

MTR Corporation

Company Overview

January 2024

Forward-looking statements

Certain statements contained in this presentation may be viewed as forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements.

1H2023 Highlights

Recurrent Businesses in Hong Kong

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

Property Development

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

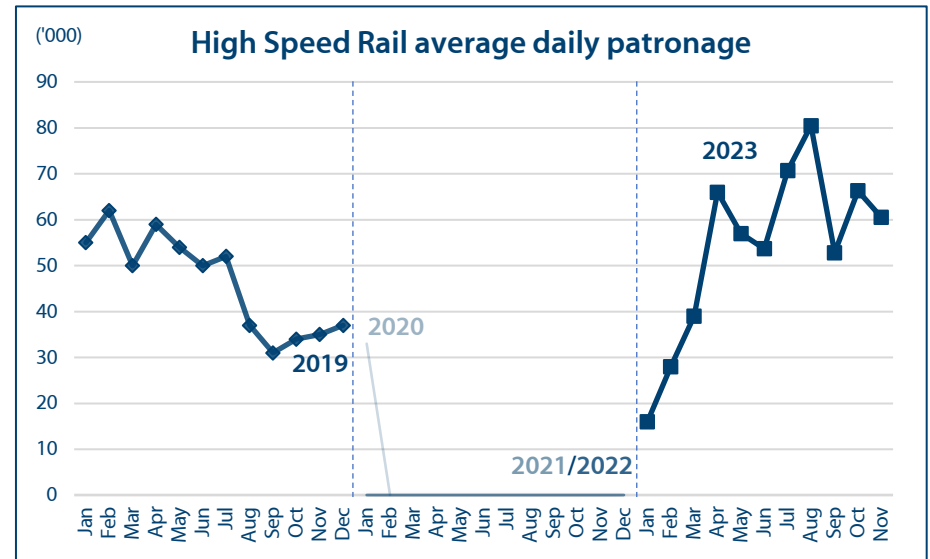
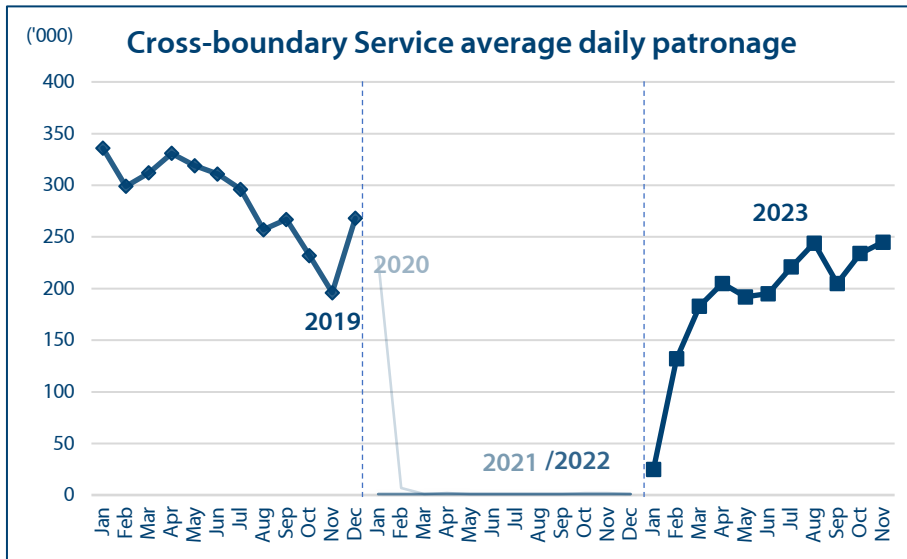
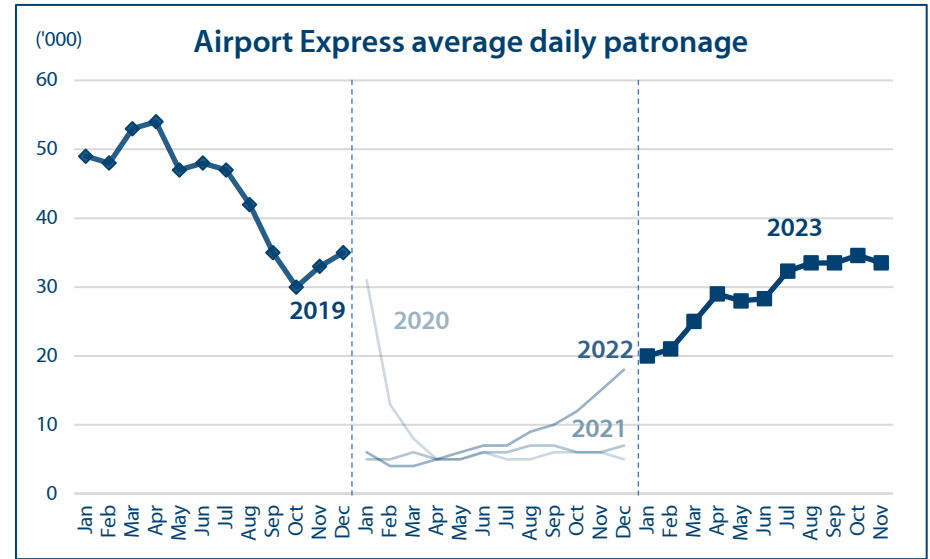
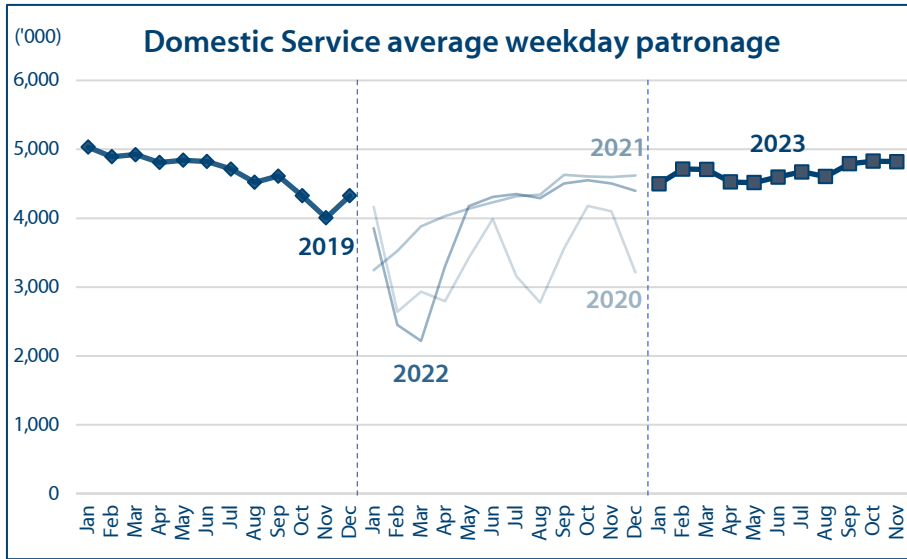
New Projects

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

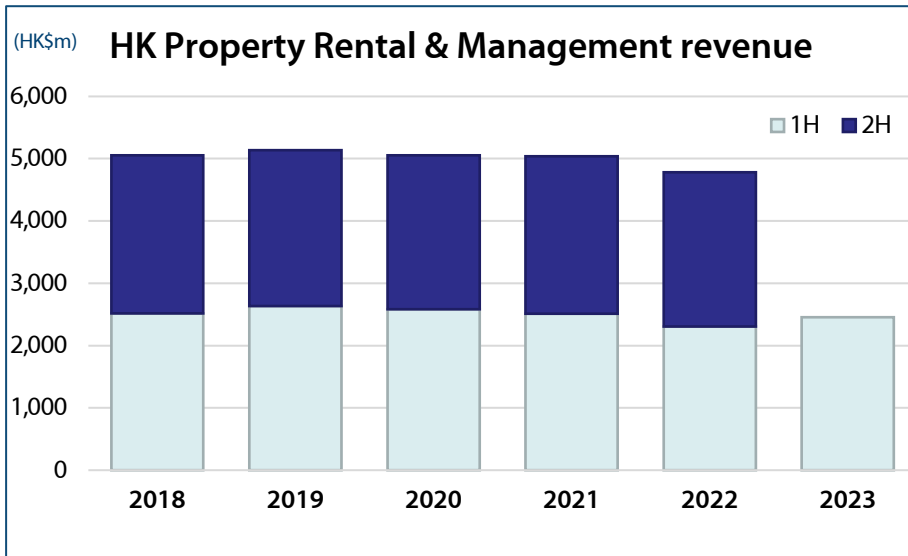
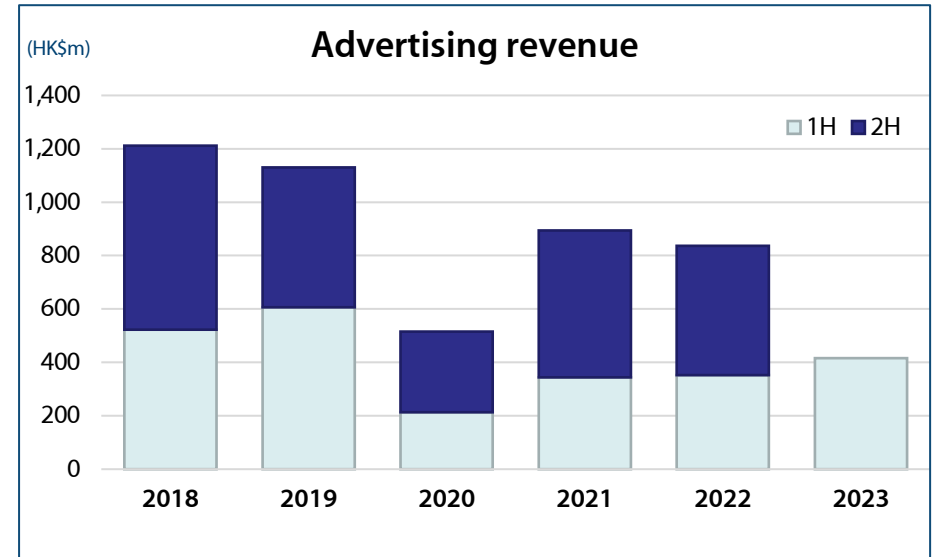
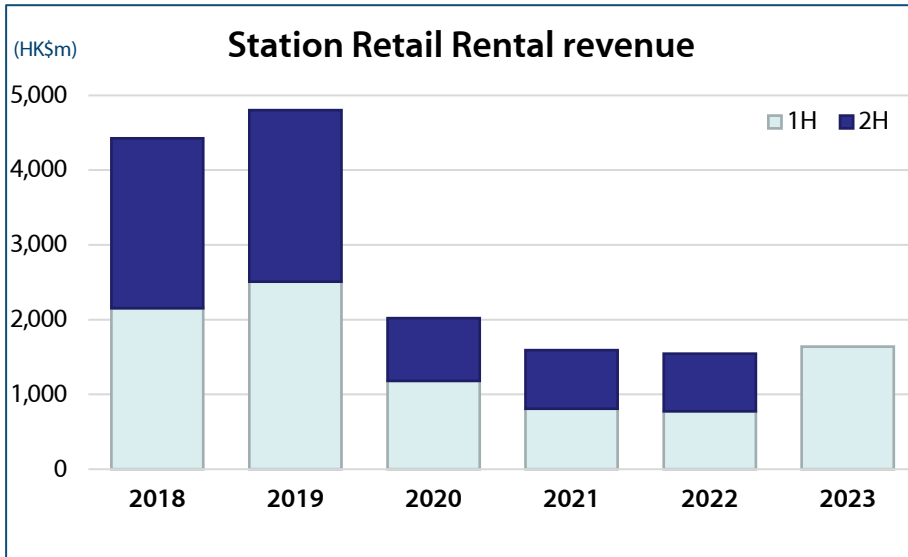
Businesses Outside of Hong Kong

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

HKTO patronage continues to recover

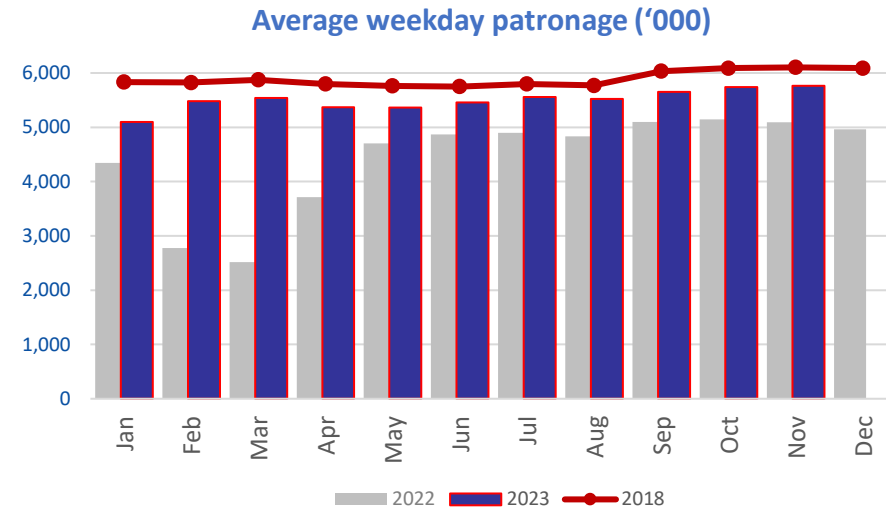


Rental & Advertising Revenue Recovery in 1H2023



HKTO recent updates

- With the resumption of cross-boundary services and contribution from new lines, average weekday patronage reached more than 90% of pre-pandemic levels in 1H2023
- Further patronage recovery will depend on overall economic growth, the pace of tourist recovery, changes in travel / work patterns, etc
- Average fare of Domestic Service in the 1H2023 was HK\$8.26 (1H2022: HK\$8.08)
- FAM review was concluded. Overall adjustment rate for 2023/24 was +2.3%, effective on 25 June 2023
- "Thank You Days" on 8, 9 April; 13, 14 May and 19 August



Patronage ('000)	2018	2022	1H 2023	3Q 2023	Oct 2023	Nov 2023
Domestic Service (avg. weekday)	4,862	3,920	4,599	4,690	4,830	4,823
Cross-boundary	322	1	155	223	234	245
AEL	49	9	25	33.1	34.6	33.5
High Speed Rail	53	-	47	68.0	66.3	60.5
Light Rail & Bus	653	516	596	562	574	602

Following the government's measure to control the outbreak of COVID 19, express rail link West Kowloon control point was closed between 30 Jan 2020 and 14 Jan 2023, Intercity Hung Hom control point was closed since 30 Jan 2020, Lo Wu control point was closed between 4 Feb 2020 and 5 Feb 2023, Lok Ma Chau Spur Line control point were closed between 4 Feb 2020 and 7 Jan 2023. Shuttle train service serving residents in Lo Wu and Lok Ma Chau only were provided during the closure of Lo Wu and Lok Ma Chau stations.

Station Retail and Property Rental recent updates

- Hong Kong retail sales were 17.1% YoY YTD in 11M2023
- Station Kiosks retail sales in line
- Shopping malls retail sales outperformed
- The Wai opened on 22 July 2023
- THE SOUTHSIDE phase 1 opened on 12 December 2023
- The opening of the new shopping malls, The Wai and THE SOUTHSIDE, are expected to make incremental contributions to the property rental revenue
- Advertising revenue remains dependent on the extent of the economic recovery and improvement in consumer sentiment and spending

Property Development recent updates

Land Tendering

■ Tendering activities

- Subject to market conditions, tender out about 4,000 units in the next 12 months or so

Property Sales

- Launched IN ONE (Ho Man Tin Station Package 2) in March 2023
- Launched La Montagne (THE SOUTHSIDE Package 4 Phase 4A) in July 2023
- Launched Villa Garda III (LOHAS Park Package 11) in August 2023
- Launched YOHO West (Tin Wing Stop) in December 2023
- Applications for pre-sale consent for THE SOUTHSIDE Package 3, LOHAS Park Package 12 and Package 13, Ho Man Tin Station Package 1 and the Yau Tong Ventilation Building are in progress

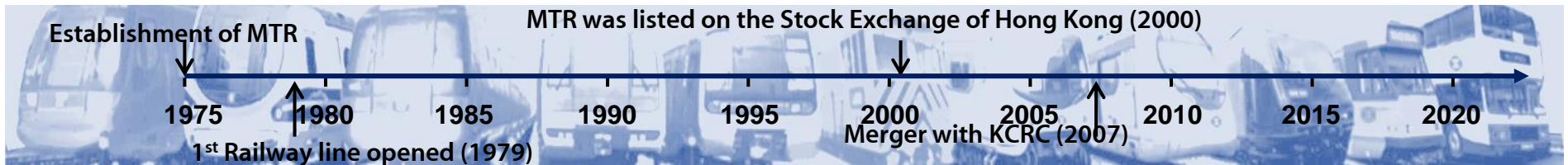
Mainland China and International Businesses

- On 1 November, MTR Pendeltågen AB and Storstockholms Lokaltrafik (the Stockholm Public Transport Authority) entered into a supplemental agreement regarding the early termination of MTR Pendeltågen AB's assignment agreement
- Pursuant to such agreement, MTR Pendeltågen AB's assignment agreement to operate and manage Stockholms pendeltåg shall be terminated on 2 March 2024
- The Company estimates that it will need to recognise an additional charge of approximately HK\$700 million to its consolidated statement of profit or loss for the year ending 31 December 2023

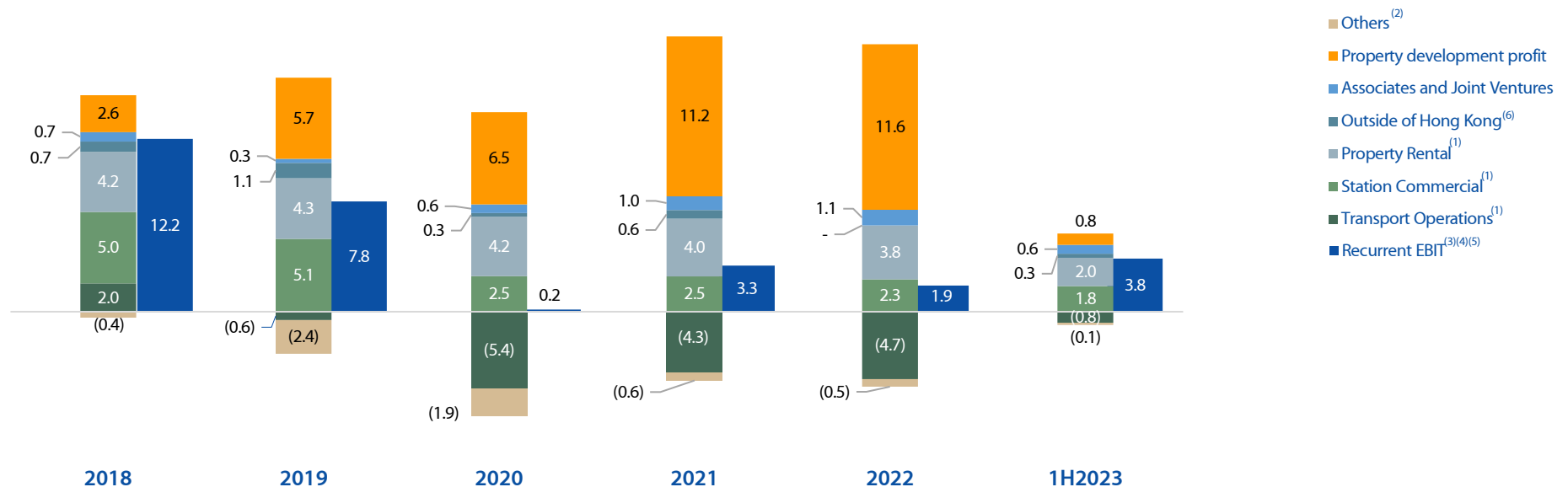
New Railway Projects

- On 5 September, the Company entered into the project agreement for the Tuen Mun South Extension (TME) and Kwu Tung Station (KTU) with the Government
- The projects will be developed under the rail-plus-property model. The site areas of the proposed development sites for TME and KTU are 6.11 hectares and 4.74 hectares, respectively
- On 25 October, the Policy Address proposes further extension of Hong Kong's railway network, including (1) the enhanced Three Railways proposals under the "Strategic Studies on Railways and Major Roads Beyond 2030" and (2) taking forward two new railway projects, including the "Northern Link Eastern Extension" and the "Northeast New Territories Line"
- The Company is also working full steam on other railway projects under the government's Railway Development Strategy 2014

MTR Today



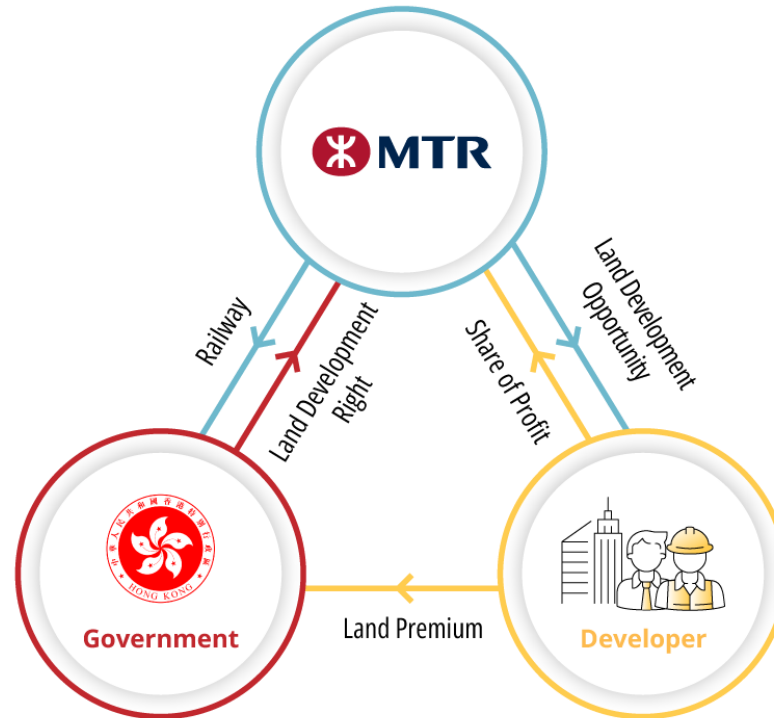
Total EBIT (HK\$ billion)



1. Net of depreciation, amortisation and variable annual payment to KCRC
2. Includes consultancy, Ngong Ping 360 and project management for HKSAR Government
3. Recurrent EBIT: excludes property development profit
4. 2019 EBIT included a diverse impact from the public order events (HK\$2.3 billion), and the provisions relating to the Hung Hom incidents (HK\$2 billion) and the South Western Railway franchise agreement (HK\$0.4 billion)
5. 2020 EBIT included the adverse impact from COVID-19, and the provisions relating to SCL project management cost (HK\$1.4 billion)
6. 2022 EBIT included impairment Loss on Shenzhen Metro Line 4

Vision: an internationally-recognised leading company that connects and grows communities with caring, innovative and sustainable services.

Rail + Property Business Model



Note: This is a simplified model, only meant to illustrate and explain the general framework of the Rail plus Property model. Actual implementation may vary.

MTR leads and coordinates the development processes including:

- Agrees with Government amount of property development rights for new rail extension
- Land premium will be assessed on a full market value basis with certain agreed amounts deducted, prior to tender being offered to developers
- Tender property packages to developer partners
- MTR contributes property rights, oversees the design & construction
- Developers usually pay for land premium and development costs; MTR may contribute on a case by case basis
- Profit sharing with MTR by percentage of profits or assets in kind or lump-sum payment

Examples of MTR “Rail + Property” development

Tung Chung Station Development

- Total GFA: 1,030,634 sq m (Retail: 55,793 sq m; Office: 14,913 sq m)
- ~12,400 residential units



Tseung Kwan O LOHAS Park Development

- Total GFA: 1,650,000 sq m (Retail: 44,500 sq m)
- ~25,500 residential units



Kowloon Station Development



- Total GFA: 1,096,169 sq m (Retail: 82,750 sq m; Office: 231,778 sq m)
- ~5,800 residential units



AIM

As one of the global leaders in environmentally friendly mass rail transit, MTR connects communities throughout Hong Kong and around the world by providing safe, reliable services that are accessible to everyone. Revenues generated from railway operations help the Company maintain, improve and expand its network for sustainable growth, benefitting passengers and shareholders alike.

HONG KONG TRANSPORT SERVICES
TRANSPORT OPERATIONS

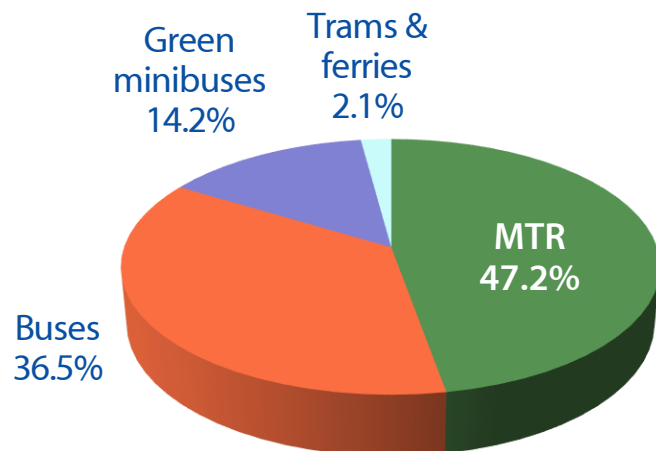
MTR system map



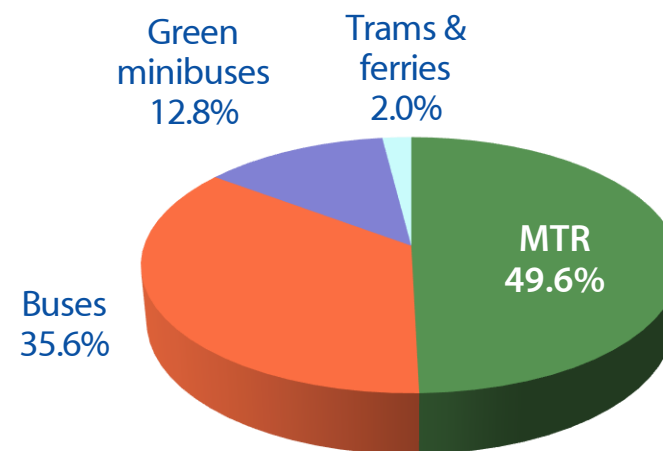
Note (1) 3 Rail Segments: Domestic Service, Airport Express and Cross-boundary Service
 (2) 99 heavy rail stations, 1 XRL station (ex. 68 light rail stops)
 (3) 271km of heavy rail, 36km of light rail, 26 km of XRL
 MTR Corporation

Market share

Hong Kong Franchised Public Transport

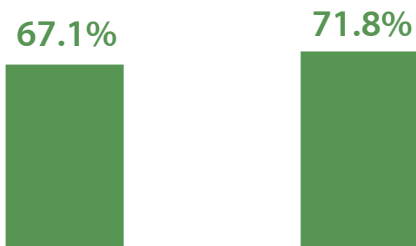


Jan - May 2022



Jan - May 2023

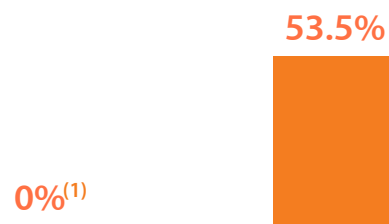
Cross-harbour



Jan-May 2022

Jan-May 2023

Cross-boundary & HSR



Jan-May 2022

Jan-May 2023

Airport Express



Jan-May 2022

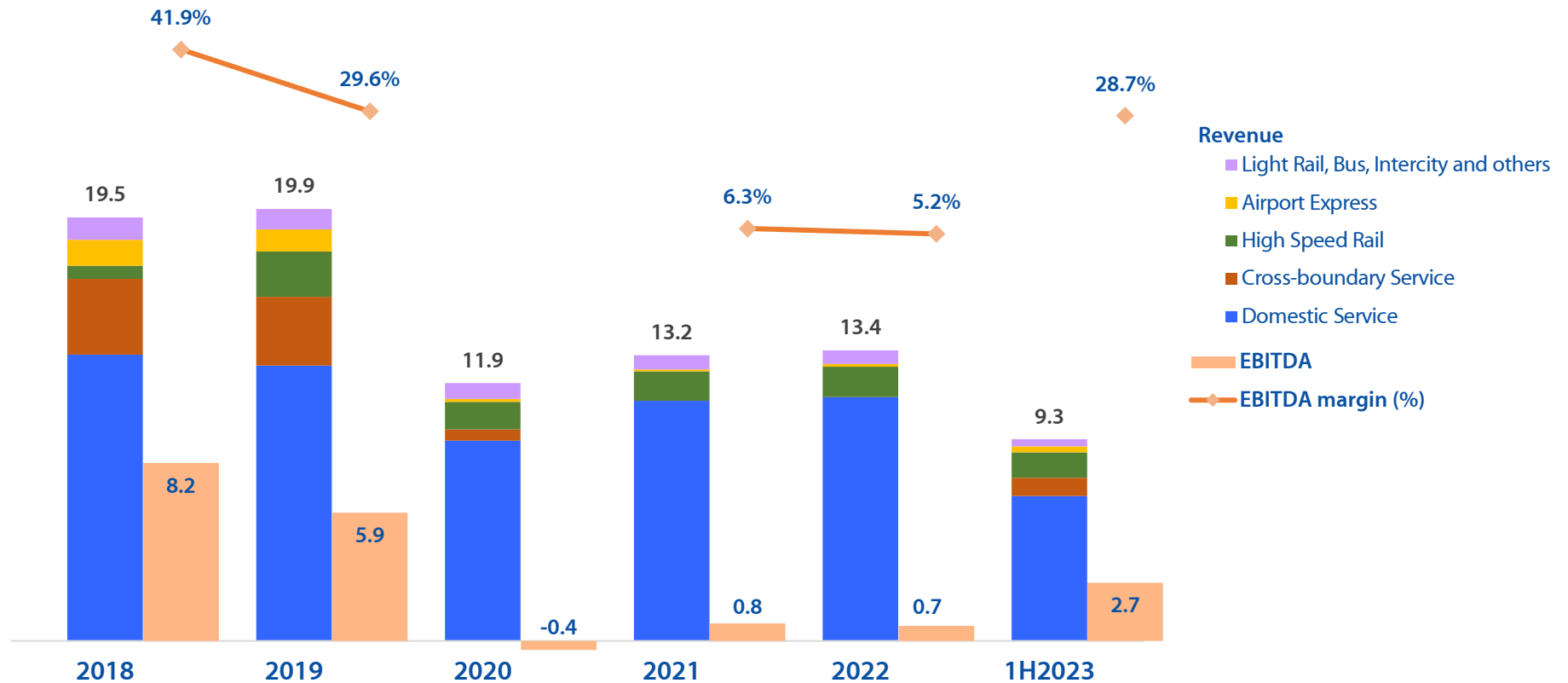
Jan-May 2023

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

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

Hong Kong Transport Operations

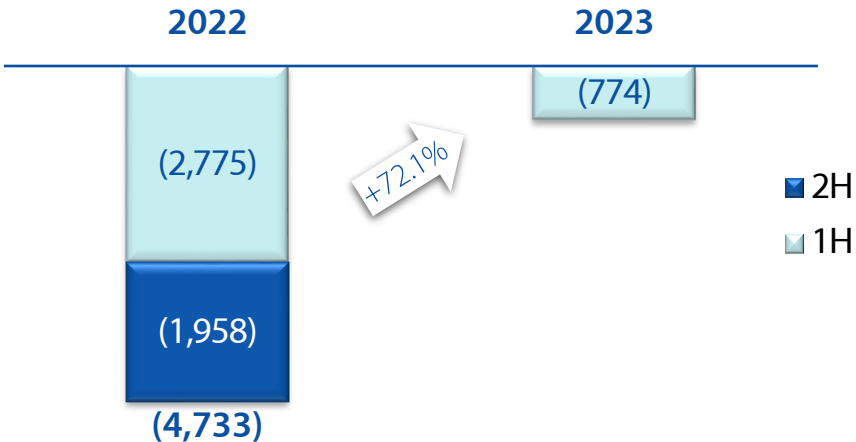
(HK\$b)



Note: 2020 HKTO EBITDA margin: -3.5%

Hong Kong Transport Operations

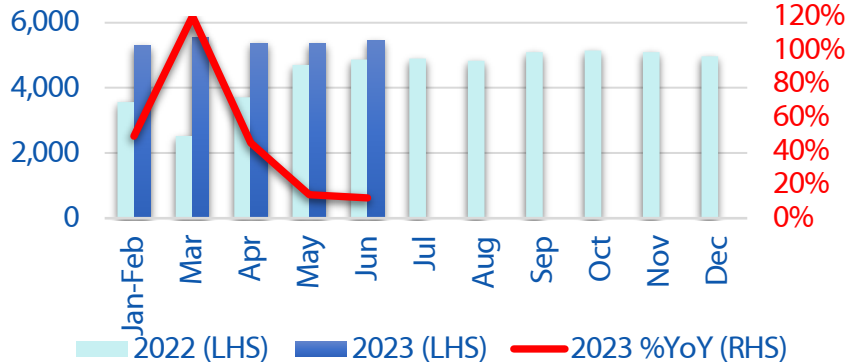
EBIT (HK\$m)



1H2023

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

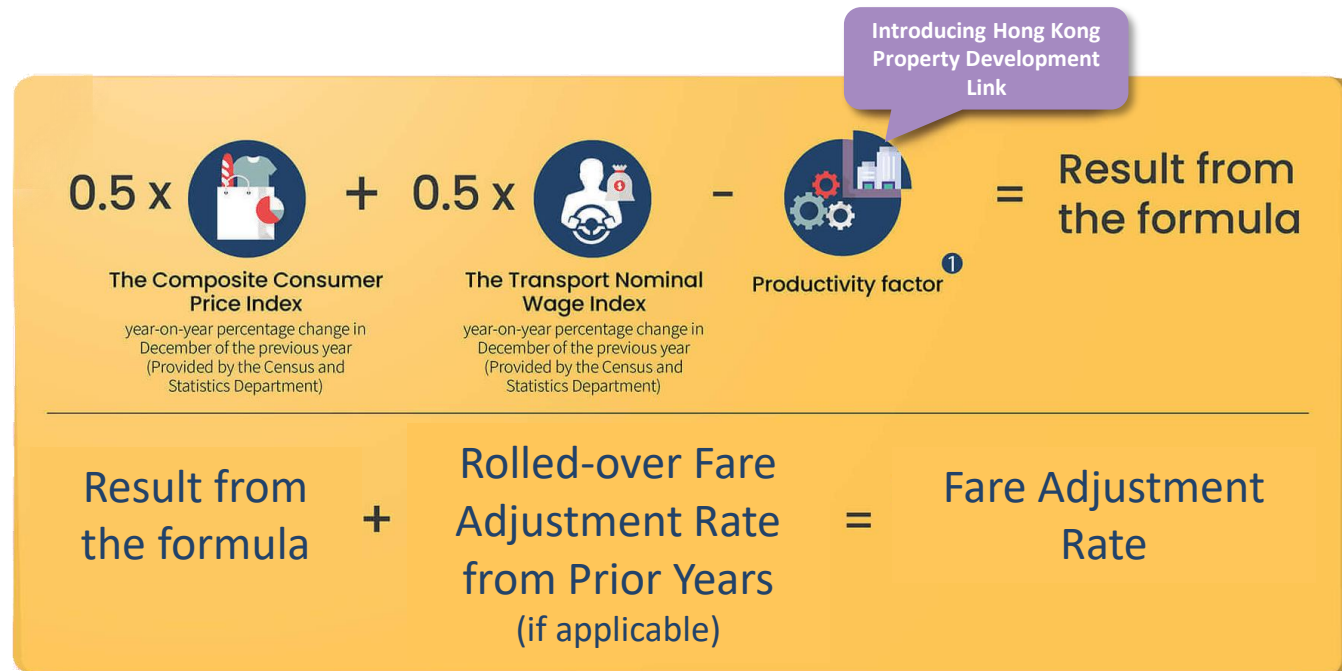
Average weekday patronage ('000)



FAM, Promotions and Concessions

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

Fare Adjustment Mechanism (FAM)



1
Productivity Factor :
The respective value according to the Hong Kong Property Development Profit level in the pre-defined profit tiers below.

Hong Kong Property Development Annual Profit# (HK\$)	Productivity Factor
Below 5 billion	0.6%
>= 5 billion to <10 billion	0.7%
>= 10 billion	0.8%

#Hong Kong Property Development Profit represents "Profit for the year attributable to shareholders of the Company arising from property development in Hong Kong" in the previous financial year.

Affordability-linked arrangement

The increase in the overall fare adjustment rate is capped at the change in Median Monthly Household income (MMHI) for the corresponding year under the "Affordability Cap".

FAM – a direct drive mechanism providing stable sources of recurrent revenue

FAM history

Year	CCPI ¹ (% YoY)	Transport Nominal Wage Index ¹ (% YoY)	t-factor (%)	FAM Rate ² (%)	Implemented Fare Adjustment Rate ³ (%)
2009	2.1	(0.7)	-	0.70	-
2010	1.3	1.4	-	1.35	2.05
2011	2.9	1.5	-	2.20	2.20
2012	5.7	5.1	-	5.40	5.40
2013	3.7	2.9	(0.6)	2.70	2.70
2014	4.3	4.1	(0.6)	3.60	3.60
2015	4.9	4.9	(0.6)	4.30	4.30
2016	2.4	4.1	(0.6)	2.65	2.65
2017	1.2	3.3	(0.6)	1.65	-
2018	1.7	2.8	(0.6)	1.65	3.14
2019	2.5	5.9	(0.6)	3.60	3.30
2020	2.9	3.4	(0.6)	2.55	-
2021	(1.0)	(1.5)	(0.6)	(1.85)	(1.85)
2022	2.4	(0.2)	(0.6)	0.50	-
2023	2.0	3.6	(0.8)	2.00	2.30

(Note 1) Composite Consumer Price Index (CCPI) and Transport Nominal Wage Index for December from the previous year are used

(Note 2) The FAM formula is used to calculate the overall rate of adjustment (FAM Rate) for MTR fares, with adjustments to be implemented in June each year, if applicable

(Note 3) For 2009, 2017 and 2022, FAM rate was within $\pm 1.5\%$, the FAM Rate was carried forward.

For 2019 and 2020, affordability cap was applied, the FAM Rate was partially or fully carried forward.

For 2010, 2018 and 2023, the Implemented Fare Adjustment Rate included the amount carried forward from previous year(s).

For 2017, after a one-off 10% adjustment, the adjustment rate of 1.49% was within $\pm 1.5\%$; and was carried forward; Special applications of $t = 0.6$ for 2017 to 2022.

For 2023, 2.30% included the 3.35% carried forward from previous years; a one-off adjustment -1.2%; and special deferrals of a total of 1.85%.

For more information, please refer to our press releases

Foster Smart Railway

The replacement of our existing signalling system along the Island, Tseung Kwan O, Kwun Tong and Tsuen Wan lines continues



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



Signed MoUs on Railway Research and Development with research institutions



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





AIM

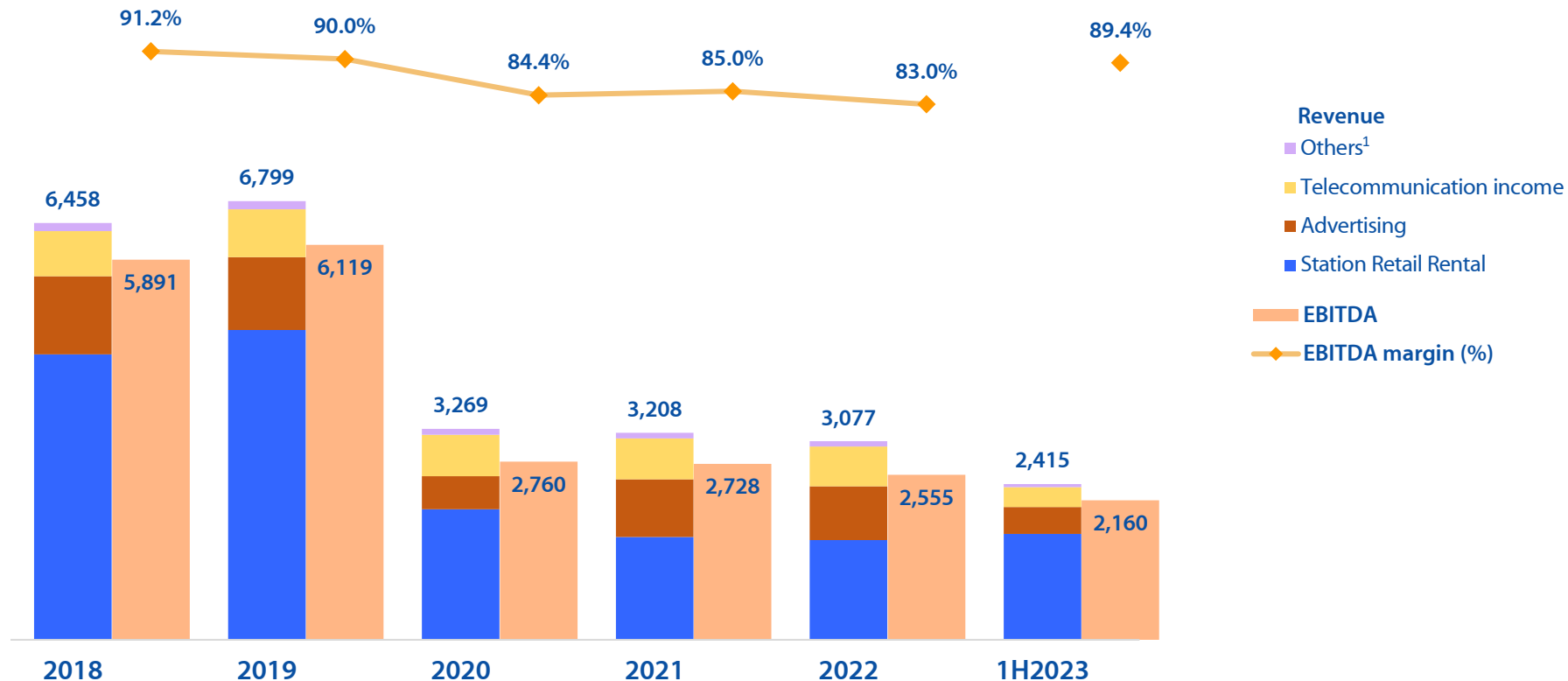
We aim to provide high-quality retail, advertising and telecommunications services throughout our network, bringing value to our customers, business partners as well as shareholders.

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HONG KONG TRANSPORT SERVICES
STATION COMMERCIAL BUSINESSES

Station Commercial Businesses

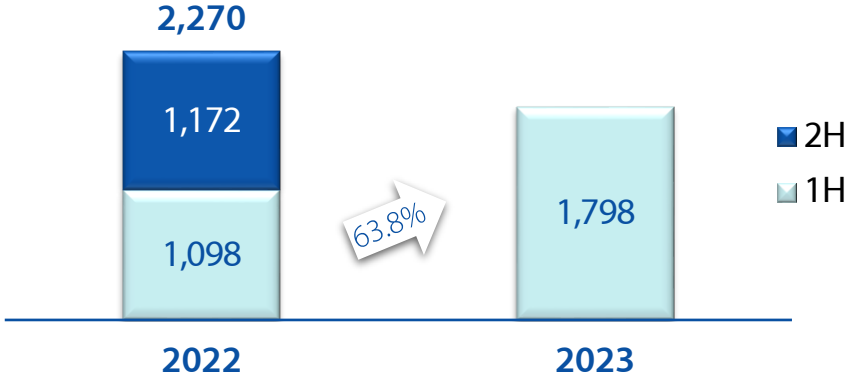
(HK\$m)



1. Include revenues from other station commercial business such as station car park and publications

Hong Kong Station Commercial Businesses

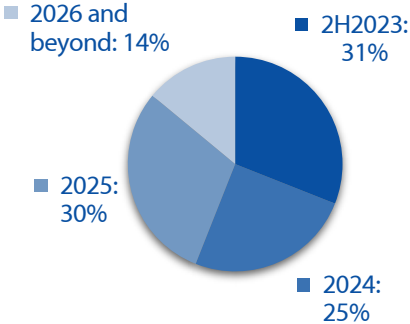
EBIT (HK\$m)



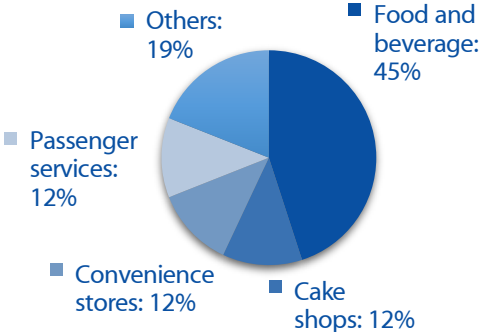
1H2023

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

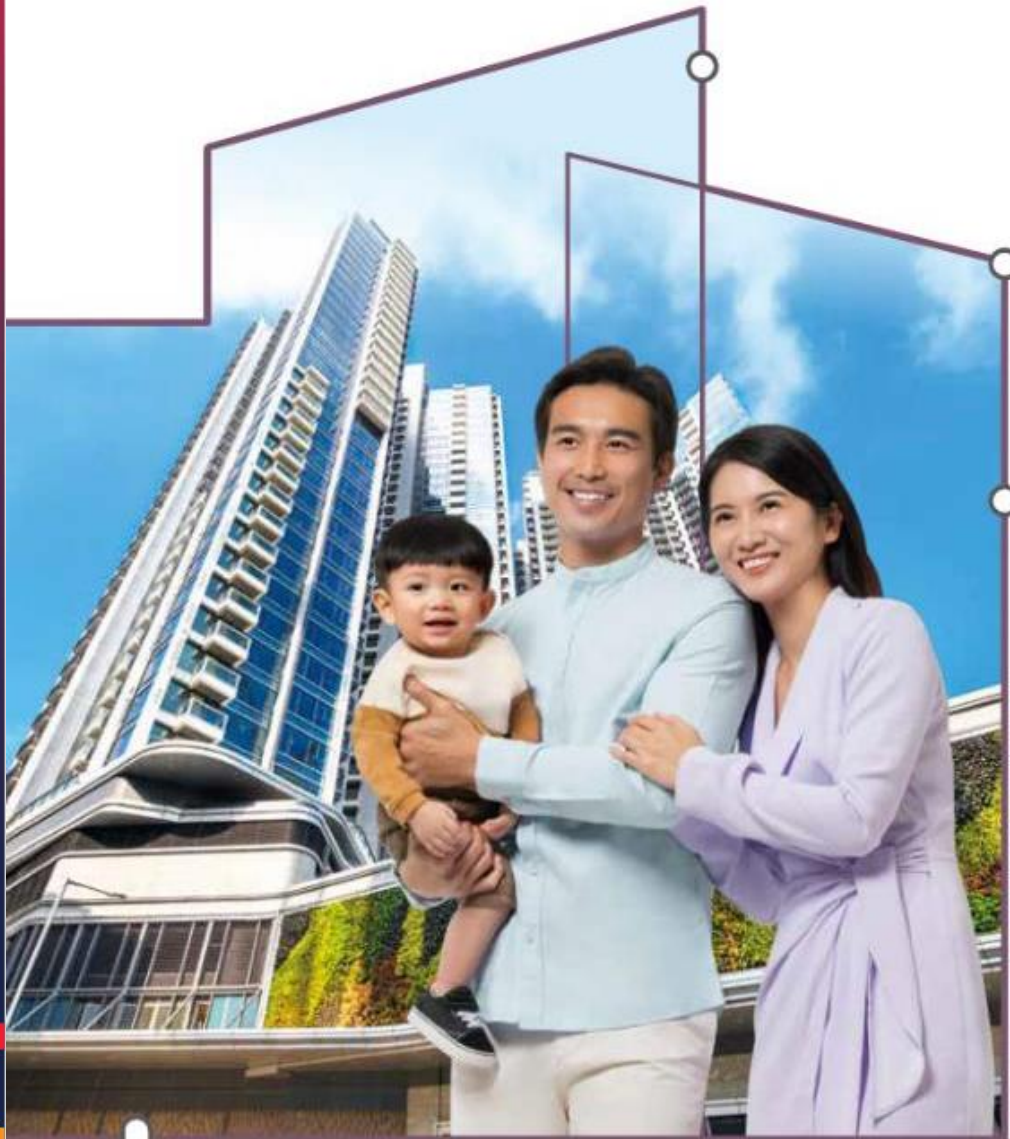
Lease expiry by area occupied*



Trade mix by leased area**



* Station kiosks and Duty Free Shops
 ** Station kiosks, excluding Duty Free Shops

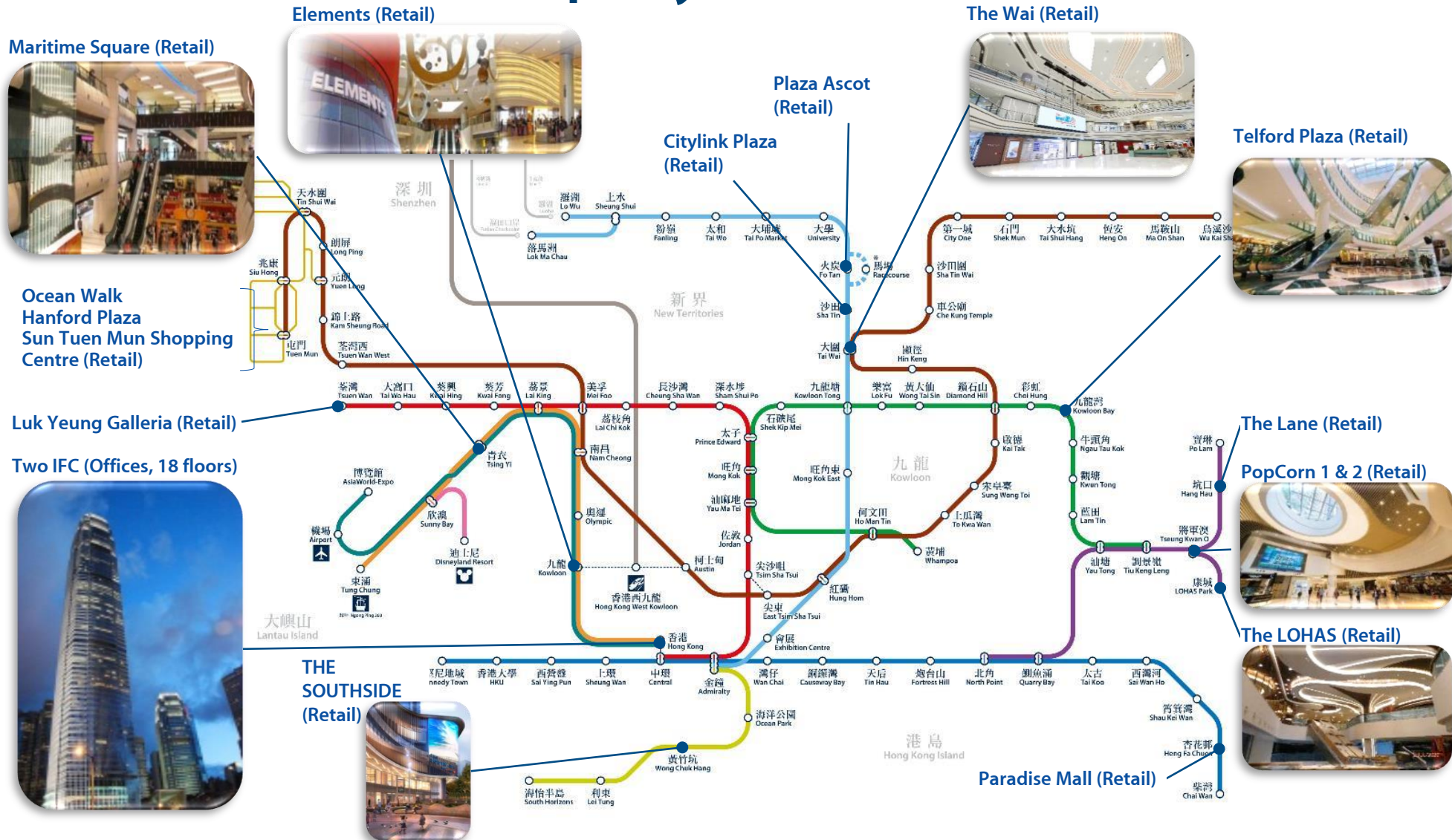


AIM

Our property business, which includes the development, management and rental of high-quality residential and commercial projects, contributes to the growth of integrated and inclusive communities, creates opportunities for local businesses, and generates shareholder value.

HONG KONG PROPERTY
AND OTHER BUSINESSES

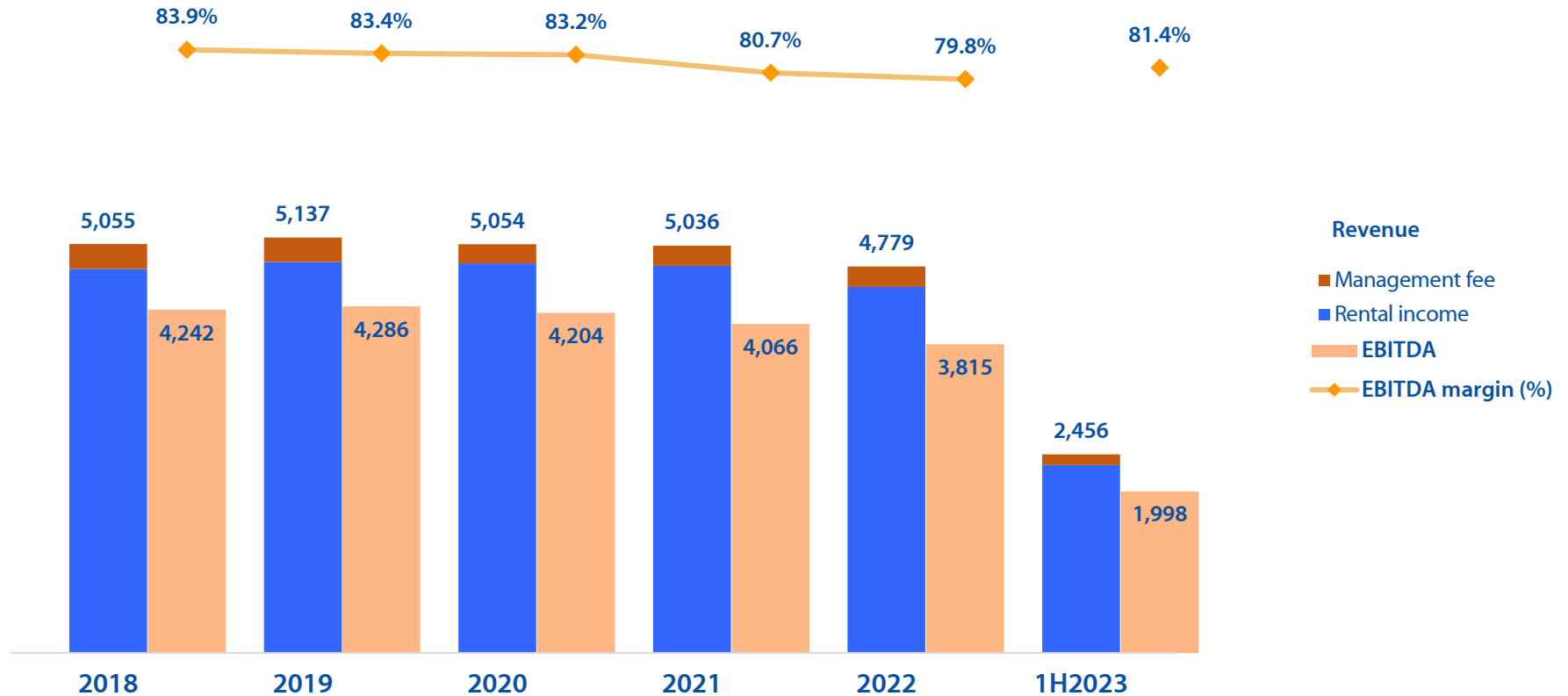
MTR Investment Property Portfolio



- 14 malls – 257,021 sqm, Office – 39,451 sqm, Others – 19,206 sqm (Lettable floor area attributable to MTR, as at 30 Jun 2023)
- The Wai (Retail) opened on 22 Jul 2023 and THE SOUTHSIDE Phase 1 (Retail) opened on 12 December 2023

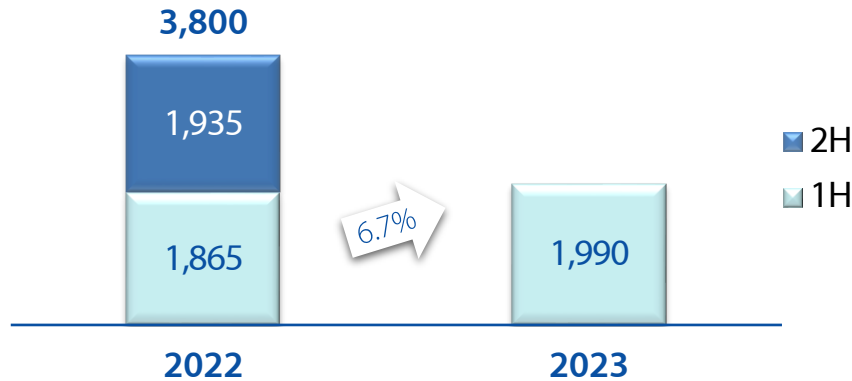
Property Rental and Management Businesses

(HK\$m)



Hong Kong Property Rental and Management Businesses

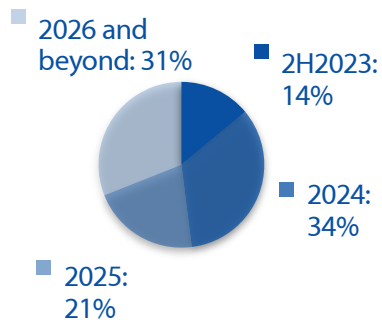
EBIT (HK\$m)



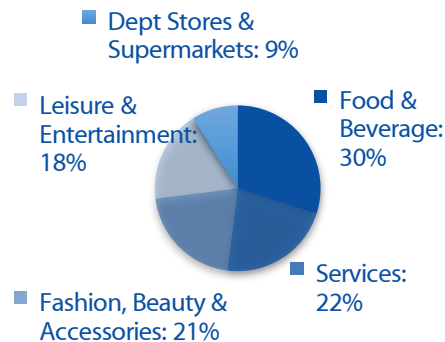
1H2023

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

Lease expiry by area occupied*



Trade mix by leased area*



* Shopping malls

Expand existing retail portfolio by nearly 30% in GFA



Soft opening of The Wai on 22 July 2023

The Wai at Tai Wai Station

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

THE SOUTHSIDE at Wong Chuk Hang Station

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

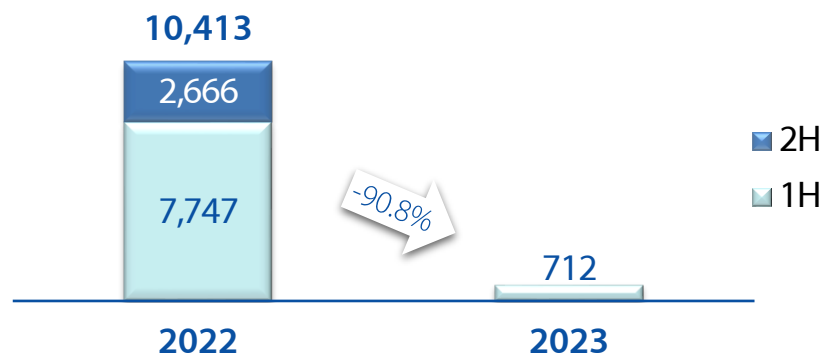


An artist's impression of THE SOUTHSIDE

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

Hong Kong Property Development

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



1H2023

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

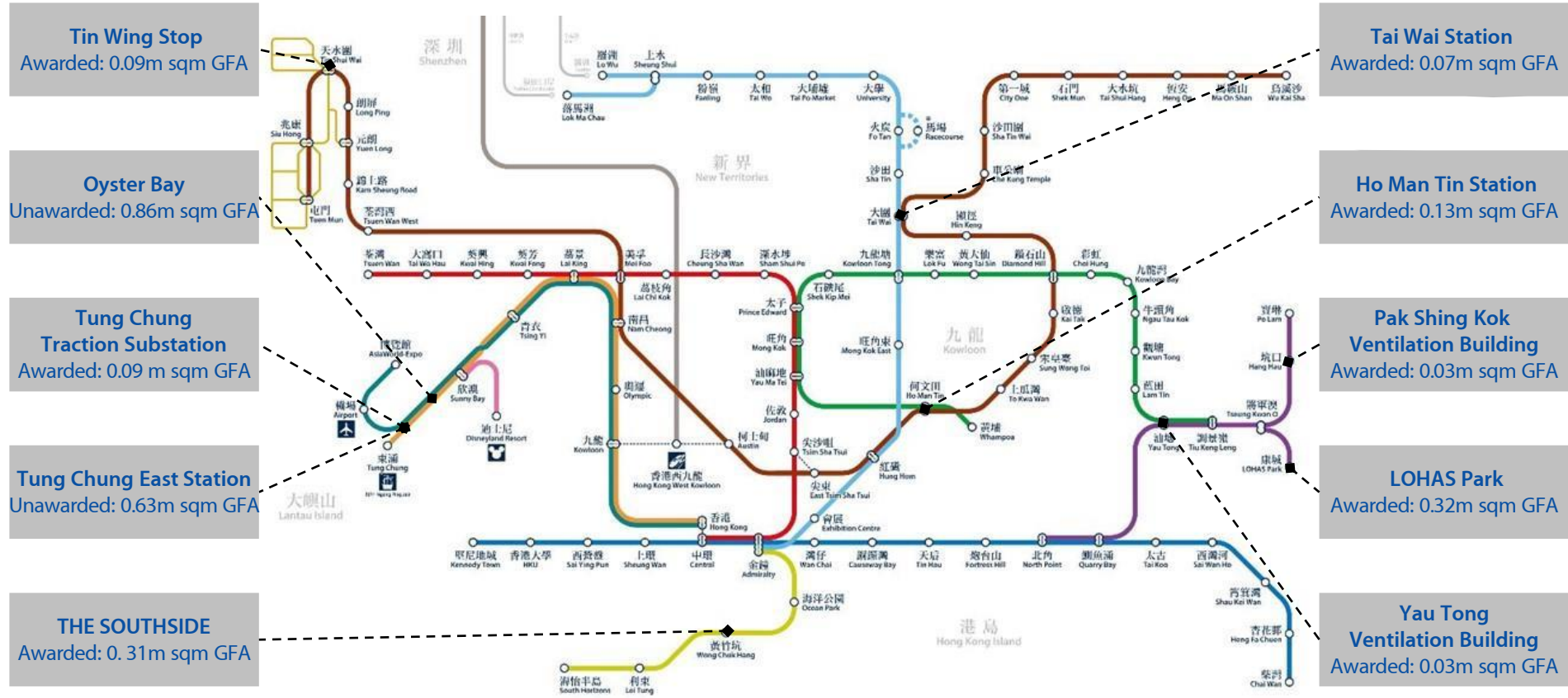
Property Project Profit Recognised	GFA (sqm)	No. of Units
Villa Garda (LOHAS Park Package 11) – initial profit	n/m	n/m

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

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

n/m: not meaningful

Landbank



Note: Residential GFA: 1.01m sqm (awarded); 1.29m sqm (unawarded)
 Shopping mall GFA: 0.05m sqm (awarded); 0.09m sqm (unawarded)
 Office GFA: 0.11m sqm (unawarded)
 Landbankas of June 2023, i.e. not including development rights relating to Tuen Mun South Extension and Kwu Yung Station

Hong Kong Property Development

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

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

Note: Not including unawarded Property Development projects



AIM

Our Mainland China and international businesses, together representing one of our Corporate Strategy's three core pillars, enable us to diversify our revenue streams across multiple geographies, generating shareholder value while building the MTR brand as one of the world's leading providers of environmentally friendly mass transit.

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MAINLAND CHINA AND
INTERNATIONAL BUSINESSES

Mainland of China and Overseas Strategies

- Sweden:**
- MTR Tunnelbanan
 - MTR Pendeltågen
 - MTR Mälartåg

- Sweden:**
- MTR Express
 - MTR Tech
 - MTR Facility Management

- United Kingdom:**
- MTR Elizabeth
 - South Western

Macao Light Rapid Transit Taipa Line

- Beijing:**
- BJL4
 - BJL14
 - BJL16

- Daxing Line
- BJL17

- Hangzhou**
- HZL 1
 - HZL 5

- Shenzhen**
- SZL4
 - SZL13

- Sydney**
- Metro Northwest
 - Metro City & Southwest

Melbourne Trains Metro

Asset Light

- Focus on “asset light” operating rail concessions
- Franchise operations in UK, Stockholm and Melbourne

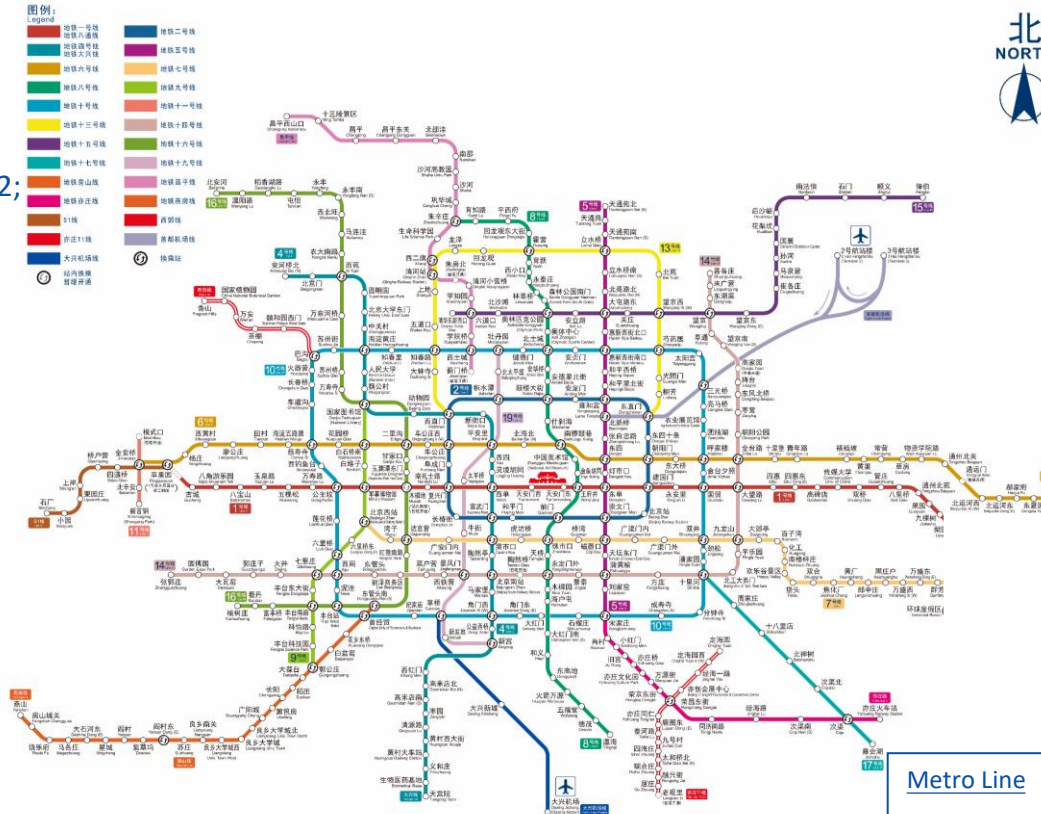
Asset Heavy

- Invest in urban rail networks
- Focus on development of rail networks within cities
- Operating rail businesses in Mainland of China (Beijing, Shenzhen and Hangzhou). Sweden (MTR Express) and Australia (North West Rail Link)

Existing Businesses on Mainland of China – Beijing

Beijing Metro Line 16 (BJL16)

- 49%/ RMB 2.45billion
- 50km/ 30 stations
- 30 years
- Phase 1: Dec 2016; Phase 2: Dec 2020; Phase 3: Dec 2022; Full line: end of 2023



Beijing Metro Line 4 (BJL4)

- 49%/ RMB 700 million
- 28km/ 24 stations
- 30 years
- 2009

Beijing Metro Line 14 (BJL14)

- 49% ownership/ RMB 2.45billion
- 50.8km/ 37 stations
- 30 years
- 2015



Daxing Line

- O&M contract
- 22km/ 11 stations (Southward extension of BJL4)

Beijing Metro Line 17 (BJL17)

- O&M contract
- 49.7km/ 21 stations
- 20 years
- Southern section: Opened in Dec 2021; Northern section: end of 2023;

Metro Line

- % Ownership/ equity investment
- Route length/ no. of stations
- Concession period
- Year of service commencement

Existing Businesses on Mainland of China – Shenzhen and Hangzhou; Macao

Shenzhen Metro Line 4 & North Extension (Longhua Line)

- 100%/ RMB 2.4 billion
- 31.3 km/ 23 stations
- 30 years
- 2011

Shenzhen Metro Line 13

- 83%/ RMB 4.91 billion
- 22.4 km/ 16 stations
- 30 years
- Target opening by 2024



Macao Light Rapid Transit Taipa Line

- O&M contract of ~HK\$5.71 billion
- 9.3 km/ 11 stations
- 80 months
- 2019

Metro Line

- % Ownership/ equity investment
- Route length/ no. of stations
- Concession period
- Year of service commencement

Hangzhou Metro Line 1

- 49%/ RMB 2.2 billion
- 52.4km/ 33 stations (including a 5.6km 3-station extension under O&M)
- 25 years
- 2012

Hangzhou Metro Line 5

- Up to 60%/ RMB 2.6 billion
- 58.2km/ 40 stations
- 25 years
- 2019



Existing Overseas Operations - Sweden

Stockholm Metro

Stockholm Metro (MTR Stockholm)

- O&M concession from 2009, extension till 2025
- 100% ownership
- Contract amount: HK\$20 billion
- 108km/ 100 stations



MTR Express

- Total investment: HK\$830 million
- 100% ownership
- 462km intercity service between Stockholm & Gothenburg
- Since Mar 2015

Mälartåg Train

- O&M concession from 2021 for 8yrs (optional 1yr)
- 100% ownership
- 1,060 km/ 44 stations

Intercity / Regional Service

Commuter Service

Stockholm Commuter Rail (MTR Pendeltågen)

- O&M concession from 2016 for 10 yrs
- 100% ownership
- Contract amount: SEK30 billion (14 years)
- 247km/ 54 stations



Existing Overseas Operations – Australia / UK

Australia

Melbourne's Metropolitan Rail Services

- O&M concession from 2009, extension till mid-2026
- 60% ownership
- 432km and 222 stations

Sydney Metro Northwest (PPP) and City & Southwest

- Equity investment: AUD162 million
- 66km high capacity rapid transit & 31 stations
- Northwest commenced in May 2019, O&M for 15 yrs
- City & Southwest service targets to commence in 2024, O&M for 15 yrs

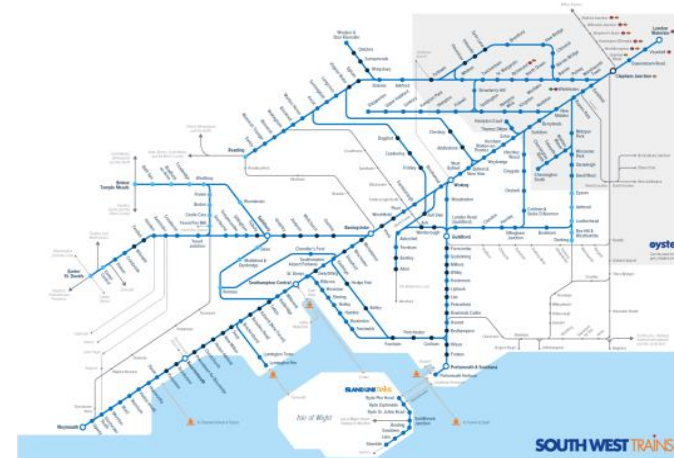


Elizabeth Line

- O&M concession from 2015, extension till May 2025
- 100% ownership
- Contract amount: GBP1.4 billion
- 128km and 41 stations, including 42km of new tunnels across London
- Central Operating Section of the Elizabeth line opened on 24 May 2022

South Western Railway

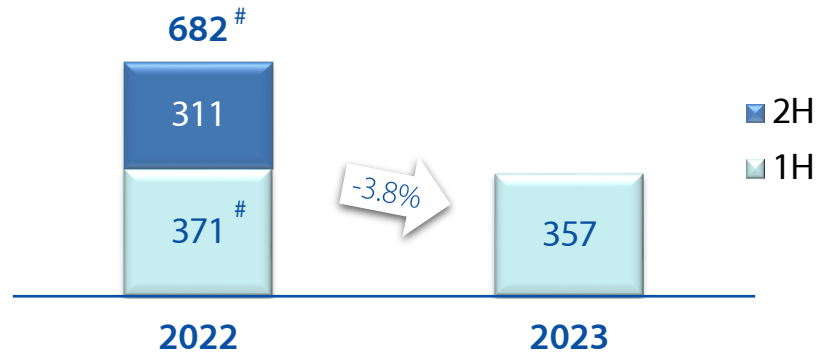
- O&M concessions from May 2021, extension till May 2025
- 70:30 joint venture between FirstGroup and MTR
- 998km network serving 210 stations (187 stations operator managed)
- Covers routes between London Waterloo and south western England, including Bristol, Exeter and Portsmouth



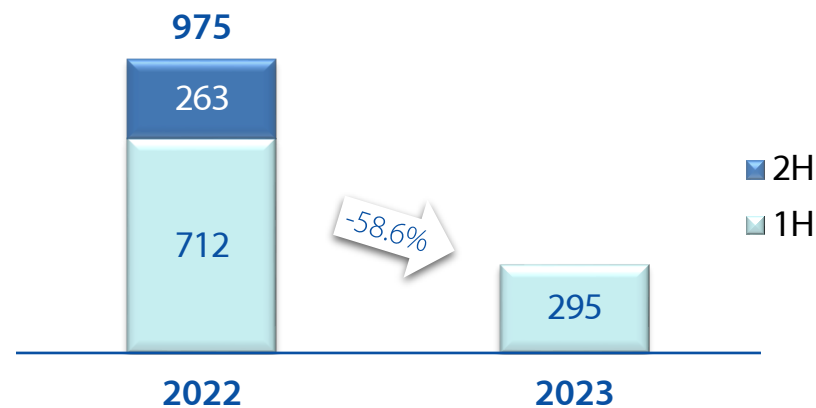
United Kingdom

Mainland China and International Businesses

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



International EBIT* (HK\$m)



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

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

MTR Corporation

1H2023

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



AIM

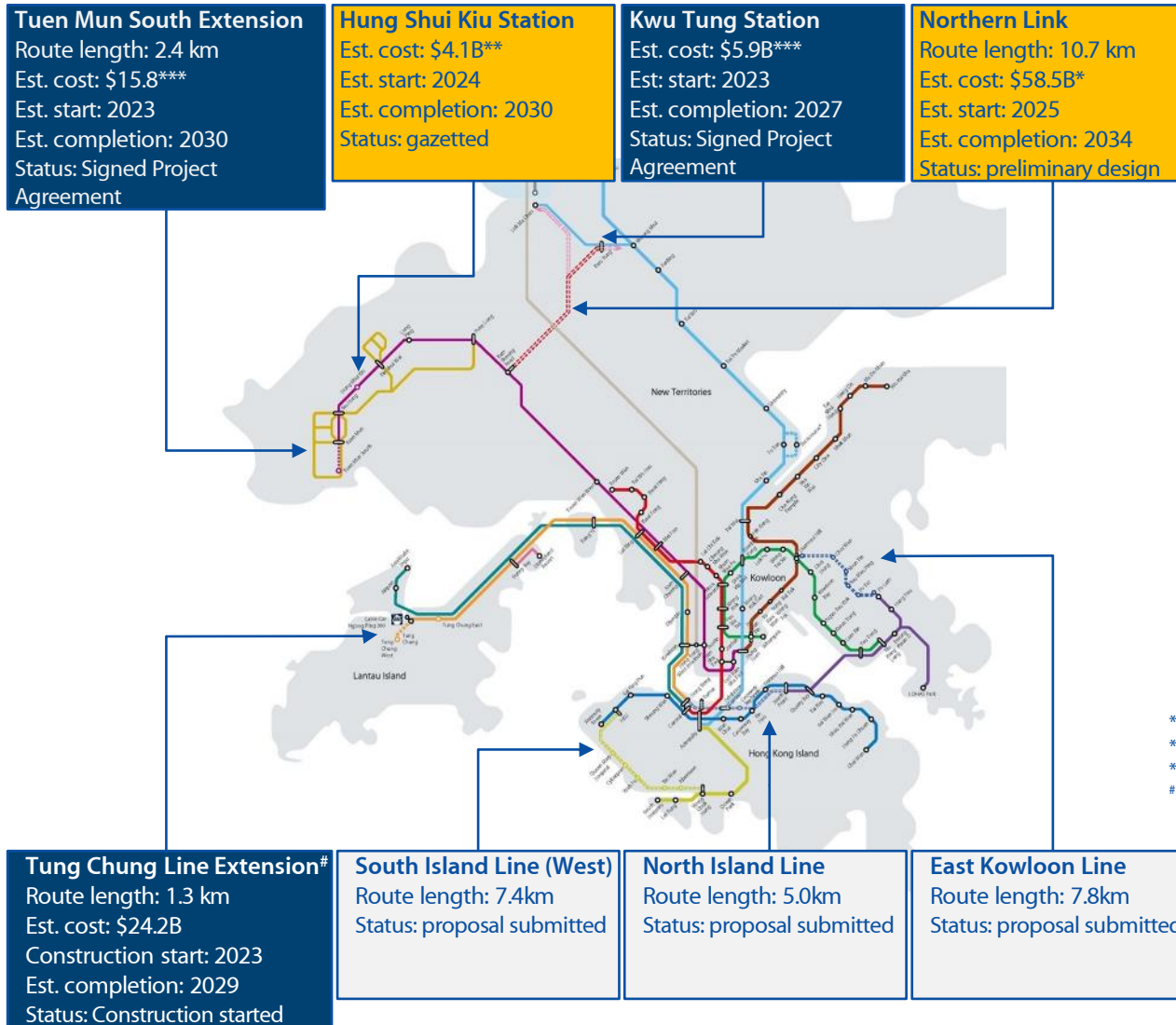
We are committed to expanding our network and supporting our “Hong Kong Core” strategic pillar by developing, designing and constructing new railway projects that enhance connections between communities and deliver safe, reliable, affordable, accessible and environmentally friendly mass transit services for all.

HONG KONG
NETWORK EXPANSION

New Railway Projects – RDS2014

Progress

- Tung Chung Line Extension has commenced construction
- Signed Project agreements for Tuen Mun South Extension and Kwu Tung Station



Challenges

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

* Estimated cost in December 2015 prices
 ** Estimated cost in December 2018 prices
 *** Estimated cost in July 2023 prices
 # Airport Railway Extended Overrun Tunnel not included

Source: MTR, LegCo documents

Tung Chung Line Extension



Tung Chung East Station

- Entered into the project agreement for the Tung Chung Line Extension with the Government on 28 February 2023
- The project will be developed under the rail-plus-property model, with a total GFA of about 0.63m sqm (residential: about 0.46m sqm; retail about 0.06m sqm; office: about 0.11m sqm)
- Land premium shall be assessed at the full market value of the site, taking into account the presence of the railway, less the Reduction Amount*

New stations:	Tung Chung East Station Tung Chung West Station
Route length:	1.3km
Expected completion:	Dec 2029
Estimated cost:	HK\$24.2 billion



Tung Chung West Station

Detailed announcement: https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e_OYB_Inside_Information_Announcement.pdf

Note: Airport Railway Extended Overrun Tunnel not included

* Reduction Amount: a total fixed amount of HK\$18,364.50 million

Tuen Mun South Extension and Kwu Tung Station



Illustration of Kwu Tung Station

- Entered into the project agreement for the Tuen Mun South Extension (TME) and Kwu Tung Station (KTU) with the Government on 5 September 2023
- The projects will be developed under the rail-plus-property model. The site areas of the proposed development sites for TME and KTU are 6.11 hectares and 4.74 hectares, respectively
- Land premium shall be assessed at the full market value of the site, taking into account the presence of the railway, less the Reduction Amount**

New stations (TME):	A16 Station Tuen Mun South Station
Route length (TME):	2.4km
Expected completion (TME):	Dec 2030
New station (KTU):	Kwu Tung Station
Expected completion (KTU):	Dec 2027
Estimated cost (TME & KTU):	HK\$25.6 billion* (July 2023 prices)



Tuen Mun South Extension

Detailed announcement: https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e_Inside_Information_Announcement_2023-09-05.pdf

* The aggregate of (1) KTU Cost; (2) Design Cost of NOL Main Line and NOL Advance Cost; (3) TME Cost; and (4) RRIW Cost

** Reduction Amounts for TME and KTU are HK\$24,201 million and HK\$ 15,160 million, respectively

Oyster Bay Property Development



Oyster Bay: artist's impression

Total GFA for private development: 860,500 sqm

- Residential: 826,000 sqm (~10,720 units);
- Commercial: 34,500 sqm

Expected completion date: 2030 – 2042

Expected cost (Oyster Bay Station): HK\$6,366 million

- Commercial: 34,500 sqm

- Completed the land exchange documents for the Siu Ho Wan Depot and paid land premium in 2022
- The Development will incorporate ESG concepts, integrating a variety of natural elements, low carbon measures and eco-friendly features
- Subject to market conditions, will tender out Packages 1 & 2, in the next 12 months or so
- Construction of Oyster Bay Station is expected to commence in 2023 and be completed in 2030



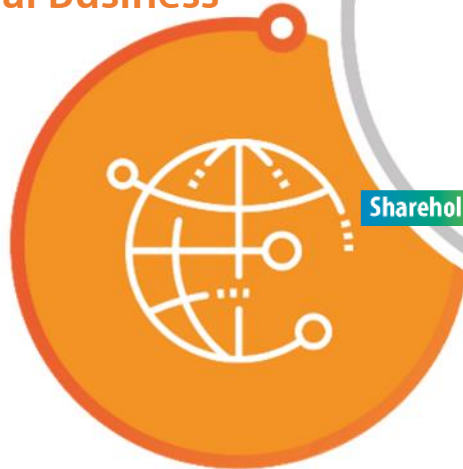
Detailed announcement: https://www.mtr.com.hk/archive/corporate/en/investor/sehk/e2023_02_28_TUE_Inside_Information_Announcement.pdf

Corporate Strategy

A1. Hong Kong Core



A2. Mainland of China & International Business



A3. New Growth Engine



Embedding ESG into our operations

Environmental and Social Objective 1: Social Inclusion



Social Inclusion

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



Universal Basic Mobility

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



Diversity & Inclusion

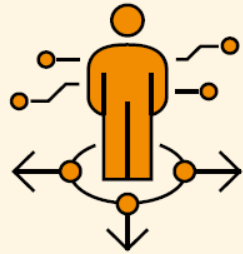
We commit to eliminating discrimination in our practices and policies and to increasing the diversity of our workforce.



Equal Opportunities

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

Environmental and Social Objective 2: Advancement & Opportunities



Advancement & Opportunities

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



Employees

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



Business Partners

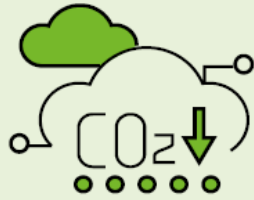
We commit to enhancing and rewarding the environmental, social and governance (“ESG”) performance of our supply chain and increasing our spend on green procurement.



Future Skills & Innovation

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

Environmental and Social Objective 3: Greenhouse Gas Emissions Reduction



Greenhouse Gas Emissions Reduction

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



Carbon Emissions

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



Clean Energy & Energy Efficiency

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



Waste Management

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



Green and Low-carbon Designs

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

KPIs on Social Inclusion



Social Inclusion



Universal Basic Mobility

Short- and Mid-term KPIs:

- Launch of **Social Inclusion App Phase 2** with the expansion of Visually Impaired function in 2023 and complete by 2025
- **Continuous enhancements** (1-2) in each identified area (accessibility / mobility / visibility) for passenger groups with special needs in 2023
- **No less than 1 million average daily passenger trips** will benefit from fare concessions in 2023
- **Injuries requiring hospitalisation** per 100 million passenger journeys in 2023



Heavy Rail
≤ 5.65



Light Rail
≤ 7.31



Bus
≤ 5.83

Long-term KPI:

- **100%** of our **new stations** will be accessible (including barrier free entrances, wide gates, accessible toilet and baby care room)



Diversity & Inclusion

Short- and Mid-term KPIs:

- **25%** of our Board of Directors will be **women** by 2025
- **8 secondary schools with diverse student bodies** will be reached out for career sharing/job shadowing in 2023
- A **diversity, equity and inclusion (“DEI”) workshop** for all Executives will be conducted in 2023
- **150 DEI training events** for staff will be held in 2023
- An **internship programme** for 10 students who are **Persons with Disabilities (PwD)** or **ethnically diverse** will be launched in 2023
- **10%** of our **interns** will be **PwD** or **ethnically diverse** in 2023
- **Workplace inclusiveness** will be enhanced in 2023 through:
(1) Conducting a corporate-wide survey on DEI, and
(2) Reviewing recruitment requirement



Equal Opportunities

Short- and Mid-term KPIs:

- **HK\$100 million** will be spent on direct local **community investment and donations** from 2022 to 2025
- **200,000 people** will **benefit** from our community programmes and volunteering projects from 2022 to 2025

KPIs on Advancement & Opportunities



Advancement & Opportunities



Employees

Short- and Mid-term KPIs:

- At least **5 learning days** will be provided to employee on average every year
- **200+ employment and pre-employment opportunities** will be provided for young talents in 2023
- At least **10 wellness related activities/ events** will be organised for employees in 2023
- Over **75% of our managed residential properties** will **sign the Heart Caring Charter** and organise **wellness activities** to promote healthy lifestyles for employees by 2024



Business Partners

Short- and Mid-term KPIs:

- **HK\$250 million** will be spent on **green procurement** in 2025; rising to **HK\$350 million** in 2030
- **60+ suppliers** will attend training sessions on ESG best practices in 2023
- **15 supplier review audits** will be completed in 2023
- At least **15 supplier review meetings** will cover ESG in 2023
- Up to **55%** increase in number of **registered SMEs** in the supplier database in 2023



Future Skills & Innovation

Short- and Mid-term KPIs:

- **50,000+ people** will benefit from our **future skills and innovation programmes** (including those by MTR Academy) from 2022 to 2025
- **HK\$300 million+** will be **invested in startups** from 2022 to 2025

KPIs on Greenhouse Gas Emissions Reduction



Greenhouse Gas Emissions Reduction



Carbon Emissions

Short- and Mid-term KPIs:

- **Science-based Targets for 2030**
- **200+ additional EV charging stations** will be installed across office buildings, malls and station carparks by 2025
- At least **30 e-buses** will be introduced by 2026
- **50%** of executive private vehicles will be replaced by **EV** or be cancelled by 2024
- Develop a **pilot battery energy storage system** for our diesel engineering wagons by 2024

Long-term KPI:

- Strive to achieve **carbon neutrality** by **2050**



Clean Energy & Energy Efficiency

Short- and Mid-term KPIs:

- **1 million kWh** of **renewable energy** will be generated by 2023
- **20% chiller energy saving** expected after completing **Batch 2 chiller replacement project** in our stations by 2026
- Around **20% chiller energy saving** expected after completing **chiller replacement programme** in Headquarters in 2024 as compared with 2019
- Over **70% of our managed residential properties** will
- conduct **energy audit** for the common areas and develop energy saving plan by 2025
- **100% existing shopping malls** (with full operation in 2022) will complete **energy audit** for the common areas and develop energy saving plan by 2025
- Conduct a **pilot programme** in a shopping mall to engage and assist tenants in identifying **energy saving measures** in 2023



Waste Management

Short- and Mid-term KPIs:

- **Over 75% of our managed residential properties** will collect **glass containers** for **recycling** in 2023
- **100% shopping malls** will collect **glass containers** for **recycling** in 2023
- **8 additional water dispensers** will be installed across stations in 2023-2024



Green and Low-carbon Designs

Short- and Mid-term KPIs:

- **1,400+ more bike parking spaces** will be provided around stations and properties managed by MTR by 2025
- **2.5% water** will be saved in **depots** in 2023 with 2022 level as baseline
- **5% water** will be saved in 2025 with
- 2018 level as baseline for our **shopping malls**
- **100% future new stations & new residential development projects** will aim to attain **BEAM Plus Gold** or above certification

Science-based Carbon Reduction Targets

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



By 2030,



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



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



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



FINANCIAL REVIEW

Financial Highlights

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

Note:

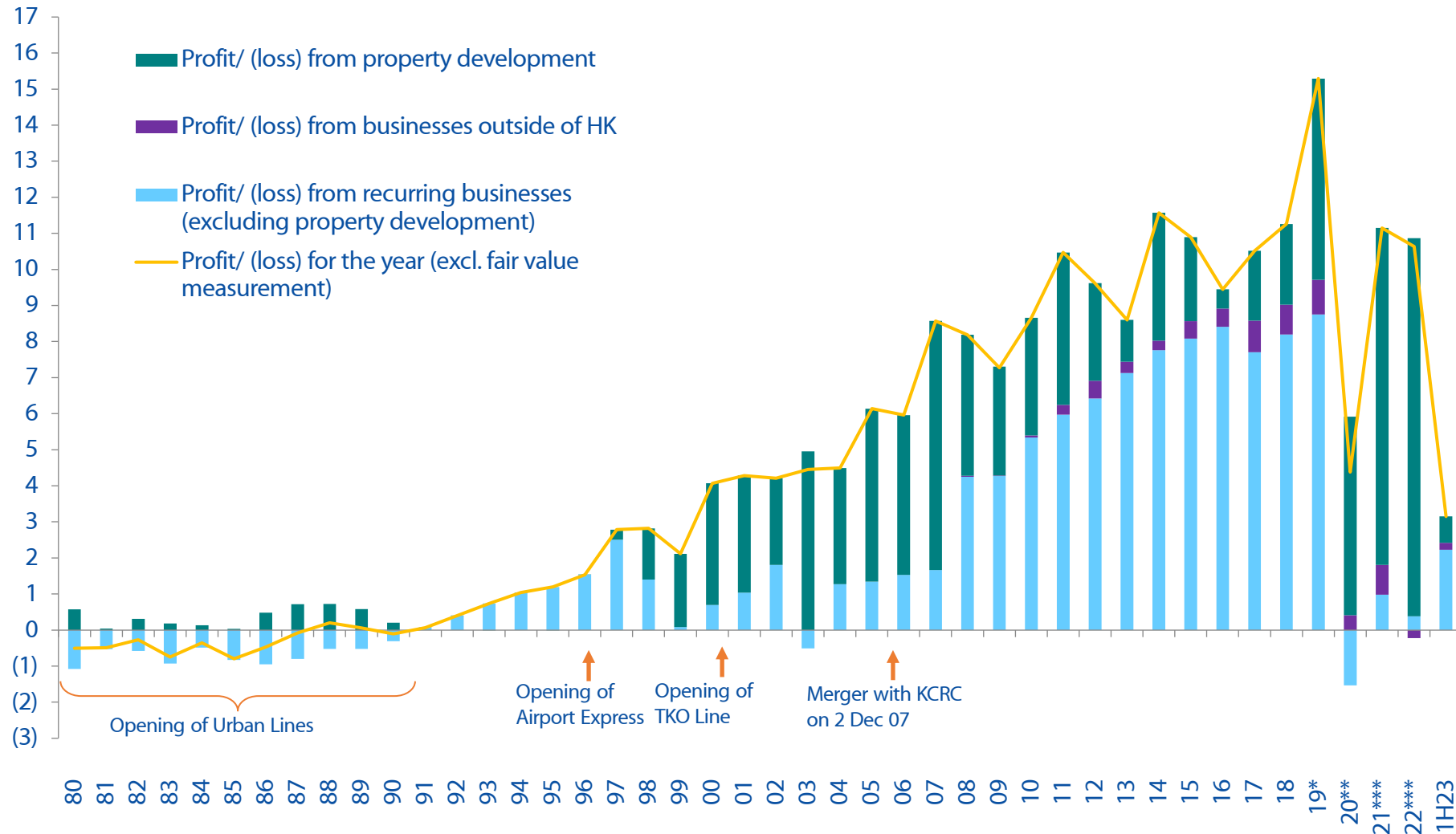
1. Recurrent business profit/(loss) in Hong Kong includes HK transport operations, HK station commercial, HK property rental and management, other businesses (mainly Investment in Octopus Holding Limited, Ngong Ping 360, and consultancy) and project studies and business development expenses. Recurrent business profit/(loss) outside of Hong Kong includes business development expenses
2. Net of non-controlling interests (1H2023: HK\$175m profit; 1H2022: HK\$196m profit)
3. Gain from fair value measurement on investment properties comprises (i) fair value remeasurement of investment properties, (ii) fair value measurement of investment properties on initial recognition from property development, and (iii) related income taxes

n/m: not meaningful

MTR Corporation

Segment profit

(HK\$b)



* 2019 figures were normalized, excluding the provision in respect of SCL (HK\$2b), SWR (HK\$0.4b) and POE (HK\$2.3b)

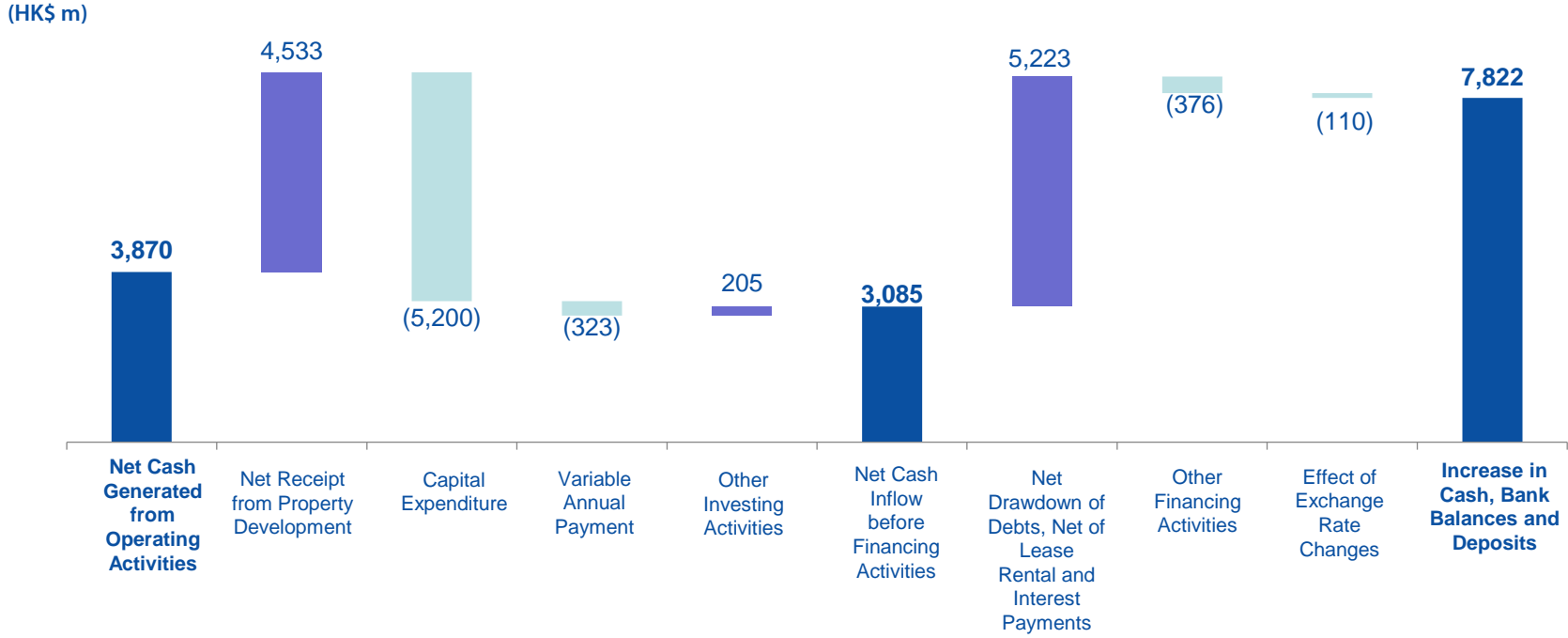
** 2020 figures were affected by COVID-19 and the provision in respect of SCL (HK\$1.4b)

*** 2021 & 2022 figures were affected by COVID-19

Consolidated Statement of Financial Position

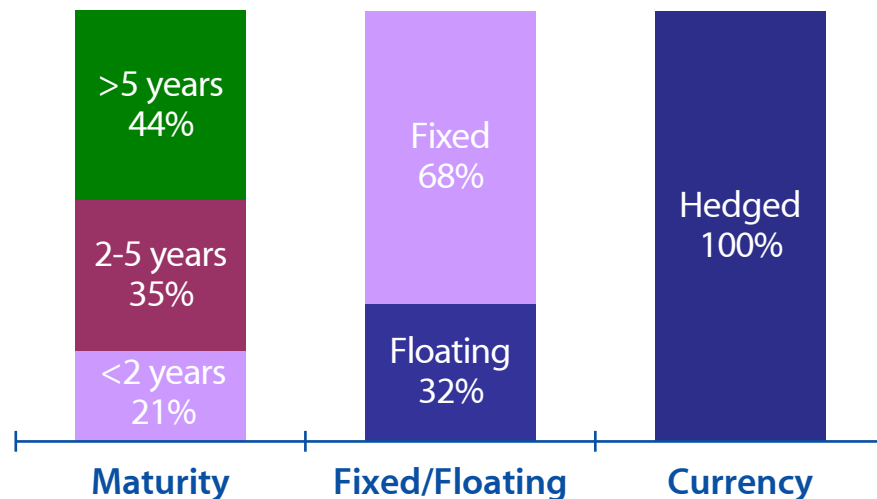
(HK\$m)	30 Jun 2023	31 Dec 2022	Increase/ (Decrease)	
				%
Assets				
Fixed Assets	235,748	229,491	6,257	2.7
Property Development in Progress	41,465	41,269	196	0.5
Interests in Associates and Joint Ventures	12,350	12,338	12	0.1
Debtors and Other Receivables	13,045	13,889	(844)	(6.1)
Cash, Bank Balances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

Consolidated Cash Flows for the 6 months ended 30 Jun 2023



Financing and Credit Ratios

Company Debt Profile (30 Jun 2023)⁽¹⁾



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

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

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

Interest and finance charges for our recurrent businesses:

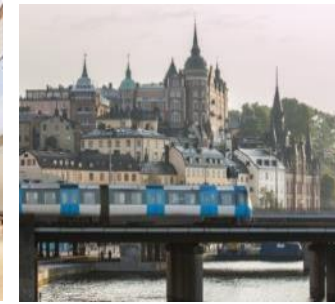
HK\$626m (+25.0% YoY)

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

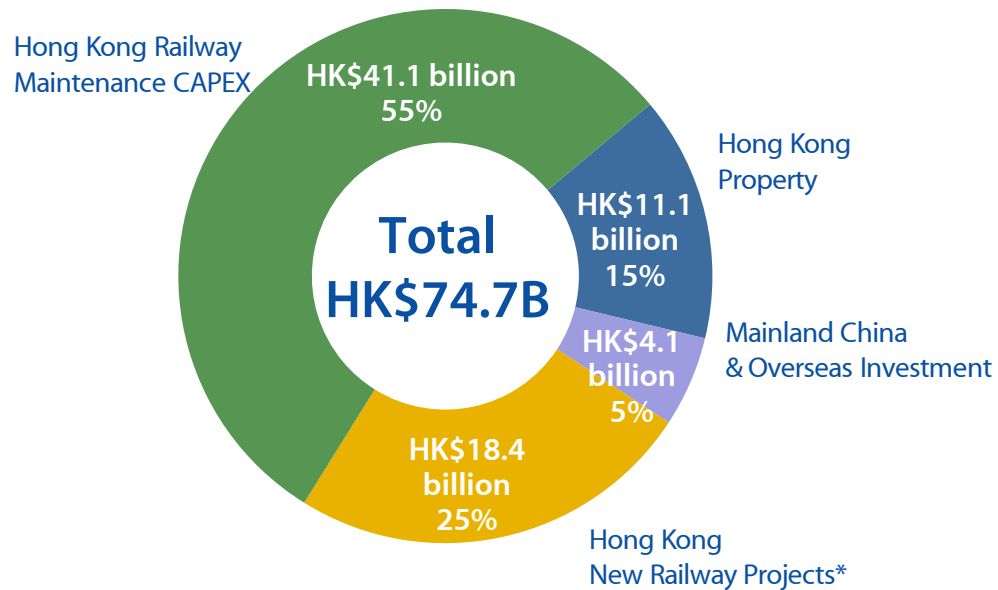
Note:

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

Capital Expenditure & Investments



2023-2025



Estimated spend (HK\$Billion):

2023: \$18.8

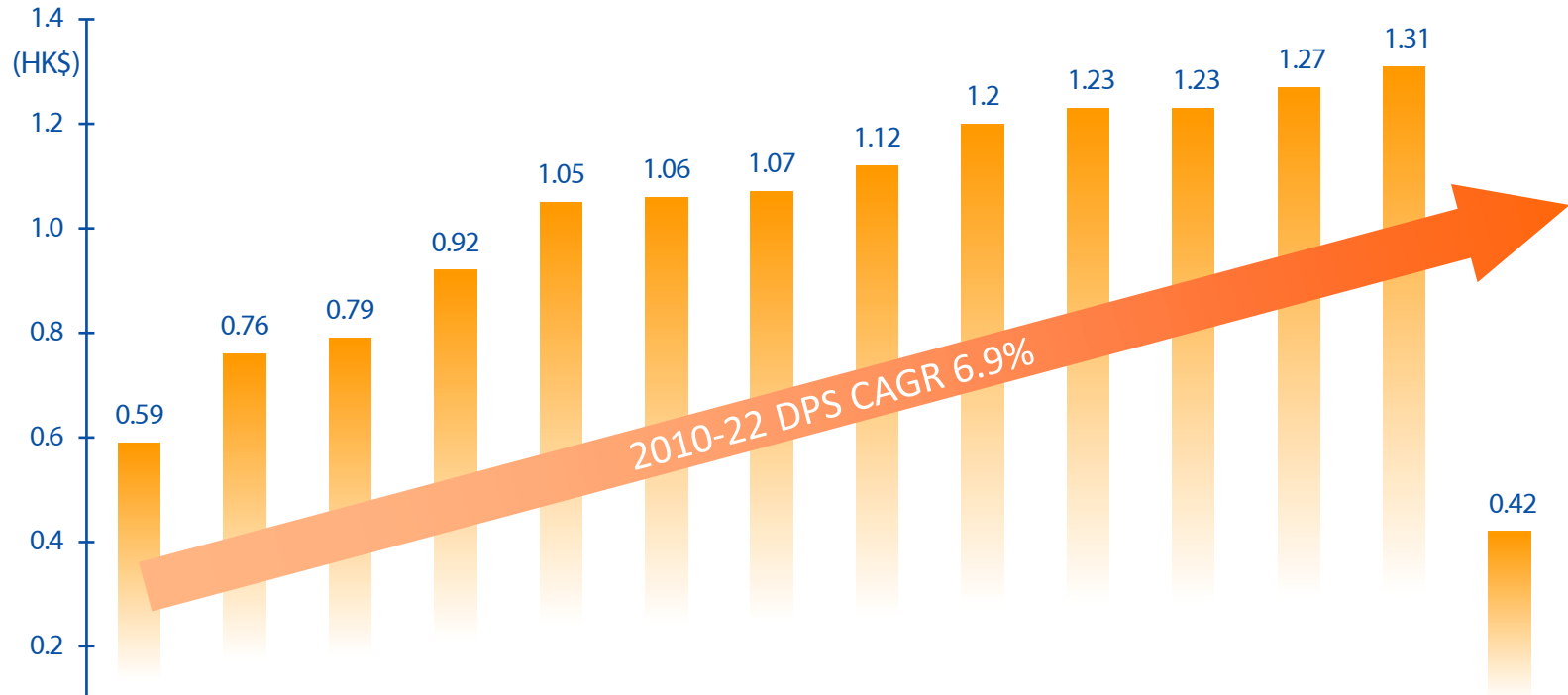
2024: \$28.8

2025: \$27.1

Total: \$74.7

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

Progressive Dividend Policy



(HK\$)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	1H2023	2010-2022 CAGR (%)
Ordinary dividend	0.59	0.76	0.79	0.92	1.05	1.06	1.07	1.12	1.2	1.23	1.23	1.27	1.31	0.42	6.9%
Recurrent EPS ¹	0.94	1.08	1.19	1.28	1.38	1.47	1.52	1.44	1.49	1.58	-0.18	0.29	0.03	0.39	-25.0%
Underlying EPS ¹	1.51	1.81	1.66	1.48	1.99	1.87	1.61	1.77	1.86	2.49	0.71	1.80	1.72	0.51	1.1%

- 2019 figures were normalized, excluding the provision in respect of SCL (HK\$2b), SWR (HK\$0.4b) and POE (HK\$2.3b)
2020 figures were affected by COVID-19 and the provision in respect of SCL (HK\$1.4b)
2021 figures were affected by COVID-19

Appendix



Hong Kong Transport Operations

	1H2023	1H2022	Favourable/ (Unfavourable) change (%)
Patronage (million)			
- Domestic Service	777.2	570.5	36.2
- Cross-boundary Service	28.1	0.2	n/m
- High Speed Rail	7.6	-	n/m
- Airport Express	4.6	1.0	360.0
- Light Rail and Bus	102.6	77.7	32.0
- Intercity	-	-	n/m
Total	920.1	649.4	41.7
Average fare (HK\$)			
- Domestic Service	8.26	8.08	2.3
- Cross-boundary Service	30.00	9.64	211.2
- High Speed Rail	84.25	-	n/m
- Airport Express	61.29	34.68	76.7
P&L (HK\$m)			
- Domestic Service	6,680	4,782	39.7
- Cross-boundary Service	842	2	n/m
- High Speed Rail	1,172	723	62.1
- Airport Express	280	33	748.5
- Light Rail and Bus	323	248	30.2
- Intercity	-	-	n/m
- Others	45	27	66.7
Total Revenue	9,342	5,815	60.7
Staff Costs and Related Expenses	(3,363)	(3,155)	(6.6)
Maintenance and Related Works	(1,154)	(1,019)	(13.2)
Energy and Utilities	(1,175)	(877)	(34.0)
General and Administration Expenses	(349)	(343)	(1.7)
Stores and Spares Consumed	(263)	(253)	(4.0)
Railway Support Services	(154)	(89)	(73.0)
Government Rent and Rates	(77)	(77)	-
Other Expenses	(127)	(118)	(7.6)
EBITDA	2,680	(116)	n/m
Depreciation and amortization	(2,644)	(2,496)	(5.9)
Variable Annual Payment	(810)	(163)	(369.9)
EBIT	(774)	(2,775)	72.1
EBITDA Margin (%)	28.7%	(2.0%)	n/m
EBIT Margin (%)	(8.3%)	(47.7%)	+39.4% pts

n/m: not meaningful

Hong Kong Station Commercial

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

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

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

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

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

Mainland China and International Businesses

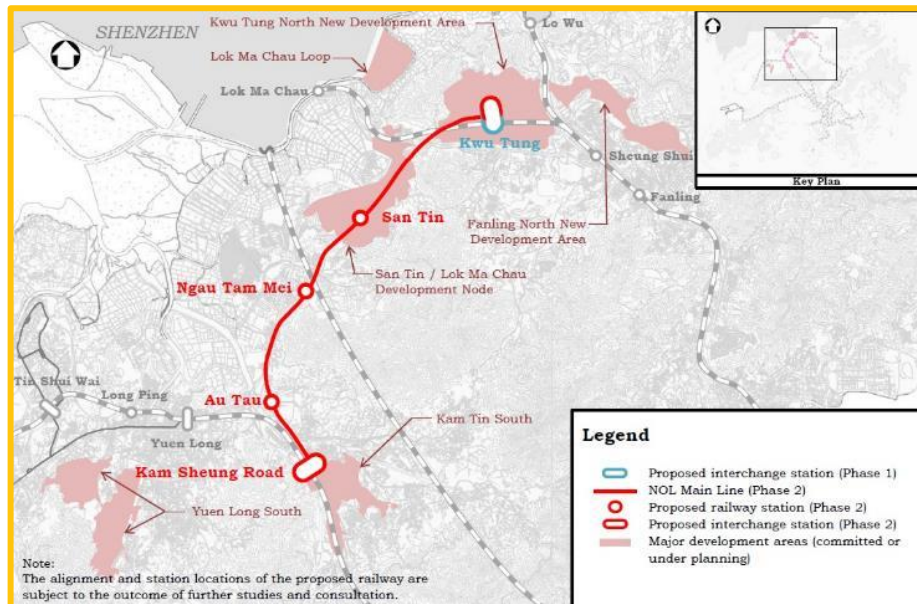
<i>(HK\$m)</i>	1H2023	1H2022	Favourable/ (Unfavourable) change (%)
Recurrent Businesses Revenue of Subsidiaries	13,079	13,150	(0.5)
EBITDA			
- Melbourne Train	548	580	(5.5)
- Sydney Metro Northwest	38	27	40.7
- Sydney Metro City & Southwest	21	113	(81.4)
- Nordic Group	(297)	(12)	n/m
- London Elizabeth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

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

n/m: not meaningful

Northern Link

- On 16 December 2020, the Government invited the Corporation to proceed with detailed planning and design of the Northern Link project
- The project comprises two phases: i) a new Kwu Tung Station, and ii) Northern Link, a railway line of about 10.7-km-long linking Kam Sheung Road Station of Tuen Ma Line with the new Kwu Tung Station
- Upon completion of the project, a loop will be formed in Northwest New Territories to enhance transport network connecting east and west of the New Territories
- Funding arrangement will be negotiated on the basis of the ownership approach



Northern Link [#]	
Route length	10.7 km
No. of new stations	4
Estimated cost	HK\$58.5 billion*
Expected construction start	2025
Expected completion	2034

Source: LegCo document

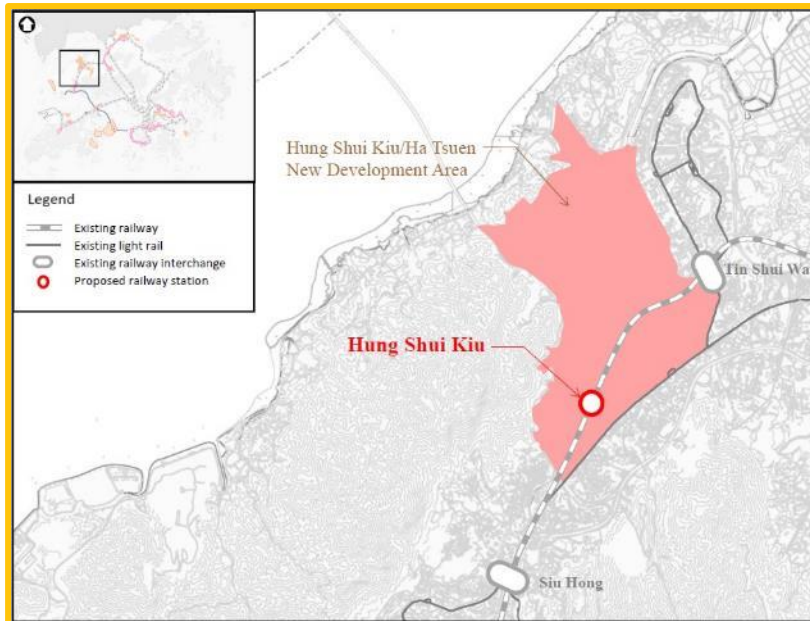
Excluding Kwu Tung Station

* Estimated cost of HK\$58.5 billion (in December 2015 prices)

MTR Corporation

Hung Shui Kiu Station

- On 27 May 2021, the Government invited the Corporation to proceed with detailed planning and design of the Hung Shui Kiu Station project
- The project will build a new Hung Shui Kiu Station located between Tin Shui Wai Station and Siu Hong Station on the Tuen Ma Line. The new station will be a significant transport facility, situated at the future town centre of the Hung Shui Kiu/ Ha Tsuen New Development Area (HSK/HT NDA) to serve its new population
- Funding arrangement will be negotiated on the basis of the ownership approach



Source: LegCo document

* Estimated cost of HK\$4.1 billion (in December 2018 prices)

MTR Corporation

Hung Shui Kiu Station	
Route length	n.a.
No. of new stations	1
Estimated cost	HK\$4.1 billion*
Expected construction start	2024
Expected completion	2030

Business Update

Patronage	2023 (Nov YTD YoY%)
- Domestic services	Up 20.2%
- Airport express	Up 278.4%
- Cross-boundary services	Service resumed*
- High-speed-rail	Service resumed*
Fare	2023
- FAM	Up 2.3%**
Total tenant sales turnover	2023 (Oct YTD YoY%)
Station commercial	
- Station kiosks	In line
- Duty free shops	Shops reopened*
Shopping malls	
- Elements	Outperformed
- Shopping malls excluding Elements	Outperformed
Industry statistics	2023 (Nov YTD YoY%)
- Hong Kong retail sales	Up 17.1%
- Hong Kong tourist arrivals	Up 6,673%

Source: Company data and government figures

* Following the government's measure to control the outbreak of COVID 19, express rail link West Kowloon control point was closed between 30 Jan 2020 and 14 Jan 2023, Intercity Hung Hom control point was closed since 30 Jan 2020, Lo Wu control point was closed between 4 Feb 2020 and 5 Feb 2023, Lok Ma Chau Spur Line control point were closed between 4 Feb 2020 and 7 Jan 2023. Shuttle train service serving residents in Lo Wu and Lok Ma Chau only were provided during the closure of Lo Wu and Lok Ma Chau stations.

** Overall adjustment rate for MTR fares for 2023/24 was calculated at +2.3%, effective on 25th June 2023. 1.85% will be deferred to the fare adjustment 2024/25 under the one-off special arrangement.



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