   | <b>1,896</b>             | 2,312         | (416)                                | (18.0)        |
| Hong Kong Property Rental and Management Businesses  | <b>2,084</b>             | 2,154         | (70)                                 | (3.2)         |
| Mainland China and International Railway, Property Rental and Management Subsidiaries                      | <b>409</b>               | 486           | (77)                                 | (15.8)        |
| Other Businesses, Project Study and Business Development Expenses  | <b>(188)</b>             | (178)         | (10)                                 | (5.6)         |
| Share of Profit of Associates and Joint Ventures   | <b>601</b>               | 673           | (72)                                 | (10.7)        |
| <b>Total Recurrent EBIT</b>  | <b>4,802</b>             | <b>5,447</b>  | <b>(645)</b>                         | <b>(11.8)</b> |
| Interest and Finance Charges   | <b>(633)</b>             | (517)         | (116)                                | (22.4)        |
| Income Tax   | <b>(665)</b>             | (806)         | 141                                  | 17.5          |
| Non-controlling Interests  | <b>(89)</b>              | (100)         | 11                                   | 11.0          |
| <b>Recurrent Business Profit Attributable to Shareholders and Perpetual Capital Securities Holders</b>     | <b>3,415</b>             | <b>4,024</b>  | <b>(609)</b>                         | <b>(15.1)</b> |
| Perpetual Capital Securities   | <b>(24)</b>              | –             | (24)                                 | n/m           |
| <b>Recurrent Business Profit</b>   | <b>3,391</b>             | <b>4,024</b>  | <b>(633)</b>                         | <b>(15.7)</b> |
| <b>Property Development Profit (Post-tax)</b>  |                          |               |                                      |               |
| Hong Kong  | <b>5,530</b>             | 1,722         | 3,808                                | 221.1         |
| Mainland China   | <b>12</b>                | 18            | (6)                                  | (33.3)        |
| <b>Property Development Profit (Post-tax)</b>  | <b>5,542</b>             | <b>1,740</b>  | <b>3,802</b>                         | <b>218.5</b>  |
| <b>Underlying Business Profit</b>  | <b>8,933</b>             | <b>5,764</b>  | <b>3,169</b>                         | <b>55.0</b>   |
| <b>(Loss)/Gain from Fair Value Measurement of Investment Properties (Post-tax)</b>                         |                          |               |                                      |               |
| Loss from Fair Value Remeasurement on Investment Properties  | <b>(2,702)</b>           | (810)         | (1,892)                              | (233.6)       |
| Gain from Fair Value Measurement of Investment Properties on Initial Recognition from Property Development | <b>1,478</b>             | 1,090         | 388                                  | 35.6          |
| <b>(Loss)/Gain from Fair Value Measurement of Investment Properties (Post-tax)</b>                         | <b>(1,224)</b>           | <b>280</b>    | <b>(1,504)</b>                       | <b>n/m</b>    |
| <b>Net Profit Attributable to Shareholders of the Company</b>  | <b>7,709</b>             | <b>6,044</b>  | <b>1,665</b>                         | <b>27.5</b>   |
| Total Recurrent EBIT Margin <sup>#</sup> (in %)  | <b>15.4%</b>             | 16.3%         |                                      | (0.9)% pt     |
| Total Recurrent EBIT Margin <sup>#</sup> (excluding Mainland China and International Subsidiaries) (in %)  | <b>22.1%</b>             | 25.5%         |                                      | (3.4)% pts    |

ε : EBIT represents profit before interest, finance charges and taxation

# : Excluding share of profit of associates and joint ventures

n/m : not meaningful

For the six months ended 30 June 2025, improvements in Hong Kong patronage drove solid results for the Group's operating revenue, while our property development

business recorded profits mainly from Ho Ma Tin Station packages 1 and 2, and THE SOUTHSIDE packages 3 and 5.



### Total Revenue

The Group's total revenue excluding our Mainland China and international railway, property rental and management subsidiaries for the six months ended 30 June 2025 was HK\$17,163 million, a 1.9% increase compared to the same period in 2024. This was mainly attributable to increased revenue in our Hong Kong transport operations ("HKTO"), which was driven by higher patronage in Cross-boundary and HSR services. Taking into account the decrease in revenue contributions from our Mainland China and international railway, property rental and management subsidiaries, which was mainly due to (i) reduced project revenue from our Melbourne operations, and (ii) decreased revenue from Sweden following the early termination of the Stockholms pendeltåg and Mälartåg concessions in the first half of 2024, total revenue decreased by 6.5% to HK\$27,360 million for the six months ended 30 June 2025 compared to the same period in 2024.

### Recurrent Business Profit

The Group recorded recurrent business profit attributable to shareholders and perpetual capital securities holders of HK\$3,415 million for the six months ended 30 June 2025, compared to HK\$4,024 million over the same period last year. The decrease of HK\$609 million or 15.1%, was mainly due to lower EBIT from HKTO as a result of increased operating expenses which included a number of cost changes arising through either one-off or timing effects. After taking into account the profit attributable to perpetual capital securities holders of HK\$24 million, recurrent business profit attributable to shareholders of the Company for the six months ended 30 June 2025 was HK\$3,391 million, a decrease of HK\$633 million or 15.7%.

### Total Recurrent EBIT by Businesses

The Group's total recurrent EBIT (including share of profit of associates and joint ventures as well as project study and business development expenses) for the six-month period was HK\$4,802 million in 2025, a decrease of HK\$645 million or 11.8% compared to the same period in 2024. Contributions from our respective businesses were as follows:

**Hong Kong Transport Operations:** EBIT decreased by HK\$317 million or 76.4% to HK\$98 million for the six months ended 30 June 2025. This was mainly due to (i) increased operating expenses from higher staff costs, inflation and railway support and maintenance expenses; (ii) higher depreciation; and (iii) higher variable annual payment to KCRC in line with increased revenue. These adverse impacts were partly offset by higher patronage on our Cross-boundary and HSR services which benefitted from enhanced cross-boundary transportation capacity and more frequent two-way flow of travellers between Hong Kong and Mainland China.

### Hong Kong Station Commercial Businesses: EBIT

decreased by HK\$99 million or 5.2% to HK\$1,798 million for the six months ended 30 June 2025, mainly due to (i) lower revenue contribution from advertising business resulting from lower market sentiment, and lower telecommunication revenue; (ii) overall negative rental reversions of 7.0% on renewals and new lets for other station kiosks, (iii) the refund of Government rent in the first half of 2024 not being repeated in the same period of 2025; and (iv) higher variable annual payment to KCRC owing to a higher level of revenue subject to variable annual payment. The drop of EBIT was partly offset by higher rental income from Duty Free shops.

### Hong Kong Property Rental and Management

**Businesses:** EBIT decreased by HK\$70 million or 3.2% to HK\$2,084 million for the six months ended 30 June 2025. This was mainly due to (i) the overall negative rental reversion of 7.8% on renewals and new lets for shopping malls due to continued northbound spending and shift in consumption patterns; and (ii) lower rental income from the Company's 18 floors in Two International Finance Centre.

**Mainland China and International Railway, Property Rental and Management Subsidiaries:** For the six months ended 30 June 2025, EBIT recorded a decrease of HK\$77 million, or 15.8%, to HK\$409 million. This was mainly due to the operating losses arising from the commencement of the initial section of Shenzhen Metro Line 13 which opened in December 2024.

**Other Businesses, Project Study and Business Development Expenses:** EBIT loss was HK\$188 million for the six months ended 30 June 2025, similar to the same period in 2024.

**Share of Profit of Associates and Joint Ventures:** Share of profit of associates and joint ventures decreased by HK\$72 million or 10.7%, to HK\$601 million for the six months ended 30 June 2025. This was mainly due to the soft performance of Hangzhou Line 5.

### Total Recurrent EBIT Margin

In the first half of 2025, total recurrent EBIT margin remained resilient, dropping slightly by 0.9% point to 15.4%, compared to the same period in 2024. This was mainly due to increasing operating costs for our Hong Kong businesses.

### Interest and Finance Charges

Interest and finance charges for recurrent businesses were HK\$633 million for the six months ended 30 June 2025, representing a 22.4% increase compared to the same period in 2024. This was mainly due to increased loan drawdowns from fundraising activities. A detailed review of the Group's financing activities is featured in the ensuing section.

## Income Tax

Income tax expenses for recurrent businesses decreased by HK\$141 million or 17.5%, to HK\$665 million for the six months ended 30 June 2025, which was mainly due to decrease in Hong Kong recurrent business profit.

On 6 August 2024, the Inland Revenue Board of Review issued its decision ("the Board of Review Decision") and disagreed with the deduction claims of the fixed annual payments and variable annual payments for the years of assessment from 2011/2012 to 2017/2018. It confirmed the relevant profits tax assessment/additional profits tax assessments in respect of the fixed annual payments and variable annual payments being non-tax deductible. On 4 September 2024, the Company lodged an application to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region ("the Court of First Instance") for leave to appeal against the Board of Review Decision. On 27 May 2025, the Court of First Instance handed down its decision and granted leave for the Company to appeal against the Board of Review Decision. The Company has conferred with external legal counsel and its tax advisor and the advice obtained is that the Company continues to have strong legal grounds to support its position. As such, the Company has proceeded with its appeal against the Board of Review Decision and no additional tax provision has been made. The hearing of the appeal before the Court of First Instance is scheduled to be held in early 2027. Further details are set out in note 8B "Income Tax" to this interim financial report.

## Property Development Profit (Post-tax)

The Group's property development profit (post-tax) was HK\$5,542 million for the six months ended 30 June 2025,

representing an increase of HK\$3,802 million over the same period in 2024. The profit was mainly derived from Ho Man Tin Station packages 1 and 2, and THE SOUTHSIDE packages 3 and 5.

## Underlying Business Profit

Underlying business profit increased by HK\$3,169 million or 55.0% to HK\$8,933 million for the six months ended 30 June 2025, as the result of an increase of HK\$3,802 million in property development profit that was offset by a decrease of HK\$633 million in recurrent business profit.

## (Loss)/Gain from Fair Value Measurement of Investment Properties (Post-tax)

Loss from fair value measurement of investment properties was HK\$1,224 million for the six months ended 30 June 2025. This comprised (i) a loss of HK\$2,702 million from investment property fair value remeasurement, net of (ii) recognition of the remaining valuation gain from our sharing-in-kind investment property (i.e., THE SOUTHSIDE shopping mall) of HK\$1,478 million.

## Net Profit Attributable to Shareholders of the Company

Taking into account the Group's recurrent businesses, property development businesses and fair value measurement of investment properties, the Group reported a net profit attributable to shareholders of the Company of HK\$7,709 million for the six months ended 30 June 2025, an increase of HK\$1,665 million or 27.5% over the HK\$6,044 million recorded for the same period in 2024.

## CONSOLIDATED FINANCIAL POSITION

| HK\$ million   | At 30 June<br>2025 | At 31 December<br>2024 | Inc./Dec.     |             |
|--|--------------------|------------------------|---------------|-------------|
|  |                    |                        | HK\$ million  | %           |
| Fixed Assets   | 241,997            | 243,190                | (1,193)       | (0.5)       |
| Railway Construction in Progress                         | 15,287             | 11,375                 | 3,912         | 34.4        |
| Property Development in Progress                         | 42,628             | 42,300                 | 328           | 0.8         |
| Interests in Associates and Joint Ventures               | 13,590             | 13,039                 | 551           | 4.2         |
| Investments in Securities                                | 6,693              | 1,952                  | 4,741         | 242.9       |
| Debtors and Other Receivables                            | 11,506             | 15,780                 | (4,274)       | (27.1)      |
| Cash, Bank Balances and Deposits                         | 56,796             | 27,886                 | 28,910        | 103.7       |
| Other Assets   | 14,100             | 11,977                 | 2,123         | 17.7        |
| <b>Total Assets</b>                                      | <b>402,597</b>     | <b>367,499</b>         | <b>35,098</b> | <b>9.6</b>  |
| Total Loans and Other Obligations                        | 92,173             | 77,568                 | 14,605        | 18.8        |
| Creditors and Other Liabilities                          | 73,345             | 77,663                 | (4,318)       | (5.6)       |
| Obligations Under Service Concession                     | 9,924              | 9,969                  | (45)          | (0.5)       |
| Deferred Tax Liabilities                                 | 15,948             | 16,166                 | (218)         | (1.3)       |
| <b>Total Liabilities</b>                                 | <b>191,390</b>     | <b>181,366</b>         | <b>10,024</b> | <b>5.5</b>  |
| <b>Net Assets</b>  | <b>211,207</b>     | <b>186,133</b>         | <b>25,074</b> | <b>13.5</b> |
| Represented by:  |                    |                        |               |             |
| Total Equity Attributable to Shareholders of the Company | 186,976            | 185,625                | 1,351         | 0.7         |
| Perpetual Capital Securities                             | 23,574             | –                      | 23,574        | n/m         |
| Non-controlling Interests                                | 657                | 508                    | 149           | 29.3        |
| <b>Total Equity</b>                                      | <b>211,207</b>     | <b>186,133</b>         | <b>25,074</b> | <b>13.5</b> |

n/m : not meaningful

The Group's total assets increased by 9.6% to HK\$402,597 million. This was mainly due to the increases in (i) cash, bank balances and deposits after the issuance of perpetual capital securities in June 2025, (ii) investments in securities due to the subscription of bank medium-term notes, and (iii) railway construction in progress for Tung Chung Line Extension, Tuen Mun South Extension and Kwu Tung Station, partly offset by the decrease in debtors and other receivables relating to the decrease in property development receivables upon settlement.

Total liabilities increased by 5.5% to HK\$191,390 million, mainly due to net drawdown of loans. That was partly offset by decrease in deferred income from various property development projects as the related income was recognised in the consolidated profit or loss in the first half of 2025.

As a result, the Group's net assets increased by HK\$25,074 million or 13.5% to HK\$211,207 million.

## CONSOLIDATED CASH FLOWS

| HK\$ million   | Six months ended 30 June |                |
|--|--------------------------|----------------|
|  | 2025                     | 2024           |
| <b>Net Cash Generated from Operating Activities</b>              | <b>6,481</b>             | <b>8,179</b>   |
| Net Receipts/(Payments) from Property Development                | 9,127                    | (21)           |
| Capital Expenditure  | (8,632)                  | (7,571)        |
| Variable Annual Payment  | (3,025)                  | (2,355)        |
| Other Net Cash (Outflow)/Inflow from Investing Activities        | (4,388)                  | 417            |
| <b>Net Cash Used in Investing Activities</b>                     | <b>(6,918)</b>           | <b>(9,530)</b> |
| Net Drawdown of Debts, Net of Lease Rental and Interest Payments | 10,913                   | 10,680         |
| Issuance of Perpetual Capital Securities                         | 23,550                   | –              |
| Dividends Paid to Shareholders of the Company                    | (5,541)                  | –              |
| Other Net Cash Outflow from Financing Activities                 | (78)                     | (221)          |
| <b>Net Cash Generated from Financing Activities</b>              | <b>28,844</b>            | <b>10,459</b>  |
| Effect of Exchange Rate Changes                                  | 503                      | (217)          |
| <b>Net Increase in Cash, Bank Balances and Deposits</b>          | <b>28,910</b>            | <b>8,891</b>   |
| <b>Cash, Bank Balances and Deposits as at 1 January</b>          | <b>27,886</b>            | <b>22,375</b>  |
| <b>Cash, Bank Balances and Deposits as at 30 June</b>            | <b>56,796</b>            | <b>31,266</b>  |

### Net Cash Generated from Operating Activities

Net cash generated from operating activities decreased by HK\$1,698 million to HK\$6,481 million for the six months ended 30 June 2025, from HK\$8,179 million for the same period in 2024, resulting mainly from lower recurrent business profit due to sluggish economic environment.

### Net Receipts from Property Development

Net receipts from property development were HK\$9,127 million, comprising (i) cash receipts of HK\$10,421 million mainly for various LOHAS Park packages, THE SOUTHSIDE packages and Ho Man Tin Station packages, which were partly offset by (ii) cash payments of HK\$1,294 million mainly for Oyster Bay project.

### Capital Expenditure

For the six months ended 30 June 2025, capital expenditure amounted to HK\$8,632 million. This comprised (i) HK\$4,560 million for investments in additional assets such as station renovation works, new trains and signalling systems for existing Hong Kong railways and related operations, (ii) HK\$3,838 million for Hong Kong railway extension projects, (iii) HK\$127 million for investment properties additions and fitting out works, and (iv) HK\$107 million for Mainland China and overseas subsidiaries such as Shenzhen Metro Line 13.

### Net Drawdown of Debts, Net of Lease Rental and Net Interest Payments

For the six months ended 30 June 2025, net drawdown of debts, net of lease rental and net interest payments of HK\$10,913 million comprised (i) proceeds of HK\$57,427 million from loans and capital market instruments; offset by (ii) repayment of HK\$45,598 million mainly relating to loans; and (iii) net interest payment of HK\$916 million.

### Dividends Paid to Shareholders of the Company

The Group paid dividends of HK\$5,541 million for the six months ended 30 June 2025 (2024: HK\$nil) in cash, being the 2024 final dividend of HK\$0.89 per share.

## FINANCING ACTIVITIES

Hong Kong's real GDP grew by 3.1% during the first quarter of 2025 compared to the preceding quarter underpinned by international trade flows and improving inbound tourism. Hong Kong's fiscal policy and robust financial system were contributors to Hong Kong maintaining its AA+/Aa3 credit rating with reputable ratings agencies that either upgraded or affirmed Hong Kong's outlook as "stable" during May 2025.

Noting that the U.S. Federal Open Market Committee of the Federal Reserve maintained their target federal funds rate at 4.25 – 4.50% throughout the first half of 2025,

Hong Kong interbank interest rates decreased during June 2025 and the interest rate differential between the Hong Kong dollar and the US dollar widen in accordance with the longstanding linked exchange rate system between the two currencies.

As monetary and financial markets continued to operate in an orderly manner in Hong Kong amidst volatile and unpredictable global events during the first half of 2025, the Company arranged HK\$52.9 billion in new financing, including HK\$1.9 billion from privately placed MTN issuances with maturities of 2 to 3 years, a three-tranche USD public bond equivalent to HK\$23.5 billion, a dual-tranche USD public perpetual capital securities equivalent to HK\$23.5 billion, in addition to HK\$4.0 billion in bank credit facilities. Approximately HK\$0.8 billion of the new financing was arranged under the Company's Sustainable Finance Framework, with proceeds earmarked for eligible investments.

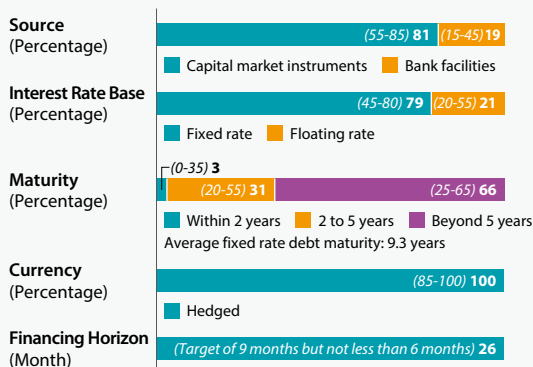
The Company's inaugural issuance of perpetual capital securities adds hybrid capital to our capital structure which is eligible for equity treatment in the Group's accounts. The Group's consolidated gross debt position at the end of June 2025 was HK\$92.2 billion, with a cash and deposit balance of HK\$56.8 billion, bank medium-term notes held of HK\$5.7 billion and undrawn committed facilities of over HK\$26.2 billion.

The Company takes into consideration our forward-looking capital expenditure needs and prevailing market conditions in determining external fund raising, whereby the weighted average cost of the Group's interest-bearing borrowings over the first six months was 3.7% p.a., compared with 3.8% p.a. for the same period in 2024.

### Preferred Financing Model and Debt Profile

The Preferred Financing Model exemplifies the Company's approach to debt management and helps ensure a prudent and well-balanced debt portfolio

(Preferred Financing Model) vs. **Actual Debt Profile** as at 30 June 2025



### Net Debt-to-equity Ratio and Interest Coverage

The Group's gearing ratio, as measured by net debt-to-equity ratio, was 27.5% as at 30 June 2024, 31.6% as at 31 December 2024 and 18.8% as at 30 June 2025. The decrease is mainly due to the increase in equity due to the issuance of perpetual capital securities. The Group's interest cover for the six months ended 30 June 2025 was 12.5 times compared to 11.6 times during the same period in 2024.

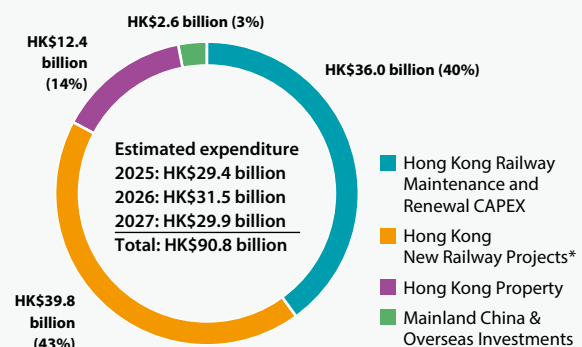
### Capital Expenditure and Investment

The Group's capital expenditure and investment can be categorised into the following: Hong Kong railway projects (further classified into maintenance work for existing railways and new projects), Hong Kong property investments and development, and Mainland China and overseas investments. Total spending from 2025 – 2027 is estimated at around HK\$90.8 billion, of which HK\$5.7 billion is in relation to the project cost under the project agreement signed for the Northern Link Project – Part 1.

Capital expenditure on Hong Kong railway projects will continue to constitute a significant portion of capital expenditure in 2025 – 2027, following the signing of project agreements for the Oyster Bay project, the Tung Chung Line Extension, the Tuen Mun South Extension, the Kwu Tung Station, the Hung Shui Kiu Station and the Northern Link Project – Part 1. The capital works expenditure and funding terms of any other projects can only be ascertained after entering into the relevant project agreements with Government.

The Group believes that based on its cash, bank balances and deposits of HK\$56.8 billion, bank medium-term notes of HK\$5.7 billion, total available committed banking facilities of more than HK\$26.2 billion as at 30 June 2025 and its ready access to both the loan and debt capital markets, it will have sufficient financing capacity to fund its capital expenditure and investment programme.

### Capital Expenditure and Investment (2025 – 2027)



\* Including HK\$5.7 billion for 2025 – 2027 in relation to the project cost under the project agreement signed for the Northern Link Project – Part 1

# KEY FIGURES

|   | Six months ended 30 June |       |              |       | Favourable/<br>(Unfavourable)<br>Change % |
|---|--------------------------|-------|--------------|-------|---|
|   | 2025                     |       | 2024         |       |   |
|   | HK\$ million             | %     | HK\$ million | %     |   |
| <b>Total revenue</b>  |                          |       |              |       |   |
| Recurrent business revenue  |                          |       |              |       |   |
| – Hong Kong transport services  |                          |       |              |       |   |
| – Hong Kong transport operations  | 11,509                   | 42.0  | 11,138       | 38.1  | 3.3                                       |
| – Hong Kong station commercial businesses   | 2,621                    | 9.6   | 2,638        | 9.0   | (0.6)                                     |
| – Total Hong Kong transport services  | 14,130                   | 51.6  | 13,776       | 47.1  | 2.6                                       |
| – Hong Kong property rental and management businesses   | 2,657                    | 9.7   | 2,688        | 9.2   | (1.2)                                     |
| – Mainland China and international railway, property rental and management subsidiaries                           | 10,183                   | 37.2  | 12,429       | 42.4  | (18.1)                                    |
| – Other businesses  | 376                      | 1.4   | 378          | 1.3   | (0.5)                                     |
|   | 27,346                   | 99.9  | 29,271       | 100.0 | (6.6)                                     |
| Property development business revenue   |                          |       |              |       |   |
| – Mainland China property development   | 14                       | 0.1   | –            | –     | n/m                                       |
| Total revenue   | 27,360                   | 100.0 | 29,271       | 100.0 | (6.5)                                     |
| <b>Total EBITDA<sup>(1)</sup></b>   |                          |       |              |       |   |
| Recurrent business EBITDA   |                          |       |              |       |   |
| – Hong Kong transport services  |                          |       |              |       |   |
| – Hong Kong transport operations  | 3,966                    | 25.7  | 4,059        | 36.4  | (2.3)                                     |
| – Hong Kong station commercial businesses   | 2,244                    | 14.5  | 2,328        | 20.9  | (3.6)                                     |
| – Total Hong Kong transport services  | 6,210                    | 40.2  | 6,387        | 57.3  | (2.8)                                     |
| – Hong Kong property rental and management businesses   | 2,101                    | 13.6  | 2,163        | 19.4  | (2.9)                                     |
| – Mainland China and international railway, property rental and management subsidiaries                           | 676                      | 4.4   | 709          | 6.4   | (4.7)                                     |
| – Other businesses, project studies and business development expenses   | (153)                    | (1.0) | (145)        | (1.3) | (5.5)                                     |
|   | 8,834                    | 57.2  | 9,114        | 81.8  | (3.1)                                     |
| Property development business EBITDA  |                          |       |              |       |   |
| – Hong Kong property development  | 6,594                    | 42.8  | 2,024        | 18.2  | 225.8                                     |
| – Mainland China property development   | 4                        | –     | (2)          | –     | n/m                                       |
|   | 6,598                    | 42.8  | 2,022        | 18.2  | 226.3                                     |
| Total EBITDA  | 15,432                   | 100.0 | 11,136       | 100.0 | 38.6                                      |
| <b>Total EBIT<sup>(2)</sup></b>   |                          |       |              |       |   |
| Recurrent business EBIT   |                          |       |              |       |   |
| EBIT  |                          |       |              |       |   |
| – Hong Kong transport services  |                          |       |              |       |   |
| – Hong Kong transport operations  | 98                       | 0.9   | 415          | 5.6   | (76.4)                                    |
| – Hong Kong station commercial businesses   | 1,798                    | 15.7  | 1,897        | 25.4  | (5.2)                                     |
| – Total Hong Kong transport services  | 1,896                    | 16.6  | 2,312        | 31.0  | (18.0)                                    |
| – Hong Kong property rental and management businesses   | 2,084                    | 18.3  | 2,154        | 28.8  | (3.2)                                     |
| – Mainland China and international railway, property rental and management subsidiaries                           | 409                      | 3.6   | 486          | 6.5   | (15.8)                                    |
| – Other businesses, project studies and business development expenses   | (188)                    | (1.7) | (178)        | (2.4) | (5.6)                                     |
| Share of profit of associates and joint ventures  | 601                      | 5.3   | 673          | 9.0   | (10.7)                                    |
|   | 4,802                    | 42.1  | 5,447        | 72.9  | (11.8)                                    |
| Property development business EBIT  |                          |       |              |       |   |
| – Hong Kong property development  | 6,594                    | 57.8  | 2,024        | 27.1  | 225.8                                     |
| – Mainland China property development   | 4                        | 0.1   | (2)          | –     | n/m                                       |
|   | 6,598                    | 57.9  | 2,022        | 27.1  | 226.3                                     |
| <b>Total EBIT</b>   | 11,400                   | 100.0 | 7,469        | 100.0 | 52.6                                      |
| (Loss)/gain from fair value measurement of investment properties  | (1,224)                  |       | 280          |       | n/m                                       |
| Interest and finance charges  | (620)                    |       | (494)        |       | (25.5)                                    |
| Profit before taxation  | 9,556                    |       | 7,255        |       | 31.7                                      |
| Income tax  | (1,734)                  |       | (1,111)      |       | (56.1)                                    |
| <b>Profit for the period</b>  | 7,822                    |       | 6,144        |       | 27.3                                      |
| Non-controlling interests   | (89)                     |       | (100)        |       | 11.0                                      |
| <b>Profit for the period attributable to shareholders of the Company and perpetual capital securities holders</b> | 7,733                    |       | 6,044        |       | 27.9                                      |
| Perpetual capital securities  | (24)                     |       | –            |       | n/m                                       |
| <b>Profit for the period attributable to shareholders of the Company</b>  | 7,709                    |       | 6,044        |       | 27.5                                      |
| <b>Profit for the period attributable to shareholders of the Company arising from:</b>                            |                          |       |              |       |   |
| Recurrent businesses  |                          |       |              |       |   |
| – in Hong Kong  | 2,973                    |       | 3,482        |       | (14.6)                                    |
| – outside Hong Kong   | 418                      |       | 542          |       | (22.9)                                    |
|   | 3,391                    |       | 4,024        |       | (15.7)                                    |
| Property development businesses   |                          |       |              |       |   |
| – in Hong Kong  | 5,530                    |       | 1,722        |       | 221.1                                     |
| – outside Hong Kong   | 12                       |       | 18           |       | (33.3)                                    |
|   | 5,542                    |       | 1,740        |       | 218.5                                     |
| Underlying businesses   | 8,933                    |       | 5,764        |       | 55.0                                      |
| Fair value measurement of investment properties   | (1,224)                  |       | 280          |       | n/m                                       |
| <b>Total profit for the period attributable to shareholders of the Company</b>                                    | 7,709                    |       | 6,044        |       | 27.5                                      |

Notes:

1 EBITDA represents operating profit/(loss) before fair value measurement of investment properties, depreciation, amortisation, variable annual payment, share of profit of associates and joint ventures, interest, finance charges and taxation.

2 EBIT represents profit/(loss) before fair value measurement of investment properties, interest, finance charges and taxation and after variable annual payment.

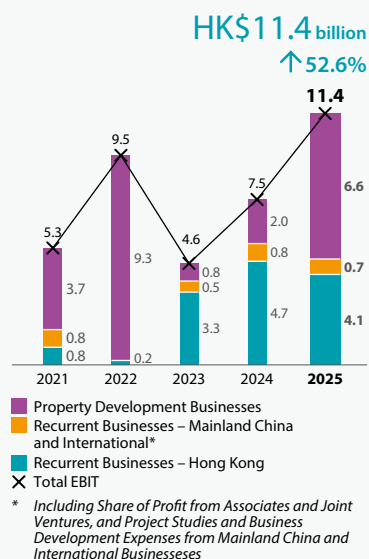
n/m: not meaningful



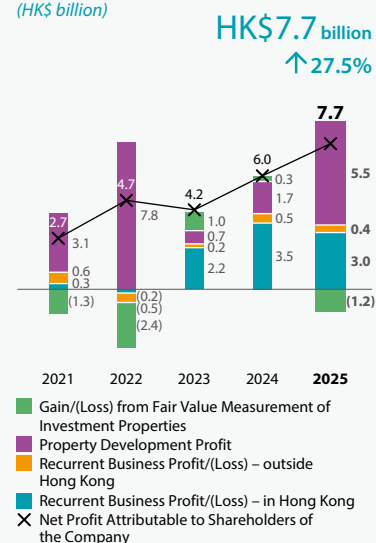
### Total Revenue (six months ended 30 June) (HK\$ billion)



### Total EBIT (six months ended 30 June) (HK\$ billion)



### Net Profit Attributable to Shareholders of the Company (six months ended 30 June) (HK\$ billion)



|   | Six months ended 30 June |         | Favourable/<br>(Unfavourable)<br>Change % |
|---|--------------------------|---------|---|
|   | 2025                     | 2024    |   |
| <b>Financial ratios</b>   |                          |         |   |
| EBITDA margin <sup>(3)</sup> (in %)   | 32.3                     | 31.1    | 1.2% pts.                                 |
| EBITDA margin <sup>(3)</sup> (excluding Mainland China and international subsidiaries <sup>6</sup> ) (in %) | 47.5                     | 49.9    | (2.4)% pts.                               |
| EBIT margin <sup>(4)</sup> (in %)   | 15.4                     | 16.3    | (0.9)% pt.                                |
| EBIT margin <sup>(4)</sup> (excluding Mainland China and international subsidiaries <sup>9</sup> ) (in %)   | 22.1                     | 25.5    | (3.4)% pts.                               |
| Net debt-to-equity ratio <sup>(5)</sup> (at 30 June 2025/31 December 2024) (in %)                           | 18.8                     | 31.6    | 12.8% pts.                                |
| Interest cover <sup>(6)</sup> (times)   | 12.5                     | 11.6    | 0.9 times                                 |
| <b>Share information</b>  |                          |         |   |
| Basic earnings per share (in HK\$)  | 1.24                     | 0.97    | 27.8                                      |
| Basic earnings per share arising from underlying businesses (in HK\$)                                       | 1.44                     | 0.93    | 54.8                                      |
| Interim ordinary dividend per share (in HK\$)   | 0.42                     | 0.42    | –   |
| Share price (at 30 June 2025/31 December 2024) (in HK\$)  | 28.20                    | 27.10   | 4.1                                       |
| Market capitalisation (at 30 June 2025/31 December 2024) (in HK\$ million)                                  | 175,540                  | 168,693 | 4.1                                       |
| <b>Hong Kong Transport Operations</b>   |                          |         |   |
| Total passenger boardings (in million)  |                          |         |   |
| Domestic Service  | 786.0                    | 787.5   | (0.2)                                     |
| Cross-boundary Service  | 51.2                     | 46.5    | 10.1                                      |
| High Speed Rail   | 14.7                     | 12.7    | 16.2                                      |
| Airport Express   | 6.4                      | 6.2     | 2.3                                       |
| Light Rail and Bus  | 105.4                    | 104.5   | 0.9                                       |
| Average number of passengers (in thousand)  |                          |         |   |
| Domestic Service (weekday)  | 4,667.7                  | 4,651.1 | 0.4                                       |
| Cross-boundary Service (daily)  | 282.8                    | 255.5   | 10.7                                      |
| High Speed Rail (daily)   | 81.4                     | 69.7    | 16.8                                      |
| Airport Express (daily)   | 35.4                     | 34.4    | 2.9                                       |
| Light Rail and Bus (weekday)  | 618.8                    | 608.3   | 1.7                                       |
| Average fare (in HK\$)  |                          |         |   |
| Domestic Service  | 8.82                     | 8.54    | 3.3                                       |
| Cross-boundary Service  | 32.83                    | 31.53   | 4.1                                       |
| High Speed Rail   | 77.62                    | 79.15   | (1.9)                                     |
| Airport Express   | 62.77                    | 62.39   | 0.6                                       |
| Light Rail and Bus  | 3.36                     | 3.21    | 4.5                                       |
| Proportion of franchised public transport boardings (January to May) (in %)                                 | 50.0                     | 50.1    | (0.1)% pt.                                |

#### Notes:

- EBITDA margin represents total EBITDA (excluding Hong Kong property development profit from share of surplus, income and interest in unsold properties) as a percentage of total revenue.
- EBIT margin represents total EBIT (excluding Hong Kong property development profit from share of surplus, income and interest in unsold properties, and share of profit of associates and joint ventures) as a percentage of total revenue.
- Net debt-to-equity ratio represents loans and other obligations, short-term loans, obligations under service concession and loans from holders of non-controlling interests net of cash, bank balances and deposits and investment in bank medium-term notes in the consolidated statement of financial position as a percentage of total equity.
- Interest cover represents operating profit before fair value measurement of investment properties, depreciation, amortisation, variable annual payment and share of profit of associates and joint ventures divided by interest and finance charges before capitalisation.
- Excluding the relevant revenue and expenses of Mainland China and international subsidiaries of HK\$10,197 million and HK\$9,517 million (2024: HK\$12,429 million and HK\$11,722 million) respectively.
- Excluding the relevant revenue, expenses, depreciation and amortisation of Mainland China and international subsidiaries of HK\$10,197 million, HK\$9,517 million, and HK\$267 million (2024: HK\$12,429 million, HK\$11,722 million, and HK\$223 million) respectively.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## MEMBERS OF THE BOARD AND THE EXECUTIVE DIRECTORATE

### List of Members of the Board and the Executive Directorate and their Roles and Functions (as at 14 August 2025)

|   | Board Committees/Advisory Panel |                        |                       |                        |                         |   |                                |                           |
|---|---------------------------------|------------------------|-----------------------|------------------------|-------------------------|---|--------------------------------|---------------------------|
|   | Executive Committee             | Audit & Risk Committee | Nominations Committee | Remuneration Committee | Capital Works Committee | Environmental & Social Responsibility Committee | Finance & Investment Committee | Technology Advisory Panel |
| <b>Members of the Board</b>   |                                 |                        |                       |                        |                         |   |                                |                           |
| <b>Non-executive Directors ("NED")</b>  |                                 |                        |                       |                        |                         |   |                                |                           |
| Dr Rex Auyeung Pak-kuen<br>(Chairman)   |                                 |                        | M                     | M                      |                         | C   |                                |                           |
| Christopher Hui Ching-yu<br>(Secretary for Financial Services and the Treasury) |                                 |                        |                       | M                      |                         |   | M                              |                           |
| Secretary for Transport and Logistics<br>(Mable Chan)                           |                                 |                        | M                     | M                      |                         |   |                                |                           |
| Permanent Secretary for Development (Works)<br>(Ricky Lau Chun-kit)             |                                 |                        |                       |                        | M                       |   |                                | M                         |
| Commissioner for Transport<br>(Angela Lee Chung-yan)                            |                                 | M                      |                       |                        |                         | M   |                                |                           |
| <b>Independent Non-executive Directors ("INED")</b>                             |                                 |                        |                       |                        |                         |   |                                |                           |
| Andrew Clifford Winawer Brandler  |                                 | M                      |                       |                        |                         |   | C                              |                           |
| Dr Bunny Chan Chung-bun   |                                 |                        |                       | M                      |                         | M   |                                |                           |
| Cheng Yan-kee   |                                 |                        |                       | M                      | C                       |   |                                |                           |
| Hui Siu-wai   |                                 |                        |                       | M                      | M                       |   |                                |                           |
| Ayesha Macpherson Lau   |                                 | M                      |                       |                        |                         |   | M                              |                           |
| Sunny Lee Wai-kwong   |                                 |                        |                       |                        | M                       |   |                                | C                         |
| Jimmy Ng Wing-ka  |                                 |                        | M                     |                        |                         |   |                                | M                         |
| Susanna Shen Shuk-ching   |                                 |                        |                       |                        | M                       |   |                                | M                         |
| Dr Carlson Tong   |                                 | M                      | C                     |                        |                         |   |                                |                           |
| Sandy Wong Hang-yee   |                                 |                        | M                     |                        |                         | M   |                                |                           |
| Adrian Wong Koon-man  |                                 | M                      |                       | C                      |                         |   |                                |                           |
| Professor Anna Wong Wai-kwan  |                                 | C                      |                       |                        |                         |   | M                              |                           |
| <b>Executive Director</b>   |                                 |                        |                       |                        |                         |   |                                |                           |
| Dr Jacob Kam Chak-pui<br>(Chief Executive Officer)                              | C                               |                        |                       |                        |                         | M   |                                |                           |
| <b>Members of the Executive Directorate</b>                                     |                                 |                        |                       |                        |                         |   |                                |                           |
| Dr Jacob Kam Chak-pui<br>(Chief Executive Officer)                              | C                               |                        |                       |                        |                         | M   |                                |                           |
| Jeny Yeung Mei-chun<br>(Managing Director – Hong Kong Transport Services)       | M                               |                        |                       |                        |                         |   |                                |                           |
| Margaret Cheng Wai-ching<br>(Human Resources Director)                          | M                               |                        |                       |                        |                         | M   |                                |                           |
| Linda Choy Siu-min<br>(Corporate Affairs and Branding Director)                 | M                               |                        |                       |                        |                         |   |                                |                           |
| Carl Michael Devlin<br>(Capital Works Director)                                 | M                               |                        |                       |                        |                         |   |                                |                           |
| Michael George Fitzgerald<br>(Finance Director)                                 | M                               |                        |                       |                        |                         |   |                                |                           |
| Gillian Elizabeth Meller<br>(Legal and Governance Director)                     | M                               |                        |                       |                        |                         | M   |                                |                           |
| David Tang Chi-fai<br>(Property and International Business Director)            | M                               |                        |                       |                        |                         |   |                                |                           |
| Sammy Wong Kwan-wai<br>(Mainland China Business Director)                       | M                               |                        |                       |                        |                         |   |                                |                           |

C : Chairman  
M : Member

Corporate governance is the collective responsibility of the Members of the Board and the Board firmly believes that good corporate governance is fundamental for the Company in achieving its vision and fulfilling its purpose and in ensuring the proper management of the Company in the interests of all of its stakeholders. The Board actively seeks opportunities for continuous improvement in the area of corporate governance and takes prompt action in responding to identified improvement opportunities.

During the six months ended 30 June 2025 (the “Period”), the Company amended the terms of reference (“ToR”) of the Nominations Committee (“NC”) and the Nomination Policy to comply with certain new provisions of Appendix C1 (Corporate Governance Code) (the “CG Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) which took effect on 1 July 2025. Further updates to the NC’s ToR and Nomination Policy will be made in the future when additional new provisions of the revised CG Code take effect. The updated ToR of the NC are available on the respective websites of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the latest Nomination Policy is posted on the Company’s website ([www.mtr.com.hk](http://www.mtr.com.hk)).

As noted in the Company’s Board Diversity Policy (the “BD Policy”, which is available on the Company’s website ([www.mtr.com.hk](http://www.mtr.com.hk))), the Company recognises the importance of maintaining gender diversity on the Board. In the first iteration of the BD Policy (adopted in March 2022), the Company made a pledge to maintain not less than 20% female members on the Board, with a target of achieving 25% by 2025. This target has been achieved, with the Board currently having six female members, representing over 33% of the Board membership and, as at the date of this Report, all Board Committees and the Advisory Panel of the Company having at least one female member, with the Audit & Risk Committee (“A&RC”) being chaired by a female member. Taking account of this progress, the Company updated its BD Policy in March 2025 to provide that, while Board appointments will continue to be made on a merit basis in accordance with the Company’s Nomination Policy, the Board will seek opportunities to increase the proportion of female members over time and will actively seek to ensure that,

at any time, no less than 25% of its Directors are female. The latest version of the BD Policy can be found on the Company’s website ([www.mtr.com.hk](http://www.mtr.com.hk)).

In addition, the Company adopted its first Workforce Diversity Policy in March 2025, demonstrating early compliance with the requirements of the revised CG Code. A summary of the policy is set out on page 85 of the Annual Report 2024.

## CORPORATE GOVERNANCE CODE COMPLIANCE

During the Period, the Company has complied with the code provisions set out in the CG Code of the Listing Rules.

## BUSINESS ETHICS

Practising integrity and responsible business ethics is paramount to the Company’s continued success. The Company’s Code of Conduct lays down the requirements of the Company in terms of ethical practices and obliges staff to operate transparently and under the highest principles of fairness, impartiality and integrity in all of the places where the Company does business.

The Code of Conduct is reviewed and updated periodically to ensure appropriateness and compliance with relevant corporate and regulatory requirements. The latest version was released to all staff in October 2024 and shared across the Company’s Mainland China and international hubs and subsidiaries. In addition, as part of the ongoing staff awareness programmes for the Code of Conduct, the eighth module titled “Respectful Working Environment” was launched in May 2025. This module incorporated guiding principles to support sound judgment in fostering a diverse, inclusive and safe workplace through animated videos and interactive games with real life examples. The module was well received, with over 2,500 staff members participating, reflecting a strong level of commitment to upholding high standards. Other educational programmes, such as mandatory online training and ethical webinars on relevant ordinances, have also been introduced to raise staff awareness.

To ensure our staff members live up to the highest ethical standards, a policy related to the prevention of

bribery and corrupt practices is in place and is reviewed periodically. Staff members are also encouraged to report existing, potential or perceived violations of the Code of Conduct, as well as malpractices. Proper procedures relating to the whistle-blowing policy of the Company have also been established, which enable staff members (and others) to raise their concerns in a safe environment and in complete confidence if they have genuine suspicions about any wrongdoings.

To assist new recruits in embracing the Company's values and ethical commitments, they are briefed on the Code of Conduct during the staff induction programme. New recruits are also required to complete mandatory online training programmes within three months of joining the Company. The Code of Conduct is available on the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)).

In addition, the Code of Conduct serves as a guideline for establishing a comparable ethical culture among our subsidiaries and associates in and outside Hong Kong.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules (the "Model Code"). After having made specific enquiry, the Company confirms that all Members of the Board and (where applicable) their Alternate Directors and all Members of the Executive Directorate have complied with the Model Code throughout the Period.

Senior managers, other nominated managers and staff who, because of their office in the Company, may be in possession of Inside Information (which term shall bear the same meaning as in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) of the Company (collectively the "Model Code Managers"), have also been requested to comply with the provisions of the Model Code.

For enhanced monitoring and effectiveness, the Company has implemented an electronic platform "Model Code Managers Management System" to provide one-stop access to the relevant key processes to support compliance with the Model Code. Periodic training is also required to be completed by Model Code Managers.

## CHANGES DURING THE PERIOD FROM 1 JANUARY 2025 TO 14 AUGUST 2025

### Changes in Composition of the Board and Board Committees/Advisory Panel

With effect from the conclusion of the Annual General Meeting held on 21 May 2025 (the "2025 AGM"):

1. Mr Walter Chan Kar-lok retired as an INED and ceased to be the chairman of the NC and a member of the Capital Works Committee ("CWC") of the Company;
2. Ms Shen Shuk-ching (also known as Ms Susanna Shen Shuk-ching) was elected as a Member of the Board and has become an INED of the Company, and has been appointed by the Board as a member of each of the CWC and the Technology Advisory Panel of the Company; and
3. Dr Carlson Tong, an INED, a member of the A&RC and formerly a member of the Finance & Investment Committee ("F&IC") of the Company, has been appointed by the Board as the chairman of the NC; he has remained as a member of the A&RC, but ceased to be a member of the F&IC of the Company.

### Change of Alternate Director

Mr Kevin Choi, who took up the post of the Permanent Secretary for Transport and Logistics on 14 April 2025, has, by virtue of holding such post, been appointed as an Alternate Director to the office of the Secretary for Transport and Logistics (Ms Mable Chan), a NED of the Company, with effect from the same date.

### Changes in Composition of the Executive Directorate

1. Dr Lee Kar-yun (also known as Dr Tony Lee Kar-yun) retired from the Company upon the completion of his service agreement with the Company immediately after 30 April 2025 and, accordingly, ceased to be the Operations and Innovation Director and a Member of the Executive Directorate of the Company with effect from 1 May 2025; and
2. Dr Jacob Kam Chak-pui was re-appointed by the Board as the Chief Executive Officer ("CEO") of the Company for a term from 1 April 2025 to 31 December 2025 (both dates inclusive).

As disclosed in the Company's announcement dated 25 June 2025, Ms Jeny Yeung Mei-chun, currently the Managing Director – Hong Kong Transport Services and a Member of the Executive Directorate, has been appointed as the CEO and a member of the Environmental & Social Responsibility Committee of the Company upon the expiry of Dr Jacob Kam Chak-pui's term as the CEO, with effect from 1 January 2026. She has also been appointed as a Member of the Board with effect from the same date and will continue to be a Member of the Executive Directorate.

## Changes in Information of Directors

Changes in information of Directors required to be disclosed pursuant to the Listing Rules are set out below:

### (i) Changes in Biographical Details

| Name  | Change(s)  | Nature and Effective Date of Change(s) |
|---|--|--|
| Dr Rex Auyeung Pak-kuen                     | Healthcare Dispute Resolution Centre Limited   | Appointment (1 January 2025)           |
|   | • Member of the Board of Advisers  |  |
|   | Hospital Authority (Hong Kong)   | Appointment (1 April 2025)             |
|   | • Board Member   |  |
| Dr Jacob Kam Chak-pui                       | C-MER Medical Holdings Limited   | Cessation (1 June 2025)                |
|   | • Vice Chairman  | Appointment (1 June 2025)              |
|   | • Chairman   |  |
|   | The Hong Kong General Chamber of Commerce  | Appointment (23 May 2025)              |
| Cheng Yan-kee                               | • Vice Chairman of the General Committee   |  |
|   | The Community Chest of Hong Kong   | Appointment (23 June 2025)             |
|   | • Member of the Board of Directors   |  |
|   | Advisory Committee on Post-service Employment of Civil Servants (Hong Kong)  | Cessation (14 July 2025)               |
| Angela Lee Chung-yan                        | • Member   |  |
|   | Route 3 (CPS) Company Limited  | Cessation (4 July 2025)                |
|   | • Director   |  |
|   | Silver Bauhinia Star medal awarded by the Chief Executive of the Hong Kong Special Administrative Region                 | Award (1 July 2025)                    |
| Sandy Wong Hang-yee                         | West Kowloon Cultural District Authority (Hong Kong)   | Cessation (1 January 2025)             |
|   | • Member of the Audit Committee  |  |
|   | The Standing Commission on Civil Service Salaries and Conditions of Service (Hong Kong)                                  | Appointment (1 January 2025)           |
|   | • Chairman   |  |
| Jeny Yeung Mei-chun                         | Advisory Committee on Enhancing Employment of People with Disabilities (Hong Kong)                                       | Cessation (1 January 2025)             |
|   | • Member   |  |
|   | Immigration Department Users' Committee (Hong Kong)  | Cessation (1 January 2025)             |
|   | • Non-official Member  |  |
| Margaret Cheng Wai-ching                    | Hong Kong Trade Development Council  | Appointment (1 April 2025)             |
|   | • Member of the Infrastructure Development Advisory Committee  |  |
|   | Mandatory Provident Fund Schemes Authority (Hong Kong)   | Appointment (30 March 2025)            |
|   | • Member of the Mandatory Provident Fund Schemes Advisory Committee  |  |
| Michael George Fitzgerald                   | Hospital Authority (Hong Kong)   | Appointment (1 April 2025)             |
|   | • Chairman of the Hospital Governing Committee of Hong Kong Eye Hospital & Kowloon Hospital                              |  |
|   | Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials (Hong Kong) | Appointment (1 July 2025)              |
|   | • Member   |  |
| Dr Tony Lee Kar-yun (Retired on 1 May 2025) | The Institute of Chartered Accountants in England and Wales  | Change of name (1 May 2025)            |
|   | • Hong Kong Strategy Advisory Group (formerly Hong Kong Committee)   |  |
|   | • Member   |  |
|   | Beijing Jiaotong University  | Appointment (13 January 2025)          |
| Gillian Elizabeth Meller                    | • Adjunct Professor  |  |
|   | The Hong Kong General Chamber of Commerce  | Cessation (21 July 2025)               |
|   | • Vice Chairman of the Legal Committee   | Appointment (22 July 2025)             |
|   | • Chairman of the Legal Committee  |  |
| Sammy Wong Kwan-wai                         | International Association of Public Transport (UITP)   | Appointment (19 June 2025)             |
|   | • Member of the Policy Board – National Ambassador China Hong Kong   |  |

Full biographical details of the Directors are available on the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)).



**(ii) Changes in Directors' Remuneration**

1. Reference is made to the section headed "Changes in Composition of the Board and Board Committees/Advisory Panel" on page 36 of this report. In light of Dr Carlson Tong's appointment by the Board as the chairman of the NC, and his ceasing to be a member of the F&IC of the Company, both effective from the conclusion of the 2025 AGM, the annual fee payable by the Company to Dr Tong has been adjusted from HK\$550,000 to HK\$570,000 per annum effective from 21 May 2025. The actual amount receivable by Dr Tong for the year ending 31 December 2025 will be calculated on a pro rata basis.
2. The Company renewed its service contract with Dr Jacob Kam Chak-pui in March 2025 for his position as CEO, which will expire on 31 December 2025. The amount of Dr Kam's emoluments is HK\$9,815,520 per annum (and on a pro-rata basis for an incomplete year of service) (which excludes discretionary variable remuneration) as determined by the Remuneration Committee ("RC") of the Company. He was also, on 1 April 2025, awarded 33,100 restricted shares which will all vest on 31 December 2025, according to the terms and conditions set out in his service contract.

**INDUCTION PROGRAMME AND OTHER TRAINING****Induction Programme**

Before appointment, all new Members of the Board (including Government-nominated Directors), Alternate Directors and Members of the Executive Directorate are required to be given pre-appointment legal advice (the "Legal Advice") from a firm of solicitors qualified to advise on Hong Kong law pursuant to rule 3.09D of the Listing Rules. This Advice covers:

- the roles of a director from the strategic, planning and management perspectives, as well as the essence of corporate governance and the trends in these areas;
- the general and specific duties of a director under general law (common law and legislation) and the Listing Rules; and
- the possible legal consequences of making a false declaration or giving false information to the Stock Exchange.

During the Period, the Legal Advice was provided to the following Director and Alternate Director on the respective dates set out below. They have each acknowledged and confirmed in writing their understanding of their obligations as a director of a listed issuer.

| Name                    | Position            | Date of Receipt of the Legal Advice | Date of Appointment |
|-------------------------|---------------------|-------------------------------------|---------------------|
| Susanna Shen Shuk-ching | Member of the Board | 15 April 2025                       | 21 May 2025         |
| Kevin Choi              | Alternate Director  | 11 April 2025                       | 14 April 2025       |

In addition to the above, a familiarisation programme to understand the key areas of the Company's business and operations has been provided/is being arranged for new appointees.

**Training and Continuous Professional Development**

To assist Members of the Board and the Executive Directorate in continuing their professional development, the Company Secretary recommends them to attend relevant seminars and courses at the cost of the Company. In order to comply with the new Listing Rules requirements, effective from 1 July 2025, in addition to existing resources (see below), the Company has arranged a structured continuous professional training programme covering the five specified topics for Members of the Board, Alternate Directors and Members of the Executive Directorate to attend at their convenience.

Materials on the subject of corporate governance and e-learning provided by the Stock Exchange and other professional firms and institutes are also provided/notified to Members of the Board, Alternate Directors and Members of the Executive Directorate from time to time to keep them abreast of the latest developments on this front.

## BOARD MEETINGS AND WORKSHOP

The Board held three Regular Meetings, one Special Meeting, two Private Meetings and a Board Strategy Workshop during the Period.

### Regular Meetings

At the Regular Meetings, the Board reviewed, discussed and, where appropriate, approved matters relating to the Company's different businesses and financial and operational performance. In addition, other key matters discussed at these Regular Meetings included:

- Corporate Strategy:
  - Receipt of a report on the strategy implementation for the second half of 2024;
- Environmental, Social and Governance:
  - Annual review of the size, structure and composition of the Board and the Company's corporate governance functions for 2024; annual assessment of (i) the independence of the INEDs, and (ii) the effectiveness of the Company's risk management and internal control systems for 2024;
  - Recommendation of the appointment of a new Member of the Board and the re-election of certain retiring Members of the Board for approval by shareholders at the 2025 AGM;
  - Approval of (i) changes in the composition of Board Committees/Advisory Panel; (ii) amendments to the Nomination Policy, BD Policy and List of Desirable Skills/Experience/ Perspectives; and (iii) annual update of the Directors' Manual;
  - Approval of Sustainability Report 2024; and
  - Receipt and consideration of reports from Management on key matters such as corporate safety governance and enterprise risk management;
- Hong Kong Transport Services:
  - Receipt of quarterly updates on Hong Kong Transport Services;
- Receipt of report on the review of the controlled fares for 2025 under the Fare Adjustment Mechanism;
- Approval of the 2025 fare adjustment for the Airport Express;
- Approval of the award of a major contract in relation to lifts and escalators; and
- Approval of a franchise agreement for banking services;
- Capital Works:
  - Approval of the award of a construction contract for Hung Shui Kiu Station on the Tuen Ma Line;
  - Review of future project proposals; and
  - Receipt of an update on the Northern Link Project;
- Mainland China and International Businesses:
  - Receipt of 2024 annual update on the Mainland China and Macao businesses;
  - Receipt of progress update on a Transit-Oriented Development project in Mainland China; and
  - Review of the "new normal" and the strategy for the Company's retail business;
- Financial:
  - Review and approval of the 2024 Annual Report and financial statements;
  - Receipt of the annual shareholder analysis and investor feedback; and
  - Receipt of an update on the implementation of the Company's financing strategy;
- Human Resources:
  - Approval of the 2025 Annual Pay Review; and
  - Review of the Executive Share Incentive Scheme; and
- Corporate Affairs:
  - Receipt of quarterly updates on corporate communications and reputation management.

### Special Meeting

During the Period, a Special Meeting was held to note or approve (as applicable) an operations and maintenance project in Mainland China, an action plan in response to the Tseung Kwan O Line incident on 22 May 2025, a further update on the Company's financing strategy and the Northern Link (Part 1) Project Agreement for the Northern Link.

### Private Meetings

During the Period, two Private Meetings were held to discuss the Company's management succession and to approve the appointment of the new CEO.

### Board Strategy Workshop

To seek Board Members' guidance on the alignment of the Company's future strategic priorities towards sustaining long-term growth, a Board Strategy Workshop was organised in January 2025 for Members of the Board, Alternate Directors and Members of the Executive Directorate.

## COMMUNICATION WITH SHAREHOLDERS

### Dissemination of Corporate Communications

The Company has adopted the dissemination of corporate communications\* by means of publication on website (other than for actionable corporate communications#) after the Companies (Amendment) Ordinance 2025 came into operation on 17 April 2025. Corporate communications (in both English and Chinese) will be available electronically on the Company's website at [www.mtr.com.hk](http://www.mtr.com.hk) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). Shareholders may access the corporate communications of the Company by clicking "Investor's Information" under the "About MTR" section on the home page of the Company's website, then select "Financials and Reports" for the annual and interim reports and "Announcements/Circulars" for other corporate communications; or browse through the Stock Exchange's website. In addition, pursuant to the Listing Rules, actionable corporate communications will be sent to each of the Company's shareholders individually.

The Company has updated its Shareholders' Communication Policy in April 2025 to reflect these

new arrangements. A copy of the Policy is available on the Company's website at [www.mtr.com.hk](http://www.mtr.com.hk) and more details are set out in the section "Dissemination of Corporate Communications" on the Company's website at [www.mtr.com.hk](http://www.mtr.com.hk).

\* Corporate communications refer to any documents from time to time issued by the Company to its shareholders including but not limited to (a) annual report; (b) interim report; (c) notice of meeting; (d) circular; and (e) proxy form

# Actionable corporate communications refer to any corporate communications that are issued to seek instructions from the Company's shareholders on how they wish to exercise their rights or make an election as shareholders

### Annual General Meeting

The Company's 2025 AGM was held on 21 May 2025. The Chairman continued his practice of proposing separate resolutions for each substantially separate matter.

A total of 12 resolutions were passed at the 2025 AGM (with resolution no. 3 comprising six separate resolutions), all of which were supported by over 98% of the votes cast. The full text of the resolutions is set out in the 2025 AGM Circular (which comprised the Notice of the 2025 AGM) dated 11 April 2025.

All resolutions at the 2025 AGM were passed by way of a poll and the poll results were posted on the respective websites of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange on the same day of the 2025 AGM.

The 2025 AGM continued to be held in a hybrid format, which provided shareholders with an alternative option to participate through an online platform with a choice of language (Cantonese, English and Putonghua). Sign language interpretation and simultaneous interpretation services continued to be made available. Shareholders could submit questions in advance of the 2025 AGM or at the meeting either in person or through the online platform. For the benefit of the Company's shareholders who were unable to attend the 2025 AGM, a webcast of the whole proceedings was also posted on the Company's website for viewing.

## CONSTITUTIONAL DOCUMENT

The Company's Articles of Association (in both English and Chinese) are available on the websites of both the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange. During the Period, there was no change to the Company's Articles of Association.

## DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, the interests or short positions of the Members of the Board, Alternate Directors and Members of the Executive Directorate in the shares, underlying shares and debentures of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### Interests in Shares and Underlying Shares

| Members of the Board/<br>Alternate Directors/<br>Members of the<br>Executive Directorate | No. of ordinary shares held |                                  | No. of<br>award<br>shares <sup>‡</sup> | Total<br>interests    | Percentage<br>of aggregate<br>interests to<br>total no. of<br>voting shares<br>in issue <sup>Δ</sup> |
|--|-----------------------------|----------------------------------|--|-----------------------|--|
|  | Personal<br>interests*      | Family<br>interests <sup>†</sup> | Personal<br>interests*                 |                       |  |
| Dr Jacob Kam Chak-pui  | 1,313,111                   | –                                | 592,051                                | 1,905,162<br>(Note 1) | 0.03061  |
| Cheng Yan-kee  | –                           | 2,000<br>(Note 2)                | –                                      | 2,000                 | 0.00003  |
| Adrian Wong Koon-man   | –                           | 558<br>(Note 2)                  | –                                      | 558                   | 0.00001  |
| Jeny Yeung Mei-chun  | 924,234                     | –                                | 169,718                                | 1,093,952             | 0.01757  |
| Margaret Cheng Wai-ching   | 367,270                     | –                                | 164,185                                | 531,455               | 0.00854  |
| Linda Choy Siu-min   | 129,838                     | –                                | 144,284                                | 274,122               | 0.00440  |
| Carl Michael Devlin  | 36,586                      | –                                | 146,684                                | 183,270               | 0.00294  |
| Michael George Fitzgerald  | 40,850                      | 1,500<br>(Note 2)                | 182,900                                | 225,250               | 0.00362  |
| Gillian Elizabeth Meller   | 338,345                     | –                                | 148,218                                | 486,563               | 0.00782  |
| David Tang Chi-fai   | 456,466                     | –                                | 169,718                                | 626,184               | 0.01006  |
| Sammy Wong Kwan-wai  | 77,068                      | –                                | 139,452                                | 216,520               | 0.00348  |

Notes:

1. Dr Jacob Kam Chak-pui entered into a service contract with the Company in March 2025 pursuant to which he was, on 1 April 2025, awarded 33,100 restricted shares which will all vest on 31 December 2025, according to the terms and conditions set out in the service contract. This interest has been included in Dr Kam's total interests.

2. As at 30 June 2025, these shares were held by the spouse of the relevant Member of the Board or Member of the Executive Directorate of the Company.

# Details of the award shares are set out in the section headed "Executive Share Incentive Scheme" on pages 42 to 44

\* Interests as beneficial owner

† Interests of spouse or child under 18 as beneficial owner

Δ The Company's total number of voting shares in issue as at 30 June 2025 was 6,224,823,171

Save as disclosed above and in the section headed "Executive Share Incentive Scheme":

**A** as at 30 June 2025, no Member of the Board or Alternate Director or Member of the Executive Directorate of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO); and

**B** during the six months ended 30 June 2025, no Member of the Board or Alternate Director or Member of the Executive Directorate of the Company nor any of their spouses or children under 18 years of age held any rights to subscribe for equity or debt securities of the Company nor had there been any exercises of any such rights by any of them,

as recorded in the register kept by the Company under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

Set out below is the name of the party which was interested in 5% or more of all the Company's voting shares in issue and the number of shares in which it was interested as at 30 June 2025 as recorded in the register kept by the Company under section 336 of the SFO:

| Name   | No. of<br>ordinary shares held | Percentage of ordinary shares to<br>total no. of voting shares in issue <sup>Δ</sup> |
|--|--------------------------------|--|
| The Financial Secretary Incorporated ("FSI")<br>(in trust on behalf of Government) | 4,634,173,932                  | 74.45%   |

<sup>Δ</sup> The Company's total number of voting shares in issue as at 30 June 2025 was 6,224,823,171

The Company has been informed by the Hong Kong Monetary Authority that, as at 30 June 2025, approximately 0.19% of the ordinary shares of the Company ("Ordinary Shares") in issue (not included in the FSI shareholding set out in the above table) were held for the account of the Exchange Fund. The Exchange Fund is a fund established under the Exchange Fund Ordinance (Cap. 66 of the Laws of Hong Kong) under the control of the Financial Secretary.

## OTHER PERSONS' INTERESTS

Pursuant to section 337 of the SFO, the Company has maintained a register recording the shareholding information provided by persons in response to the Company's requests pursuant to section 329 of the SFO.

Save as disclosed above and in the sections headed "Directors' Interests in Shares and Underlying Shares of the Company" and "Substantial Shareholders' Interests", as at 30 June 2025, the Company has not been notified of any other persons who had any interests or short positions in the shares or underlying shares of the Company which would be required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

## EXECUTIVE SHARE INCENTIVE SCHEME

The Company adopted the Executive Share Incentive Scheme with effect from 1 January 2015 ("Effective Date"), for an original term up to 31 December 2024. On 6 March 2025, the Board approved the renewal of the Executive Share Incentive Scheme until 31 December 2034. The purposes of the Executive Share Incentive Scheme are to retain management and key employees, to align participants' interests with the long-term success of the Company and to drive the achievement of strategic objectives of the Company.

Details on the operation of the Executive Share Incentive Scheme are set out in the sections headed "Long-Term Incentives" (pages 118 to 119), "Executive Share Incentive Scheme" (pages 142 to 145) and notes 2U(iii) (page 194), 11B (page 208) and 44 (pages 250 to 251) to the Consolidated Financial Statements, of the Company's 2024 Annual Report ([www.mtr.com.hk](http://www.mtr.com.hk)).



## EXECUTIVE SHARE INCENTIVE SCHEME *(continued)*

Movements in award shares under the Executive Share Incentive Scheme during the six months ended 30 June 2025 are set out below:

| Members of the Executive Directorate and eligible employees | Date of award     | Types of award shares granted (Note 1) |                             | Award shares outstanding as at 1 January 2025 | Award shares vested during the period | Award shares lapsed and/or forfeited during the period | Award shares outstanding as at 30 June 2025 | Weighted average closing price of shares immediately before the date(s) on which the award shares were vested (HK\$) |
|---|-------------------|--|-----------------------------|---|---------------------------------------|--|---|--|
|   |                   | Restricted shares (Note 2)             | Performance shares (Note 3) |   |                                       |  |   |  |
| Dr Jacob Kam Chak-pui (Note 4)                              | 1/4/2022          | 132,000                                | –                           | 132,000                                       | 132,000                               | –  | –   | 26.10  |
|   | 8/4/2022          | 133,700                                | –                           | 44,568  | 44,568                                | –  | –   | 25.45  |
|   | 11/4/2023         | 54,700                                 | –                           | 36,467  | 18,233                                | –  | 18,234                                      | 26.00  |
|   | 18/3/2024         | –                                      | 68,990                      | –   | –                                     | –  | –   | –  |
|   | 8/4/2024          | 87,100                                 | 392,050                     | 479,150                                       | 29,033                                | –  | 450,117                                     | 25.65  |
|   | 1/4/2025 (Note 7) | 33,100                                 | –                           | –   | –                                     | –  | 33,100                                      | –  |
|   | 8/4/2025 (Note 7) | 90,600                                 | –                           | –   | –                                     | –  | 90,600                                      | –  |
| Jeny Yeung Mei-chun   | 8/4/2022          | 46,000                                 | –                           | 15,334  | 15,334                                | –  | –   | 25.45  |
|   | 11/4/2023         | 25,100                                 | –                           | 16,734  | 8,366                                 | –  | 8,368                                       | 26.00  |
|   | 18/3/2024         | –                                      | 16,522                      | –   | –                                     | –  | –   | –  |
|   | 8/4/2024          | 41,700                                 | 93,550                      | 135,250                                       | 13,900                                | –  | 121,350                                     | 25.65  |
|   | 8/4/2025 (Note 7) | 40,000                                 | –                           | –   | –                                     | –  | 40,000                                      | –  |
| Margaret Cheng Wai-ching                                    | 8/4/2022          | 39,500                                 | –                           | 13,168  | 13,168                                | –  | –   | 25.45  |
|   | 11/4/2023         | 23,300                                 | –                           | 15,534  | 7,766                                 | –  | 7,768                                       | 26.00  |
|   | 18/3/2024         | –                                      | 16,522                      | –   | –                                     | –  | –   | –  |
|   | 8/4/2024          | 38,650                                 | 93,550                      | 132,200                                       | 12,883                                | –  | 119,317                                     | 25.65  |
|   | 8/4/2025 (Note 7) | 37,100                                 | –                           | –   | –                                     | –  | 37,100                                      | –  |
| Linda Choy Siu-min  | 8/4/2022          | 32,200                                 | –                           | 10,734  | 10,734                                | –  | –   | 25.45  |
|   | 11/4/2023         | 17,550                                 | –                           | 11,700  | 5,850                                 | –  | 5,850                                       | 26.00  |
|   | 18/3/2024         | –                                      | 16,522                      | –   | –                                     | –  | –   | –  |
|   | 8/4/2024          | 24,200                                 | 93,550                      | 117,750                                       | 8,066                                 | –  | 109,684                                     | 25.65  |
|   | 8/4/2025 (Note 7) | 28,750                                 | –                           | –   | –                                     | –  | 28,750                                      | –  |
| Carl Michael Devlin   | 8/4/2022          | 7,700                                  | 7,300                       | 2,568   | 2,568                                 | –  | –   | 25.45  |
|   | 11/4/2023         | 15,700                                 | –                           | 10,467  | 5,233                                 | –  | 5,234                                       | 26.00  |
|   | 18/3/2024         | –                                      | 2,520                       | –   | –                                     | –  | –   | –  |
|   | 8/4/2024          | 25,800                                 | 93,550                      | 119,350                                       | 8,600                                 | –  | 110,750                                     | 25.65  |
|   | 8/4/2025 (Note 7) | 30,700                                 | –                           | –   | –                                     | –  | 30,700                                      | –  |
| Michael George Fitzgerald                                   | 25/9/2023         | 60,900                                 | –                           | 40,600  | –                                     | –  | 40,600                                      | –  |
|   | 8/4/2024          | 30,150                                 | 93,550                      | 123,700                                       | 10,050                                | –  | 113,650                                     | 25.65  |
|   | 8/4/2025 (Note 7) | 28,650                                 | –                           | –   | –                                     | –  | 28,650                                      | –  |

## EXECUTIVE SHARE INCENTIVE SCHEME (continued)

| Members of the Executive Directorate and eligible employees | Date of award     | Types of award shares granted (Note 1) |                             | Award shares outstanding as at 1 January 2025 | Award shares vested during the period | Award shares lapsed and/or forfeited during the period | Award shares outstanding as at 30 June 2025 | Weighted average closing price of shares immediately before the date(s) on which the award shares were vested (HK\$) |
|---|-------------------|--|-----------------------------|---|---------------------------------------|--|---|--|
|   |                   | Restricted shares (Note 2)             | Performance shares (Note 3) |   |                                       |  |   |  |
| Dr Tony Lee Kar-yun (Note 5)                                | 8/4/2022          | 34,050                                 | –                           | 11,350  | 11,350                                | –  | –   | 25.45  |
|   | 11/4/2023         | 14,850                                 | –                           | 9,900   | 9,900                                 | –  | –   | 26.15  |
|   | 18/3/2024         | –                                      | 16,522                      | –   | –                                     | –  | –   | –  |
|   | 8/4/2024          | 30,600                                 | 93,550                      | 124,150                                       | 30,600                                | –  | 93,550                                      | 26.08  |
|   | 8/4/2025 (Note 7) | 14,700                                 | –                           | –   | 14,700                                | –  | –   | 26.30  |
| Gillian Elizabeth Meller                                    | 8/4/2022          | 34,600                                 | –                           | 11,534  | 11,534                                | –  | –   | 25.45  |
|   | 11/4/2023         | 19,550                                 | –                           | 13,034  | 6,516                                 | –  | 6,518                                       | 26.00  |
|   | 18/3/2024         | –                                      | 16,522                      | –   | –                                     | –  | –   | –  |
|   | 8/4/2024          | 25,950                                 | 93,550                      | 119,500                                       | 8,650                                 | –  | 110,850                                     | 25.65  |
|   | 8/4/2025 (Note 7) | 30,850                                 | –                           | –   | –                                     | –  | 30,850                                      | –  |
| David Tang Chi-fai  | 8/4/2022          | 46,000                                 | –                           | 15,334  | 15,334                                | –  | –   | 25.45  |
|   | 11/4/2023         | 25,100                                 | –                           | 16,734  | 8,366                                 | –  | 8,368                                       | 26.00  |
|   | 18/3/2024         | –                                      | 16,522                      | –   | –                                     | –  | –   | –  |
|   | 8/4/2024          | 41,700                                 | 93,550                      | 135,250                                       | 13,900                                | –  | 121,350                                     | 25.65  |
|   | 8/4/2025 (Note 7) | 40,000                                 | –                           | –   | –                                     | –  | 40,000                                      | –  |
| Sammy Wong Kwan-wai   | 8/4/2022          | 8,050                                  | –                           | 2,684   | 2,684                                 | –  | –   | 25.45  |
|   | 11/4/2023         | 16,400                                 | –                           | 10,934  | 5,466                                 | –  | 5,468                                       | 26.00  |
|   | 18/3/2024         | –                                      | 3,487                       | –   | –                                     | –  | –   | –  |
|   | 8/4/2024          | 21,800                                 | 93,550                      | 115,350                                       | 7,266                                 | –  | 108,084                                     | 25.65  |
|   | 8/4/2025 (Note 7) | 25,900                                 | –                           | –   | –                                     | –  | 25,900                                      | –  |
| Other eligible employees (Note 6)                           | 8/4/2022          | 2,125,450                              | 233,400                     | 525,784                                       | 521,530                               | 4,254  | –   | 25.45  |
|   | 11/4/2023         | 2,349,300                              | 42,850                      | 1,334,772                                     | 694,291                               | 16,757   | 623,724                                     | 26.00  |
|   | 18/3/2024         | –                                      | 318,694                     | –   | –                                     | –  | –   | –  |
|   | 8/4/2024          | 3,731,850                              | 1,987,000                   | 5,552,050                                     | 1,274,039                             | 75,750   | 4,202,261                                   | 25.70  |
|   | 8/4/2025 (Note 7) | 3,905,000                              | 288,350                     | –   | 8,000                                 | –  | 4,185,350                                   | 26.94  |

## Notes:

- <sup>1</sup> The award shares granted under the Executive Share Incentive Scheme are issued Ordinary Shares.
- <sup>2</sup> Restricted shares are awarded to selective eligible employees and vest over three years in equal tranches (unless otherwise determined by the RC of the Company).
- <sup>3</sup> Performance shares are awarded to selective eligible employees and generally vest at the end of a three-year performance cycle, subject to review and approval by the RC of the Company from time to time.
- <sup>4</sup> Dr Jacob Kam Chak-pui entered into a service contract with the Company in March 2025 pursuant to which he was, on 1 April 2025, awarded 33,100 restricted shares which will all vest on 31 December 2025, according to the terms and conditions set out in the service contract.
- <sup>5</sup> Dr Tony Lee Kar-yun retired as Operations and Innovation Director and ceased to be a Member of the Executive Directorate of the Company, both with effect from 1 May 2025.
- <sup>6</sup> Other eligible employees also include former employees of the Company.
- <sup>7</sup> The closing price of the Ordinary Shares immediately before the date on which the award shares were granted on 1 April 2025 and 8 April 2025 was HK\$25.45 and HK\$25.15 respectively.
- <sup>8</sup> No award shares were cancelled during the six months ended 30 June 2025.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company redeemed a notional RMB 345 million bond at par on 21 January 2025. The bond was listed on the Stock Exchange prior to its redemption. Save as disclosed above, the Group did not purchase, sell or redeem any of the Group's listed securities during the six months ended 30 June 2025. However, the Trustee of the Executive Share Incentive Scheme, pursuant to the terms of the rules and the trust deed of the Executive Share Incentive Scheme, purchased on the Stock Exchange a total of 4,341,500 Ordinary Shares for a total consideration of approximately HK\$113 million during the same period.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Company's shareholders' entitlement to the 2025 interim dividend, the Register of Members of the Company was closed from 29 August 2025 to 3 September 2025 (both dates inclusive), during which time no transfers of shares in the Company were effected. To qualify for the 2025 interim dividend, all completed transfer documents, accompanied by the relevant share certificates have to be lodged for registration with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 28 August 2025 (Hong Kong time). The 2025 interim dividend is expected to be paid on 16 September 2025 to shareholders whose names appeared on the Register of Members of the Company as at the close of business on 3 September 2025, being the record date for determination of entitlement to the 2025 interim dividend.

# UNAUDITED INTERIM FINANCIAL REPORT

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| in HK\$ million   | Note | Six months ended<br>30 June 2025<br>(Unaudited) | Six months ended<br>30 June 2024<br>(Unaudited) |
|---|------|---|---|
| Revenue from Hong Kong transport operations   |      | 11,509  | 11,138  |
| Revenue from Hong Kong station commercial businesses  |      | 2,621   | 2,638   |
| Revenue from Hong Kong property rental and management businesses  |      | 2,657   | 2,688   |
| Revenue from Mainland China and international railway,<br>property rental and management subsidiaries   | 2    | 10,183  | 12,429  |
| Revenue from other businesses   |      | 376   | 378   |
|   |      | 27,346  | 29,271  |
| Revenue from Mainland China property development  | 2    | 14  | –   |
| <b>Total revenue</b>  |      | <b>27,360</b>                                   | <b>29,271</b>                                   |
| Expenses relating to Hong Kong transport operations   |      |   |   |
| – Staff costs and related expenses  |      | (4,053)   | (3,592)   |
| – Maintenance and related works   |      | (1,273)   | (1,206)   |
| – Energy and utilities  |      | (1,094)   | (1,093)   |
| – General and administration expenses   |      | (398)   | (391)   |
| – Stores and spares consumed  |      | (300)   | (288)   |
| – Railway support services  |      | (255)   | (229)   |
| – Government rent and rates   |      | (116)   | (91)  |
| – Other expenses  |      | (54)  | (189)   |
|   |      | (7,543)   | (7,079)   |
| Expenses relating to Hong Kong station commercial businesses  |      | (377)   | (310)   |
| Expenses relating to Hong Kong property rental and management businesses  |      | (556)   | (525)   |
| Expenses relating to Mainland China and international railway,<br>property rental and management subsidiaries   | 2    | (9,507)   | (11,720)  |
| Expenses relating to other businesses   |      | (302)   | (326)   |
| Project study and business development expenses   |      | (227)   | (197)   |
|   |      | (18,512)  | (20,157)  |
| Expenses relating to Mainland China property development  | 2    | (10)  | (2)   |
| <b>Operating expenses before depreciation, amortisation and<br/>variable annual payment</b>   |      | <b>(18,522)</b>                                 | <b>(20,159)</b>                                 |
| <b>Operating profit/(loss) before Hong Kong property development,<br/>fair value measurement of investment properties,<br/>depreciation, amortisation and variable annual payment</b> |      |   |   |
| – Arising from recurrent businesses   |      | 8,834   | 9,114   |
| – Arising from Mainland China property development  |      | 4   | (2)   |
|   |      | 8,838   | 9,112   |
| Hong Kong property development profit from share of surplus,<br>income and interest in unsold properties  | 4    | 6,594   | 2,024   |
| (Loss)/gain from fair value measurement of investment properties  | 5    | (1,224)   | 280   |
| <b>Operating profit before depreciation, amortisation and<br/>variable annual payment</b>   |      | <b>14,208</b>                                   | <b>11,416</b>                                   |
| Depreciation and amortisation   |      | (3,099)   | (2,906)   |
| Variable annual payment   |      | (1,534)   | (1,434)   |
| Share of profit of associates and joint ventures  | 6    | 601   | 673   |
| <b>Profit before interest, finance charges and taxation</b>   |      | <b>10,176</b>                                   | <b>7,749</b>                                    |
| Interest and finance charges  | 7    | (620)   | (494)   |
| <b>Profit before taxation</b>   |      | <b>9,556</b>                                    | <b>7,255</b>                                    |
| Income tax  | 8    | (1,734)   | (1,111)   |
| <b>Profit for the period</b>  |      | <b>7,822</b>                                    | <b>6,144</b>                                    |
| <b>Attributable to:</b>   |      |   |   |
| – Shareholders of the Company   |      | 7,709   | 6,044   |
| – Perpetual capital securities holders  |      | 24  | –   |
| – Non-controlling interests   |      | 89  | 100   |
| <b>Profit for the period</b>  |      | <b>7,822</b>                                    | <b>6,144</b>                                    |
| <b>Profit/(loss) for the period attributable to shareholders of the Company:</b>  | 3    |   |   |
| – Arising from recurrent businesses   |      |   |   |
| – in Hong Kong  |      | 2,973   | 3,482   |
| – outside Hong Kong   |      | 418   | 542   |
|   |      | 3,391   | 4,024   |
| – Arising from property development   |      |   |   |
| – in Hong Kong  |      | 5,530   | 1,722   |
| – outside Hong Kong   |      | 12  | 18  |
|   |      | 5,542   | 1,740   |
| – Arising from underlying businesses  |      | 8,933   | 5,764   |
| – Arising from fair value measurement of investment properties  |      | (1,224)   | 280   |
|   |      | 7,709   | 6,044   |
| <b>Earnings per share:</b>  | 10   |   |   |
| – Basic   |      | HK\$1.24  | HK\$0.97  |
| – Diluted   |      | HK\$1.24  | HK\$0.97  |

The notes on pages 51 to 75 form part of this interim financial report.  
Details of dividends payable to shareholders of the Company are set out in note 9.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| in HK\$ million  | Note | Six months ended<br>30 June 2025<br>(Unaudited) | Six months ended<br>30 June 2024<br>(Unaudited) |
|--|------|---|---|
| <b>Profit for the period</b>   |      | <b>7,822</b>                                    | 6,144   |
| <b>Other comprehensive (loss)/income for the period<br/>(after taxation and reclassification adjustments):</b> | 11   |   |   |
| Item that will not be reclassified to profit or loss:  |      |   |   |
| – Loss on revaluation of self-occupied buildings   |      | (136)   | (59)  |
| Items that may be reclassified subsequently to profit or loss:   |      |   |   |
| – Exchange differences on translation of:  |      |   |   |
| – financial statements of subsidiaries, associates and joint ventures<br>outside Hong Kong                     |      | 728   | (478)   |
| – non-controlling interests  |      | 25  | (7)   |
| – Net movement in hedging reserve  |      | (1,362)   | 155   |
|  |      | (609)   | (330)   |
|  |      | (745)   | (389)   |
| <b>Total comprehensive income for the period</b>   |      | <b>7,077</b>                                    | 5,755   |
| <b>Attributable to:</b>  |      |   |   |
| – Shareholders of the Company  |      | 6,939   | 5,662   |
| – Perpetual capital securities holders   |      | 24  | –   |
| – Non-controlling interests  |      | 114   | 93  |
| <b>Total comprehensive income for the period</b>   |      | <b>7,077</b>                                    | 5,755   |

The notes on pages 51 to 75 form part of this interim financial report.



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| in HK\$ million   | Note | At 30 June 2025<br>(Unaudited) | At 31 December 2024<br>(Audited) |
|---|------|--------------------------------|----------------------------------|
| <b>Assets</b>   |      |                                |                                  |
| Fixed assets  |      |                                |                                  |
| – Investment properties   | 12A  | 93,780                         | 96,322                           |
| – Other property, plant and equipment                           | 12B  | 108,169                        | 107,223                          |
| – Service concession assets                                     | 13   | 40,048                         | 39,645                           |
|   |      | <b>241,997</b>                 | 243,190                          |
| Property management rights                                      |      | 9                              | 9                                |
| Railway construction in progress                                | 15   | 15,287                         | 11,375                           |
| Property development in progress                                | 16   | 42,628                         | 42,300                           |
| Deferred expenditure  | 17   | 67                             | 64                               |
| Interests in associates and joint ventures                      | 18   | 13,590                         | 13,039                           |
| Deferred tax assets   | 25   | 546                            | 521                              |
| Investments in securities                                       |      | 6,693                          | 1,952                            |
| Properties held for sale  | 19   | 2,031                          | 2,422                            |
| Derivative financial assets                                     | 20   | 1,511                          | 342                              |
| Stores and spares   |      | 3,008                          | 2,421                            |
| Debtors and other receivables                                   | 21   | 11,506                         | 15,780                           |
| Amounts due from related parties                                | 22   | 6,928                          | 6,198                            |
| Cash, bank balances and deposits                                |      | 56,796                         | 27,886                           |
|   |      | <b>402,597</b>                 | 367,499                          |
| <b>Liabilities</b>  |      |                                |                                  |
| Short-term loans  |      | 17                             | 847                              |
| Creditors, other payables and provisions                        | 23   | 64,265                         | 69,417                           |
| Current taxation  |      | 4,220                          | 2,909                            |
| Amounts due to related parties                                  | 22   | 2,183                          | 3,207                            |
| Loans and other obligations                                     | 24   | 92,156                         | 76,721                           |
| Obligations under service concession                            |      | 9,924                          | 9,969                            |
| Derivative financial liabilities                                | 20   | 2,554                          | 2,014                            |
| Loans from holders of non-controlling interests                 |      | 123                            | 116                              |
| Deferred tax liabilities  | 25   | 15,948                         | 16,166                           |
|   |      | <b>191,390</b>                 | 181,366                          |
| <b>Net assets</b>   |      |                                |                                  |
|   |      | <b>211,207</b>                 | 186,133                          |
| <b>Capital and reserves</b>                                     |      |                                |                                  |
| Share capital   | 26   | 61,287                         | 61,287                           |
| Shares held for Executive Share Incentive Scheme                |      | (308)                          | (299)                            |
| Other reserves  |      | 125,997                        | 124,637                          |
| <b>Total equity attributable to shareholders of the Company</b> |      | <b>186,976</b>                 | 185,625                          |
| <b>Perpetual capital securities</b>                             | 27   | <b>23,574</b>                  | –                                |
| <b>Non-controlling interests</b>                                |      | <b>657</b>                     | 508                              |
| <b>Total equity</b>   |      | <b>211,207</b>                 | 186,133                          |

The notes on pages 51 to 75 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|   |      | Other reserves |  |                                  |                 |                                      |                  |                  |         | Total equity attributable to shareholders of the Company | Perpetual capital securities | Non-controlling interests | Total equity |
|---|------|----------------|--|----------------------------------|-----------------|--------------------------------------|------------------|------------------|---------|--|------------------------------|---------------------------|--------------|
| in HK\$ million   | Note | Share capital  | Shares held for Executive Share Incentive Scheme | Fixed assets revaluation reserve | Hedging reserve | Employee share-based capital reserve | Exchange reserve | Retained profits |         |  |                              |                           |              |
| 30 June 2025 (Unaudited)  |      |                |  |                                  |                 |                                      |                  |                  |         |  |                              |                           |              |
| Balance as at 1 January 2025 (Audited)  |      | 61,287         | (299)  | 3,721                            | (253)           | 139                                  | (2,424)          | 123,454          | 185,625 | –  | 508                          | 186,133                   |              |
| Changes in equity for the six months ended 30 June 2025:                              |      |                |  |                                  |                 |                                      |                  |                  |         |  |                              |                           |              |
| – Profit for the period   |      | –              | –  | –                                | –               | –                                    | –                | 7,709            | 7,709   | 24   | 89                           | 7,822                     |              |
| – Other comprehensive (loss)/ income for the period                                   |      | –              | –  | (136)                            | (1,362)         | –                                    | 728              | –                | (770)   | –  | 25                           | (745)                     |              |
| – Total comprehensive (loss)/ income for the period                                   |      | –              | –  | (136)                            | (1,362)         | –                                    | 728              | 7,709            | 6,939   | 24   | 114                          | 7,077                     |              |
| – Amounts transferred from hedging reserve to initial carrying amount of hedged items |      | –              | –  | –                                | 2               | –                                    | –                | –                | 2       | –  | –                            | 2                         |              |
| – 2024 final ordinary dividend  | 9    | –              | –  | –                                | –               | –                                    | –                | (5,541)          | (5,541) | –  | –                            | (5,541)                   |              |
| – Shares purchased for Executive Share Incentive Scheme                               | 26B  | –              | (113)  | –                                | –               | –                                    | –                | –                | (113)   | –  | –                            | (113)                     |              |
| – Vesting and forfeiture of award shares of Executive Share Incentive Scheme          | 26B  | –              | 104  | –                                | –               | (99)                                 | –                | (5)              | –       | –  | –                            | –                         |              |
| – Employee share-based payments   |      | –              | –  | –                                | –               | 64                                   | –                | –                | 64      | –  | –                            | 64                        |              |
| – Issue of perpetual capital securities   |      | –              | –  | –                                | –               | –                                    | –                | –                | –       | 23,550   | –                            | 23,550                    |              |
| – Equity contributions from holders of non-controlling interests                      |      | –              | –  | –                                | –               | –                                    | –                | –                | –       | –  | 124                          | 124                       |              |
| – Dividends to holders of non-controlling interests                                   |      | –              | –  | –                                | –               | –                                    | –                | –                | –       | –  | (89)                         | (89)                      |              |
| Balance as at 30 June 2025 (Unaudited)  |      | 61,287         | (308)  | 3,585                            | (1,613)         | 104                                  | (1,696)          | 125,617          | 186,976 | 23,574   | 657                          | 211,207                   |              |
| 31 December 2024 (Audited)  |      |                |  |                                  |                 |                                      |                  |                  |         |  |                              |                           |              |
| Balance as at 1 January 2024 (Audited)  |      | 61,083         | (269)  | 3,848                            | (522)           | 178                                  | (1,662)          | 115,688          | 178,344 | –  | 512                          | 178,856                   |              |
| Changes in equity for the six months ended 30 June 2024:                              |      |                |  |                                  |                 |                                      |                  |                  |         |  |                              |                           |              |
| – Profit for the period   |      | –              | –  | –                                | –               | –                                    | –                | 6,044            | 6,044   | –  | 100                          | 6,144                     |              |
| – Other comprehensive (loss)/ income for the period                                   |      | –              | –  | (59)                             | 155             | –                                    | (478)            | –                | (382)   | –  | (7)                          | (389)                     |              |
| – Total comprehensive (loss)/ income for the period                                   |      | –              | –  | (59)                             | 155             | –                                    | (478)            | 6,044            | 5,662   | –  | 93                           | 5,755                     |              |
| – Amounts transferred from hedging reserve to initial carrying amount of hedged items |      | –              | –  | –                                | 11              | –                                    | –                | –                | 11      | –  | –                            | 11                        |              |
| – 2023 final ordinary dividend  | 9    | –              | –  | –                                | –               | –                                    | –                | (5,533)          | (5,533) | –  | –                            | (5,533)                   |              |
| – Shares purchased for Executive Share Incentive Scheme                               | 26B  | –              | (207)  | –                                | –               | –                                    | –                | –                | (207)   | –  | –                            | (207)                     |              |
| – Vesting and forfeiture of award shares of Executive Share Incentive Scheme          | 26B  | 1              | 174  | –                                | –               | (170)                                | –                | (5)              | –       | –  | –                            | –                         |              |
| – Employee share-based payments   |      | –              | –  | –                                | –               | 73                                   | –                | –                | 73      | –  | –                            | 73                        |              |
| – Equity contributions from holders of non-controlling interests                      |      | –              | –  | –                                | –               | –                                    | –                | –                | –       | –  | 5                            | 5                         |              |
| – Dividends to holders of non-controlling interests                                   |      | –              | –  | –                                | –               | –                                    | –                | –                | –       | –  | (7)                          | (7)                       |              |
| Balance as at 30 June 2024 (Unaudited)  |      | 61,084         | (302)  | 3,789                            | (356)           | 81                                   | (2,140)          | 116,194          | 178,350 | –  | 603                          | 178,953                   |              |
| Changes in equity for the six months ended 31 December 2024:                          |      |                |  |                                  |                 |                                      |                  |                  |         |  |                              |                           |              |
| – Profit for the period   |      | –              | –  | –                                | –               | –                                    | –                | 9,728            | 9,728   | –  | 195                          | 9,923                     |              |
| – Other comprehensive (loss)/ income for the period                                   |      | –              | –  | (68)                             | 115             | –                                    | (284)            | 144              | (93)    | –  | (33)                         | (126)                     |              |
| – Total comprehensive (loss)/ income for the period                                   |      | –              | –  | (68)                             | 115             | –                                    | (284)            | 9,872            | 9,635   | –  | 162                          | 9,797                     |              |
| – Amounts transferred from hedging reserve to initial carrying amount of hedged items |      | –              | –  | –                                | (12)            | –                                    | –                | –                | (12)    | –  | –                            | (12)                      |              |
| – Shares issued in respect of scrip dividend of 2023 final ordinary dividend          |      | 202            | (3)  | –                                | –               | –                                    | –                | 3                | 202     | –  | –                            | 202                       |              |
| – 2024 interim ordinary dividend  | 9    | –              | –  | –                                | –               | –                                    | –                | (2,614)          | (2,614) | –  | –                            | (2,614)                   |              |
| – Vesting and forfeiture of award shares of Executive Share Incentive Scheme          |      | 1              | 6  | –                                | –               | (6)                                  | –                | (1)              | –       | –  | –                            | –                         |              |
| – Employee share-based payments   |      | –              | –  | –                                | –               | 64                                   | –                | –                | 64      | –  | –                            | 64                        |              |
| – Equity contributions from holders of non-controlling interests                      |      | –              | –  | –                                | –               | –                                    | –                | –                | –       | –  | 1                            | 1                         |              |
| – Dividends to holders of non-controlling interests                                   |      | –              | –  | –                                | –               | –                                    | –                | –                | –       | –  | (258)                        | (258)                     |              |
| Balance as at 31 December 2024 (Audited)  |      | 61,287         | (299)  | 3,721                            | (253)           | 139                                  | (2,424)          | 123,454          | 185,625 | –  | 508                          | 186,133                   |              |

The notes on pages 51 to 75 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CASH FLOWS

| in HK\$ million  | Note | Six months ended<br>30 June 2025<br>(Unaudited) | Six months ended<br>30 June 2024<br>(Unaudited) |
|--|------|---|---|
| <b>Cash flows from operating activities</b>  |      |   |   |
| Cash generated from operations   | 29   | 7,438   | 8,979   |
| Purchase of tax reserve certificates   |      | (571)   | (60)  |
| Current tax paid   |      |   |   |
| – Hong Kong Profits Tax paid   |      | (135)   | (442)   |
| – Tax paid outside Hong Kong   |      | (251)   | (298)   |
| <b>Net cash generated from operating activities</b>  |      | <b>6,481</b>                                    | <b>8,179</b>                                    |
| <b>Cash flows from investing activities</b>  |      |   |   |
| Capital expenditure  |      |   |   |
| – Purchase of assets for Hong Kong transport and related operations  |      | (4,560)   | (4,456)   |
| – Hong Kong railway extension projects   |      | (3,838)   | (2,451)   |
| – Investment property projects and fitting out work  |      | (127)   | (289)   |
| – Shenzhen Metro Line 13 Phase 1 project   |      | (36)  | (292)   |
| – Other capital projects   |      | (71)  | (83)  |
|  |      | <b>(8,632)</b>                                  | <b>(7,571)</b>                                  |
| Variable annual payment  |      | (3,025)   | (2,355)   |
| Receipts in respect of property development  |      | 10,421  | 388   |
| Payments in respect of property development  |      | (1,294)   | (409)   |
| Decrease in bank deposits with more than three months to maturity when placed or pledged, and structured bank deposits |      | 515   | 199   |
| Net capital recouped from/(investment in) associates and joint ventures  |      | 73  | (111)   |
| Net purchase of investments in securities  |      | (4,760)   | (11)  |
| Dividends and distribution received from associates  |      | 188   | 246   |
| Others   |      | 111   | 293   |
| <b>Net cash used in investing activities</b>   |      | <b>(6,403)</b>                                  | <b>(9,331)</b>                                  |
| <b>Cash flows from financing activities</b>  |      |   |   |
| Purchase of shares for Executive Share Incentive Scheme  |      | (113)   | (207)   |
| Proceeds from loans and capital market instruments   |      | 57,427  | 25,430  |
| Repayment of loans, capital market instruments and others  |      | (45,508)  | (14,065)  |
| Interest and finance charges paid  |      | (1,473)   | (1,144)   |
| Interest received  |      | 557   | 579   |
| Capital element of lease rentals paid  |      | (90)  | (120)   |
| Equity contributions from holders of non-controlling interests   |      | 124   | 5   |
| Repayment of loan from holders of non-controlling interests  |      | –   | (12)  |
| Issue of perpetual capital securities  |      | 23,550  | –   |
| Dividends paid to equity shareholders of the Company   |      | (5,541)   | –   |
| Dividends paid to holders of non-controlling interests   |      | (89)  | (7)   |
| <b>Net cash generated from financing activities</b>  |      | <b>28,844</b>                                   | <b>10,459</b>                                   |
| Net increase in cash and cash equivalents  |      | <b>28,922</b>                                   | <b>9,307</b>                                    |
| Cash and cash equivalents at 1 January   |      | <b>21,836</b>                                   | <b>15,575</b>                                   |
| Effect of exchange rate changes  |      | <b>503</b>                                      | <b>(217)</b>                                    |
| Cash and cash equivalents at 30 June   |      | <b>51,261</b>                                   | <b>24,665</b>                                   |
| <b>Analysis of the balances of cash and cash equivalents</b>   |      |   |   |
| Cash, bank balances and deposits on the consolidated statement of financial position                                   |      | <b>56,796</b>                                   | <b>31,266</b>                                   |
| Bank deposits with more than three months to maturity when placed or pledged   |      | <b>(5,535)</b>                                  | <b>(6,601)</b>                                  |
| Cash and cash equivalents in the consolidated statement of cash flows  |      | <b>51,261</b>                                   | <b>24,665</b>                                   |

The notes on pages 51 to 75 form part of this interim financial report.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

## 1 Basis of Preparation

This interim financial report is unaudited but has been reviewed by the Company's auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). KPMG's review report to the Board of Directors is set out on page 76. In addition, this interim financial report has been reviewed by the Company's Audit & Risk Committee.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim Financial Reporting*, issued by the HKICPA.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains the condensed consolidated interim financial statements and selected explanatory notes, which include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interests in associates and joint ventures since the issuance of the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards, and should be read in conjunction with the 2024 annual financial statements.

The financial information relating to the financial year ended 31 December 2024 included in this interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.
- The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Except for the new accounting policy for perpetual capital securities as disclosed in note 27, the accounting policies adopted for the preparation of this interim financial report are the same as those adopted in the preparation of the 2024 annual financial statements.

## 2 Revenue and Expenses Relating to Mainland China and International Subsidiaries

Revenue and expenses relating to Mainland China and international subsidiaries comprise:

| in HK\$ million                                      | Six months ended<br>30 June 2025 |          | Six months ended<br>30 June 2024 |          |
|--|----------------------------------|----------|----------------------------------|----------|
|  | Revenue                          | Expenses | Revenue                          | Expenses |
| Melbourne's Metropolitan Rail Services               | 5,692                            | 5,351    | 6,585                            | 6,211    |
| Sydney Metro M1 Metro North West and Bankstown Line* | 781                              | 690      | 671                              | 632      |
| Sydney Metro City & Southwest (Design and Delivery)  | 312                              | 296      | 556                              | 520      |
| MTR Nordic   | 1,492                            | 1,398    | 2,139                            | 2,014    |
| London Elizabeth Line                                | 1,378                            | 1,284    | 1,495                            | 1,374    |
| Shenzhen Metro Line 4 ("SZL4")                       | 383                              | 300      | 366                              | 300      |
| Shenzhen Metro Line 13 Phase 1 project (note 13A)    | 112                              | 159      | 292                              | 292      |
| Others   | 33                               | 29       | 325                              | 377      |
|  | 10,183                           | 9,507    | 12,429                           | 11,720   |
| Property development in Mainland China               | 14                               | 10       | –                                | 2        |
| Total Mainland China and international subsidiaries  | 10,197                           | 9,517    | 12,429                           | 11,722   |

\* The Sydney Metro M1 Metro North West and Bankstown Line comprises the former Sydney Metro North West Line and operation of city section of Sydney Metro City & Southwest opened in August 2024.

The Group disposed of its operations of Beijing Ginza Mall in Mainland China and MTRX in Sweden in May 2024, as well as early terminated the concessions for Stockholms pendeltåg and Mälartåg in Sweden in March 2024 and June 2024 respectively. In this regard, included in "Expenses relating to Mainland China and international subsidiaries" during the six months ended 30 June 2024 was a net aggregated loss of HK\$100 million principally arising from the disposal of the Group's operation in Beijing Ginza Mall.

### 3 Segmental Information

The Group's businesses consist of (i) recurrent businesses (comprising Hong Kong transport operations, Hong Kong station commercial businesses, Hong Kong property rental and management businesses, and other businesses (collectively referred to as "recurrent businesses in Hong Kong"), and Mainland China and international railway, property rental and management businesses (referred as "recurrent businesses outside of Hong Kong"), and both excluding fair value measurement of investment properties) and (ii) property development businesses (together with recurrent businesses referred to as "underlying businesses").

The Group manages its businesses by the various business executive committees. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following reportable segments:

- (i) Hong Kong transport operations: The provision of passenger operation and related services on the domestic mass transit railway system in Hong Kong, the Airport Express serving both the Hong Kong International Airport and the AsiaWorld-Expo at Chek Lap Kok, cross-boundary railway connection with Mainland China at Lo Wu and Lok Ma Chau, the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section) ("High Speed Rail"), light rail and bus feeder with railway system in the north-west New Territories and intercity railway transport with certain cities in Mainland China.
- (ii) Hong Kong station commercial businesses: Commercial activities including the letting of advertising, retail and car parking spaces at railway stations, the provision of telecommunication, bandwidth and data centre services in railway and other premises, and other commercial activities within the Hong Kong transport operations network.
- (iii) Hong Kong property rental and management businesses: The letting of retail, office and car parking spaces and the provision of property management services in Hong Kong.
- (iv) Hong Kong property development: Property development activities at locations near the railway systems in Hong Kong.
- (v) Mainland China and international railway, property rental and management businesses: The construction, operation and maintenance of mass transit railway systems including station commercial activities outside of Hong Kong and the letting of retail spaces and provision of property management services in Mainland China.
- (vi) Mainland China property development: Property development activities in Mainland China.
- (vii) Other businesses: Businesses not directly relating to transport operations or properties such as Ngong Ping 360, which comprises cable car operation in Tung Chung and related businesses at the Ngong Ping Village, railway consultancy business, investment in Octopus Holdings Limited and the provision of project management services to the Government of the Hong Kong Special Administrative Region (the "HKSAR Government" or "Government").



### 3 Segmental Information *(continued)*

The results of the reportable segments and reconciliation to the corresponding consolidated totals in the interim financial report are shown below:

| in HK\$ million  | Hong Kong transport services   |   |   |                                | Mainland China and international affiliates   |                                     |                  |         | Un-allocated amount | Total |
|--|--------------------------------|---|---|--------------------------------|---|-------------------------------------|------------------|---------|---------------------|-------|
|  | Hong Kong transport operations | Hong Kong station commercial businesses | Hong Kong property rental and management businesses | Hong Kong property development | Mainland China and international railway, property rental and management businesses | Mainland China property development | Other businesses |         |                     |       |
| Six months ended 30 June 2025  |                                |   |   |                                |   |                                     |                  |         |                     |       |
| Revenue from contracts with customers within the scope of HKFRS 15   | 11,509                         | 795                                     | 205   | –                              | 10,169  | 14                                  | 373              | –       | 23,065              |       |
| – Recognised at a point in time  | 10,813                         | 18                                      | –   | –                              | 1,908   | 14                                  | 241              | –       | 12,994              |       |
| – Recognised over time   | 696                            | 777                                     | 205   | –                              | 8,261   | –                                   | 132              | –       | 10,071              |       |
| Revenue from other sources   | –                              | 1,826                                   | 2,452   | –                              | 14  | –                                   | 3                | –       | 4,295               |       |
| Total revenue  | 11,509                         | 2,621                                   | 2,657   | –                              | 10,183  | 14                                  | 376              | –       | 27,360              |       |
| Operating expenses   | (7,543)                        | (377)                                   | (556)   | –                              | (9,507)   | (10)                                | (302)            | –       | (18,295)            |       |
| Project study and business development expenses  | –                              | –                                       | –   | –                              | (127)   | –                                   | –                | (100)   | (227)               |       |
| Operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment | 3,966                          | 2,244                                   | 2,101   | –                              | 549   | 4                                   | 74               | (100)   | 8,838               |       |
| Hong Kong property development profit from share of surplus, income and interest in unsold properties  | –                              | –                                       | –   | 6,594                          | –   | –                                   | –                | –       | 6,594               |       |
| Loss from fair value measurement of investment properties  | –                              | –                                       | (1,061)   | –                              | (163)   | –                                   | –                | –       | (1,224)             |       |
| Operating profit/(loss) before depreciation, amortisation and variable annual payment  | 3,966                          | 2,244                                   | 1,040   | 6,594                          | 386   | 4                                   | 74               | (100)   | 14,208              |       |
| Depreciation and amortisation  | (2,653)                        | (130)                                   | (14)  | –                              | (267)   | –                                   | (35)             | –       | (3,099)             |       |
| Variable annual payment  | (1,215)                        | (316)                                   | (3)   | –                              | –   | –                                   | –                | –       | (1,534)             |       |
| Share of profit of associates and joint ventures   | –                              | –                                       | –   | –                              | 389   | –                                   | 212              | –       | 601                 |       |
| Profit/(loss) before interest, finance charges and taxation  | 98                             | 1,798                                   | 1,023   | 6,594                          | 508   | 4                                   | 251              | (100)   | 10,176              |       |
| Interest and finance charges   | –                              | –                                       | –   | –                              | 22  | 13                                  | –                | (655)   | (620)               |       |
| Income tax   | –                              | –                                       | –   | (1,064)                        | (186)   | (5)                                 | –                | (479)   | (1,734)             |       |
| Profit/(loss) for the six months ended 30 June 2025  | 98                             | 1,798                                   | 1,023   | 5,530                          | 344   | 12                                  | 251              | (1,234) | 7,822               |       |

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

## 3 Segmental Information (continued)

|  | Hong Kong transport services   |   |   |                                | Mainland China and international affiliates   |                                     |                  |                     |          |
|--|--------------------------------|---|---|--------------------------------|---|-------------------------------------|------------------|---------------------|----------|
|  |                                |   |   |                                | Mainland China and international railway, property rental and management businesses | Mainland China property development | Other businesses | Un-allocated amount |          |
| in HK\$ million  | Hong Kong transport operations | Hong Kong station commercial businesses | Hong Kong property rental and management businesses | Hong Kong property development |   |                                     |                  |                     | Total    |
| Six months ended 30 June 2024  |                                |   |   |                                |   |                                     |                  |                     |          |
| Revenue from contracts with customers within the scope of HKFRS 15   | 11,138                         | 858                                     | 187   | –                              | 12,389  | –                                   | 370              | –                   | 24,942   |
| – Recognised at a point in time  | 10,436                         | 16                                      | –   | –                              | 2,483   | –                                   | 241              | –                   | 13,176   |
| – Recognised over time   | 702                            | 842                                     | 187   | –                              | 9,906   | –                                   | 129              | –                   | 11,766   |
| Revenue from other sources   | –                              | 1,780                                   | 2,501   | –                              | 40  | –                                   | 8                | –                   | 4,329    |
| Total revenue  | 11,138                         | 2,638                                   | 2,688   | –                              | 12,429  | –                                   | 378              | –                   | 29,271   |
| Operating expenses   | (7,079)                        | (310)                                   | (525)   | –                              | (11,720)  | (2)                                 | (326)            | –                   | (19,962) |
| Project study and business development expenses  | –                              | –                                       | –   | –                              | (142)   | –                                   | –                | (55)                | (197)    |
| Operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment | 4,059                          | 2,328                                   | 2,163   | –                              | 567   | (2)                                 | 52               | (55)                | 9,112    |
| Hong Kong property development profit from share of surplus, income and interest in unsold properties  | –                              | –                                       | –   | 2,024                          | –   | –                                   | –                | –                   | 2,024    |
| Gain/(loss) from fair value measurement of investment properties   | –                              | –                                       | 331   | –                              | (51)  | –                                   | –                | –                   | 280      |
| Operating profit/(loss) before depreciation, amortisation and variable annual payment  | 4,059                          | 2,328                                   | 2,494   | 2,024                          | 516   | (2)                                 | 52               | (55)                | 11,416   |
| Depreciation and amortisation  | (2,520)                        | (124)                                   | (6)   | –                              | (223)   | –                                   | (33)             | –                   | (2,906)  |
| Variable annual payment  | (1,124)                        | (307)                                   | (3)   | –                              | –   | –                                   | –                | –                   | (1,434)  |
| Share of profit of associates and joint ventures   | –                              | –                                       | –   | –                              | 448   | –                                   | 225              | –                   | 673      |
| Profit/(loss) before interest, finance charges and taxation  | 415                            | 1,897                                   | 2,485   | 2,024                          | 741   | (2)                                 | 244              | (55)                | 7,749    |
| Interest and finance charges   | –                              | –                                       | –   | –                              | 31  | 23                                  | –                | (548)               | (494)    |
| Income tax   | –                              | –                                       | –   | (302)                          | (181)   | (3)                                 | –                | (625)               | (1,111)  |
| Profit/(loss) for the six months ended 30 June 2024  | 415                            | 1,897                                   | 2,485   | 1,722                          | 591   | 18                                  | 244              | (1,228)             | 6,144    |

For the six months ended 30 June 2025, profit attributable to shareholders of the Company arising from recurrent businesses in Hong Kong of HK\$2,973 million (2024: HK\$3,482 million) represents (i) the profit for the period of HK\$4,231 million (2024: HK\$4,710 million) arising from recurrent businesses in Hong Kong (after excluding loss from fair value measurement of investment properties of HK\$1,061 million (2024: gain of HK\$331 million)), (ii) un-allocated expenses of HK\$1,234 million (2024: HK\$1,228 million) in Hong Kong, and (iii) net of profit attributable to perpetual capital securities holders of HK\$24 million (2024: HK\$nil).

For the six months ended 30 June 2025, profit attributable to shareholders of the Company arising from recurrent businesses outside Hong Kong of HK\$418 million (2024: HK\$542 million) represents (i) the profit for the period of HK\$507 million (2024: HK\$642 million) arising from recurrent business outside Hong Kong (after excluding loss from fair value measurement of investment properties of HK\$163 million (2024: HK\$51 million)), and (ii) net of profit attributable to non-controlling interests of HK\$89 million (2024: HK\$100 million).

For the six months ended 30 June 2025, loss attributable to shareholders of the Company arising from fair value measurement of investment properties of HK\$1,224 million (2024: profit of HK\$280 million) represents loss from fair value remeasurement on investment properties of HK\$2,702 million (2024: HK\$810 million), and gain from fair value measurement of investment properties on initial recognition from property development of HK\$1,478 million (2024: HK\$1,090 million).

### 3 Segmental Information *(continued)*

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or goods were delivered.

| in HK\$ million                   | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|-----------------------------------|----------------------------------|----------------------------------|
| Hong Kong SAR (place of domicile) | 17,157                           | 16,837                           |
| Australia                         | 6,785                            | 7,812                            |
| Mainland China and Macao SAR      | 530                              | 937                              |
| Sweden                            | 1,492                            | 2,139                            |
| United Kingdom                    | 1,396                            | 1,546                            |
|                                   | 10,203                           | 12,434                           |
|                                   | 27,360                           | 29,271                           |

### 4 Hong Kong Property Development Profit from Share of Surplus, Income and Interest in Unsold Properties

Hong Kong property development profit from share of surplus, income and interest in unsold properties comprises:

| in HK\$ million  | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|--|----------------------------------|----------------------------------|
| Share of surplus, income and interest in unsold properties from property development | 6,592                            | 1,995                            |
| Agency fee and other income from West Rail property development                      | 5                                | 33                               |
| Overheads  | (3)                              | (4)                              |
| Hong Kong property development profit (pre-tax)                                      | 6,594                            | 2,024                            |
| Hong Kong property development profit (post-tax)                                     | 5,530                            | 1,722                            |

For the six months ended 30 June 2025, profit attributable to shareholders of the Company arising from Hong Kong property development of HK\$5,530 million (2024: HK\$1,722 million) represents Hong Kong property development profit of HK\$6,594 million (2024: HK\$2,024 million) and related income tax expenses of HK\$1,064 million (2024: HK\$302 million).

### 5 (Loss)/Gain from Fair Value Measurement of Investment Properties

(Loss) / gain from fair value measurement of investment properties comprises:

| in HK\$ million  | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|--|----------------------------------|----------------------------------|
| Loss from fair value remeasurement on investment properties  | (2,702)                          | (810)                            |
| Gain from fair value measurement of investment properties on initial recognition from property development | 1,478                            | 1,090                            |
|  | (1,224)                          | 280                              |

During the year ended 31 December 2023, investment property with a carrying value of HK\$5.2 billion was initially recognised upon the receipt of a shopping mall from a property development project.

In accordance with the Group's accounting policies, deferred income of HK\$5.0 billion was initially recognised after taking into account HK\$0.2 billion cost incurred/to be incurred by the Group in connection with this property development. The outstanding risks and obligations retained by the Group will be reassessed at the end of each reporting period. Any reduction in the amount of outstanding risks and obligations will be accounted for as a decrease in deferred income and a corresponding "Gain from fair value measurement of investment properties on initial recognition from property development" in profit or loss of that reporting period.

During the six months ended 30 June 2025, after reassessing the outstanding risks and obligations retained by the Group at the end of reporting period, the remaining HK\$1.5 billion (2024: HK\$1.1 billion) was recognised as gain from fair value measurement of investment properties on initial recognition from property development in profit or loss. As at 30 June 2025, deferred income of HK\$nil (31 December 2024: HK\$1.5 billion) was recognised in the Group's consolidated statement of financial position and included in "Creditors, other payables and provisions" (note 23).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

### 6 Share of Profit of Associates and Joint Ventures

Share of profit of associates and joint ventures comprises:

| in HK\$ million                 | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|---------------------------------|----------------------------------|----------------------------------|
| Share of profit before taxation | 935                              | 893                              |
| Share of income tax expenses    | (334)                            | (220)                            |
|                                 | 601                              | 673                              |

### 7 Interest and Finance Charges

Interest and finance charges comprise:

| in HK\$ million   | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|---|----------------------------------|----------------------------------|
| Interest expenses in respect of:                                  |                                  |                                  |
| – Bank loans, overdrafts and capital market instruments           | 1,600                            | 1,230                            |
| – Obligations under service concession                            | 336                              | 350                              |
| – Lease liabilities   | 8                                | 13                               |
| – Others  | –                                | 13                               |
| Finance charges   | 67                               | 21                               |
| Exchange loss/(gain)  | 501                              | (166)                            |
|   | 2,512                            | 1,461                            |
| Derivative financial instruments:                                 |                                  |                                  |
| – Fair value hedges   | 61                               | 29                               |
| – Cash flow hedges:   |                                  |                                  |
| – transferred from hedging reserve to interest expenses           | (121)                            | (63)                             |
| – transferred from hedging reserve to offset exchange (loss)/gain | (460)                            | 174                              |
| – hedge ineffectiveness   | 40                               | –                                |
| – Derivatives not adopting hedge accounting                       | –                                | 1                                |
|   | (480)                            | 141                              |
| Interest expenses capitalised                                     | (610)                            | (470)                            |
|   | 1,422                            | 1,132                            |
| Interest income in respect of:                                    |                                  |                                  |
| – Deposits with banks   | (726)                            | (571)                            |
| – Others  | (76)                             | (67)                             |
|   | (802)                            | (638)                            |
|   | 620                              | 494                              |

## 8 Income Tax

**A** Income tax in the consolidated statement of profit or loss represents:

| in HK\$ million   | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|---|----------------------------------|----------------------------------|
| Current tax   |                                  |                                  |
| – Hong Kong Profits Tax                                     | 1,484                            | 851                              |
| – Tax outside Hong Kong                                     | 174                              | 251                              |
|   | 1,658                            | 1,102                            |
| Deferred tax  |                                  |                                  |
| – Origination and reversal of temporary differences on:     |                                  |                                  |
| – tax losses  | 1                                | 2                                |
| – depreciation allowances in excess of related depreciation | 46                               | 111                              |
| – provisions and others                                     | 27                               | (108)                            |
| – right-of-use assets                                       | (1)                              | (10)                             |
| – lease liabilities   | 3                                | 14                               |
|   | 76                               | 9                                |
|   | 1,734                            | 1,111                            |

Except for the Company which is a qualifying corporation under the two-tiered Profits Tax rate regime in Hong Kong, the provision for Hong Kong Profits Tax for the six months ended 30 June 2025 is calculated at 16.5% (2024: 16.5%) on the estimated assessable profits for the period after deducting accumulated tax losses brought forward, if any. Under the two-tiered Profits Tax rate regime, the Company's first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for the Company was calculated on the same basis as 2024.

Current taxes for subsidiaries outside Hong Kong are charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

Provision for deferred tax on temporary differences arising in Hong Kong is calculated at the Hong Kong Profits Tax rate at 16.5% (2024: 16.5%), while that arising outside Hong Kong is calculated at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

**B** Since the Rail Merger in 2007, the Company has claimed annual Hong Kong Profits Tax deductions in respect of the amortisation of upfront payment and cut-over liabilities, and fixed annual payments and variable annual payments relating to the Rail Merger (collectively "the Sums"). The total tax amount in respect of the Sums for the years of tax assessment from 2007/2008 to the first six months of 2025/2026 amounted to HK\$6.1 billion (31 December 2024: for the years of tax assessment from 2007/2008 to 2024/2025 amounted to HK\$5.8 billion).

(i) As of 30 June 2025, the Inland Revenue Department of Hong Kong ("IRD") issued notices of profits tax assessments/additional profits tax assessments for the years of assessment from 2009/2010 to 2018/2019 (31 December 2024: the years of assessment from 2009/2010 to 2017/2018) disallowing deduction of the Sums in the computation of the Company's assessable profits. Based on the strength of advice from the external legal counsel and its tax advisor, the Company has lodged objections against these tax assessments (regarding the deductibility of the Sums) and has applied to hold over the additional tax demanded. The IRD has agreed to the holdover of the additional tax demanded subject to the purchases of tax reserve certificates ("TRCs") amounting to HK\$2.8 billion. The Company has purchased the required TRCs and the additional tax demanded has been held over by IRD. The purchases of TRCs do not prejudice the Company's tax position and the purchased TRCs were included in "Debtors and other receivables" in the Group's consolidated statement of financial position.

(ii) On 20 May 2022, the Commissioner of Inland Revenue issued a determination to the Company disagreeing with the objections lodged by the Company and confirming profits tax assessment/additional profits tax assessments in respect of the Sums in dispute for the years of assessment from 2011/2012 to 2017/2018 (i.e. holding that the Sums are not deductible in the computation of the Company's assessable profits for those years of assessment). The Company re-affirmed the case with the external legal counsel who advised the Company previously and its tax advisor, and obtained further advice from another external legal counsel. Based on the advice from the external legal counsel and its tax advisor, the directors of the Company believe that the Company has strong legal grounds and have determined to contest and appeal against the assessments for the years of assessment from 2011/2012 to 2017/2018. Accordingly, the Company lodged a notice of appeal to the Inland Revenue Board of Review on 16 June 2022.

(iii) After discussing with the external legal counsel and its tax advisor on the approach to the appeal, the Company decided not to pursue its deduction claims in respect of the amortisation of upfront payment and cut-over liabilities during the opening submission before Board of Review. As the Company had already made the related tax provision for the amortisation of upfront payment and cut-over liabilities in the past years taking into account the uncertainty in their tax deductibility, no additional tax provision is required. The hearing of appeal was held before the Board of Review in early 2024.

(iv) On 6 August 2024, the Board of Review has issued its decision ("the Board of Review Decision") and has disagreed with the deduction claims of the fixed annual payments and variable annual payments for the years of assessment from 2011/2012 to 2017/2018. It confirmed the relevant profits tax assessment/additional profits tax assessments in respect of the fixed annual payments and variable annual payments being non-tax deductible.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

### 8 Income Tax (continued)

(v) The Company, external legal counsel and its tax advisor have completed their review of the Board of Review Decision and the advice obtained continues to be that the Company has strong legal grounds to support its position. Based on the strength of advice from external legal counsel and its tax advisor, on 4 September 2024, the Company lodged an application to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region ("the Court of First Instance") for leave to appeal against the Board of Review Decision. The hearing for the application of leave to appeal was held before the Court of First Instance in late February 2025.

On 27 May 2025, the Court of First Instance handed down its decision and granted leave for the Company to appeal against the Board of Review Decision. The Company has conferred with external legal counsel and its tax advisor and the advice obtained is that the Company continues to have strong legal grounds to support its position. As such, the Company has proceeded with its appeal against the Board of Review Decision and no additional tax provision has been made. The hearing of the appeal before the Court of First Instance is scheduled to be held in early 2027.

As mentioned above, the total tax amount in respect of the Sums for the years of assessment from 2007/2008 to the first six months of 2025/2026 amounted to HK\$6.1 billion (31 December 2024: the years of assessment from 2007/2008 to 2024/2025 amounted to HK\$5.8 billion). As at 30 June 2025, the related tax provision made for the amortisation of upfront payment and cut-over liabilities amounted to HK\$0.2 billion (as of 31 December 2024: HK\$0.2 billion), of which HK\$14 million was utilised during the six months ended 30 June 2025 (2024: HK\$nil) for the settlement of the related additional profits tax assessment.

### C Pillar Two Income Taxes

The Group has key operations in Australia, Sweden, the United Kingdom and Hong Kong, where these jurisdictions have enacted or substantially enacted new tax laws to implement the Pillar Two model rules published by the OECD.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and has accounted for the tax as current tax when incurred, if any. During the six months ended 30 June 2025, the Group has recognised HK\$nil for the current tax relating to the Pillar Two model rules where new tax laws, for Australia, Sweden and the United Kingdom are effective from 1 January 2024, and for Hong Kong is effective from 1 January 2025.

### 9 Dividends

Ordinary dividends to shareholders of the Company are as follows:

| in HK\$ million   | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|---|----------------------------------|----------------------------------|
| Ordinary dividends attributable to the period   |                                  |                                  |
| – Interim ordinary dividend declared after the end of the reporting period of HK\$0.42 (2024: HK\$0.42) per share   | 2,614                            | 2,614                            |
| Ordinary dividends attributable to the previous year  |                                  |                                  |
| – Final ordinary dividend of HK\$0.89 (2024: HK\$0.89 per share attributable to year 2023) per share approved and paid (2024: approved and payable) during the reporting period | 5,541                            | 5,533                            |

The 2025 interim ordinary dividend declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

### 10 Earnings Per Share

#### A Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2025 of HK\$7,709 million (2024: HK\$6,044 million) and the weighted average number of ordinary shares in issue less shares held for Executive Share Incentive Scheme, which is calculated as follows:

|   | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|---|----------------------------------|----------------------------------|
| Issued ordinary shares at 1 January and 30 June   | 6,224,823,171                    | 6,217,197,282                    |
| Less: Shares held for Executive Share Incentive Scheme  | (9,837,631)                      | (6,299,128)                      |
| Weighted average number of ordinary shares in issue less shares held for Executive Share Incentive Scheme during the six months ended 30 June | 6,214,985,540                    | 6,210,898,154                    |

## 10 Earnings Per Share *(continued)*

### B Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2025 of HK\$7,709 million (2024: HK\$6,044 million) and the weighted average number of ordinary shares in issue less shares held for Executive Share Incentive Scheme after adjusting for the dilutive effect of the Company's Executive Share Incentive Scheme, which is calculated as follows:

|   | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|---|----------------------------------|----------------------------------|
| Weighted average number of ordinary shares in issue less shares held for Executive Share Incentive Scheme during the six months ended 30 June | <b>6,214,985,540</b>             | 6,210,898,154                    |
| Effect of shares awarded under Executive Share Incentive Scheme   | <b>10,235,274</b>                | 7,827,319                        |
| Weighted average number of ordinary shares (diluted) during the six months ended 30 June  | <b>6,225,220,814</b>             | 6,218,725,473                    |

C Both basic and diluted earnings per share would have been HK\$1.44 (2024: HK\$0.93) if the calculation is based on profit attributable to shareholders of the Company arising from underlying businesses of HK\$8,933 million (2024: HK\$5,764 million).

## 11 Other Comprehensive (Loss)/Income

A Tax effects relating to each component of other comprehensive (loss)/income of the Group are shown below:

| in HK\$ million   | Six months ended<br>30 June 2025 |            |                      | Six months ended<br>30 June 2024 |                           |                      |
|---|----------------------------------|------------|----------------------|----------------------------------|---------------------------|----------------------|
|   | Before-tax<br>amount             | Tax credit | Net-of-tax<br>amount | Before-tax<br>amount             | Tax credit/<br>(expenses) | Net-of-tax<br>amount |
| Exchange differences on translation of:   |                                  |            |                      |                                  |                           |                      |
| – Financial statements of subsidiaries, associates and joint ventures outside Hong Kong | <b>728</b>                       | –          | <b>728</b>           | (478)                            | –                         | (478)                |
| – Non-controlling interests   | <b>25</b>                        | –          | <b>25</b>            | (7)                              | –                         | (7)                  |
|   | <b>753</b>                       | –          | <b>753</b>           | (485)                            | –                         | (485)                |
| Loss on revaluation of self-occupied buildings (note 12B)                               | <b>(162)</b>                     | <b>26</b>  | <b>(136)</b>         | (71)                             | 12                        | (59)                 |
| Net movement in hedging reserve (note 11B)  | <b>(1,631)</b>                   | <b>269</b> | <b>(1,362)</b>       | 188                              | (33)                      | 155                  |
| Other comprehensive (loss)/income   | <b>(1,040)</b>                   | <b>295</b> | <b>(745)</b>         | (368)                            | (21)                      | (389)                |

B The components of net movement in hedging reserve are as follows:

| in HK\$ million  | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|--|----------------------------------|----------------------------------|
| Cash flow hedges:  |                                  |                                  |
| Effective portion of changes in fair value of hedging instruments recognised during the period | <b>(511)</b>                     | 68                               |
| Changes in fair value of cost of hedging   | <b>(83)</b>                      | –                                |
| Amounts transferred to profit or loss during the period:                                       |                                  |                                  |
| – Interest and finance charges (note 7)  | <b>(581)</b>                     | 111                              |
| – Other expenses   | <b>14</b>                        | 9                                |
| Deferred tax   | <b>191</b>                       | (33)                             |
|  | <b>(970)</b>                     | 155                              |
| Fair value hedges:   |                                  |                                  |
| Changes in fair value of cost of hedging   | <b>(470)</b>                     | –                                |
| Deferred tax   | <b>78</b>                        | –                                |
|  | <b>(392)</b>                     | –                                |
|  | <b>(1,362)</b>                   | 155                              |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

### 12 Investment Properties and Other Property, Plant and Equipment

#### A Investment Properties

Investment properties of the Group in Hong Kong and Mainland China were remeasured at the reporting date by independent firms of surveyors, Colliers International (Hong Kong) Limited and Cushman & Wakefield Limited respectively. The valuations are based on the income capitalisation approach. Under this approach, the market value is derived from the capitalisation of the rental revenue to be received under existing tenancies and the estimated full market rental value to be received upon expiry of the existing tenancies with reference to the market rental levels prevailing as at the date of valuation by an appropriate single market yield rate.

Movements of the Group's investment properties, all of which being held in Hong Kong and Mainland China and carried at fair value, are as follows:

| in HK\$ million  | Six months ended<br>30 June 2025<br>(Unaudited) | Year ended<br>31 December 2024<br>(Audited) |
|--|---|---|
| At 1 January   | 96,322  | 98,205                                      |
| Additions  | 120   | 2,053                                       |
| Disposal of a subsidiary (note 2)                          | –   | (93)  |
| Fair value remeasurement on investment properties (note 5) | (2,702)   | (3,821)                                     |
| Exchange differences                                       | 40  | (22)  |
| At 30 June/31 December                                     | 93,780  | 96,322                                      |

Investment properties are remeasured semi-annually and future market condition changes may result in further gains or losses to be recognised through consolidated statement of profit or loss in subsequent periods.

#### B Other Property, Plant and Equipment

##### (i) Acquisitions of Owned Assets

During the six months ended 30 June 2025, the Group acquired assets (other than right-of-use assets) at a total cost of HK\$3,266 million before offset by government grant (2024: HK\$3,265 million).

##### (ii) Valuation

All of the Group's self-occupied buildings are held in Hong Kong and carried at fair value. All self-occupied buildings were revalued by using primarily the direct comparison approach assuming sale of properties in their existing state with vacant possession at the reporting date by an independent firm of surveyors, Colliers International (Hong Kong) Limited. The valuation resulted in a revaluation loss of HK\$162 million (2024: HK\$71 million) and related deferred tax credit of HK\$26 million (2024: HK\$12 million), which has been recognised in other comprehensive income (note 11A) and accumulated in the fixed assets revaluation reserve account.

#### C Right-of-use Assets

During the six months ended 30 June 2025, additions to right-of-use assets were HK\$211 million (2024: HK\$369 million). This amount primarily related to additions of leasehold investment properties of HK\$110 million (note 12A) (2024: HK\$289 million) and office building and depot leased of HK\$91 million (2024: HK\$22 million).

### 13 Service Concession Assets

A During the six months ended 30 June 2025, the Group incurred HK\$1,136 million (2024: HK\$1,007 million) of expenditure for the replacement and upgrade of the Kowloon-Canton Railway Corporation ("KCRC") system ("Additional Concession Property") under the service concession arrangement in the Rail Merger, HK\$57 million (2024: HK\$50 million) and HK\$101 million (2024: HK\$50 million) of expenditure for the replacement and upgrade of the concession property of the High Speed Rail ("Additional Concession Property (High Speed Rail)") and the Shatin to Central Link ("Additional Concession Property (SCL)") respectively under the supplemental service concession arrangements with KCRC, as well as HK\$55 million (2024: HK\$292 million) of expenditure for asset additions in respect of Shenzhen Metro Line 13 Phase 1 project.

## 13 Service Concession Assets *(continued)*

**B** SZL4 forms part of the Shenzhen Metro, which is operated by a wholly owned subsidiary, MTR Corporation (Shenzhen) Limited ("MTRSZ"). In July 2020, the Shenzhen Municipal Government announced that a fare adjustment framework for the Shenzhen Metro network would come into effect on 1 January 2021. The framework was expected to enable the establishment of a mechanism for fare setting and the implementation procedures for fare adjustments. Up to 30 June 2025, there has been no increase in SZL4's fare since MTRSZ started operating the line in 2010 whilst the operating costs continue to rise. As disclosed in previous years, if a suitable fare increase and adjustment mechanism are not implemented soon, the long-term financial viability of this line will be impacted.

At 30 June 2022, as it was anticipated that the mechanism and procedures for fare adjustments will take longer time to implement and patronage will remain at a lower level for a period of time, an impairment test was performed for SZL4 and an impairment provision of HK\$962 million was recognised for the SZL4 service concession assets in the consolidated statement of profit or loss for the six months ended 30 June 2022.

Based on the review performed by the Group as at 30 June 2025 and 31 December 2024, no further impairment loss was recognised as at 30 June 2025 and 31 December 2024.

## 14 Railway Construction Projects under Entrustment by the HKSAR Government

### A Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("High Speed Rail" or "HSR") Project

#### (a) Entrustment Agreements

The HKSAR Government and the Company entered into the HSR Preliminary Entrustment Agreement in 2008, and the HSR Entrustment Agreement in 2010 (together, the "**Entrustment Agreements**"), in relation to the HSR.

Pursuant to the HSR Preliminary Entrustment Agreement, the HKSAR Government is obligated to pay the Company the Company's in-house design costs and certain on-costs, preliminary costs and staff costs.

Pursuant to the HSR Entrustment Agreement, the Company is responsible for carrying out or procuring the carrying out of the agreed activities for the planning, design, construction, testing and commissioning of the HSR and the HKSAR Government, as owner of HSR, is responsible for bearing and financing the full amount of the total cost of such activities (the "**Entrustment Cost**") and for paying to the Company a fee in accordance with an agreed payment schedule (the "**HSR Project Management Fee**") (subsequent amendments to these arrangements are described below).

The HKSAR Government has the right to claim against the Company if the Company breaches the HSR Entrustment Agreement (including, if the Company breaches the warranties it gave in respect of its project management services) and, under the HSR Entrustment Agreement, to be indemnified by the Company in relation to losses suffered by the HKSAR Government as a result of any negligence of the Company in performing its obligations under the HSR Entrustment Agreement or any breach of the HSR Entrustment Agreement by the Company. Under the HSR Entrustment Agreement, the Company's total aggregate liability to the HKSAR Government arising out of or in connection with the Entrustment Agreements (other than for death or personal injury) is subject to a cap equal to the total of HSR Project Management Fee and any other fees that the Company receives under the HSR Entrustment Agreement and certain fees received by the Company under the HSR Preliminary Entrustment Agreement (the "**Liability Cap**"). In accordance with general principles of law, such Liability Cap could not be relied upon if the Company were found to be liable for the fraudulent or other dishonest conduct of its employees or agents, to the extent that the relevant loss had been caused by such fraudulent or other dishonest conduct. Although the HKSAR Government has reserved the right to refer to arbitration the question of the Company's liability for the Current Cost Overrun (as defined hereunder) (if any) under the HSR Preliminary Entrustment Agreement and the HSR Entrustment Agreement (as more particularly described in note 14A(b)(v) below), up to the date of this interim financial report, no formal claim has been received from the HKSAR Government. In 2024, the HKSAR Government informed the Company of a number of areas of interest to it arising out of the Company's performance under the HSR Entrustment Agreements ("**Areas of Interest**") for which the HKSAR Government was seeking further information and explanations from the Company. Subsequently, in late 2024, the HKSAR Government invited the Company to take part in a series of Senior Executive Meetings as a forum to discuss and endeavour to settle issues between the parties in connection with the HSR project (as was contemplated under a protocol entered into between the parties in December 2021 (the "**Protocol**")). The first such meeting was held on 13 December 2024, at which the HKSAR Government issued a "Position Paper" to the Company for the purpose of commencing discussions in accordance with the Protocol. The Company delivered its response in April 2025 and discussions with the HKSAR Government are ongoing.

#### (b) HSR Agreement

In 2015, as a result of the HSR programme being extended to the third quarter of 2018 and the Company and the HKSAR Government reaching agreement for revising the estimate project cost to HK\$84.42 billion (the "**Revised Cost Estimate**"), the HKSAR Government and the Company entered into an agreement (the "**HSR Agreement**") relating to the further funding and completion of the HSR (and which made certain changes to the HSR Entrustment Agreement) which was subsequently approved by the Company's independent shareholders at an extraordinary general meeting, and the Legislative Council approved the HKSAR Government's additional funding obligations, during 2016. Pursuant to the HSR Agreement:

- (i) The HKSAR Government will bear and finance the project cost up to HK\$84.42 billion, which includes an increase in the project cost by the amount of HK\$19.42 billion being the "**Current Cost Overrun**";

## 14 Railway Construction Projects under Entrustment by the HKSAR Government *(continued)*

### A Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (“High Speed Rail” or “HSR”) Project *(continued)*

- (ii) The Company will, if the project cost exceeds HK\$84.42 billion, bear and finance the portion of the project cost which exceeds that sum (if any) (the **“Further Cost Overrun”**) except for certain agreed excluded costs (namely, additional costs arising from changes in law, force majeure events or any suspension of construction contracts specified in the HSR Agreement);
- (iii) The Company would pay a special dividend in cash of HK\$4.40 in aggregate per share in two tranches in 2016 and 2017;
- (iv) The HSR Project Management Fee increases from HK\$4.59 billion to HK\$6.34 billion. Consequently, the Liability Cap increases from up to HK\$4.94 billion to up to HK\$6.69 billion; and
- (v) The HKSAR Government reserves the right to refer to arbitration the question of the Company’s liability for the Current Cost Overrun (if any) under the Entrustment Agreements (including any question the HKSAR Government may have regarding the validity of the Liability Cap). The Entrustment Agreements contain dispute resolution mechanisms which include the right to refer a dispute to arbitration. If the arbitrator does not determine that the Liability Cap is invalid and determines that, but for the Liability Cap, the Company’s liability under the Entrustment Agreements for the Current Cost Overrun would exceed the Liability Cap, the Company shall:
- bear such amount as is awarded to the HKSAR Government up to the Liability Cap;
  - seek the approval of its independent shareholders, at another General Meeting (at which the FSI, the HKSAR Government and their Close Associates and Associates and the Exchange Fund will be required to abstain from voting), for the Company to bear the excess liability; and
  - if the approval of the independent shareholders (referred to immediately above) is obtained, pay the excess liability to the HKSAR Government. If such approval is not obtained, the Company will not make such payment to the HKSAR Government.
- (c) As at 30 June 2025, the Company has not made any provision in its interim financial report in respect of:
- (i) any possible liability of the Company for any Further Cost Overrun (if any), given the Company does not currently believe based on information available to date there is any need to revise further the Revised Cost Estimate;
- (ii) any possible liability of the Company that may be determined in accordance with any arbitration that may take place (as more particularly described in note 14A(b)(v) above), given that (a) the Company has not received any notification from the HKSAR Government of any formal claim by the HKSAR Government against the Company or of any referral by the HKSAR Government to arbitration as of 30 June 2025 and up to the date of this interim financial report and the eventual outcome of any dialogue between the Company and the HKSAR Government on the Areas of Interest remains highly uncertain at the current stage; (b) the Company has the benefit of the Liability Cap; and (c) as a result of the HSR Agreement, the Company will not make any payment to the HKSAR Government in excess of the Liability Cap pursuant to a determination of the arbitrator without the approval of its independent shareholders; and where applicable, because the Company is not able to measure with sufficient reliability the amount of the Company’s obligation or liability (if any).

### B Shatin to Central Link (“SCL”) Project

#### (a) SCL Agreements

The Company and the HKSAR Government entered into the SCL Preliminary Entrustment Agreement (**“SCL EA1”**) in 2008, the SCL Advance Works Entrustment Agreement (**“SCL EA2”**) in 2011, and the SCL Entrustment Agreement (**“SCL EA3”**) in 2012 (together, the **“SCL Agreements”**), in relation to the SCL.

Pursuant to the SCL EA1, the Company is responsible for carrying out or procuring the carrying out of the design, site investigation and procurement activities while the HKSAR Government is responsible for funding directly the total cost of such activities.

Pursuant to the SCL EA2, the Company is responsible for carrying out or procuring the carrying out of the agreed works while the HKSAR Government is responsible for bearing and paying to the Company all the work costs (**“EA2 Advance Works Costs”**). The EA2 Advance Works Costs and the Interface Works Costs (as described below) are reimbursable by the HKSAR Government to the Company. During the six months ended 30 June 2025, HK\$9 million (2024: HK\$31 million) of such costs were incurred by the Company, which are payable by the HKSAR Government. As at 30 June 2025, the amount of such costs which remained outstanding from the HKSAR Government was HK\$162 million (31 December 2024: HK\$166 million).

The SCL EA3 was entered into in 2012 for the construction and commissioning of the SCL. The HKSAR Government is responsible for bearing all the work costs specified in the SCL EA3 including costs to contractors and costs to the Company (**“Interface Works Costs”**) (which the Company would pay upfront and recover from the HKSAR Government) except for certain costs of modification, upgrade or expansions of certain assets (including rolling stock, signalling, radio and main control systems) for which the Company is responsible under the existing service concession agreement with KCRC. The Company will contribute an amount in respect of the costs relating to such modifications, upgrades or expansions. This will predominantly be covered by the reduction in future maintenance capital expenditure which the Company would have otherwise incurred. The total sum entrusted to the Company by the HKSAR Government for the main construction works under the SCL EA3, including project management fee, was HK\$70,827 million (**“Original Entrusted Amount”**).

The Company is responsible for carrying out or procuring the carrying out of the works specified in the SCL Agreements for a project management fee of HK\$7,893 million (the **“Original PMC”**) which has been fully received by the Company and recognised in the consolidated statement of profit or loss in previous years.



## 14 Railway Construction Projects under Entrustment by the HKSAR Government *(continued)*

### B Shatin to Central Link ("SCL") Project *(continued)*

(b) SCL EA3 Cost Overrun

(i) *Cost to Complete*

The Company has previously announced that, due to the continuing challenges posed by external factors, including issues such as delays due to the discovery of archaeological relics, the HKSAR Government's requests for additional scope and late or incomplete handover of construction sites, the Original Entrusted Amount under SCL EA3 would not be sufficient to cover the total estimated cost to complete ("**CTC**") and would need to be revised upwards significantly. After carrying out detailed reviews of the estimated CTC for the main construction works, on 10 February 2020, the Company submitted a revised estimated total CTC of HK\$82,999 million ("**2020 CTC Estimate**"), including additional project management fee payable to the Company of HK\$1,371 million ("**Additional PMC**"), being the additional cost to the Company of carrying out its remaining project management responsibilities under the SCL EA3, as detailed in note 14B(b)(ii) below but excluding the Hung Hom Incidents Related Costs in respect of which the Company had already recognised a provision of HK\$2 billion in its consolidated statement of profit or loss for the year ended 31 December 2019 (as detailed in note 14B(c)(ii) below). The 2020 CTC Estimate represents an increase of HK\$12,172 million from the Original Entrusted Amount of HK\$70,827 million.

The HKSAR Government obtained the approval from Legislative Council on 12 June 2020 for additional funding required for the SCL Project amounting to HK\$10,801 million ("**Additional Funding**") so that the SCL can be completed.

(ii) *Provision for Additional PMC*

As detailed in note 14B(b)(i) above and as previously disclosed by the Company, the programme for the delivery of the SCL Project has been significantly impacted by certain key external events. Not only do these matters increase the cost of works, they also increase the cost to the Company of carrying out its project management responsibilities under the relevant SCL entrustment agreement, which is estimated to be around HK\$1,371 million.

The Additional Funding approved by the Legislative Council did not include any Additional PMC for the Company which the Company had previously sought from the HKSAR Government. Therefore, the cost to the Company of continuing to comply with its project management obligations under the SCL EA3 (which the Company has continued and will continue to comply with) is currently being met by the Company on an interim and without prejudice basis (to allow the SCL Project to progress in accordance with the latest programme) and the Company reserves its position as to the ultimate liability for such costs and as to its right to pursue the courses of action and remedies available under the SCL EA3.

After taking into account the matters described above, and in particular, the Company meeting, on an interim and without prejudice basis (on the basis outlined above), the cost to the Company of continuing to comply with its project management obligations, the Group recognised a provision of HK\$1,371 million in its consolidated statement of profit or loss for the year ended 31 December 2020 for the estimated additional cost to the Company of continuing to comply with its project management responsibilities. During the six months ended 30 June 2025, the provision utilised amounted to HK\$36 million (2024: HK\$59 million) and no provision was written back (2024: HK\$nil). As at 30 June 2025, the provision of HK\$160 million (31 December 2024: HK\$196 million), net of amount utilised, is included in "Creditors, other payables and provisions" in the consolidated statement of financial position.

This amount does not take into account any potential payment to the Company of any Additional PMC (whether as a result of an award, settlement or otherwise). Accordingly, if any such potential payment becomes virtually certain, the amount of any such payment will be recognised and credited to the Company's consolidated statement of profit or loss in that financial period.

(c) Hung Hom Incidents

As stated in the Company's announcement dated 18 July 2019, there were allegations in 2018 concerning workmanship in relation to the Hung Hom Station extension ("**First Hung Hom Incident**"). The Company took immediate steps to investigate the issues, report the Company's findings to the HKSAR Government and reserve the Company's position against relevant contractors.

In late 2018 and early 2019, the Company advised the HKSAR Government of an insufficiency of construction records and certain construction issues at the Hung Hom North Approach Tunnel ("**NAT**"), the South Approach Tunnel ("**SAT**") and the Hung Hom Stabling Sidings ("**HHS**"), forming an addition to the First Hung Hom Incident ("**Second Hung Hom Incident**").

(i) *Commission of Inquiry ("COI")*

On 10 July 2018, the COI was set up by the HKSAR Chief Executive in Council pursuant to the Commissions of Inquiry Ordinance (Chapter 86 of the Laws of Hong Kong). On 29 January 2019, the HKSAR Government made its closing submission to the first phase of the COI in which it stated its view that the Company ought to have provided the required skills and care reasonably expected of a professional and competent project manager but that the Company had failed to do so.

On 26 March 2019, the HKSAR Government published the redacted interim report of the COI in which the COI found that although the Hung Hom Station extension diaphragm wall and platform slab construction works are safe, they were not executed in accordance with the relevant contract in material aspects.

On 18 July 2019, the Company submitted to the HKSAR Government two separate final reports, one in respect of the First Hung Hom Incident and one in respect of the Second Hung Hom Incident, containing, inter alia, proposals for suitable measures required at certain locations to achieve code compliance. These suitable measures have been implemented.

## 14 Railway Construction Projects under Entrustment by the HKSAR Government *(continued)*

### B Shatin to Central Link ("SCL") Project *(continued)*

On 22 January 2020, the HKSAR Government reiterated, in its closing submissions to the COI, that there was failure on the part of both the Company and the contractor Leighton Contractors Asia Limited to perform the obligations which the two parties undertook for the SCL project and that the Company, which was entrusted by the HKSAR Government as the project manager of the SCL project, ought to have provided the requisite degree of skill and care reasonably expected of a professional and competent project manager.

On 12 May 2020, the HKSAR Government published the final report of the COI in which the COI determined that it is fully satisfied that, with the suitable measures in place, the station box, NAT, SAT and HHS structures will be safe and also fit for purpose. The suitable measures for these structures were completed in 2020. The COI also made a number of comments on the construction process (including regarding failures in respect thereof such as unacceptable incidents of poor workmanship compounded by lax supervision and that in a number of respects also, management of the construction endeavour fell below the standards of reasonable competence) and made recommendations to the Company for the future.

#### (ii) Provision for the Hung Hom Incidents Related Costs

In order to progress the SCL Project and to facilitate the phased opening of the Tuen Ma Line in the first quarter of 2020, the Company announced in July 2019 that it would fund, on an interim and without prejudice basis, certain costs arising from the Hung Hom Incidents and certain costs associated with phased opening (being costs for alteration works, trial operations and other costs associated with the preparation activities for the phased opening) ("**Hung Hom Incidents Related Costs**"), whilst reserving the Company's position as to the ultimate liability for such costs.

The Company and the HKSAR Government will continue discussions with a view to reaching an overall settlement in relation to the Hung Hom Incidents and their respective funding obligations relating to the CTC and the Hung Hom Incidents Related Costs. If no overall settlement is reached between the Company and the HKSAR Government within a reasonable period, the provisions of the SCL EA3 shall continue to apply (as they currently do) including in relation to such costs, and the responsibility for the funding of such costs shall be determined in accordance with the SCL EA3.

After taking into account the matters described in note 14B(c) above, and in particular, the Company's decision to fund, on an interim and without prejudice basis, the Hung Hom Incidents Related Costs, the Company recognised a provision of HK\$2,000 million in its consolidated statement of profit or loss for the year ended 31 December 2019. During the six months ended 30 June 2025, the provision utilised amounted to HK\$10 million (2024: HK\$1 million) and no provision was written back (2024: HK\$nil). As at 30 June 2025, the provision of HK\$721 million (31 December 2024: HK\$731 million), net of amount utilised, is included in "Creditors, other payables and provisions" in the consolidated statement of financial position.

This amount does not take into account any potential recovery from any other party (whether in the circumstances that no overall settlement is reached and/or as a result of an award, settlement or otherwise). Accordingly, if any such potential recovery becomes virtually certain, the amount of any such recovery will be recognised and credited to the Company's consolidated statement of profit or loss in that financial period.

#### (d) Potential Claims from and Indemnification to the HKSAR Government

The HKSAR Government has the right to claim against the Company if the Company breaches the SCL Agreements (including, if the Company breaches the warranties it gave in respect of its project management services) and, under each SCL Agreement, to be indemnified by the Company in relation to losses incurred by the HKSAR Government as a result of the negligence of the Company in performing its obligations under the relevant SCL Agreement or breach thereof by the Company. Under the SCL EA3, the Company's total aggregate liability to the HKSAR Government arising out of or in connection with the SCL Agreements (other than for death or personal injury) is subject to a cap equal to the fees that the Company receives under the SCL Agreements. In accordance with general principles of law, such cap could not be relied upon if the Company were found to be liable for the fraudulent or other dishonest conduct of its employees or agents, to the extent that the relevant loss had been caused by such fraudulent or other dishonest conduct. Although the HKSAR Government has stated that it reserves all rights to pursue further actions against the Company and related contractors and has made the statements in its closing submission to the COI (as stated in note 14B(c)(i) above), up to the date of this interim financial report, no claim has been received from the HKSAR Government in relation to any SCL Agreement. It is uncertain as to whether such claim will be made against the Company in the future and, if made, the nature and amount of such claim.

The eventual outcome of the discussions between the Company and the HKSAR Government on various matters remain highly uncertain at the current stage. As a result, no additional provision other than as stated above has been made as the Company is currently not able to measure with sufficient reliability the ultimate amount of the Company's obligation or liability arising from the SCL Project as a whole in light of the significant uncertainties involved. While no provision in respect of the SCL Project related matters was recognised at 30 June 2025 other than as stated above, the Company will reassess on an ongoing basis the need to recognise any further provision in the future in light of any further development.

## 15 Railway Construction in Progress

Movements of railway construction in progress of the Group during the six months ended 30 June 2025 and the year ended 31 December 2024 are as follows:

| in HK\$ million                      | Balance at<br>1 January | Additions <sup>^</sup> | Utilisation of<br>government<br>grant | Balance at<br>30 June/<br>31 December |
|--------------------------------------|-------------------------|------------------------|---------------------------------------|---------------------------------------|
| <b>At 30 June 2025 (Unaudited)</b>   |                         |                        |                                       |                                       |
| Oyster Bay Station                   | –                       | 238                    | (238)                                 | –                                     |
| Tung Chung Line Extension            | 5,243                   | 1,692                  | (337)                                 | 6,598                                 |
| Tuen Mun South Extension             | 2,692                   | 1,192                  | –                                     | 3,884                                 |
| Kwu Tung Station*                    | 2,879                   | 1,082                  | –                                     | 3,961                                 |
| Hung Shui Kiu Station                | 561                     | 283                    | –                                     | 844                                   |
|                                      | <b>11,375</b>           | <b>4,487</b>           | <b>(575)</b>                          | <b>15,287</b>                         |
| <b>At 31 December 2024 (Audited)</b> |                         |                        |                                       |                                       |
| Oyster Bay Station                   | –                       | 315                    | (315)                                 | –                                     |
| Tung Chung Line Extension            | 1,911                   | 3,332                  | –                                     | 5,243                                 |
| Tuen Mun South Extension             | 826                     | 1,866                  | –                                     | 2,692                                 |
| Kwu Tung Station*                    | 1,519                   | 1,360                  | –                                     | 2,879                                 |
| Hung Shui Kiu Station                | –                       | 561                    | –                                     | 561                                   |
|                                      | <b>4,256</b>            | <b>7,434</b>           | <b>(315)</b>                          | <b>11,375</b>                         |

<sup>^</sup> The additions represent capital expenditure incurred and transferred from deferred expenditure.

\* According to the project agreement of Kwu Tung Station signed on 5 September 2023 with the HKSAR Government, the Kwu Tung Station project works include, inter alia, (i) the construction of the Kwu Tung Station, and (ii) the detailed planning and design, and the advance works of the Northern Link (main line).

The Oyster Bay Station project is targeted to complete in 2030. Total capital cost for the Oyster Bay Station project based on the defined scope of works and programme is estimated at HK\$6.7 billion (excluding finance costs). As at 30 June 2025, the Company has incurred cumulative expenditure of HK\$783 million (31 December 2024: HK\$556 million) (excluding finance costs), which was wholly offset by the government grant, and has authorised outstanding commitments totalling HK\$5.9 billion in relation to the Oyster Bay Station project which are included in “Capital Commitments” (note 30A).

The Tung Chung Line Extension project is targeted to complete in 2029. Total capital cost for Tung Chung Line Extension project based on the defined scope of works and programme is estimated at HK\$24.2 billion (excluding finance costs). As at 30 June 2025, the Company has incurred cumulative expenditure of HK\$6.7 billion (31 December 2024: HK\$5.1 billion) (excluding finance costs) and has authorised outstanding commitments totalling HK\$17.5 billion in relation to the Tung Chung Line Extension project which are included in “Capital Commitments” (note 30A).

The Tuen Mun South Extension project is targeted to complete in 2030. Total capital cost for Tuen Mun South Extension project based on the defined scope of works and programme is estimated at HK\$18.2 billion (excluding finance costs). As at 30 June 2025, the Company has incurred cumulative expenditure of HK\$3.8 billion (31 December 2024: HK\$2.6 billion) (excluding finance costs) and has authorised outstanding commitments totalling HK\$14.4 billion in relation to the Tuen Mun South Extension project which are included in “Capital Commitments” (note 30A).

The Kwu Tung Station and advance works of the Northern Link (main line), and detailed planning and design of the Northern Link (main line) are targeted to complete in 2027 and 2034 respectively. Total capital cost for Kwu Tung Station project based on the defined scope of works and programme (including the detailed planning and design, and the advance works of the Northern Link (main line)) is estimated at HK\$10.8 billion (excluding finance costs). As at 30 June 2025, the Company has incurred cumulative expenditure of HK\$3.8 billion (31 December 2024: HK\$2.8 billion) (excluding finance costs) and has authorised outstanding commitments totalling HK\$7.0 billion in relation to the Kwu Tung Station project which are included in “Capital Commitments” (note 30A).

The Hung Shui Kiu Station project is targeted to complete in 2030. Total capital cost for Hung Shui Kiu Station project based on the defined scope of works and programme is estimated at HK\$8.3 billion (excluding finance costs). As at 30 June 2025, the Company has incurred cumulative expenditure of HK\$829 million (31 December 2024: HK\$557 million) (excluding finance costs) and has authorised outstanding commitments totalling HK\$7.5 billion in relation to the Hung Shui Kiu Station project which are included in “Capital Commitments” (note 30A).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

### 16 Property Development in Progress

Movements of property development in progress of the Group during the six months ended 30 June 2025 and the year ended 31 December 2024 are as follows:

| in HK\$ million                         | Balance at<br>1 January | Net<br>additions* | Transfer<br>out to<br>profit or loss | Balance at<br>30 June/<br>31 December |
|---|-------------------------|-------------------|--------------------------------------|---------------------------------------|
| <b>At 30 June 2025 (Unaudited)</b>      |                         |                   |                                      |                                       |
| Hong Kong Property Development Projects | <b>42,300</b>           | <b>328</b>        | –                                    | <b>42,628</b>                         |
| <b>At 31 December 2024 (Audited)</b>    |                         |                   |                                      |                                       |
| Hong Kong Property Development Projects | 41,728                  | 572               | –                                    | 42,300                                |

\* The net additions represent expenditure incurred for Hong Kong property development projects, including the amount of land premium, capital expenditure and development costs transferred from deferred expenditure, and be offset by payments or distributions of the assets received from developers and utilisation of government grant (if any).

### 17 Deferred Expenditure

As at 30 June 2025, deferred expenditure included costs of HK\$67 million (31 December 2024: HK\$64 million) mainly incurred for certain railway projects which the project agreements are yet to be reached with the HKSAR Government. The future development of the respective projects is expected to bring future economic benefits to the Group. In the event that in a future period it is no longer considered probable that the corresponding project agreements can be reached, and the costs concerned are no longer considered as recoverable, the costs concerned will be charged to the consolidated statement of profit or loss in that reporting period.

### 18 Interests in Associates and Joint Ventures

Hangzhou MTR Corporation Limited ("HZMTR"), a 49% owned associate of the Group, operates Hangzhou Metro Line 1 ("HZL1"), the HZL1 Xiasha Extension and HZL1 Airport Extension. As previously mentioned, HZMTR has been loss making in recent years due to slow patronage growth and the pandemic. As there is no patronage protection mechanism under this concession agreement, the line's long-term financial viability will be impacted if patronage remains at a lower level over a further period of time, especially when compounded by the lower average fare resulting from the expanded network.

### 19 Properties Held for Sale

| in HK\$ million                     | At 30 June 2025<br>(Unaudited) | At 31 December 2024<br>(Audited) |
|-------------------------------------|--------------------------------|----------------------------------|
| Properties held for sale            |                                |                                  |
| – at cost                           | <b>913</b>                     | 924                              |
| – at net realisable value           | <b>1,118</b>                   | 1,498                            |
|                                     | <b>2,031</b>                   | 2,422                            |
| Representing:                       |                                |                                  |
| Hong Kong property development      | <b>2,025</b>                   | 2,410                            |
| Mainland China property development | <b>6</b>                       | 12                               |
|                                     | <b>2,031</b>                   | 2,422                            |

Properties held for sale represent the Group's interest in unsold properties or properties received by the Group as sharing-in-kind in Hong Kong, and the Group's unsold properties in Mainland China.

For Hong Kong property development, the net realisable values as at 30 June 2025 and 31 December 2024 were determined by reference to an open market valuation of the properties as at those dates, undertaken by an independent firm of surveyors, Colliers International (Hong Kong) Limited, who have among their staff Members of the Hong Kong Institute of Surveyors.

Properties held for sale at net realisable value of the Group as at 30 June 2025 are stated net of provision of HK\$133 million (31 December 2024: HK\$139 million) made in order to state these properties at the lower of their cost and estimated net realisable value.

## 20 Derivative Financial Assets and Liabilities

The notional amounts and fair values of derivative financial assets and liabilities are as follows:

| in HK\$ million                         | At 30 June 2025 (Unaudited) |                | At 31 December 2024 (Audited) |                |
|---|-----------------------------|----------------|-------------------------------|----------------|
|   | Notional amount             | Fair value     | Notional amount               | Fair value     |
| <b>Derivative Financial Assets</b>      |                             |                |                               |                |
| Foreign exchange forwards               |                             |                |                               |                |
| – cash flow hedges                      | 1,581                       | 105            | 88                            | 2              |
| – not adopting hedge accounting         | 627                         | 44             | 31                            | 1              |
| Cross currency swaps                    |                             |                |                               |                |
| – fair value hedges                     | 10,319                      | 508            | 7,990                         | 79             |
| – cash flow hedges                      | 11,266                      | 116            | 1,418                         | 13             |
| Interest rate swaps                     |                             |                |                               |                |
| – fair value hedges                     | 29,626                      | 716            | 15,648                        | 85             |
| – cash flow hedges                      | –                           | –              | 12,855                        | 125            |
| – not adopting hedge accounting         | 300                         | 22             | 299                           | 37             |
|   | <b>53,719</b>               | <b>1,511</b>   | <b>38,329</b>                 | <b>342</b>     |
| <b>Derivative Financial Liabilities</b> |                             |                |                               |                |
| Foreign exchange forwards               |                             |                |                               |                |
| – cash flow hedges                      | 217                         | (7)            | 2,032                         | (129)          |
| – not adopting hedge accounting         | 165                         | (6)            | 869                           | (54)           |
| Cross currency swaps                    |                             |                |                               |                |
| – fair value hedges                     | 3,361                       | (151)          | 8,903                         | (383)          |
| – cash flow hedges                      | 33,785                      | (1,330)        | 24,459                        | (1,317)        |
| Interest rate swaps                     |                             |                |                               |                |
| – fair value hedges                     | 2,101                       | (31)           | 6,271                         | (73)           |
| – cash flow hedges                      | 19,801                      | (1,011)        | 6,646                         | (27)           |
| – not adopting hedge accounting         | 300                         | (18)           | 300                           | (31)           |
|   | <b>59,730</b>               | <b>(2,554)</b> | <b>49,480</b>                 | <b>(2,014)</b> |
| <b>Total</b>                            | <b>113,449</b>              |                | <b>87,809</b>                 |                |

## 21 Debtors and Other Receivables

The Group's credit policies in respect of receivables arising from its principal activities are as follows:

- (i) The majority of fare revenue from Hong Kong transport operations (except for that from the High Speed Rail as described in note 21(ii) below) is collected through Octopus Cards, QR code and contactless bank cards with daily settlement on the next working day or in cash for other ticket types. A small portion of it is collected through pre-sale agents which settle the amounts due within 30 days.
- (ii) In respect of the High Speed Rail, tickets are sold by the Company and other Mainland train operators. The clearance centre of China Railway Corporation administers the revenue allocation and settlement system of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and allocates the revenue of the High Speed Rail to the Company under a "section-based" approach with settlement in the following month.
- (iii) Fare revenue from SZL4 is collected through Shenzhen Tong Cards, QR code, contactless bank cards, and in cash for other ticket types. The clearing centre administers the revenue allocation and settlement system of Shenzhen railway network and allocates the revenue to the respective lines under "distance-based" approach with settlement in the transaction month.
- (iv) Franchise revenue in Australia is collected either daily or monthly depending on the revenue nature. The majority of the franchise revenue from operations in Sweden is collected in the transaction month with the remainder being collected in the following month. Concession revenue for London Elizabeth Line is collected once every 4 weeks.
- (v) Rentals, advertising and telecommunication service fees are billed monthly with due dates ranging from immediately due to 60 days. Tenants of the Group's investment properties and station kiosks are generally required to pay three to six months' rental deposit upon the signing of lease agreements.
- (vi) Amounts receivable under interest rate and currency swap agreements with financial institutions are due in accordance with the terms of the respective agreements.
- (vii) Consultancy service income is billed monthly for settlement within 30 days upon work completion or on other basis stipulated in the consultancy contracts.
- (viii) Debtors in relation to contracts and capital works entrusted to the Group, subject to any agreed retentions, are due within 30 days upon the certification of work in progress.
- (ix) Amounts receivable in respect of property development are due in accordance with the terms of relevant development agreements or sale and purchase agreements.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

### 21 Debtors and Other Receivables *(continued)*

The ageing analysis of debtors by due dates is as follows:

| in HK\$ million                                 | At 30 June 2025<br>(Unaudited) | At 31 December 2024<br>(Audited) |
|---|--------------------------------|----------------------------------|
| Amounts not yet due                             | 4,117                          | 8,181                            |
| Overdue by within 30 days                       | 162                            | 177                              |
| Overdue by more than 30 days but within 60 days | 60                             | 55                               |
| Overdue by more than 60 days but within 90 days | 34                             | 18                               |
| Overdue by more than 90 days                    | 164                            | 121                              |
| Total debtors                                   | 4,537                          | 8,552                            |
| Other receivables and contract assets           | 6,969                          | 7,228                            |
|   | 11,506                         | 15,780                           |

Included in other receivables as at 30 June 2025 was HK\$575 million (31 December 2024: HK\$1,598 million) in respect of property development profit in Hong Kong distributable from stakeholding funds and receivables from property purchasers based on the terms of the development agreements and sales and purchase agreements. In addition, the Company purchased the tax reserve certificates of Hong Kong Profits Tax in respect of certain payments relating to the Rail Merger. Details are set out in note 8B to this interim financial report.

### 22 Material Related Party Transactions

The Financial Secretary Incorporated, which holds approximately 74.45% of the Company's issued share capital on trust for the HKSAR Government as at 30 June 2025, is the majority shareholder of the Company. Transactions between the Group and the HKSAR Government departments or agencies, or entities controlled by the HKSAR Government, other than those transactions such as the payment of fees, taxes, leases and rates, etc. that arise in the normal dealings between the HKSAR Government and the Group, are considered to be related party transactions pursuant to HKAS 24, *Related Party Disclosures*, and are identified separately in this interim financial report.

As at the end of the reporting period, amounts due from/to the HKSAR Government and other related parties in respect of material related party transactions with the Group are stated below:

| in HK\$ million                                 | At 30 June 2025<br>(Unaudited) | At 31 December 2024<br>(Audited) |
|---|--------------------------------|----------------------------------|
| Amounts due from:                               |                                |                                  |
| – HKSAR Government                              | 953                            | 906                              |
| – KCRC and Airport Authority Hong Kong ("AAHK") | 5,442                          | 4,788                            |
| – associates                                    | 533                            | 504                              |
|   | 6,928                          | 6,198                            |
| Amounts due to:                                 |                                |                                  |
| – HKSAR Government                              | 209                            | 117                              |
| – KCRC  | 1,974                          | 3,090                            |
|   | 2,183                          | 3,207                            |

As at 30 June 2025, the amount due from the HKSAR Government mainly related to the recoverable cost for the advanced works in relation to the Shatin to Central Link, reimbursable costs for the essential public infrastructure works in respect of the South Island Line, reimbursement of the fare revenue difference in relation to the "Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities", agency fee receivables and reimbursable costs in respect of West Rail property development, as well as receivables and retention for other entrustment and maintenance works.

The amount due to the HKSAR Government as at 30 June 2025 mainly related to the land administrative fees in relation to railway extensions.

As at 30 June 2025, the amount due from KCRC and AAHK mainly related to the revenue receivable in respect of (i) High Speed Rail and the Shatin to Central Link under relevant supplemental service concession agreements and (ii) the maintenance services provided to AAHK. The amount due to KCRC mainly related to the accrued portion of the fixed annual payment and variable annual payment arising from the Rail Merger and operating arrangements of the High Speed Rail and the Shatin to Central Link.

Major related party transactions entered into by the Group which are relevant for the current period include:

(i) Transactions entered into by the Group with the HKSAR Government in prior years and those with KCRC in respect of the Rail Merger and operating arrangements of the High Speed Rail and the Shatin to Central Link, the details were described in the Group's annual financial statements for the year ended 31 December 2024. During the six months ended 30 June 2025, amounts recoverable or invoiced by the Company under West Rail Agency Agreement is HK\$20 million (2024: HK\$25 million) and amount payable or paid by the Company under Service Concession Agreement is HK\$1,909 million (2024: HK\$1,809 million). During the six months ended 30 June 2025, net revenue received or receivable from KCRC in respect of the High Speed Rail and the Shatin to Central Link under relevant supplemental service concession agreements amounted to HK\$973 million (2024: HK\$1,185 million).

(ii) The Company entered into entrustment agreements with the HKSAR Government for the design, site investigation, procurement activities, construction, testing and commissioning of the High Speed Rail and the Shatin to Central Link. Detailed description of the agreements is provided in notes 14A and 14B. In addition, an amount of HK\$130 million was paid/payable to the HKSAR Government (net of amount received/receivable) during the six months ended 30 June 2025 (2024: HK\$97 million) under SCL EA3's payment arrangement with the HKSAR Government and relevant contractors.

## 22 Material Related Party Transactions *(continued)*

(iii) The Company entered into project agreements with the HKSAR Government for the financing, design, construction, completion, pre-operation, operation and maintenance of new railway extensions and the granting of development rights for commercial and residential property sites along these railway extensions. Pursuant to these project agreements, total amount of land premium payable by the Company in respect of these proposed property developments along these railway extensions shall be assessed by the Government as the full market value of the site (taking into account the presence of the railway) less the agreed reduction amounts for the purpose of bridging the funding gaps of these new railway extensions. These proposed property development sites will be developed in portions and the land premium assessment for each portion will be carried out, at the time of the relevant tender, with a specified tranche of the agreed reduction amount being deducted. Project agreements on these railway extensions that are still under construction in the current period include Tung Chung Line Extension, Kwu Tung Station, Tuen Mun South Extension and Hung Shui Kiu Station.

In connection with the property developments along the railway systems, on 3 January 2025, the Company accepted an offer dated 22 November 2024 from the HKSAR Government to proceed with the proposed Tung Chung East Station Package One Property Development at Site B of Tung Chung Town Lot No.53 on the terms and conditions of the relevant land grant. The land premium is assessed at HK\$337,299,000. After deduction therefrom of the reduction amount pursuant to the project agreement in respect of the Tung Chung Line Extension, nil net land premium was payable by the Company.

The details were described in the Group's annual financial statements for the year ended 31 December 2024.

(iv) On 8 July 2025, the Company entered into the project agreement with the HKSAR Government for the financing, design and construction of the Northern Link Project – Part 1 (the "NOL (Part 1) Project Agreement") for the first part of the Northern Link ("NOL"). The NOL (Part 1) Project Agreement did not contain obligations for the Company to operate and maintain any part of the Northern Link Main Line (the "NOL Main Line") or the Northern Link Spur Line (the "NOL Spur Line"). It is intended that the Company and the HKSAR Government would enter into discussions on a further agreement (the "Further Agreement") to enable NOL as a whole to be delivered and commissioned. In the event that the Further Agreement is not entered into, the parties shall use reasonable endeavours to discuss and agree on the implementation of NOL Main Line including, but not limited to, necessary facilitation for giving to the HKSAR Government and the HKSAR Government's contractor(s) access to the Company's construction sites, works sites and works areas for carrying out works for the NOL Main Line so that the target of achieving commissioning of NOL Main Line not later than 2034 would not be jeopardised, and for the hand over of the design and construction of part of the NOL Main Line to the HKSAR Government.

The Northern Link Project – Part 1 is targeted to complete by the applicable scheduled completion dates so as to enable the commissioning of the NOL Main Line and NOL Spur Line not later than 2034. Total project cost for the Northern Link Project – Part 1 based on the defined scope of works and programme is estimated at HK\$38,872 million (excluding finance costs).

Pursuant to the NOL (Part 1) Project Agreement, total amount of land premium payable by the Company in respect of the proposed property development shall be assessed by the HKSAR Government as the full market value of the sites (taking into account the presence of the railway) less the total agreed reduction amount of HK\$39,050 million for the purpose of bridging the funding gap of the project works under the NOL (Part 1) Project Agreement. The proposed property development site will be developed on a site-by-site basis and the land premium assessment for each site will be carried out, at the time of the relevant tender, with a specified tranche of the agreed reduction amount being deducted.

Details of the NOL (Part 1) Project Agreement are disclosed in the Company's announcement dated 8 July 2025.

(v) Apart from these railway extensions, the Company also entered into the project agreement with the HKSAR Government for the financing, design, construction, pre-operation, operation and maintenance of the Oyster Bay Station and is still under construction during the current period. The details were described in the Group's annual financial statements for the year ended 31 December 2024.

(vi) On 18 May 2018, the Company, as sub-contractor, provided a sub-contractor warranty effective from 25 September 2017 to the AAHK as a result of the Company having entered into a subcontract ("Subcontract") from a third party for the modification works of the existing Automated People Mover system at the Hong Kong International Airport ("System") for an initial seven-year period, which was subsequently extended to mid-2026.

(vii) On 2 July 2020, the Company entered into a contract with the AAHK for the maintenance of the System for a seven-year period effective from 6 January 2021. In respect of the services provided, HK\$96 million was recognised as consultancy income during the six months ended 30 June 2025 (2024: HK\$101 million).

(viii) During the six months ended 30 June 2025, the Group had the following transactions with its associates, namely Octopus Holdings Limited and its subsidiaries ("Octopus Group") (in Hong Kong) and NRT Group Holdings Pty Ltd and its subsidiaries ("NRT Group") (in Australia):

| in HK\$ million   | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|---|----------------------------------|----------------------------------|
| Octopus Group   |                                  |                                  |
| – Expenses paid or payable in respect of central clearing services provided by Octopus Group  | 70                               | 69                               |
| – Fees received or receivable in respect of load agent, Octopus card issuance and refund services, computer equipment and relating services and warehouse storage space provided to Octopus Group | 15                               | 16                               |
| – Dividend received from Octopus Group  | 188                              | 211                              |
| NRT Group   |                                  |                                  |
| – Fees received or receivable in respect of mobilisation, operations and maintenance as well as design, delivery and integration services provided to NRT Group                                   | 1,047                            | 1,218                            |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

### 23 Creditors, Other Payables and Provisions

The analysis of creditors by due dates is as follows:

| in HK\$ million                                | At 30 June 2025<br>(Unaudited) | At 31 December 2024<br>(Audited) |
|--|--------------------------------|----------------------------------|
| Due within 30 days or on demand                | 8,537                          | 9,212                            |
| Due after 30 days but within 60 days           | 2,595                          | 2,850                            |
| Due after 60 days but within 90 days           | 1,140                          | 1,166                            |
| Due after 90 days                              | 5,330                          | 4,761                            |
|  | <b>17,602</b>                  | 17,989                           |
| Rental and other refundable deposits           | 2,535                          | 2,823                            |
| Accrued employee benefits                      | 2,155                          | 2,203                            |
| Total creditors and accrued charges            | <b>22,292</b>                  | 23,015                           |
| Other payables, deferred income and provisions | <b>38,774</b>                  | 43,212                           |
| Contract liabilities                           | <b>3,199</b>                   | 3,190                            |
|  | <b>64,265</b>                  | 69,417                           |

Other payables included contract retentions. Deferred income related to (i) the surplus amounts of payments received from property developers in excess of the balance in property development in progress, (ii) portion of fair value amount of shopping mall received from property development in connection with the outstanding risks and obligations retained by the Group (note 5), as well as (iii) the unutilised government grant of HK\$27,182 million (31 December 2024: HK\$28,804 million).

### 24 Loans and Other Obligations

#### A Bonds and Notes Issued and Redeemed

Notes issued by the Group during the six months ended 30 June 2025 and 2024 comprise:

| in HK\$ million               | Six months ended 30 June 2025 |                            | Six months ended 30 June 2024 |                            |
|-------------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|
|                               | Principal amount              | Net consideration received | Principal amount              | Net consideration received |
| Debt issuance programme notes | <b>25,199</b>                 | <b>24,996</b>              | 14,086                        | 14,073                     |

During the six months ended 30 June 2025, the Group issued US\$3,000 million (HK\$23,344 million) of listed debt securities (2024: HK\$1,700 million). The Group issued HK\$1,240 million and US\$79 million (HK\$615 million) of unlisted debt securities in the respective currency (2024: HK\$8,691 million, RMB1,555 million (HK\$1,669 million) and US\$259 million (HK\$2,026 million) in the respective currency).

During the six months ended 30 June 2025, the Group redeemed RMB345 million (HK\$399 million) of its listed debt securities (2024: RMB1,250 million (HK\$1,491 million)). The Group redeemed RMB400 million (HK\$456 million), HK\$7,777 million and US\$135 million (HK\$1,058 million) of its unlisted debt securities in the respective currency (2024: HK\$830 million).

As at 30 June 2025 and 31 December 2024, there were outstanding debt securities issued by a wholly-owned subsidiary, MTR Corporation (C.I.) Limited ("MTRCI"). The obligations of the debt securities issued by MTRCI are direct, unsecured and unsubordinated to the other unsecured obligations of MTRCI which are unconditionally and irrevocably guaranteed by the Company. The obligations of the Company under the guarantee are direct, unsecured, unconditional, and unsubordinated to other unsecured and unsubordinated obligations of the Company.

**B** As at 30 June 2025, MTR Corporation (Shenzhen) Limited has pledged the fare and non-fare revenue and the benefits of insurance contracts in relation to Phase 2 of Shenzhen Metro Line 4 as security for the RMB527 million (HK\$577 million) bank loan facility granted to it.

As at 30 June 2025, MTR CREC Metro (Shenzhen) Company Limited, a subsidiary of the Company in Mainland China, has pledged the fare and non-fare revenue in relation to Phase 1 of Shenzhen Metro Line 13 as security for the RMB3.2 billion (HK\$3.5 billion) bank loan facility granted to it.

Saved as disclosed above and those disclosed elsewhere in this interim financial report, none of the other assets of the Group was charged or subject to any encumbrance as at 30 June 2025.

## 25 Deferred Tax Assets and Liabilities

**A** The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the six months ended 30 June 2025 and the year ended 31 December 2024 are as follows:

| in HK\$ million                                  | Deferred tax arising from                                 |                     |                   |                           |   |                                  |             | Total         |
|--|---|---------------------|-------------------|---------------------------|---|----------------------------------|-------------|---------------|
|  | Depreciation allowances in excess of related depreciation | Right-of-use assets | Lease liabilities | Revaluation of properties | Provision and other temporary differences | Derivative financial instruments | Tax losses  |               |
| Balance as at 1 January 2025                     | 15,636  | 47                  | (55)              | 722                       | (628)                                     | (49)                             | (28)        | 15,645        |
| Charged/(credited) to profit or loss             | 46  | (1)                 | 3                 | –                         | 27  | –                                | 1           | 76            |
| Credited to other comprehensive income           | –   | –                   | –                 | (26)                      | –   | (269)                            | –           | (295)         |
| Exchange differences                             | –   | 3                   | (3)               | (1)                       | (23)                                      | –                                | –           | (24)          |
| <b>Balance as at 30 June 2025 (Unaudited)</b>    | <b>15,682</b>   | <b>49</b>           | <b>(55)</b>       | <b>695</b>                | <b>(624)</b>                              | <b>(318)</b>                     | <b>(27)</b> | <b>15,402</b> |
| Balance as at 1 January 2024                     | 14,618  | 62                  | (106)             | 766                       | (655)                                     | (102)                            | (35)        | 14,548        |
| Charged/(credited) to profit or loss             | 1,018   | (12)                | 14                | –                         | (44)                                      | –                                | 7           | 983           |
| (Credited)/charged to other comprehensive income | –   | –                   | –                 | (25)                      | 26  | 53                               | –           | 54            |
| Disposal of subsidiaries (note 2)                | –   | –                   | 32                | (23)                      | –   | –                                | –           | 9             |
| Exchange differences                             | –   | (3)                 | 5                 | 4                         | 45  | –                                | –           | 51            |
| <b>Balance as at 31 December 2024 (Audited)</b>  | <b>15,636</b>   | <b>47</b>           | <b>(55)</b>       | <b>722</b>                | <b>(628)</b>                              | <b>(49)</b>                      | <b>(28)</b> | <b>15,645</b> |

**B** Deferred tax assets and liabilities recognised in the consolidated statement of financial position are as follows:

| in HK\$ million              | At 30 June 2025 (Unaudited) | At 31 December 2024 (Audited) |
|------------------------------|-----------------------------|-------------------------------|
| Net deferred tax assets      | (546)                       | (521)                         |
| Net deferred tax liabilities | 15,948                      | 16,166                        |
|                              | <b>15,402</b>               | <b>15,645</b>                 |

## 26 Share Capital and Shares Held for Executive Share Incentive Scheme

### A Share Capital

|  | Six months ended<br>30 June 2025<br>(Unaudited) |               | Year ended<br>31 December 2024<br>(Audited) |               |
|--|---|---------------|---|---------------|
|  | Number of shares                                | HK\$ million  | Number of shares                            | HK\$ million  |
| Ordinary shares, issued and fully paid:                                    |   |               |   |               |
| At 1 January   | 6,224,823,171                                   | 61,287        | 6,217,197,282                               | 61,083        |
| Shares issued in respect of scrip dividend of 2023 final ordinary dividend | –   | –             | 7,625,889                                   | 202           |
| Vesting of shares of Executive Share Incentive Scheme                      | –   | –             | –   | 2             |
| At 30 June/31 December   | <b>6,224,823,171</b>                            | <b>61,287</b> | <b>6,224,823,171</b>                        | <b>61,287</b> |

In accordance with section 135 of the Companies Ordinance, the ordinary shares of the Company do not have a par value.

## 26 Share Capital and Shares Held for Executive Share Incentive Scheme *(continued)*

### B Shares Held for Executive Share Incentive Scheme

During the six months ended 30 June 2025, the Company awarded Performance Shares and Restricted Shares under the Company's Executive Share Incentive Scheme to certain eligible employees of the Group. 33,100 Restricted Shares were awarded and accepted by the grantees on 1 April 2025, and a total of 288,350 Performance Shares and 4,272,250 Restricted Shares were awarded and accepted by the grantees on 8 April 2025 (2024: 492,823 Performance Shares were awarded and accepted by the grantees on 18 March 2024, and a total of 3,221,000 Performance Shares and 4,099,500 Restricted Shares were awarded and accepted by the grantees on 8 April 2024). The fair value of these awarded shares were HK\$25.65 per share on 1 April 2025 and HK\$24.40 per share on 8 April 2025 (2024: HK\$25.70 per share on 18 March 2024 and HK\$25.40 per share on 8 April 2024).

During the six months ended 30 June 2025, the Trustee of the Executive Share Incentive Scheme, pursuant to the terms of the rules and the trust deed of the Executive Share Incentive Scheme, purchased on the Hong Kong Stock Exchange a total of 4,341,500 Ordinary Shares (2024: 7,454,157 Ordinary Shares) of the Company for a total consideration of approximately HK\$113 million (2024: HK\$207 million).

During the six months ended 30 June 2025, 2,990,478 award shares (2024: 4,192,935 award shares) were transferred to the awardees under the Executive Share Incentive Scheme upon vesting. The total cost of the vested shares was HK\$104 million (2024: HK\$174 million). During the six months ended 30 June 2025, HK\$nil (2024: HK\$1 million) was credited to share capital in respect of vesting of shares whose fair values at the grant date were higher than the costs of the vested shares. During the six months ended 30 June 2025, 96,761 award shares (2024: 107,726 award shares) were lapsed/forfeited.

## 27 Perpetual Capital Securities

On 24 June 2025, MTR Corporation (C.I.) Limited ("MTRCI"), a wholly-owned subsidiary of the Company, issued subordinated perpetual capital securities ("Perpetual Securities") of US\$3,000 million (HK\$23,550 million) in aggregate at par in two equal tranches, which are unconditionally and irrevocably guaranteed by the Company.

The first tranche of Perpetual Securities, amounting to US\$1,500 million (HK\$11,775 million), is perpetual, redeemable at the option of MTRCI at the relevant times (including, in the case of the exercise of the par call option, on or after 24 September 2030) and entitles the holders to receive distributions at a distribution rate which is fixed at 4.875% per annum in the first 5.5 years, reset at year 5.5 and every 5 years thereafter, and with step up margins of 0.25% applied starting at year 10.5 and 1% applied starting at year 25.5.

The second tranche of Perpetual Securities, amounting to US\$1,500 million (HK\$11,775 million), is perpetual, redeemable at the option of MTRCI at the relevant times (including, in the case of the exercise of the par call option, on or after 24 September 2035) and entitles the holders to receive distributions at a distribution rate which is fixed at 5.625% per annum in the first 10.5 years, reset at year 10.5 and every 5 years thereafter, and with step up margins of 0.25% applied starting at year 10.5 and 1% applied starting at year 30.5.

The distributions on the Perpetual Securities are payable semi-annually in arrears. They can be deferred at MTRCI's discretion provided that MTRCI and the Company shall not, subject to certain exceptions, (a) declare or pay any dividends or distributions, or (b) redeem, reduce, cancel, buy-back or acquire for any consideration any of their obligations with ranking lower than or equal to the Perpetual Securities until the payment of such deferred distributions.

The Perpetual Securities issued were classified as equity in the consolidated financial statements of the Group. The proceeds of the Perpetual Securities are on lent to the Company and for general corporate purposes and the Perpetual Securities are listed on the Hong Kong Stock Exchange.

Details of the terms of the Perpetual Securities are disclosed in the Company's announcement dated 25 June 2025.

## 28 Fair Value Measurement

In accordance with HKFRS 13, *Fair Value Measurement*, the level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3: Fair value measured using significant unobservable inputs

### A Fair Value Measurements of Fixed Assets

All of the Group's investment properties and self-occupied buildings measured at fair value on a recurring basis are categorised as Level 3 of the fair value hierarchy.

During the six months ended 30 June 2025 and the year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 in respect of the Group's investment properties and self-occupied buildings. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

## 28 Fair Value Measurement *(continued)*

### B Fair Value Measurements of Financial Instruments

#### (i) Financial Assets and Liabilities Carried at Fair Value

Included in the Group's investments in securities as at 30 June 2025, there were HK\$233 million (31 December 2024: HK\$312 million) of listed debt securities carried at fair value using Level 1 measurements, HK\$1,000 million and US\$600 million (HK\$4,710 million) (31 December 2024: HK\$1,000 million) of investments in bank medium-term notes carried at fair value using Level 2 measurements and HK\$750 million (31 December 2024: HK\$640 million) of unlisted equity securities carried at fair value using Level 3 measurements.

The Group's derivative financial instruments were carried at fair value using Level 2 measurements. As at 30 June 2025, the fair values of derivative financial assets and derivative financial liabilities were HK\$1,511 million (31 December 2024: HK\$342 million) and HK\$2,554 million (31 December 2024: HK\$2,014 million) respectively.

The discounted cash flow method, which discounts the future contractual cash flows at the current market interest rates, is the main valuation technique used to determine the fair value of the Group's borrowings, derivative financial instruments and investment in bank medium-term notes. For interest rate swaps, cross currency swaps and foreign exchange forward contracts, the discount rates used were derived from the swap curves of the respective currencies and the cross currency basis curves of the respective currency pairs at the end of the reporting period. Closing exchange rates at the end of the reporting period were used to convert value in foreign currency to local currency.

The fair value of the Group's investments in unlisted equity securities is determined based on the adjusted net asset method. The significant unobservable input includes the fair value of the individual assets less liabilities (recognised and unrecognised). The fair value measurement is positively correlated to the fair value of the individual assets less liabilities (recognised and unrecognised). The movements of the investments in unlisted equity securities during the period are as follows:

| in HK\$ million   | Six months ended<br>30 June 2025<br>(Unaudited) | Year ended<br>31 December 2024<br>(Audited) |
|---|---|---|
| At 1 January  | 640   | 564   |
| Additions   | 83  | 143   |
| Disposal  | (4)   | –   |
| Changes in fair value recognised in profit or loss            | 19  | (54)  |
| Exchange differences recognised in other comprehensive income | 12  | (13)  |
| At 30 June/31 December  | 750   | 640   |

As at 30 June 2025, it is estimated that a 5-percent increase/decrease in fair value of the total individual assets less liabilities (recognised and unrecognised), with all other variables held constant, would increase/decrease the Group's profit after tax by approximately HK\$33 million/HK\$33 million (31 December 2024: HK\$27 million/HK\$27 million).

At the end of each interim and annual reporting period, valuations are performed for the financial instruments which are categorised into Level 3 of the fair value hierarchy, and the valuation assumptions and results are reviewed by the Group's management accordingly.

During the six months ended 30 June 2025 and the year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

#### (ii) Financial Assets and Liabilities Not Carried at Fair Value

The carrying amounts of the Group's financial assets and liabilities not carried at fair value are not materially different from their fair values as at 30 June 2025 and 31 December 2024 except for capital market instruments, for which their carrying amounts and fair values are disclosed below:

| in HK\$ million            | At 30 June 2025 (Unaudited) |            | At 31 December 2024 (Audited) |            |
|----------------------------|-----------------------------|------------|-------------------------------|------------|
|                            | Carrying amount             | Fair value | Carrying amount               | Fair value |
| Capital market instruments | 87,957                      | 90,239     | 70,112                        | 67,367     |

The above fair value measurement is categorised as Level 2. The discount cash flow method, which discounts the future contractual cash flows at the current market interest rates, is the main valuation technique used to determine the fair value of the Group's capital market instruments. The discount rates used were derived from the swap curves of the respective currencies at the end of the reporting period. Closing exchange rates at the end of the reporting period were used to convert value in foreign currency to local currency.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

### 29 Cash Generated from Operations

Reconciliation of the Group's operating profit before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment arising from recurrent businesses to cash generated from operations is as follows:

| in HK\$ million   | Six months ended<br>30 June 2025 | Six months ended<br>30 June 2024 |
|---|----------------------------------|----------------------------------|
| Operating profit before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment arising from recurrent businesses | <b>8,834</b>                     | 9,114                            |
| Adjustments for non-cash items  | <b>63</b>                        | 157                              |
| Operating profit before working capital changes   | <b>8,897</b>                     | 9,271                            |
| Decrease/(increase) in debtors and other receivables  | <b>474</b>                       | (898)                            |
| Increase in stores and spares   | <b>(544)</b>                     | (128)                            |
| (Decrease)/increase in creditors, other payables and provisions   | <b>(1,389)</b>                   | 734                              |
| Cash generated from operations  | <b>7,438</b>                     | 8,979                            |

### 30 Capital Commitments, Contingent Liabilities and Legal Proceedings

#### A Capital Commitments

(i) Outstanding capital commitments as at 30 June 2025 and 31 December 2024 not provided for in this interim financial report were as follows:

| in HK\$ million                       | Hong Kong transport operations, station commercial and other businesses | Hong Kong railway extension projects (note a) | Hong Kong property rental and development | Mainland China and overseas operations (note b) | Total          |
|---------------------------------------|---|---|---|---|----------------|
| <b>At 30 June 2025 (Unaudited)</b>    |   |   |   |   |                |
| Authorised but not yet contracted for | <b>34,095</b>   | <b>31,933</b>                                 | <b>3,258</b>                              | <b>222</b>                                      | <b>69,508</b>  |
| Authorised and contracted for         | <b>20,240</b>   | <b>20,380</b>                                 | <b>8,765</b>                              | <b>1,722</b>                                    | <b>51,107</b>  |
|                                       | <b>54,335</b>   | <b>52,313</b>                                 | <b>12,023</b>                             | <b>1,944</b>                                    | <b>120,615</b> |
| <b>At 31 December 2024 (Audited)</b>  |   |   |   |   |                |
| Authorised but not yet contracted for | 31,738  | 34,862  | 3,431                                     | 182   | 70,213         |
| Authorised and contracted for         | 22,582  | 21,716  | 9,935                                     | 1,863   | 56,096         |
|                                       | 54,320  | 56,578  | 13,366                                    | 2,045   | 126,309        |

Notes:

(a) As at 30 June 2025, capital commitments of Hong Kong railway extension projects included costs of HK\$52.3 billion in respect of which the project agreements have been signed. These costs are approved by the Board of Directors but yet to be incurred as at 30 June 2025.

(b) As at 30 June 2025, capital commitments of Mainland China and overseas operations included the authorised outstanding commitments totalling HK\$1.7 billion for the capital expenditure in relation to the Shenzhen Metro Line 13 Phase 1 project.

## 30 Capital Commitments, Contingent Liabilities and Legal Proceedings *(continued)*

### A Capital Commitments *(continued)*

(ii) The capital commitments not provided for in this interim financial report under Hong Kong transport operations, station commercial and other businesses comprise the following:

| in HK\$ million                       | Improvement, enhancement and replacement works | Acquisition of property, plant and equipment | Additional concession property | Total         |
|---------------------------------------|--|--|--------------------------------|---------------|
| <b>At 30 June 2025 (Unaudited)</b>    |  |  |                                |               |
| Authorised but not yet contracted for | <b>24,029</b>                                  | <b>3,175</b>                                 | <b>6,891</b>                   | <b>34,095</b> |
| Authorised and contracted for         | <b>16,302</b>                                  | <b>1,854</b>                                 | <b>2,084</b>                   | <b>20,240</b> |
|                                       | <b>40,331</b>                                  | <b>5,029</b>                                 | <b>8,975</b>                   | <b>54,335</b> |
| <b>At 31 December 2024 (Audited)</b>  |  |  |                                |               |
| Authorised but not yet contracted for | 22,560   | 3,440  | 5,738                          | 31,738        |
| Authorised and contracted for         | 18,718   | 1,878  | 1,986                          | 22,582        |
|                                       | 41,278   | 5,318  | 7,724                          | 54,320        |

### B Contingent Liabilities and Legal Proceedings

The Company has not received notification of any legal or arbitration proceedings in relation to the construction of either the HSR Project or the SCL Project. The potential for future proceedings in relation to the construction of: (i) the HSR Project are set out in note 14A; and (ii) the SCL Project are set out in note 14B.

As discussed in note 8B, the Company has objected to the notices of profits tax assessments/additional profits tax assessments for years of assessment from 2009/2010 to 2018/2019 which disallowed deduction of certain payments relating to the Rail Merger.

A collective action has been launched against several train operators in the United Kingdom, including First MTR South Western Trains Limited, an associate of the Group. The action alleges that the train operators breached the competition law by abusing their dominant positions. Specifically, the plaintiff claims that the operators failed to make sufficiently available a specific type of tickets offering “boundary fares” to Travelcard holders, resulting in double-charging the affected passengers for part of their journeys. Court trials for the action has been split into three separate stages, with the first trial completed in July 2024 and [as at the date of this interim financial report, the first trial’s judgment has not been issued]. Whilst the Company is not separately named in the action, it is a 30% shareholder in the First MTR South Western Trains Limited. It is not possible at this time to predict with certainty what liability, if any, the Company might have in respect of this collective action.

Other than the above, whilst the Company may be involved in legal proceedings in the ordinary course of business from time to time, neither the Company nor any of its directors were involved in any litigation, arbitration or administrative proceedings, which in a material way impact on the Company’s business, financial condition or operations. As of the date of this interim financial report, the Company is not aware of any pending or threatened litigation, arbitration or administrative proceedings against the Company or its directors, which would have a material and adverse impact on the Company’s business, financial condition, or operations.

## 31 Approval of Interim Financial Report

The interim financial report was approved by the Board on 14 August 2025.

# REVIEW REPORT



## Review Report to the Board of Directors of MTR Corporation Limited

(Incorporated in Hong Kong with limited liability)

### Introduction

We have reviewed the interim financial report set out on pages 46 to 75 which comprises the consolidated statement of financial position of MTR Corporation Limited as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

14 August 2025

# INFORMATION FOR OUR INVESTORS

## FINANCIAL CALENDAR 2025

|   |                          |
|---|--------------------------|
| Announcement of 2024 annual results           | 6 March                  |
| Annual General Meeting                        | 21 May                   |
| Ex-dividend date for 2024 final dividend      | 23 May                   |
| Book closure period for 2024 final dividend   | 27 May to 30 May         |
| 2024 final dividend payment date              | 13 June                  |
| Announcement of 2025 interim results          | 14 August                |
| Ex-dividend date for 2025 interim dividend    | 27 August                |
| Book closure period for 2025 interim dividend | 29 August to 3 September |
| 2025 interim dividend payment date            | 16 September             |
| Financial year end                            | 31 December              |

## DIVIDEND INFORMATION

### Dividend per Share

(in HK\$)

|                                |      |
|--------------------------------|------|
| 2024 Interim Ordinary Dividend | 0.42 |
| 2024 Final Ordinary Dividend   | 0.89 |
| 2025 Interim Ordinary Dividend | 0.42 |

Dividend history can be found in our corporate website.



### Dividend Policy

The Company has a progressive ordinary dividend policy. The aim of this policy is to steadily increase or at least maintain the Hong Kong dollar value of ordinary dividends per share annually. In setting the proposed level of dividend payable in respect of any period, the Board considers, inter alia, the financial performance and future funding needs of the Company.

## SHAREHOLDINGS AS AT 30 JUNE 2025

### Ordinary Shares

|                                       |                              |
|---------------------------------------|------------------------------|
| Shares outstanding                    | 6,224,823,171 shares         |
| Hong Kong SAR Government Shareholding | 4,634,173,932 shares (74.4%) |
| Free float                            | 1,590,649,239 shares (25.6%) |

### Market Capitalisation

|                    |                     |
|--------------------|---------------------|
| As at 30 June 2025 | HK\$175,540 million |
|--------------------|---------------------|

## SHARE INFORMATION

### Stock Codes

|                                 |              |
|---------------------------------|--------------|
| The Stock Exchange of Hong Kong | 66           |
| Reuters                         | 0066.HK      |
| Bloomberg                       | 66 HK Equity |

## CONTACTS

### Shareholder Services

Any matters relating to your shareholding, such as transfer of shares, change of name or address, and loss of share certificates should be addressed in writing to the Registrar:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre,  
183 Queen's Road East, Wan Chai, Hong Kong

Telephone: (852) 2862 8628

Facsimile: (852) 2529 6087

Website: <https://www.computershare.com/hk/en>

### Shareholder Enquiries

Shareholders are, at any time, welcome to raise questions and request information (to the extent it is publicly available) from the Board and management by writing to the Company Secretary, MTR Corporation Limited, MTR Headquarters Building, Telford Plaza, Kowloon Bay, Kowloon, Hong Kong. Any such letter from the Shareholders should be marked "Shareholders' Communications" on the envelope.

Our enquiry hotline is operational during normal office hours:

Telephone: (852) 2881 8888

### Investor Relations

For enquiries from institutional investors and securities analysts, please contact:

Investor Relations Department, MTR Corporation Limited  
MTR Headquarters Building, Telford Plaza, Kowloon Bay,  
Kowloon, Hong Kong

Email: [investor@mtr.com.hk](mailto:investor@mtr.com.hk)

### Financial Reports

Shareholders can obtain copies of our annual/interim reports by writing to:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre,  
183 Queen's Road East, Wan Chai, Hong Kong

If you are not a shareholder, please write to:

Corporate Affairs Department, MTR Corporation Limited  
MTR Headquarters Building, Telford Plaza, Kowloon Bay,  
Kowloon, Hong Kong

Our annual/interim reports are also available online at our corporate website.



### Principal Place of Business and Registered Office

MTR Corporation Limited, incorporated and domiciled in Hong Kong.  
MTR Headquarters Building, Telford Plaza, Kowloon Bay, Kowloon,  
Hong Kong

Telephone: (852) 2993 2111

Facsimile: (852) 2798 8822



**MTR Corporation Limited**

MTR Headquarters Building, Telford Plaza

Kowloon Bay, Kowloon, Hong Kong

GPO Box 9916, Hong Kong

Telephone: (852) 2993 2111

Facsimile : (852) 2798 8822

[www.mtr.com.hk](http://www.mtr.com.hk)

