The First Half in Review

BUSINESS PERFORMANCE

HONG KONG BUSINESSES

MTR's Hong Kong businesses form the core of its operations. They span rail and bus transport services; station commercial activities such as retail rentals and advertising sales; property-related activities involving development, mall rental and management; and the creation of new railway lines, including their investment, design and construction. The Company's "Rail plus Property" business model ("R+P Model") enables it to apply funds generated from property developments towards future infrastructure projects and asset upgrades, carry out regular railway maintenance and operations programmes, and create vibrant, transport-centric communities while delivering shareholder value.

Hong Kong Transport Services

Transport Operations

HIGHLIGHTS

- Company continued to benefit from higher patronage for Cross-boundary Service and High Speed Rail
- MTR maintained 99.9% train service delivery and passenger journeys on-time
- Company continued to adopt the latest technologies for improved customer experience as part of its efforts to "Go Smart Go Beyond"

HK$ million	Six months ended 30 June 2026	2025	Inc./(Dec.) %
Hong Kong Transport Operations			
Total Revenue	**11,850**	11,509	3.0
Operating Profit before Depreciation, Amortisation and Variable Annual Payment ("EBITDA")	**4,056**	3,966	2.3
(Loss)/Profit before Interest, Finance Charges, Taxation and after Variable Annual Payment ("EBIT")	**(141)**	98	n/m
EBITDA Margin (in %)	**34.2%**	34.5%	(0.3)% pt.
EBIT Margin (in %)	**(1.2)%**	0.9%	(2.1)% pts.

n/m: not meaningful

In the first half of 2026, revenue from Hong Kong transport operations was HK$11,850 million, an increase of 3.0% compared to the same period last year. This was largely due to an increase in revenue from Cross-boundary Service and High Speed Rail ("HSR"). Loss before interest, finance charges and taxation and net of the variable annual payment to Kowloon–Canton Railway Corporation ("KCRC") was HK$141 million. As compared with the same period last year, the change in EBIT was mainly due to increases in depreciation and variable annual payment.

Patronage and Revenue

	Patronage In million		Revenue HK$ million	
	Six months ended 30 June 2026	Inc./(Dec.) %	**Six months ended 30 June 2026**	Inc./(Dec.) %
Hong Kong Transport Operations				
Domestic Service	**789.6**	0.5	**7,252**	0.2
Cross-boundary Service	**55.4**	8.2	**1,930**	6.6
HSR	**16.6**	12.8	**1,830**	10.5
Airport Express	**6.4**	0.6	**428**	6.5
Light Rail and Bus	**107.4**	1.8	**357**	0.6
	975.4	1.2	**11,797**	2.9
Others			**53**	17.8
Total			**11,850**	3.0

Patronage rose over the first six months of the year, which was primarily due to increases for Domestic Service, Cross-boundary Service and HSR. Total patronage for all rail and bus services was 975.4 million compared to the 963.7 million recorded over the first half of 2025, an increase of 1.2%. Average weekday patronage increased by 1.5% to 5.73 million.

Market Share

MTR's overall share of the franchised public transport market in Hong Kong was 50.2% in the first five months of 2026 compared with 50.0% over the same period in 2025. Of this total, our share of cross-harbour traffic was 72.9% compared with 72.5% in the first five months of 2025.

Our share of the cross-boundary transport business in the first five months of 2026 decreased to 47.9% from 48.8%, which was mainly attributable to the addition of more road-based control points. Our share of traffic to and from the airport in the first five months of the year decreased to 16.7% from 17.7%, mainly due to keen competition from other modes of transport.

Fare Adjustment, Promotions and Concessions

In March 2026, we announced that fares for 2026/2027 will remain unchanged based on the "Affordability Cap" arrangement, which stipulates that the calculated fare adjustment rate (+2.85%) cannot exceed the corresponding year-on-year change in median monthly household income (zero). The +2.85% fare adjustment rate will instead be recouped over the subsequent two years, of which +1.43% will be recouped in 2027/2028 and +1.42% will be recouped in 2028/2029. Additionally, the total rate of +1.96% to be recouped this year will also be carried forward to 2027/2028 for recoupment according to the Fare Adjustment Mechanism ("FAM"). The FAM provides an objective and transparent formula for MTR's annual fare adjustment, fully taking into account prevailing socioeconomic conditions and public affordability. Over the first six months of the year, we continued to offer on-going fare concessions for the elderly, children, eligible students, persons with disabilities and more. We also offer numerous fare promotions for the benefit of commuters, including "City Saver" and the HK$0.5 interchange discount for all Green Minibus routes. The "Monthly Pass" and "Early Bird Discount" were also extended for another year.

Service Performance

In the first half of 2026, MTR once again achieved world-class levels of 99.9% in 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 the period, MTR ran over 0.92 million train trips on its Heavy Rail network and about 0.45 million trips on its Light Rail network, with three delays 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 reoccurrence from happening.

Safety Performance

Safety is always our number one priority. Over the first six months of the year, the total number of reportable events across our Heavy Rail and Light Rail networks was 408, unchanged year on year. We continued to focus our safety initiatives on areas such as escalator safety, platform gap awareness and Light Rail pedestrian safety.

Enhancing the Customer Service Experience

Every day, MTR strives to deliver a world-class passenger experience that is accessible, safe, efficient and comfortable. The period under review saw the continuation of several important network and service improvement initiatives aimed at enhancing the customer service experience at all touchpoints.

Boosting Passenger Convenience

In the first half of 2026, we increased frequencies along the Tuen Ma and South Island lines, adding more than 60 train trips every week. We also expanded our HSR network to cover 113 destinations on the Chinese Mainland starting from July 2026.

Upgrade of Automatic Fare Collection System

As at 30 June 2026, over 2,200 new or retrofitted Automatic Fare Collection ("AFC") system entry/exit gates had been installed as part of our HK$1.3 billion upgrade programme, and 72 stations had completed AFC gate replacement.

New Trains

We continued our programme to replace older trains with newer, more comfortable Q-trains during the period under review. As at 30 June 2026, 13 new trains were ready for use on the Tsuen Wan Line, while the first set of new trains for the Tuen Mun South Extension was scheduled for delivery to Hong Kong in 2027. A total of 41 Q-trains are ready for use along the Island, Kwun Tong and Tsuen Wan lines.

Replacement of Signalling System

In March 2026, the new communication-based train control signalling system commenced service on the Tsuen Wan Line. This is to be followed by progressive implementation on the Island, Kwun Tong and Tseung Kwan O lines. Overall project completion is targeted for 2029.

Replacement of Power Distribution Systems

The power system replacement project, aimed at improving equipment performance and enhancing the system reliability of power supply for train services and station operations, is in progress. It covers the systems along the Kwun Tong, Tsuen Wan, Island and Tseung Kwan O lines and will be completed gradually over the next decade.

Replacement of Air Conditioning Systems

We continued our Batch 3 programme to replace station chillers with newer models, an initiative that will improve energy efficiency and passenger comfort. During the first half of the year, we replaced eight chillers across three stations. The Batch 3 programme, which covers a total of 22 chillers across 10 stations, is targeted for completion in 2028.

Enhancing Station Facilities

In April 2026, the reprovisioning works for the Light Rail Tin Wing Stop platforms were completed, and the environment has been revitalised with enhancements made to barrier-free facilities and passenger information.

Operations Performance in the first half of 2026

Service Performance Item	Performance Requirement	Customer Service Pledge Target	**Actual Performance**
Train service delivery			
– Island Line and South Island Line	99.0%	99.5%	**99.9%**
– Kwun Tong Line, Tsuen Wan Line and Tseung Kwan O Line	99.0%	99.5%	**99.9%**
– Tung Chung Line, Disneyland Resort Line and Airport Express	99.0%	99.5%	**99.9%**
– East Rail Line	99.0%	99.5%	**99.9%**
– Tuen Ma Line	99.0%	99.5%	**99.9%**
– Light Rail	99.0%	99.5%	**99.9%**
Passenger journeys on-time			
– 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%	**99.9%**
– Airport Express	98.5%	99.0%	**99.9%**
– East Rail Line	98.5%	99.0%	**99.9%**
– Tuen Ma Line	98.5%	99.0%	**99.9%**
Train punctuality			
– Island Line and South Island Line	98.5%	99.0%	**99.8%**
– Kwun Tong Line, Tsuen Wan Line and Tseung Kwan O Line	98.5%	99.0%	**99.8%**
– Tung Chung Line, Disneyland Resort Line and Airport Express	98.5%	99.0%	**99.9%**
– East Rail Line	98.5%	99.0%	**99.9%**
– Tuen Ma Line	98.5%	99.0%	**99.9%**
– Light Rail	98.5%	99.0%	**99.9%**
Train reliability: train car-km per train failure causing delays ≥5 minutes			
– 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	**7,195,050**
– East Rail Line and Tuen Ma Line	N/A	1,000,000	**9,377,007**
Ticket reliability: smart ticket transactions per ticket failure			
– 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	**66,585**
Add value machine reliability			
– 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%	**99.9%**
– East Rail Line	98.5%	99.0%	**99.9%**
– Tuen Ma Line	98.5%	99.0%	**99.9%**
Ticket machine reliability			
– 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%	**99.9%**
– East Rail Line	98.0%	99.0%	**99.9%**
– Tuen Ma Line	98.0%	99.0%	**99.9%**
– Light Rail	N/A	99.0%	**99.9%**
Ticket gate reliability			
– 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%	**99.9%**
– East Rail Line	98.0%	99.0%	**99.9%**
– Tuen Ma Line	98.0%	99.0%	**99.9%**
Light Rail platform Octopus processor reliability	N/A	99.0%	**99.9%**
Escalator reliability			
– 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%	**99.9%**
– East Rail Line	98.5%	99.0%	**99.9%**
– Tuen Ma Line	98.5%	99.0%	**99.9%**
Passenger lift reliability			
– 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%	**99.8%**
– East Rail Line	99.0%	99.5%	**99.8%**
– Tuen Ma Line	99.0%	99.5%	**99.9%**
Temperature and ventilation			
– Trains, except Light Rail: to maintain a cool, pleasant and comfortable train environment generally at or below 26ºC	N/A	97.5%	**99.9%**
– Light Rail: on-train air-conditioning failures per month	N/A	<3	**0**
– Stations: to maintain a cool, pleasant and comfortable environment generally at or below 27ºC for platforms and 29ºC for station concourses, except on very hot days	N/A	95.0%	**99.9%**
Cleanliness			
– Train compartment: cleaned daily	N/A	99.0%	**100%**
– Train exterior: washed every two days (on average)	N/A	99.0%	**100%**
Northwest transit service area bus service			
– Service Delivery	N/A	99.0%	**99.8%**
– Cleanliness: washed daily	N/A	99.0%	**100%**
Passenger enquiry response time within six working days	N/A	99.0%	**99.9%**

Smart Mobility, Operations and Maintenance

MTR is committed to "Go Smart Go Beyond" by incorporating the latest technological innovations for a more seamless railway transit experience. Our AI-powered Virtual Service Ambassador AI Tracy, a self-service channel that provides customers with instant, personalised support for wayfinding as well as information on station facilities and local attractions, is now available at 11 stations. We have also introduced an AI-powered instant translation service, fluent in over 20 languages, at six stations with high tourist traffic.

The new Integrated Wheelset Maintenance Centre, combining robotics, automation and data analytics, has boosted maintenance efficiency for Tuen Ma Line and East Rail Line train wheelsets, reducing wheelset servicing time from three to four working days to about 10 hours. Our Acoustic GearGuard applies acoustic technology and advanced algorithms to assess the condition of in-service train components, and technical feasibility tests have been successfully conducted on the East Rail Line.

Hong Kong Transport Services

Station Commercial Businesses

HIGHLIGHTS

- Our station retail business continues to be impacted by negative rental reversions, though the reduction improved compared to the same period last year
- Our advertising business benefitted from the gradual stabilisation of market conditions

HK$ million	Six months ended 30 June 2026	2025	Inc./(Dec.) %
Hong Kong Station Commercial Businesses			
Station Retail Rental Revenue	**1,828**	1,834	(0.3)
Advertising Revenue	**452**	451	0.2
Telecommunication Income	**268**	272	(1.5)
Other Station Commercial Income	**67**	64	4.7
Total Revenue	**2,615**	2,621	(0.2)
EBITDA	**2,242**	2,244	(0.1)
EBIT	**1,755**	1,798	(2.4)
EBITDA Margin (in %)	**85.7%**	85.6%	0.1% pt.
EBIT Margin (in %)	**67.1%**	68.6%	(1.5)% pts.

In the first half of 2026, total revenue from all Hong Kong station commercial activities was almost on par with the corresponding period last year, with a 0.2% year-on-year change to HK$2,615 million.

Station Retail

Station retail rental revenue over the first six months of 2026 decreased by 0.3% to HK$1,828 million. This was primarily attributed to negative rental reversions from certain station kiosk and bank services. As at 30 June 2026, the total number of retail shops in our stations was 1,593, covering 71,501 square metres of station retail area. As improved from same period last year, rental reversion and average occupancy rates for our station kiosks were -6.7% and 99.1%, respectively.

The Hong Kong retail market improved over the first half of the year, although it continued to be affected by shifting consumer trends like increased cross-boundary spending by local residents and lower consumption among visitors from the Chinese Mainland. In response, we leveraged our MTR Mobile app and MTR Points loyalty programme to help increase foot traffic at tenant shops and boost spending. We continued to offer flexible and/ or shorter-term leases to support tenant businesses and strengthen relationships. Throughout the period, we also continued to review our tenant mix to drive rental revenue and ensure that our retail offerings reflect market trends.

As at 30 June 2026, the lease expiry profile of our station kiosks (including Duty Free shops) by area occupied was such that approximately 21% will expire in the second half of 2026, 42% in 2027, 27% in 2028, and 10% in 2029 and beyond.

In terms of trade mix, food and beverage accounted for approximately 39% of the leased area of our station kiosks (excluding Duty Free shops), followed by passenger services at 14%, convenience stores at 13%, cake shops at 12% and others at 22% as at 30 June 2026.

Advertising

Advertising revenue increased by 0.2% to HK$452 million in the first half of 2026, benefitting from the gradual stabilisation of market conditions. During the review period, we prioritised data-driven strategies, optimised our channel mix with emphasis on digital media, expanded media partnerships, and accelerated cross-platform innovation to drive growth and unlock new opportunities. As at 30 June 2026, the total number of advertising units in MTR stations and trains was 42,415.

Telecommunications

Revenue from our telecommunications business decreased by 1.5% to HK$268 million over the first six months of 2026, mainly due to fierce competition in the user market, which resulted in a reduction in rates charged to operators. A new commercial system supporting more 5G services is now available in 19 stations. We also completed enhancement works for free Wi-Fi services in 98 stations and Airport Express trains. Meanwhile, we continue to explore capacity expansion as well as other opportunities for our data centre business.

Property Businesses

HIGHLIGHTS

- Property development profit recognised mainly from Tai Wai Station and THE SOUTHSIDE Package 5
- Retail market sentiment has improved, though retailers remain conservative about rental affordability, placing pressure on retail rents

Property Rental and Management

	Six months ended 30 June		
HK$ million	**2026**	2025	Inc./(Dec.) %
Hong Kong Property Rental and Property Management Businesses			
Revenue from Property Rental	**2,426**	2,500	(3.0)
Revenue from Property Management	**167**	157	6.4
Total Revenue	**2,593**	2,657	(2.4)
EBITDA	**2,026**	2,101	(3.6)
EBIT	**2,011**	2,084	(3.5)
EBITDA Margin (in %)	**78.1%**	79.1%	(1.0)% pt.
EBIT Margin (in %)	**77.6%**	78.4%	(0.8)% pt.

Property rental

Property rental revenue recorded a slight decline of 3.0%, amounting to HK$2,426 million in the first half of 2026. While there was an improvement in retail market sentiment, business was continuously affected by northbound consumption and the new normal of the retail market. MTR shopping malls in Hong Kong recorded a rental reversion of -5.5% and an average occupancy rate of close to 100%. The Company's 18 floors in Two International Finance Centre were 99% let on average.

While retail market sentiment showed signs of improvement during the period under review, we continued to hold promotional campaigns delivered via the MTR Mobile app and MTR Points Loyalty Scheme to counter the northbound travel trend and drive traffic to tenant shops.

As at 30 June 2026, our attributable share of investment properties in Hong Kong was approximately 310,000 square metres of lettable floor area for retail properties, approximately 39,000 square metres of lettable floor area for office space and approximately 19,000 square metres of property for other use.

As at 30 June 2026, the lease expiry profile of our shopping malls by area occupied was such that approximately 15% will expire in the second half of 2026, 34% in 2027, 23% in 2028, and 28% in 2029 and beyond.

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 19%, leisure and entertainment at 19%, and department stores and supermarkets at 10% as at 30 June 2026.

Property Development Packages Awarded and in Progress

Location	Developers	Type	Gross floor area *(sq. m.)*	Tender award date	Expected completion date
LOHAS Park Station					
LA MIRABELLE	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
Tai Wai Station					
THE PAVILIA FARM	New World Development Company Limited	Residential	190,480	October 2014	Completed by phases from 2022 to 2026
		Retail	60,620*		Completed in 2022
Wong Chuk Hang Station (THE SOUTHSIDE)					
Deep Water Pavilia	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	Completed in 2026
DEEP WATER SOUTH	Wheelock Properties Limited	Residential	46,800	April 2021	2026
Yau Tong Ventilation Building					
ONE PARK PLACE	Sino Land Company Limited and CSI Properties Limited	Residential	30,225	May 2018	2026
Pak Shing Kok Ventilation Building					
Pak Shing Kok Ventilation Building	New World Development Company Limited and China Merchants Land Limited	Residential	27,006	April 2022	2031
Tung Chung Traction Substation					
Tung Chung Traction Substation	Chinachem Group	Residential	87,288	July 2022	2031
Tung Chung East Station					
Package 1	Nan Fung Group Holdings Limited	Residential	30,000	December 2024	2031
Tuen Mun A16 Station					
Package 1	Sun Hung Kai Properties Limited	Residential	55,847	November 2025	2031
Kam Sheung Road Station					
GRAND MAYFAIR#	Sino Land Company Limited, China Overseas Land & Investment Limited and K. Wah International Holdings Limited	Residential	114,896	May 2017	Completed by phases from 2024 to 2026
Phase 2	Sino Land Company Limited, China Overseas Land & Investment Limited, China Merchants Land Limited and Great Eagle Holdings Limited	Residential Retail	71,338 40,750	April 2026	2033

 # as a development agent for the relevant subsidiaries of KCRC
** excluding a bicycle park with cycle track*

Property Development Packages to be Awarded(1)

Location	Type	Gross floor area *(sq. m.)*	Period of package tenders	Expected completion date
Oyster Bay	Mixed-use Development	860,500	To be confirmed	To be confirmed
Tung Chung East Station	Mixed-use Development	598,400	To be confirmed	To be confirmed
Tuen Mun A16 Station	Mixed-use Development	341,900	2026 – 2027	2033 – 2037
Kwu Tung Station(2)	Mixed-use Development	303,300	To be confirmed	To be confirmed
Hung Shui Kiu Station(2)	Mixed-use Development	574,100	To be confirmed	To be confirmed
Fanling North(2) Kwu Tung North(2) San Tin Station(2)	Mixed-use Development Residential Mixed-use Development	1,109,700	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.*

Property management

Property management revenue in Hong Kong increased by 6.4% to HK$167 million over the first six months of the year, which was mainly due to an increase in the number of residential units managed. As at 30 June 2026, MTR managed over 132,000 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 2026 was HK$12,223 million, mainly due to profit recognition from Tai Wai Station and THE SOUTHSIDE Package 5.

Pre-sales and Sales Activities

Sales and pre-sales activities continued for a number of other projects during the first half of the year. For Ho Man Tin Station packages, ONMANTIN and IN ONE were 72% and 90% sold, respectively, as at 30 June 2026. THE PAVILIA FARM I, THE PAVILIA FARM II and THE PAVILIA FARM III, located at Tai Wai Station, were 93% sold as at 30 June 2026.

For LOHAS PARK packages, pre-sales for LA MIRABELLE I (Package 13 Phase 13B) launched in March 2026 and were 65% sold as at 30 June 2026. Sales for SEASONS PLACE, PARK SEASONS and GRAND SEASONS (Package 12) continued and were 98% sold. Villa Garda I, Villa Garda II & Villa Garda III (Package 11) were 99% sold as at 30 June 2026.

At THE SOUTHSIDE, pre-sales for DEEP WATER SOUTH (Package 6 Phases 6A and 6B) launched in March 2026 and were 30% sold as at 30 June 2026, while pre-sales for Deep Water Pavilia and Deep Water Pavilia II (Package 5 Phases 5A and 5B) continued and were 96% sold. SOUTHLAND (Package 1), La Marina (Package 2), Blue Coast and Blue Coast II (Package 3 Phases 3B and 3C), and LA MONTAGNE (Package 4 Phases 4A and 4B) were 99%, 98%, 98% and 55% sold, respectively, as at 30 June 2026.

Pre-sales for YOHO WEST PARKSIDE (Tin Wing Stop Phase 2) were 97% sold as at 30 June 2026, while YOHO WEST (Tin Wing Stop Phase 1) was 97% sold. Pre-sales for ONE PARK PLACE (Yau Tong Ventilation Building) were 62% sold as at 30 June 2026. The applications for pre-sale consent for Phases 1 and 2 of the Tung Chung Traction Substation property development are 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), where 99% of units were sold as at 30 June 2026. The YOHO Hub and The YOHO Hub II (Yuen Long Station) were 68% sold as at 30 June 2026, while GRAND MAYFAIR I, GRAND MAYFAIR II and GRAND MAYFAIR III (Kam Sheung Road Station Package 1) were 90% sold.

Property Tendering

We conduct regular reviews of our property tendering programme based on the latest market conditions and trends. We awarded the tender for Kam Sheung Road Station Phase 2 property development to the consortium formed by Sino Land Company Limited, China Overseas Land & Investment Limited, China Merchants Land Limited and Great Eagle Holdings Limited in April 2026. Tendering of the Tuen Mun A16 Station Package 2 property development project was launched in July 2026.

Expanding the Property Portfolio

As at mid-year, we had eight residential property projects under construction, and along with completed residential property projects, we anticipate to contribute about 9,300 units for sale to the market. During the period under review, we continued to work on development sites for Hong Kong railway expansion projects including Oyster Bay Station, the Tung Chung East Station site on the Tung Chung Line Extension, the A16 Station site on the Tuen Mun South Extension, Kwu Tung and Hung Shui Kiu stations, and the Northern Link project. We also continued to explore other sites with development potential along our existing and future railway lines. In addition, we are conducting studies at the waterfront to the south of Hung Hom Station for a new harbourfront landmark as well as studies of property development sites for the proposed Pak Shek Kok and Au Tau stations.

Hong Kong Network Expansion

HIGHLIGHTS

- MTR continued to progress several important new projects designed to support Hong Kong's future railway development and spur growth of new and existing communities
- The Company remains in discussions to finalise the Project Agreement for the Northern Link (Part 2)

MTR is committed to designing, constructing and operating world-class railways that "Go Beyond Boundaries", connect communities across Hong Kong, and support the city's economic growth while also ensuring shareholder and stakeholder value. Our teams are planning intensively and employing innovative construction technologies and methods to manage numerous challenges, such as carrying out works on or near operational lines and limiting impact on surrounding neighbourhoods. Meanwhile, our characteristically prudent cost management is helping ensure that projects are delivered on time and within budget. As a recognised global leader in railway development and management, we remain committed to advancing sustainable growth for Hong Kong and its communities.

Projects in Progress

Tung Chung Line Extension

In February 2026, a topping-out ceremony was held for Tung Chung East Station, and electrical and mechanical works remain in progress. In June 2026, we celebrated the breakthrough of the tunnels in both directions between the existing Tung Chung Station and the future Tung Chung West Station, marking a new milestone for the project. At Tung Chung West Station, we completed the concourse-level concrete slab in March, and excavation and construction works are on-going. This project is being funded by financial contributions from the R+P Model and the Company's internal resources. Completion of the Tung Chung Line Extension is targeted for 2029.

Oyster Bay Station

In the first half of 2026, we commenced site formation for bifurcation while piling works continued.

Tuen Mun South Extension

In February 2026, the Tuen Mun Swimming Pool opened to the public following reprovisioning works. Piling and foundation works at A16 and Tuen Mun South stations also continued during the period under review. This project is being funded by financial contributions from the R+P Model and the Company's internal resources, and completion is targeted for 2030.

Kwu Tung Station on the East Rail Line

We have now entered the electrical and mechanical phase of this project, and 12 escalator trusses were delivered and positioned during the review period. The project is being funded by financial contributions from the R+P Model and the Company's internal resources. It is expected to be completed in 2027.

Hung Shui Kiu Station on the Tuen Ma Line

Detailed design and piling works are in progress. Overall construction is expected to be completed by 2030. This project is being funded by financial contributions from the R+P Model and the Company's internal resources.

Northern Link

The commissioning of the Main Line and Spur Line is targeted for no later than 2034. During the first six months of the year, we progressed construction of launching shafts and other preparation works as laid out in the Part 1 Project Agreement. The construction works of the Part 1 Project Agreement are being funded by financial contributions from the R+P Model and the Company's internal resources.

Supporting New Railway Projects

Design, planning and negotiations for the signing of the Northern Link (Part 2) Project Agreement continued during the first half of the year. Discussions relate primarily to 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 railway scheme for the Northern Link Spur Line was gazetted under the Railways Ordinance in June 2026. 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. We are proactively studying approaches for how best to finance this critical infrastructure project for the future Northern Metropolis and help deliver the next chapter of Hong Kong's railway growth story.

Meanwhile, we remain committed to supporting Government in advancing other railway initiatives. We welcome the approval given by the Chief Executive in Council for Government to invite the Company to commence detailed planning and design for Pak Shek Kok Station on the East Rail Line in July 2026 as well as South Island Line (West) in December 2025. We also continue to provide support to Government on the Tseung Kwan O Line Southern Extension, Central Rail Link, Northern Link Eastern Extension and Northeast New Territories Line as required. Elsewhere, we are closely monitoring developments for 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, Hung Shui Kiu/Ha Tsuen and the Yuen Long South New Development Areas. The bid submission for the smart and green mass transit system in Kai Tak will be in August 2026, and Government commenced the invitation to tender for the East Kowloon project in July 2026. We will consider investing in these and other initiatives if returns are commercially justified.

Chinese Mainland and International Businesses

HIGHLIGHTS

- Shenzhen Metro Line 13 Phase 2 Northern Extension commenced service in June 2026
- Works continue on southwest section of Sydney Metro M1 Metro North West & Bankstown Line in preparation for opening in second half of 2026

MTR's Chinese Mainland and international businesses enable the Company to generate geographically diversified revenue streams while building a global Hong Kong brand. These include rail-related activities such as public-private partnership infrastructure projects and transit-oriented development ("TOD") projects as well as station commercial opportunities. In the first half of 2026, MTR, its subsidiaries, associates and joint ventures served approximately 1 billion passengers on the Chinese Mainland and in Australia.

	Chinese Mainland and International Businesses								
	Chinese Mainland and Macao Railway, Property Rental and Property Management Businesses			International Railway Businesses			Total		
Six months ended 30 June HK$ million	**2026**	2025	Inc./(Dec.) %	**2026**	2025	Inc./(Dec.) %	**2026**	2025	Inc./(Dec.) %
Recurrent Businesses									
Subsidiaries									
Revenue	**765**	514	48.8	**8,080**	9,669	(16.4)	**8,845**	10,183	(13.1)
EBITDA	**116**	40	190.0	**655**	636	3.0	**771**	676	14.1
EBIT	**(155)**	(161)	3.7	**585**	570	2.6	**430**	409	5.1
EBITDA Margin (in %)	**15.2%**	7.8%	7.4% pts.	**8.1%**	6.6%	1.5% pts.	**8.7%**	6.6%	2.1% pts.
EBIT Margin (in %)	**(20.3)%**	(31.3)%	11.0% pts.	**7.2%**	5.9%	1.3% pts.	**4.9%**	4.0%	0.9% pt.
Recurrent Business (Loss)/Profit (Net of Non-controlling Interests)	**(207)**	**(173)**	**(19.7)**	**317**	**329**	**(3.6)**	**110**	**156**	**(29.5)**
Associates and Joint Ventures									
Share of Profit	**471**	**377**	**24.9**	**69**	**12**	**475.0**	**540**	**389**	**38.8**
Total Recurrent Business Profit (before Business Development Expenses)	**264**	**204**	**29.4**	**386**	**341**	**13.2**	**650**	**545**	**19.3**
Profit Attributable to Shareholders of the Company for the Period									
– Arising from Recurrent Businesses (before Business Development Expenses)							**650**	**545**	**19.3**
– Business Development Expenses							**(133)**	(127)	(4.7)
– Arising from Recurrent Businesses (after Business Development Expenses)							**517**	**418**	**23.7**
– Arising from Chinese Mainland Property Development							**10**	12	(16.7)
– Arising from Underlying Businesses							**527**	**430**	**22.6**

Excluding Chinese Mainland 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$517 million during the first six months of the year on an attributable basis compared with the net after-tax profit of HK$418 million that was recorded over the same period in 2025.

In our Chinese Mainland businesses, total recurrent business profit from our railway, property rental and property management subsidiaries, associates and joint ventures increased to HK$264 million in the first half of 2026. This was due to higher contributions from our Hangzhou businesses.

In our international businesses, total recurrent business profit from our railway subsidiaries, associates and joint ventures increased to HK$386 million in the first half of 2026. This was mainly due to increased contributions from both our Melbourne and Sydney operations in Australia.

Railway Businesses on the Chinese Mainland

Beijing

In Beijing, our associate operates Beijing Metro Line 4, the Daxing Line, Beijing Metro Line 14, Beijing Metro Line 16 and Beijing Metro Line 17. All lines achieved stable operations in the first half of 2026 with average on-time performance exceeding 99.9%.

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 six months of the year with average on-time performance of 99.9%.

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 patronage remains at a lower level for a further period of time and 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

Full-line service for Shenzhen Metro Line 13 ("SZL13") Phase 1 commenced in December 2025, and the line achieved stable operations with on-time performance of 99.9% over the first six months of 2026. The SZL13 Phase 2 Northern Extension, where we participate in the line's operations and maintenance, commenced service in June 2026.

Hangzhou

Hangzhou Metro Line 1 and Its Extensions

In Hangzhou, Hangzhou Metro Line 1 ("HZL1"), the Xiasha Extension and Airport Extension achieved stable operations in the first half of 2026 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. We anticipate that patronage and average fare will remain at a lower level for longer than expected and therefore recognised a share of impairment provision of HK$380 million for the HZL1 railway assets in 2025.

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 Business on the Chinese Mainland

In addition to its railway businesses, MTR also develops high-quality commercial and residential properties on the Chinese Mainland. We are currently studying strategic options for our malls on the Chinese Mainland due to challenges in the retail and property markets. Meanwhile, preparations remain underway for a targeted 2027 opening for the shopping mall at Tianjin's Beiyunhe Station.

Over the first six months of 2026, we continued to progress a TOD project at Hangzhou West Station while providing TOD consultancy services for the Shenzhen Xili Comprehensive Transportation Hub.

Other Business on the Chinese Mainland

Our station commercial business on the Chinese Mainland continues to progress and now includes more than 1,000 station shops covering Chengdu, Zhengzhou, Xi'an and Guangzhou. We have signed memoranda of understanding for Qingdao, Chongqing and Hangzhou and are actively exploring opportunities in other cities.

International Railway Businesses

Australia

The Melbourne metropolitan rail network continued to achieve steady operations in the first half of 2026. During the review period, we fully integrated the new Metro Tunnel into the network and enhanced passenger convenience by adding more than 1,000 weekly services. We also continue to support our client, the Victoria State Government, on various network improvement initiatives. In April, our submission for the new operations and maintenance contract for Melbourne's train network was shortlisted, and the tendering process followed. The result is expected to be announced in 2027.

The Tallawong-to-Sydenham section of the Sydney Metro M1 Metro North West & Bankstown Line continued to achieve stable operations during the period. Works for the southwest section continued in preparation for an opening in the second half of 2026. We are also progressing design works for the Sydney Metro West project and are targeting service commencement in 2032.

Growth Outside of Hong Kong

We submitted our bid for the Sydney Parramatta integrated station development project in December 2025, the result of which is expected in 2026. We also continue to seek opportunities for growth on the Chinese Mainland and overseas, including Belt and Road countries.

OTHER BUSINESSES

Ngong Ping 360

Revenue from Ngong Ping 360 increased by 2.1% to HK$246 million in the first half of 2026, and visitation was 0.71 million. Seasonal events, including a series of Chinese New Year festivities and the "NP360 x Garden Spring Delights Party" Easter celebration, helped drive visitation to the attraction, as did promotional offers such as express passes and discount tickets for children.

Octopus

Our share of profit from Octopus Holdings Limited increased by 9.0% year on year to HK$231 million over the first six months of 2026. As at 30 June 2026, over 150,000 service providers accepted Octopus payment across more than 210,000 acceptance points in Hong Kong and another 40 million worldwide. Total cards and stored-value products in circulation surpassed 36 million, processing an average of 15.9 million transactions worth HK$350 million per day. Octopus continues to demonstrate adaptability and resilience, and it remains focused on digital innovation, customer-centric service and expanding payment acceptance, thereby strengthening its role in supporting everyday mobility, retail and lifestyle activities while capturing future growth opportunities.

MTR Academy

Enrolment in the MTR Academy exceeded 200 students during the period under review, a 58% year-on-year increase that reflects the strength and quality of the Academy's offerings. There has also been a 57% increase in applications for the MTR Research Funding Scheme from Hong Kong's eight public universities. The Academy has also assumed a strategic transport and logistics role in the Belt and Road Office's "Belt and Road Capacity Building Platform".

MTR Lab

In the first half of 2026, MTR Lab completed two investments in advanced technology startups in Singapore and on the Chinese Mainland focusing on AI infrastructure services and large language models. It also established investment partnerships with Beijing Zhongguancun Science City Innovation Development Co., Ltd. and East Japan Railway Company's TAKANAWA GATEWAY Link Scholars' Hub, further expanding its technology investment ecosystem and strengthening its global deal-sourcing across AI, robotics, smart mobility and related sectors while supporting the growth of its portfolio companies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As a caring corporate citizen that provides green and accessible public transportation services to communities in Hong Kong and around the world, MTR places ESG ("Environmental, Social and Governance") at the heart of everything it does. For 2026, the Company set 31 ESG-related key performance indicators to drive performance and track its effectiveness in 10 focus areas spanning three core objectives: Greenhouse Gas Emissions Reduction, Social Inclusion, and Advancement & Opportunities.

Environmental Aspects

During the first half of the year, we continued our "Legacy Train Revitalisation Programme", through which we transform retired trains and components into community learning spaces and leisure facilities. Beneficiaries included a railway-themed school, the Hong Kong Baptist Assembly campsite in Fanling and Ronald McDonald House Charities Hong Kong. On Earth Day, we launched the "Green T Baby Environmental Education Programme" to share messages about the importance of low-carbon living with young students through a colourful, multimedia educational programme. By mid-year, 28 electric buses had been put into passenger service, helping the Company make further progress towards meeting its 2030 carbon reduction emission targets.

Social Aspects

In the first half of 2026, our "More Time Reaching Community" Scheme remained active to contribute to a more caring and inclusive society, with a participating headcount of 2,684 volunteers taking part in 198 volunteering projects. "'Train' for Life's Journeys 2.0" has scaled up to reach over 7,000 students, offering skills training and mentorship with a dedicated environmental stream alongside social inclusion. The pilot project, "MTR Buses – Onboard Announcement System", a previous cohort's winning idea serving visually impaired customers, commenced in May 2026. Full rollout to around 170 buses is expected in 2027.

In May, we reopened the large-scale railway exhibition at Hung Hom Station as "Station Rail Voyage: Explorer", which features new, expanded interactive experiences and a train simulator as well as retired trains. The "T Chai x Pharaoh Cat: A Journey into Ancient Egypt" thematic showcase, held in partnership with the Hong Kong Palace Museum, featured themed installations across stations and malls. We also participated in the Hong Kong Science Museum's "Living Tech Gallery", showcasing innovative railway achievements in the "Smart Transport" zone.

Governance

MTR is committed to achieving strong corporate governance and regularly reviews its practices to ensure that the Company operates ethically, transparently, and in the best interests of its shareholders and stakeholders. The comprehensive enterprise risk management framework addresses strategic, operational, financial, compliance and reputational risks. Key and emerging risks are reviewed regularly, supported by the adoption of the "Three Lines Model" for effective risk oversight.

HUMAN RESOURCES

As at 30 June 2026, MTR and its subsidiaries employed 19,003 staff in Hong Kong and 10,317 staff outside of Hong Kong. Our associates and joint ventures employed an additional 16,142 staff in Hong Kong and worldwide. In Hong Kong, the voluntary staff turnover rate remained low at 3.6%.

MTR strives to be an employer of choice by offering competitive rewards, including short- and long-term incentives. To attract talent, especially the "new generation workforce", we have adopted innovative recruitment marketing strategies and offered diverse career pathways through graduate and trainee programmes. We promote participative communication through the Staff Consultation Mechanism and foster a caring workplace through a spectrum of employee well-being initiatives and family-friendly practices. Meanwhile, our comprehensive learning and development programmes equip employees with future-ready capabilities.

The 2025 Employee Engagement Survey showed notable improvement in employee engagement and participation. Follow-up actions are underway to address key areas and further enhance the employee experience.

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

	Six months ended 30 June		Favourable/ (Unfavourable) Change	
HK$ million	**2026**	2025	HK$ million	%
Total Revenue	**26,231**	**27,360**	**(1,129)**	**(4.1)**
Recurrent Business Profit				
EBIT[ε]				
Hong Kong Transport Services				
– Hong Kong Transport Operations	**(141)**	98	(239)	n/m
– Hong Kong Station Commercial Businesses	**1,755**	1,798	(43)	(2.4)
Total Hong Kong Transport Services	**1,614**	1,896	(282)	(14.9)
Hong Kong Property Rental and Management Businesses	**2,011**	2,084	(73)	(3.5)
Chinese Mainland and International Railway, Property Rental and Management Subsidiaries	**430**	409	21	5.1
Other Businesses, Project Study and Business Development Expenses	**(181)**	(188)	7	3.7
Share of Profit of Associates and Joint Ventures	**771**	601	170	28.3
Total Recurrent EBIT	**4,645**	**4,802**	**(157)**	**(3.3)**
Interest and Finance Charges	**100**	(633)	733	n/m
Income Tax	**(564)**	(665)	101	15.2
Non-controlling Interests	**(129)**	(89)	(40)	(44.9)
Recurrent Business Profit Attributable to Shareholders and Perpetual Capital Securities Holders	**4,052**	**3,415**	**637**	**18.7**
Perpetual Capital Securities	**(618)**	(24)	(594)	n/m
Recurrent Business Profit	**3,434**	**3,391**	**43**	**1.3**
Property Development Profit (Post-tax)				
Hong Kong	**12,223**	5,530	6,693	121.0
Chinese Mainland	**10**	12	(2)	(16.7)
Property Development Profit (Post-tax)	**12,233**	**5,542**	**6,691**	**120.7**
Underlying Business Profit	**15,667**	**8,933**	**6,734**	**75.4**
Gain/(Loss) from Fair Value Measurement of Investment Properties (Post-tax)	**205**	**(1,224)**	**1,429**	**n/m**
Net Profit Attributable to Shareholders of the Company	**15,872**	**7,709**	**8,163**	**105.9**
Total Recurrent EBIT Margin[#] *(in %)*	**14.8%**	15.4%		(0.6)% pt.
Total Recurrent EBIT Margin[#] (excluding Chinese Mainland and International Subsidiaries) *(in %)*	**19.8%**	22.1%		(2.3)% 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 2026, steady growth in Hong Kong patronage contributed to a solid increase in the Group's Hong Kong operating revenue, along with our property development business recorded profits mainly from Tai Wai Station and THE SOUTHSIDE Package 5.

Total Revenue

The Group's total revenue excluding our Chinese Mainland and international railway, property rental and management subsidiaries increased 1.3% to HK$17,386 million, mainly attributable to patronage growth in Hong Kong transport operations ("HKTO"), particularly on our Cross-boundary and HSR services. Including the revenue contributions from our Chinese Mainland and international railway, property rental and management subsidiaries, which decreased by HK$1,338 million, the Group's total revenue decreased 4.1% to HK$26,231 million, mainly due to the end of the services contracts of Elizabeth Line in May 2025 and Stockholm Metro in November 2025, partly offset by higher revenue from our Melbourne operations.

Recurrent Business Profit

Recurrent business profit attributable to shareholders and perpetual capital securities holders increased by HK$637 million or 18.7% to HK$4,052 million, mainly driven by higher revenue from HKTO, decrease in interest and finance charges and increase in share of profit of associates and joint ventures outside Hong Kong, partly offset by higher operating expenses and higher depreciation with increased capital expenditure. After accounting for HK$618 million attributable to perpetual capital securities holders, recurrent business profit attributable to shareholders was HK$3,434 million, an increase of HK$43 million or 1.3%.

Total Recurrent EBIT by Businesses

The Group's total recurrent EBIT (including share of profit of associates and joint ventures, and project study and business development expenses) decreased by HK$157 million or 3.3% to HK$4,645 million.

Hong Kong Transport Operations: EBIT decreased by HK$239 million to an EBIT loss of HK$141 million, mainly due to (i) higher railway support and maintenance expenses, (ii) increased depreciation and (iii) higher variable annual payment, while there was no fare increase under FAM in 2025/2026. These were partly offset by stronger patronage in Cross-boundary and HSR services, benefitted by higher frequency of two-way travel between Hong Kong and Chinese Mainland.

Hong Kong Station Commercial Businesses: EBIT decreased by HK$43 million or 2.4% to HK$1,755 million, mainly due to negative rental reversion of 6.7% for station kiosks.

Hong Kong Property Rental and Management Businesses: EBIT decreased by HK$73 million or 3.5% to HK$2,011 million, attributable to changing consumer behaviour under retail new normal and continued outbound consumption. Rental reversion during the period was negative 5.5%.

Chinese Mainland and International Railway, Property Rental and Management Subsidiaries: EBIT increased by HK$21 million or 5.1% to HK$430 million, mainly due to higher EBIT from our Melbourne operations.

Other Businesses, Project Study and Business Development Expenses: EBIT loss narrowed by HK$7 million or 3.7% to HK$181 million.

Share of Profit of Associates and Joint Ventures: Share of profit increased by HK$170 million or 28.3% to HK$771 million, primarily due to better performance of our railway businesses in Hangzhou.

Total Recurrent EBIT Margin

In the first half of 2026, total recurrent EBIT margin slightly dropped by 0.6% point to 14.8%.

Interest and Finance Charges

Interest and finance charges for recurrent businesses decreased by HK$733 million, which was mainly driven by more interest income generated from increased cash balance and investments in securities. A detailed review is provided in the "Financing Activities" section.

Income Tax

Income tax expenses for recurrent businesses decreased by HK$101 million or 15.2%, to HK$564 million, mainly due to a decrease in our recurrent business profit in Hong Kong.

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 to this interim report.

Property Development Profit (Post-tax)

Property development profit (post-tax) increased by HK$6,691 million to HK$12,233 million, mainly contributed by Tai Wai Station and THE SOUTHSIDE Package 5.

Underlying Business Profit

Underlying business profit increased by HK$6,734 million or 75.4% to HK$15,667 million, as the result of an increase of HK$6,691 million in property development profit and an increase of HK$43 million in recurrent business profit.

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

The amount of HK$205 million in 2026 represented the gain from fair value remeasurement of investment properties for the six months ended 30 June 2026, representing an approximate 0.2% increase in the value of investment properties as at 31 December 2025.

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, net profit attributable to shareholders increased by HK$8,163 million or 105.9% to HK$15,872 million.

CONSOLIDATED FINANCIAL POSITION

HK$ million	At 30 June 2026	At 31 December 2025	Inc./(Dec.) HK$ million	Inc./(Dec.) %
Fixed Assets	**248,102**	245,704	2,398	1.0
Railway Construction in Progress	**22,357**	17,879	4,478	25.0
Property Development in Progress	**43,378**	43,054	324	0.8
Interests in Associates and Joint Ventures	**14,435**	13,614	821	6.0
Investments in Securities	**17,973**	7,276	10,697	147.0
Debtors and Other Receivables	**15,524**	13,562	1,962	14.5
Cash, Bank Balances and Deposits	**113,997**	44,242	69,755	157.7
Other Assets	**16,572**	13,607	2,965	21.8
Total Assets	**492,338**	**398,938**	**93,400**	**23.4**
Total Loans and Other Obligations	**170,355**	88,923	81,432	91.6
Creditors and Other Liabilities	**66,570**	66,855	(285)	(0.4)
Obligations Under Service Concession	**9,839**	9,886	(47)	(0.5)
Deferred Tax Liabilities	**17,116**	16,879	237	1.4
Total Liabilities	**263,880**	**182,543**	**81,337**	**44.6**
Net Assets	**228,458**	**216,395**	**12,063**	**5.6**
Represented by:				
Total Equity Attributable to Shareholders of the Company	**204,274**	192,215	12,059	6.3
Perpetual Capital Securities	**23,496**	23,496	–	–
Non-controlling Interests	**688**	684	4	0.6
Total Equity	**228,458**	**216,395**	**12,063**	**5.6**

The Group's total assets increased by 23.4% to HK$492,338 million, mainly driven by (i) higher cash, bank balances and deposits following multiple bond issuances during the first half of 2026; (ii) increased investments in securities from subscriptions of bank medium-term notes, bonds and certificates of deposit; and (iii) an increase in railway construction in progress for various railway projects.

Total liabilities increased by 44.6% to HK$263,880 million, primarily due to bond issuances and net loan drawdowns.

As a result, the Group's net assets increased by HK$12,063 million or 5.6% to HK$228,458 million.

CONSOLIDATED CASH FLOWS

	Six months ended 30 June	
HK$ million	**2026**	2025
Net Cash Generated from Operating Activities	**7,862**	**6,481**
Net Receipts from Property Development	**10,045**	9,127
Variable Annual Payment	**(3,330)**	(3,025)
Capital Expenditure	**(10,496)**	(8,632)
Net Purchase of Investments in Securities	**(10,763)**	(4,760)
Other Net Cash Inflow from Investing Activities	**358**	372
Net Cash Used in Investing Activities	**(14,186)**	**(6,918)**
Net Drawdown of Debts, Net of Lease Rental and Interest Payments	**82,149**	10,913
Proceeds from Issuance of Perpetual Capital Securities	**–**	23,550
Distributions Paid to Perpetual Capital Securities	**(618)**	–
Dividends Paid to Shareholders of the Company	**(5,541)**	(5,541)
Other Net Cash Outflow from Financing Activities	**(250)**	(78)
Net Cash Generated from Financing Activities	**75,740**	**28,844**
Effect of Exchange Rate Changes	**339**	503
Net Increase in Cash, Bank Balances and Deposits	**69,755**	**28,910**
Cash, Bank Balances and Deposits as at 1 January	**44,242**	**27,886**
Cash, Bank Balances and Deposits as at 30 June	**113,997**	**56,796**

Net Cash Generated from Operating Activities
Net cash generated from operating activities increased by HK$1,381 million to HK$7,862 million, mainly due to changes in working capital.

Net Receipts from Property Development
Net receipts from property development amounted to HK$10,045 million, comprising (i) cash inflows of HK$11,520 million, mainly from various packages in relation to LOHAS Park, THE SOUTHSIDE, and Kam Sheung Road Station Phase 2; offset by (ii) cash outflows of HK$1,475 million, primarily for the Oyster Bay project.

Capital Expenditure
Capital expenditure totalled HK$10,496 million mainly represents (i) HK$5,360 million for asset enhancements such as station renovation, new trains and signalling systems for existing Hong Kong railways; and (ii) HK$4,695 million for Hong Kong railway extension projects.

Net Drawdown of Debts, Net of Lease Rental and Net Interest Payments
Net drawdown of debts, net of lease rental and net interest payments, amounted to HK$82,149 million, comprising (i) proceeds of HK$86,648 million from loans and capital market instruments; partly offset by (ii) debt repayments of HK$3,973 million; and (iii) net interest payments of HK$526 million.

Dividends Paid to Shareholders of the Company
The Group paid dividends of HK$5,541 million for the six months ended 30 June 2026 in cash, being the 2025 final dividend of HK$0.89 per share.

FINANCING ACTIVITIES

The Hong Kong economy expanded during the first quarter of 2026 as real GDP was 5.9% higher than the previous year with 2026 full year forecast at 2.5% to 3.5% and underlying inflation forecasted to be 2.5%. During the first half of 2026, Hong Kong's exchange rate and money markets continued to operate in a smooth and orderly manner as the U.S. Federal Open Market Committee maintained the federal funds rate at a target range of 3.50% to 3.75%.

During first half of 2026, the Company arranged a total of HK$58 billion equivalent of external funding that comprised of the issuance of a dual-tranche AUD2.0 billion green public bond in January; a three-tranche HK$18.8 billion green public bond in April; a three-tranche EUR 3.0 billion green public bond in June; and a HK$1.0 billion bilateral bank credit facility.

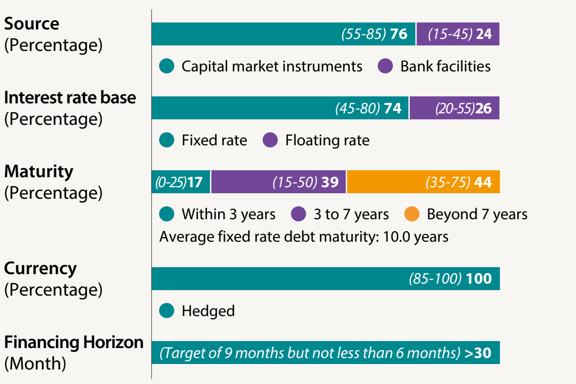
The Group's consolidated debt position at the end of June 2026 was HK$170.4 billion, with a cash and deposit balance of HK$114.0 billion, investment balance of HK$16.7 billion, and undrawn committed facilities of over HK$19.0 billion. The weighted average cost of the Group's interest bearing borrowings over the first six months in 2026 was 3.5% p.a., compared to 3.7% p.a. for the same period in 2025.

Diversified sources of funding will continue to be considered to support the Company's forward-looking financing needs wherein external factors such as foreign currency and interest rate movements; relevant international policy and events; and economic indicators will be carefully evaluated.

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 2026



Net Debt-to-equity Ratio and Interest Coverage

The Group's gearing ratio (net debt-to-equity) was 21.7% as at 30 June 2026 and 22.5% as at 31 December 2025. Interest cover for the six months ended 30 June 2026 improved to 34.8 times, compared with 12.5 times for the same period in 2025.

Capital Expenditure and Investment

The Group's capital expenditure and investments are categorised into Hong Kong railway projects (including maintenance of existing railways and new projects), Hong Kong property investments and development, and Chinese Mainland and overseas investments. Total expenditure for 2026 – 2028 is estimated at approximately HK$84.8 billion.

Capital expenditure on Hong Kong railway projects will continue to account for a significant portion of total spending over 2026 – 2028, following the signing of project agreements for the Oyster Bay project, Tung Chung Line Extension, Tuen Mun South Extension, Kwu Tung Station, Hung Shui Kiu Station and Northern Link Project – Part 1. Capital expenditure and funding arrangements for other projects will be determined upon execution of relevant agreements with the Government.

Taking into account the cash and deposit balances, bank medium-term notes, bonds and certificates of deposit, and undrawn committed banking facilities described under "Financing Activities", the Group believes that it possesses sufficient financial resources to support its capital expenditure requirements and investment programme.

Capital Expenditure and Investment (2026 – 2028)