



MTR Corporation

2019 Interim Results

8 August 2019



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.



Results Highlights and Business Overview

Dr. Jacob Kam, CEO

1H2019 Highlights

Financial Results

- **Recurrent profits** down 40.6%, due to the provisions for Shatin to Central Link and South Western Railway franchise
- **Underlying profits** down 26.0%, due to above provisions, but partly offset by the increase in property development profit
- Excluding the above provisions, recurrent and underlying profit would have increased by 13.8% and 26.4%, respectively
- 2019 interim ordinary dividend per share of HK\$0.25

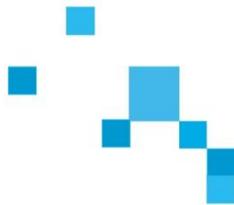
Operational Achievements

- **Hong Kong**
 - Maintained world-class 99.9% train service delivery and passenger journeys on-time
 - Best first half performance in terms of passenger journeys on-time since the merger
 - Record 104,000 patronage at HSR on the 3rd day of Chinese New Year
 - Station commercial and property rental both recorded positive rental reversion
 - Tender of LOHAS Park Package 11
- **Mainland of China and international businesses**
 - Opened Sydney Metro Northwest
 - Opened the initial section of Hangzhou Metro Line 5

Growth Strategy

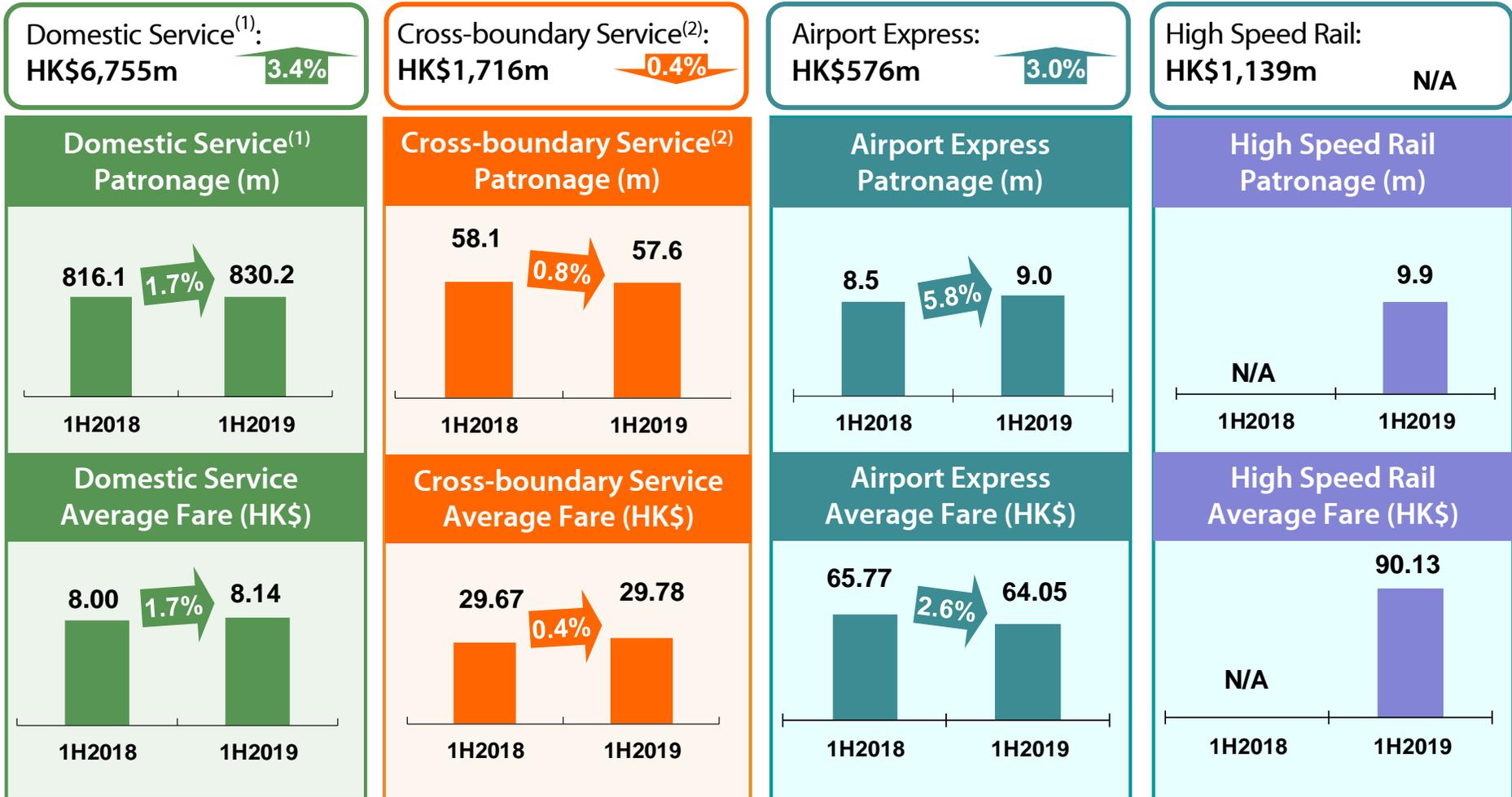
- **Hong Kong**
 - Phased opening of Tuen Ma Line, targeting in 1Q2020
 - To submit proposal for the remaining two projects under RDS 2014
 - About 21,000 residential units under construction
 - Three new shopping centres under construction , increasing attributable GFA by 49% over the next 4 years
- **Mainland of China and international businesses**
 - Full line service on Hangzhou Metro Line 5 and the opening of Macau LRT Taipa Line, as announced by the Macau SAR Government, by the end of the year
 - Working on the financial close of Sydney Metro City and Southwest
 - Continue to pursue opportunities elsewhere

HONG KONG TRANSPORT OPERATIONS



Revenue from Hong Kong Transport Operations

Total Patronage: **1.02 billion** ↑ 2.5%



- Domestic Service comprises the Kwun Tong, Tsuen Wan, Island, South Island, Tung Chung, Tseung Kwan O, Disneyland Resort, East Rail (excluding Cross-boundary Service), West Rail and Ma On Shan lines
- Does not include the High Speed Rail

Asset Replacement and Customer Experience

- Added 86 weekly train trips
- Received 7 of the 93 new 8-car trains, up to July 2019
- Received 2 of the 40 new light rail vehicles

Train services

- New drinking water dispensers, public toilets and baby care rooms
- Other baby care rooms and public toilets planned for five additional interchange stations

Station facilities

- 154 chillers in 35 and four depots be replaced in the next four years
- As of June 2019, 61 chillers have been replaced

Comfortable environment

Smart city smart mobility

- MTR Mobile app new function, e.g. new Alighting Reminder, enhanced trip planner, etc
- Continue to add mobile payment to Ticket Issuing Machines



HONG KONG STATION COMMERCIAL BUSINESSES

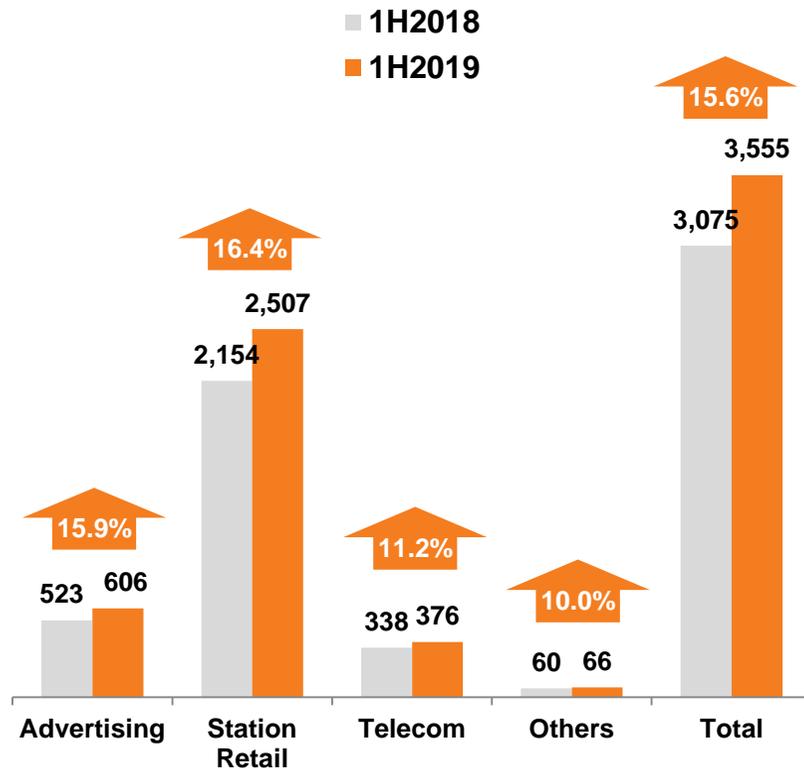


Hong Kong Station Commercial Businesses

Revenue: HK\$3,555m 15.6%	Operating Cost: HK\$328m 22.4%	EBITDA: HK\$3,227m 15.0%	Margin: 90.8% 0.5%pt	Depreciation & Amortisation: HK\$93m 10.7%	Variable Annual Payment: HK\$455m 47.2%	EBIT ⁽¹⁾ : HK\$2,679m 11.0%	Margin: 75.4% 3.1%pts
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(HK\$m)

Revenue



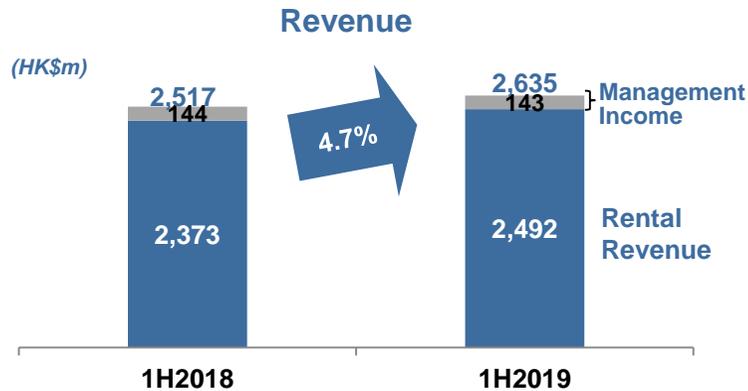
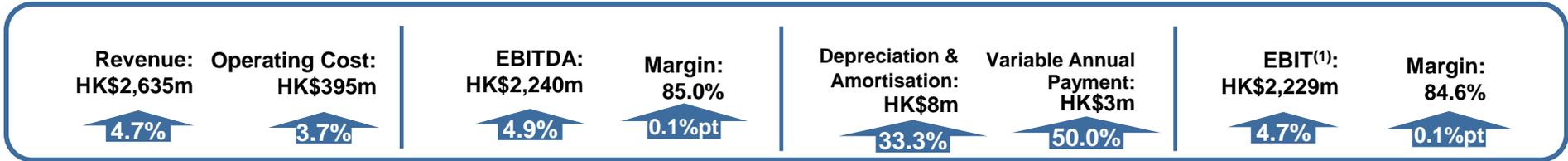
- **Advertising** benefited from positive market sentiment
- **Station retail**
 - Revenue increase attributable to
 - incremental contribution from HSR
 - positive rental reversion
 - 1,473 shops and 66,502 sqm station retail space as at 30 Jun 2019
- **Telecom** incremental revenue from new contracts and capacity enhancement projects

1. After depreciation, amortisation and variable annual payment to KCRC

HONG KONG PROPERTY BUSINESSES



Hong Kong Property Rental and Management Businesses



- Positive rental reversion of 3.0% at shopping malls
- 13 MTR shopping malls and 18 floors at Two IFC were close to 100% let in 1H2019
- All shops at the ground floor of Maritime Square 1 were fully opened in April after renovation.
- Investment properties LFA – 30 Jun 2019
 - HK Retail: **217,469** sqm⁽²⁾
 - HK Offices: **39,410** sqm⁽²⁾
 - Others: **17,764** sqm⁽²⁾



Paradise Mall



Maritime Square

1. After depreciation, amortisation and variable annual payment to KCRC

2. Lettable floor area attributable to MTR

Hong Kong Property Development

Development Profit

- Pre-tax profits of **HK\$898 million** mainly from sales of inventory at Lake Silver and Wings at Sea II

Property Tender

- LOHAS Park Package 11 (about 1,850 units)



LOHAS Park Packages

Pre-sale of Property Development Project

Property Development	Launched	Units sold (End-Jun 2019)
■ MTR		
GRAND MONTARA (LOHAS Park Package 7B)	Jun 2019	100% of 616 units sold
MONTARA (LOHAS Park Package 7A)	May 2019	100% of 504 units sold
LP6 (LOHAS Park Package 6)	Sep 2018	97.3% of 2,392 units sold
■ MALIBU (LOHAS Park Package 5)	Mar 2018	98.1% of 1,600 units sold
As Agent for KCRC		
Sol City (Long Ping Station (South))	Oct 2018	76.7% of 720 units sold



MONTARA (LOHAS Park Package 7A)



GROWTH INITIATIVES IN HONG KONG



Shatin to Central Link

Shatin to Central Link (SCL)



Tai Wai to Hung Hom Section – 99.7% complete

- Construction works for all stations are substantially completed



Kai Tak station

Hung Hom to Admiralty Section – 78.8% complete

- Immersed tube tunnel installed and connected to the land tunnels
- Bored tunnels completed
- Fitting out and railway system work progressing

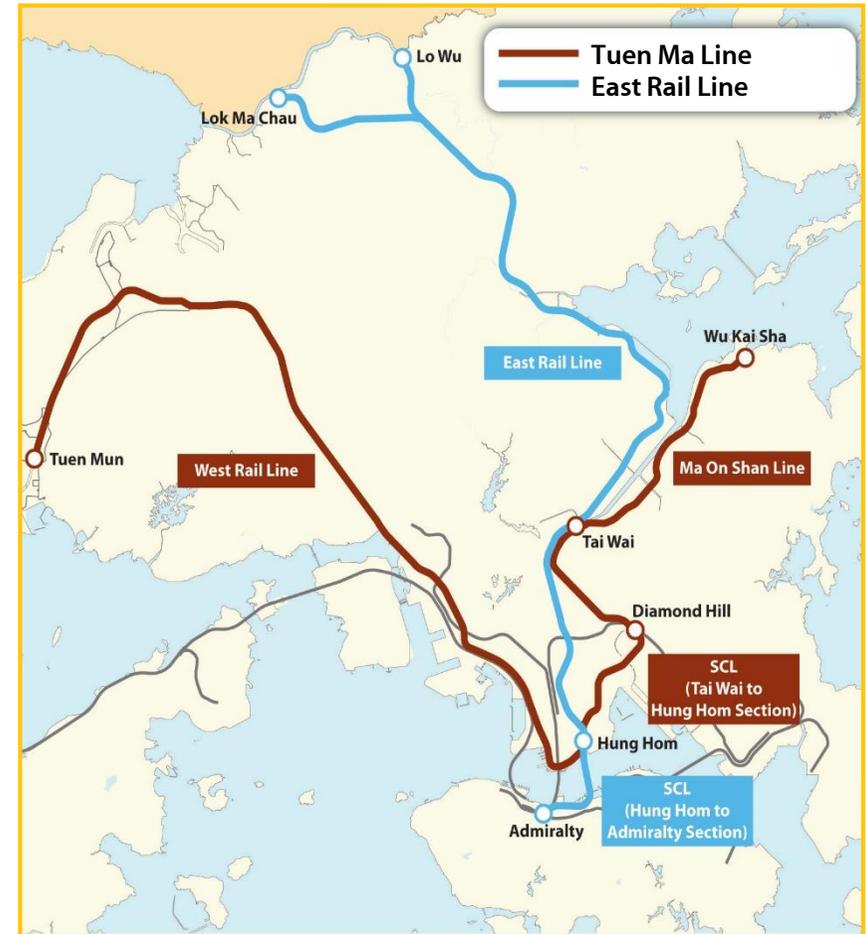


Exhibition Centre station

Shatin to Central Link

Funding

- Government is responsible for funding the Shatin to Central Link
- Estimated cost as of December 2017 was HK\$87.3 billion – additional funding will therefore be required
- The Company intends to carry out a further review and revalidation of the cost-to-complete within 2019
- The Company continues to exercise rigorous cost control with the objective of ensuring that construction costs are contained so far as possible



Overall

90.2% complete

Shatin to Central Link

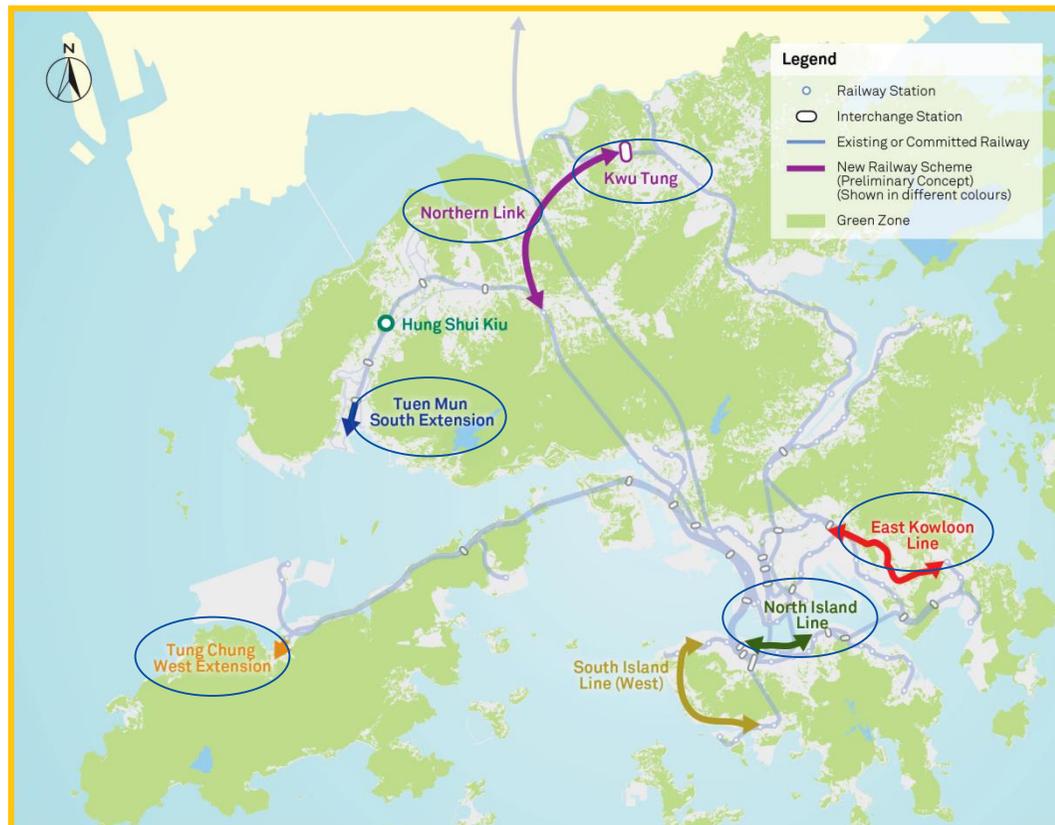
- On 26 March 2019, Interim Report of the COI which investigated the construction works at and near the Hung Hom Station extension was published and concluded that the Hung Hom Station extension diaphragm wall and platform slab construction works are safe. It also made recommendations for improving the Corporation's project management practices.
- Many of these recommendations concurred with the findings of our own review conducted by the Capital Works Committee of the Board
- We have already begun implementing some of these recommendations and will continue to strengthen our project management through technology solutions and additional training.
- On 18 July 2019, Government accepted our recommendation that the Tuen Ma Line should open in phases, with the first phase of the Tuen Ma Line from Tai Wai Station to Kai Tak Station targeted to open in the first quarter of 2020
- To progress the Shatin to Central Link project and facilitate the phased opening, we will fund, on an interim basis, certain costs arising from the Hung Hom incidents and associated with the phased opening. Our best estimate of these costs is around HK\$2 billion in aggregate.
- We have therefore made a provision of HK\$2 billion in our consolidated profit and loss account for the first half of 2019.

Railway Development Strategy 2014

A total of 7 new railway projects of which:

- **Tuen Mun South Extension:** Proposal submitted
- **Northern Link (and Kwu Tung Station):** Proposal submitted
- **East Kowloon Line:** Proposal submitted
- **Tung Chung West Extension (and Tung Chung East Station):** Proposal submitted
- **North Island Line:** Proposal submitted
- **Hung Shui Kiu Station:** Invited by Government in May 2019 to submit proposals
- **South Island Line (West):** Invited by Government in June 2019 to submit proposals

Government's "Strategic Study on Railways beyond 2030 – Feasibility Study" planned to commence in 2019



Project	Route Length (km)
Tuen Mun South Extension	2.4
Northern Link (and Kwu Tung Station)	10.7
East Kowloon Line	7.8
Tung Chung West Extension (and Tung Chung East Station)	1.5
North Island Line	5.0
Hung Shui Kiu Station	-
South Island Line (West)	7.4
Total	34.8

New Investment Property Initiatives

49% increase in attributable GFA of existing retail portfolio



An artist's impression of LOHAS Mall

The LOHAS
LOHAS Park Shopping Centre
GFA: 44,500sqm
Target opening: 2H 2020
With the largest indoor ice rink and the largest cinema in Tseung Kwan O

60% complete



Tai Wai Shopping Centre
GFA: 60,620sqm
Construction resumed in January 2019
Expected project completion: 2023

25% complete



An artist's impression of Tai Wai Mall



Wong Chuk Hang Shopping Centre
GFA: 47,000sqm
Expected project completion: 2023

Hong Kong Property Development

Tendered MTR developments: About 21,000 residential units (GFA : over 1.3 million sqm)

	Property Tender	Date of Tender Award	Developer partners	Residential Gross Floor Area (sq m)	Units	Latest Project Status			
						Design	Foundation works	Super-structure	Pre-sale
1	Tai Wai Station	Oct 2014	New World	190,480	3,090	Completed	In progress	In progress	
2	LOHAS Park Package 5	Nov 2014	Wheelock	102,336	1,600	Completed	Completed	In progress	In progress
3	LOHAS Park Package 6	Jan 2015	Nan Fung	136,970	2,392	Completed	Completed	In progress	In progress
4	Tin Wing Stop	Feb 2015	Sun Hung Kai	91,051	1,976	Completed	In progress		
5	LOHAS Park Package 7	Jun 2015	Wheelock	70,260	1,120	Completed	Completed	In progress	Completed
6	LOHAS Park Package 8	Oct 2015	Cheung Kong	97,000	1,422	Completed	Completed	In progress	
7	LOHAS Park Package 9	Dec 2015	Wheelock	104,110	1,653	Completed	Completed	In progress	
8	LOHAS Park Package 10	Mar 2016	Nan Fung	75,400	893	Completed	Completed	In progress	
9	Ho Man Tin Station Package 1	Dec 2016	Goldin Financial	69,000	918	Completed	In progress		
10	Wong Chuk Hang Station Package 1	Feb 2017	Road King Infrastructure & Ping An Real Estate	53,600	800	Completed	Completed	In progress	
11	Wong Chuk Hang Station Package 2	Dec 2017	Sino Land & Kerry Properties	45,800	600	Completed	Completed		
12	Yau Tong Ventilation Building	May 2018	Sino Land & CSI Properties	30,225	500	In progress			
13	Wong Chuk Hang Station Package 3	Aug 2018	Cheung Kong	92,900	1,200	In progress			
14	Ho Man Tin Station Package 2	Oct 2018	Chinachem	59,400	1,000	In progress			
15	LOHAS Park Package 11	Apr 2019	Sino Land, K. Wah, China Merchant	88,858	1,850	In progress			

Hong Kong Property Development

Siu Ho Wan Depot, Lantau Island

- Outline Zoning Plan was approved in February 2019
- About 14,000 public and private residential units, subject to other statutory approvals



Siu Ho Wan Depot, Lantau Island

MAINLAND OF CHINA AND INTERNATIONAL BUSINESSES

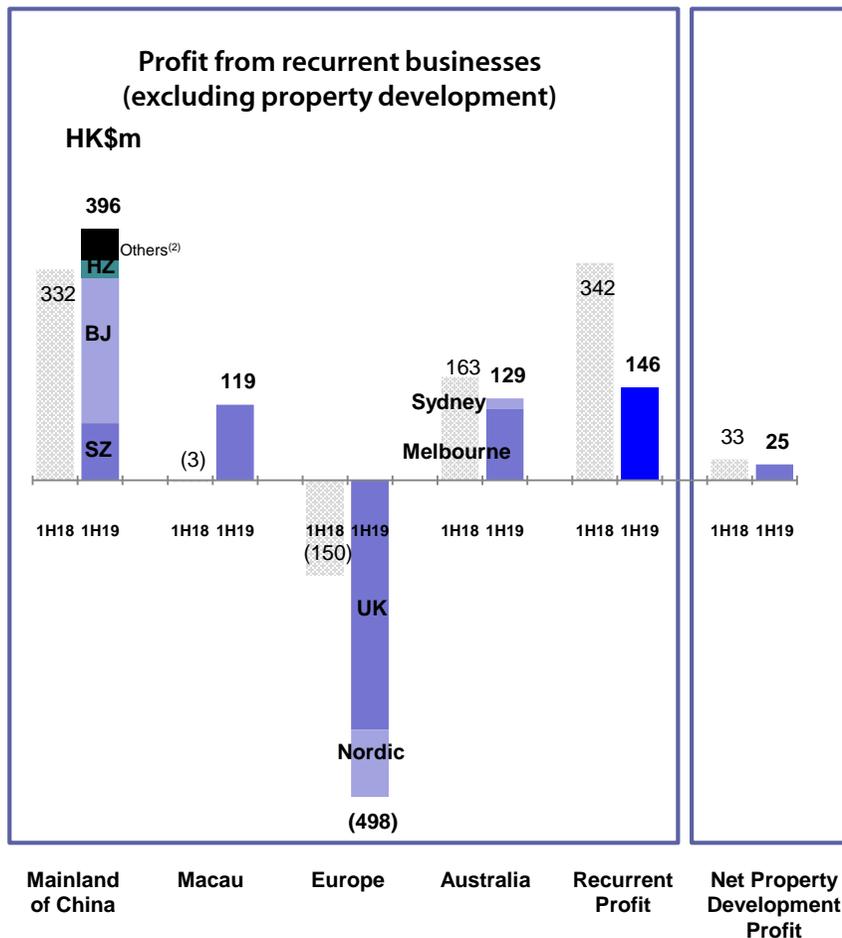


Mainland of China and International Businesses

Recurrent profit (excluding property development)⁽¹⁾: **HK\$146m**

57.3%

Recurrent profit excluding South Western Railway provisions: \$582m, +70.2%



Mainland of China

- **Beijing MTR** – good operational and financial performance
- **MTR Shenzhen** – good operational and steady financial performance
- **Hangzhou MTR** – good operational and financial performance

Macau

- **Macau LRT Taipa Line** – higher contribution from projects and full 6 months contribution from O&M contract

Europe

- **Stockholms pendeltåg, Sweden** – reduced loss mainly due to improvement in train availability and maintenance
- **MTR Express, Sweden** – Patronage continued to improve and loss narrowed further
- **South Western Railway franchise, UK** – Made a provision of HK\$436m, representing the maximum potential loss under the Franchise Agreement
- **MTR Crossrail, UK** – higher contribution mainly due to higher concession payment

Australia

- **Sydney Metro North West (SMNW)** – Project profit recognition slowed down as the project was completed in 1H2019.
- **Metro Trains Melbourne (MTM)** – higher contribution mainly due to higher franchise payment

1. Comprising net profit from Mainland of China and international business (MC&IB) subsidiaries net of non-controlling interests, and share of profit or loss from MC&IB associates and joint venture. Does not include project studies and business development expenses.

2. Mainland of China property rental and management
MTR Corporation



GROWTH INITIATIVES IN MAINLAND OF CHINA AND INTERNATIONAL BUSINESSES

Mainland of China and Macau Businesses – Growth Initiatives

Chengdu

- **Strategic cooperation with Chengdu Rail Transit Group** covers metro PPP and Transit Oriented Development (TOD)
- **Memorandum of Understanding** signed to explore cooperation opportunity on the potential integrated development of stations along Chengdu's metro lines

Beijing

- **Memorandum of Understanding** signed with Beijing Municipal Commission of Transport and BIIC in October 2018
 - Deeper cooperation in upgrading metro rail services. Several potential PPP and O&M projects for urban rail lines in Beijing are being explored.

Zhejiang

- Acquired a 9% stake in Zhejiang Rail Transit Operation Management Group
- Explore Intercity and Commuter Railways business

Hangzhou

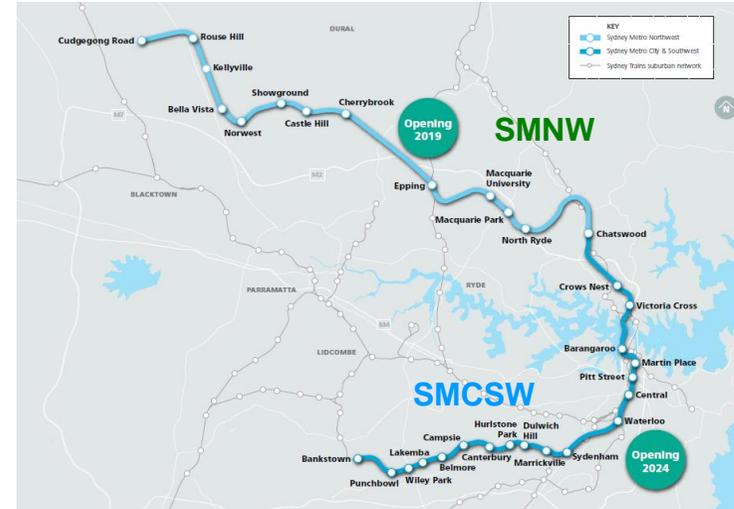
- Additional PPP rail project under discussion
- To explore cooperation opportunity on the potential integrated development of Hangzhou West Station

International – Growth Initiatives

Australia

Sydney Metro City Southwest (SMCSW)

- A 30-km extension of SMNW running through the central business district that is targeted to open in 2024
- We are currently in discussion with the client for the financial close of the project, expected later this year



Sydney Metro Alignment from Sydney Metro Industry Briefing



Financial Results

Mr. Herbert L.W. Hui, Finance Director

Financial Highlights

Contribution from Recurrent Businesses

1H2019 (HK\$m)	Recurrent Businesses		
	Hong Kong ⁽¹⁾	Outside of Hong Kong ⁽¹⁾	Total
Revenue	17,714	10,558	28,272
Change (YoY)	11.3%	1.0%	7.2%
Recurrent profits	2,519	146	2,665
Change (YoY)	(39.2%)	(57.3%)	(40.6%)
<i>Recurrent profits excluding SCL/South Western Railway provisions</i>	<i>4,519</i>	<i>582</i>	<i>5,101</i>
<i>Change (YoY)</i>	<i>9.1%</i>	<i>70.2%</i>	<i>13.8%</i>

Net Profit

(HK\$m)	1H2019	Change (YoY)
Profit from recurrent businesses ⁽²⁾	2,665	(40.6%)
Post-tax profit from property development		
Hong Kong	750	468.2%
Mainland of China	25	(24.2%)
Sub-total	775	369.7%
Profit from underlying businesses ⁽²⁾	3,440	(26.0%)
Investment property revaluation	2,066	(15.2%)
Reported net profit attributable to shareholders of the company⁽²⁾	5,506	(22.3%)
Reported EPS (HK\$) ⁽²⁾	0.90	(23.7%)
Underlying businesses EPS (HK\$) ⁽²⁾	0.56	(27.3%)
Interim ordinary dividend per share (HK\$)	0.25	-

1. Recurrent business profit from Hong Kong includes HK transport operations, HK station commercial, HK property rental and management, other businesses (mainly project management services to Government, Ngong Ping 360, and consultancy) and project studies and business development expenses. Recurrent business profit outside of Hong Kong excludes project studies and business development expenses.

2. Net of non-controlling interests (1H2019: HK\$98m; 1H2018: HK\$88m)

Segmental Profits of Underlying Businesses

	1H2019	1H2018	Favourable/ (adverse) change	
(HK\$m)			HK\$m	%
Hong Kong transport operations ⁽¹⁾	952	1,148	(196)	(17.1)
Hong Kong station commercial ⁽¹⁾	2,679	2,414	265	11.0
Hong Kong property rental and management ⁽¹⁾	2,229	2,128	101	4.7
Mainland of China and international railway, property rental & management (including share of EBIT from railway associates and joint venture) ⁽²⁾	534	697	(163)	(23.4)
Project studies and business development expenses	(171)	(214)	43	20.1
Others ⁽³⁾	(1,834)	135	(1,969)	(1,458.5)
EBIT on recurrent businesses	4,389	6,308	(1,919)	(30.4)
Interest and finance charges on recurrent businesses ⁽⁴⁾	(570)	(742)	172	23.2
Tax on recurrent businesses ⁽⁵⁾	(1,154)	(1,083)	(71)	(6.6)
Post-tax recurrent business profit	2,665	4,483	(1,818)	(40.6)
HK property development profit after tax	750	132	618	468.2
Mainland of China property development profit after tax and interest	25	33	(8)	(24.2)
Post-tax property development profit	775	165	610	369.7
Profit from underlying businesses	3,440	4,648	(1,208)	(26.0)

Note:

All segmental profits shown are pre-tax profits.

1. After depreciation, amortisation and variable annual payment to KCRC

2. Net of non-controlling interests

3. Includes consultancy, Ngong Ping 360, project management for HKSAR Government and share of EBIT from Octopus Holdings Limited; does not include project studies and business development expenses

4. Includes our share of interest and finance charges incurred by railway associates and joint venture

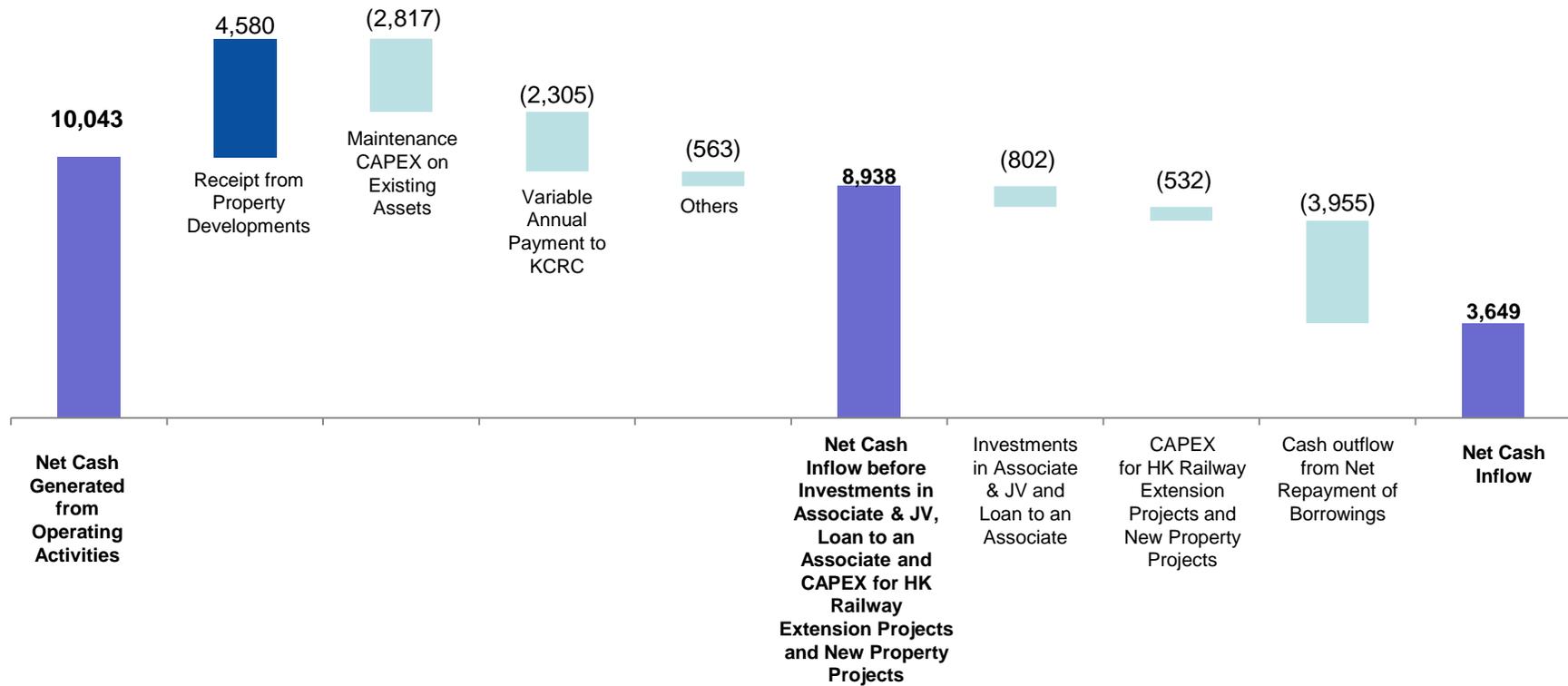
5. Includes our share of tax incurred by railway associates and joint venture

Consolidated Statement of Financial Position

(HK\$m)	30 Jun 2019	31 Dec 2018	Increase/ (Decrease)	
			HK\$m	%
Assets				
Investment properties	85,218	82,676	2,542	3.1
Other property, plant and equipment	102,616	102,776	(160)	(0.2)
Service concession assets	30,824	30,473	351	1.2
Property development in progress	14,657	14,840	(183)	(1.2)
Interests in associates & joint venture	9,603	8,756	847	9.7
Properties held for sale	939	1,369	(430)	(31.4)
Debtors and other receivables	10,289	9,576	713	7.4
Amounts due from related parties	2,418	2,088	330	15.8
Cash, bank balances and deposits	21,617	18,022	3,595	19.9
Others	4,535	4,111	424	10.3
Total Assets	282,716	274,687	8,029	2.9
Liabilities				
Debts	37,149	40,205	(3,056)	(7.6)
Creditors, other payables and provisions	32,661	25,947	6,714	25.9
Current taxation	1,857	1,161	696	59.9
Amounts due to related parties	6,579	2,676	3,903	145.9
Obligations under service concession	10,378	10,409	(31)	(0.3)
Deferred tax liabilities	13,015	12,979	36	0.3
Others	553	691	(138)	(20.0)
Total Liabilities	102,192	94,068	8,124	8.6
Total Equity	180,524	180,619	(95)	(0.1)

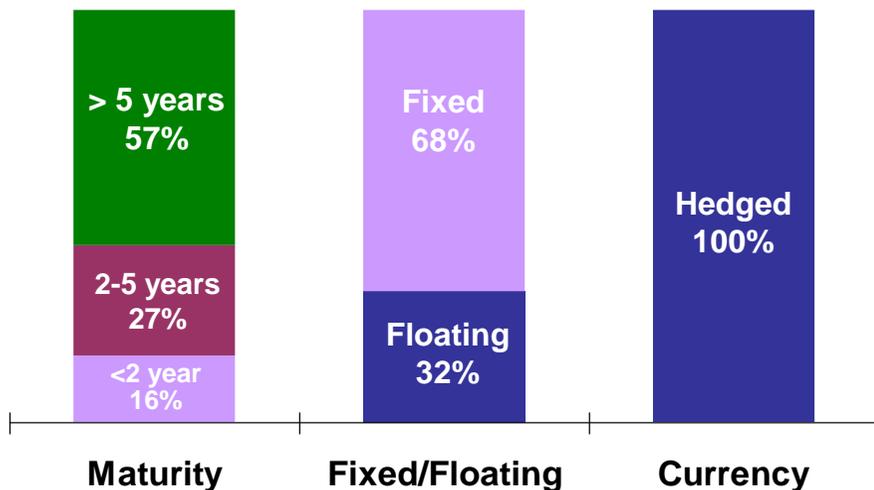
Cash Flow (for the 6 months ended 30 Jun 2019)

(HK\$m)



Financing and Credit Ratios

Company Debt Profile (30 Jun 2019)⁽¹⁾



Consolidated group borrowings and other obligations⁽²⁾:

HK\$37,149m (HK\$40,205m as at 31 Dec 2018)

Average cost of borrowing and other obligations⁽²⁾: **2.8%**⁽³⁾

Interest and finance charges:
HK\$442m⁽⁴⁾

Compared to 1H2018 figures

	30 Jun 2019	31 Dec 2018
Net Debt / Equity ratio⁽⁵⁾	14.4%	18.1%
	1H2019	1H2018
Interest cover	13.4x	11.6x

1. Excluding Mainland of China and overseas subsidiaries debts

2. Excluding obligations under service concession

3. Not directly comparable to the 1H2018 figure. Excluding lease liabilities and obligations under service concession, weighted average borrowing cost of the Group in 1H2019 was 2.7%, same as 1H2018.

4. Not directly comparable to the 1H2018 figure. Excluding the lease liabilities recognised under HKFRS 16, interest and finance charges would be HK\$422 million in 1H2019 compared with HK\$580 million in 1H2018

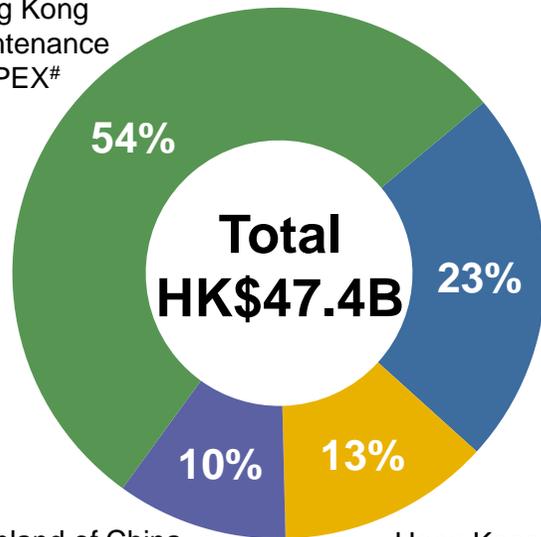
5. Including lease liabilities, obligations under service concession and loan from holders of non-controlling interests as components of debt

Capital Expenditure & Investments



2019-2021

Hong Kong
Maintenance
CAPEX#



Hong Kong
Property

Mainland of China
& Overseas

Hong Kong
New Railway Projects

Estimated spend:

2019 - HK\$16.9 billion

2020 - HK\$15.2 billion

2021 - HK\$15.3 billion

Total - HK\$47.4 billion

Includes the Maintenance CAPEX for the Existing Railway Assets and Advance Railway Works related to SCL

The Advance Railway Works related to SCL involve modifications to or upgrades or expansion of assets for which MTR is responsible under the existing service concession agreement with KCRC. This will predominantly be covered by the reduction in future maintenance CAPEX during the construction period of SCL Project which MTR would have otherwise incurred

ESG Strategy and Initiatives

Environment

Green transport

E1 Efficient use of energy and land resources

E2 Pollution prevention

E3 Adapting to climate change

E4 Green Financing

Social

Stakeholder engagement

S1 Safety first – customers, contractors and staff

S2 Caring for stakeholders

S3 Investing in community

S4 Investing in staff

Governance

Benchmark with best practices

G1 Good governance structure

G2 Diversified Board

G3 Interest aligned with stakeholders

G4 Risk management & Corporate Responsibility

Our goal is to contribute to the sustainability of the community through our business by meeting and balancing the current and future needs of our stakeholders

Sustainability Initiatives

Energy Reduction and Renewable Energy:

- Carrying out chiller replacement in stations and depots
- Installing solar panels in Hung Hom office building

Waste Reduction:

- Installed drinking water dispensers initially at Tung Chung Station, Tsuen Wan Station and Prince Edward Station

Supply Chain Management:

- Conducting a study to enhance responsible procurement practices

Stakeholders' Communication:

- Launched our new Sustainability Website and the Sustainability Report 2018

Awareness Raising:

- Launched a 2-day discussion forum "ID pitch"



Corporate Responsibility Initiatives

STEM Challenge



Youth Forum 2.0



Uth Live Saturdays



MTR Budding Station Master Programme



MTR Safety Experience Zone





Outlook

Dr. Jacob Kam, CEO

Outlook

Hong Kong Transport Operations

- Contend with a variety of risks, including uncertainties surrounding the global and local economy, particularly trade conflicts, the possibility of an economic recession and political risks
- Work with Government to agree on the details of the phased opening of Tuen Ma Line

Station Commercial and Property Rental

- Our commercial operations have some defensiveness against slower economic growth
- However, rental renewals will be dependent on the development of market conditions

Business Outside of Hong Kong

- Still working to overcome the challenges faced by Stockholms pendeltåg in Sweden, and the South Western Railway franchise in the UK
- Full line service on Hangzhou Metro Line 5 and the opening of Macau LRT Taipa Line, as announced by the Macau SAR Government, by the end of the year
- Working on the financial close of Sydney Metro City and Southwest

Property Development Businesses

- In the 2H2019, profit booking of MALIBU and The LOHAS is dependent on the construction progress
- Over the next six months or so, subject to market conditions, aiming to tender out Wong Chuk Hang Station Package 4 and LOHAS Park Package 12

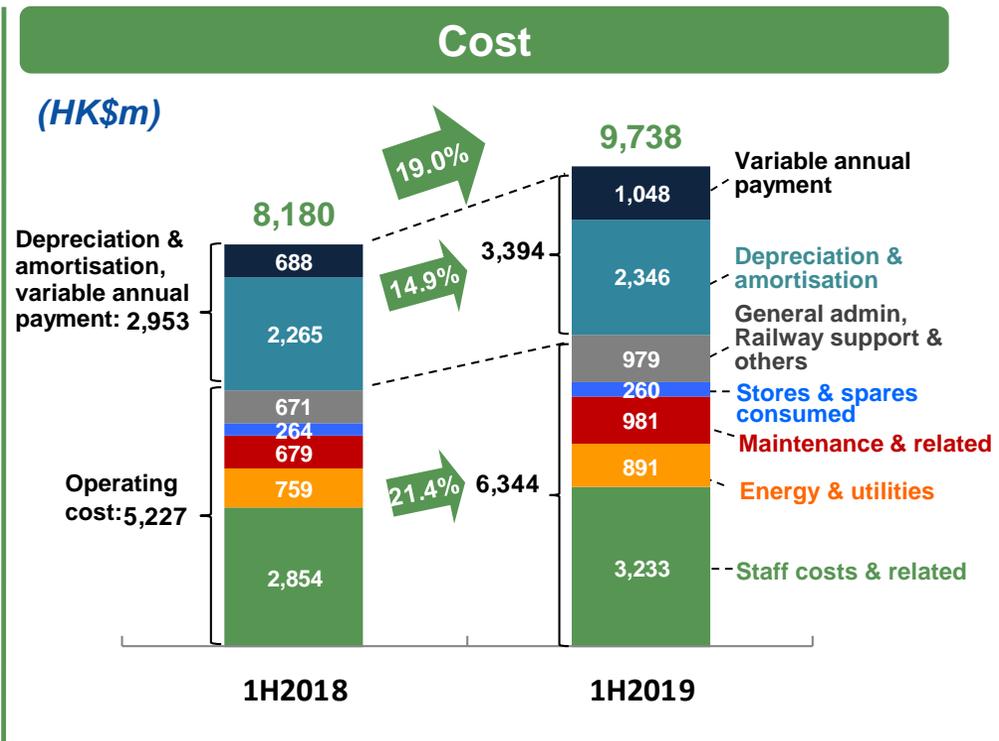
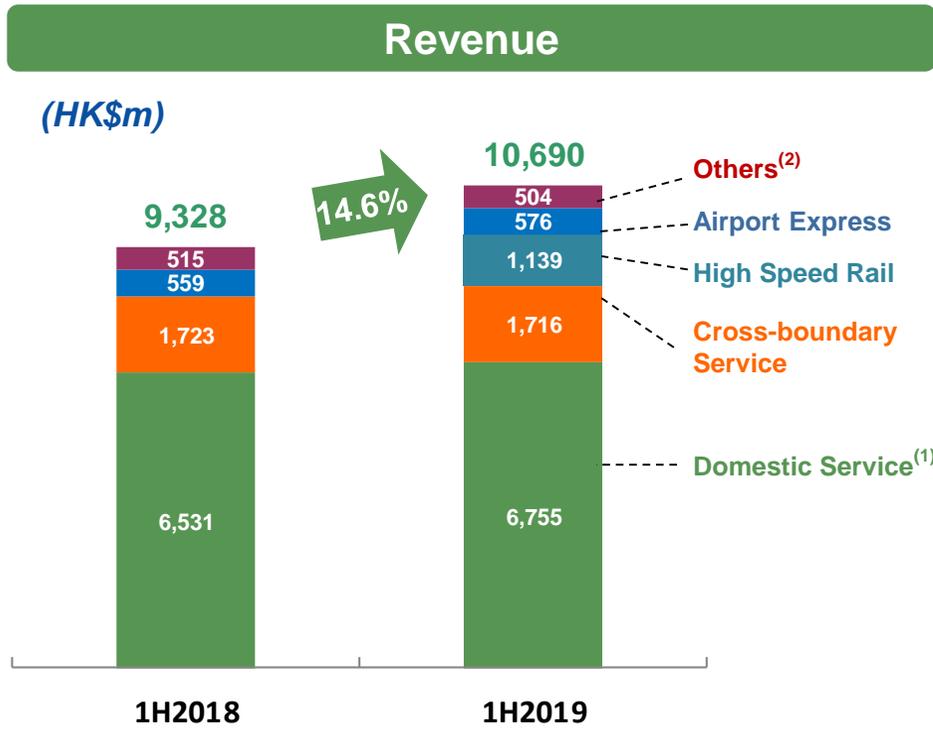
Appendix: Consolidated Profit and Loss Account

	1H2019	1H2018	Favourable/ (adverse) change	
			HK\$m	%
(HK\$m)				
HK transport operations	10,690	9,328	1,362	14.6
HK station commercial and HK property rental & management businesses	6,190	5,592	598	10.7
Mainland of China & international railway, property rental and management subsidiaries	10,558	10,453	105	1.0
Other businesses	834	1,000	(166)	(16.6)
	<u>28,272</u>	<u>26,373</u>	1,899	7.2
Mainland of China property development	-	-	-	N/A
Total revenue	28,272	26,373	1,899	7.2
Operating expenses excluding Mainland of China & international subsidiaries ⁽¹⁾	(9,975)	(7,009)	(2,966)	(42.3)
Expenses relating to Mainland of China & international railway, property rental and management subsidiaries ⁽²⁾	(9,886)	(10,043)	157	1.6
Expenses relating to Mainland of China property development	(10)	(17)	7	41.2
Total operating expenses	(19,871)	(17,069)	(2,802)	(16.4)
EBITDA excluding Mainland of China & international subsidiaries	7,739	8,911	(1,172)	(13.2)
EBITDA relating to Mainland of China & international railway, property rental and management subsidiaries	672	410	262	63.9
EBITDA relating to Mainland of China property development	(10)	(17)	7	41.2
Total EBITDA	8,401	9,304	(903)	(9.7)
HK property development profit	898	158	740	468.4
Total operating profit	9,299	9,462	(163)	(1.7)
Depreciation & amortisation	(2,592)	(2,461)	(131)	(5.3)
Variable annual payment	(1,506)	(999)	(507)	(50.8)
Interest and finance charges	(442)	(580)	138	23.8
Investment property revaluation	2,066	2,435	(369)	(15.2)
Share of profit or loss of associates and joint venture	(74)	286	(360)	(125.9)
Profit before taxation	6,751	8,143	(1,392)	(17.1)
Income tax	(1,147)	(972)	(175)	(18.0)
Non-controlling interests	(98)	(88)	(10)	(11.4)
Reported net profit attributable to shareholders of the Company	5,506	7,083	(1,577)	(22.3)
Reported earnings per share (HK\$)	0.90	1.18	(0.28)	(23.7)
Profit from underlying businesses	3,440	4,648	(1,208)	(26.0)
Underlying businesses EPS (HK\$)	0.56	0.77	(0.21)	(27.3)
Interim ordinary dividend per share (HK\$)	0.25	0.25	-	-

Note 1: Includes project studies and business development expenses

Note 2: Excludes project studies and business development expenses

Appendix: Hong Kong Transport Operations



<p>EBITDA: HK\$4,346m</p> <p style="font-size: 2em;">↑ 6.0%</p>	<p>Margin: 40.7%</p> <p style="font-size: 2em;">↓ 3.3% pts</p>
<p>EBIT⁽³⁾: HK\$952m</p> <p style="font-size: 2em;">↓ 17.1%</p>	<p>Margin: 8.9%</p> <p style="font-size: 2em;">↓ 3.4% pts</p>

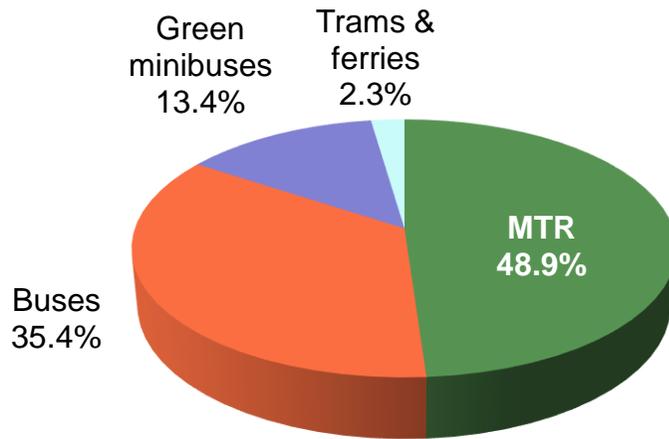
1. Domestic Service comprises the Kwun Tong, Tsuen Wan, Island, South Island, Tung Chung, Tseung Kwan O, Disneyland Resort, East Rail (excluding Cross-boundary Service), West Rail and Ma On Shan lines

2. Others comprise Light Rail, Bus, Intercity and other rail related income

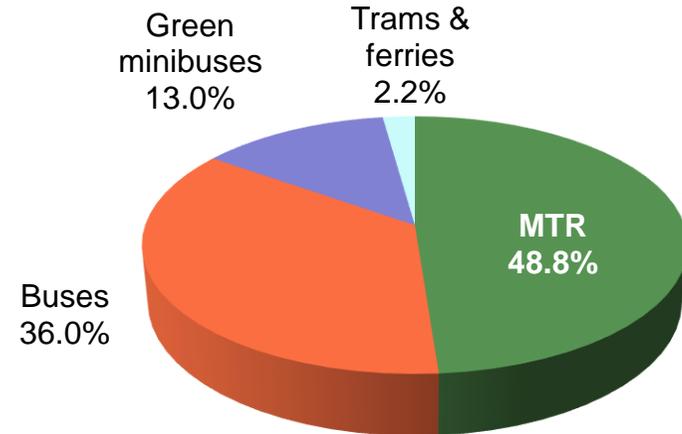
3. After depreciation, amortisation and variable annual payment to KCRC

Appendix: Market Share

Hong Kong Franchised Public Transport

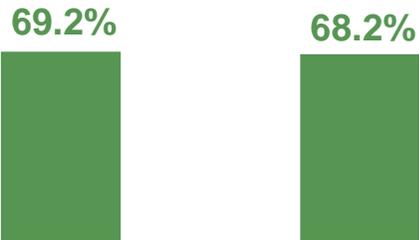


Jan – May 2018⁽²⁾

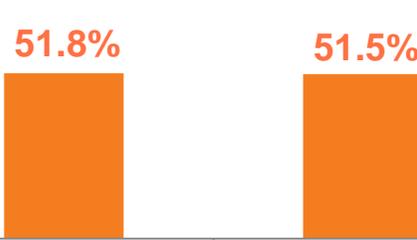


Jan – May 2019

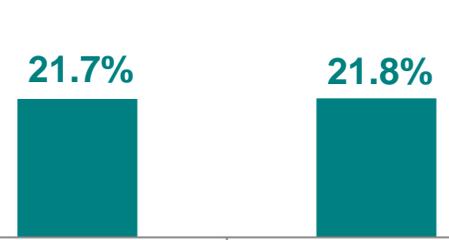
Cross-harbour



Cross-boundary & HSR



Airport Express



Jan-May 2018

Jan-May 2019

Jan-May 2018

Jan-May 2019

Jan-May 2018⁽¹⁾

Jan-May 2019⁽¹⁾

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

1. Calculation based on the proportion of air passenger using Airport Express over the total air passenger figures reported by the Airport Authority Hong Kong

2. Market share for January-May 2018 was rebased to reflect the impact on the opening of Hong Kong – Zhuhai – Macao Bridge.