



MTR Corporation

2022 Interim Results

11 August 2022

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.

2022 Interim Results

Business Review

Financial Results

Outlook



Business Review

1H2022 Highlights

Corporate Strategy

- Clearly defined key performance indicators and objectives
- Committed to the establishment of science-based carbon reduction targets for the year 2030, with the aim of achieving carbon neutrality by 2050

Recurrent Businesses in Hong Kong

- Patronage in February and March 2022 experienced the lowest level since the outbreak of COVID-19
- Gradual recovery was seen in May and June
- Service performance maintained and passenger journeys on-time at 99.9%
- East Rail Line Cross-Harbour Extension opened

Property Development

- Property development profit mainly from LP10, SOUTHLAND and La Marina
- Awarded Pak Shing Kok Ventilation Building and Tung Chung Traction Substation property projects

New Projects

- Kwu Tung Station gazetted
- Tuen Mun South Extension scheme authorised
- Progressing other RDS2014 projects and Oyster Bay property development

Businesses Outside of Hong Kong

- Central Operating Section of Elizabeth Line commenced service
- Took over Upptåget lines as part of Mälartåg regional traffic
- Impairment Loss on Shenzhen Metro Line 4

East Rail Line Cross-Harbour Extension



- Passenger service commenced on 15 May 2022
- Opening of the fourth cross-harbour railway line, and the new Exhibition Centre Station
- A very comprehensive network for Hong Kong. More travel options and more convenient railway service



London's Elizabeth Line – Central Operating Section



- MTR Elizabeth line (MTREL), a wholly owned subsidiary of MTR Corporation, operates the full line on behalf of Transport for London (TfL)
- New Central Operating Section commenced passenger service on 24 May 2022

- The next stage of the Elizabeth line development will include the opening of Bond Street station and the linking up of the 'three railways'
- The 'three railways' will see through-services from Abbey Wood to Heathrow Airport and Reading



New trains



- Ordered 93 new heavy rail eight-car trains and 40 new light rail vehicles
- As at 30 June 2022, 13 new heavy rail eight-car trains and 22 new light rail vehicles were delivered
- 18 new light rail vehicles had been put into passenger service

- The first of the new heavy rail trains is expected to come into service in 4Q2022
- Our existing signalling system (“SACEM System”) is in the process of being replaced and upgraded. A total of ~HK\$2.6 billion has been incurred as at 30 June 2022



Riding Out Challenges with the Community



- Extend 3.8% special fare rebate
- Rental relief measures for tenants
- Support community vaccinations
- Support Government's anti-pandemic efforts

Customer-Centric to Build a Smart City



- Use of technology to enhance customer experience and work efficiency
- Signed MoU with local universities and institutes to develop rail tech applications
- Entered Web3 era



Hong Kong Transport Services

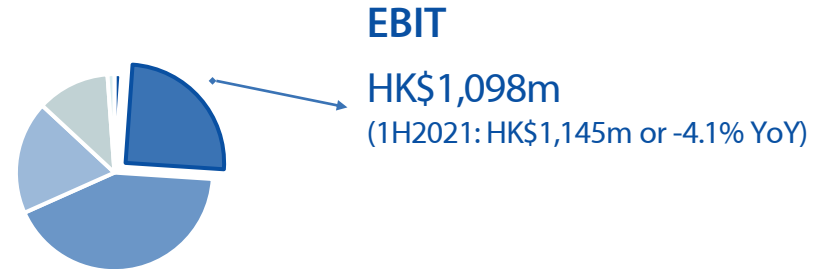


Transport Operations

- Enhanced network with TML and EAL cross-harbour section, helped to drive ridership
- Introduced the SACEM Remote Monitoring and Alarm Detection (“AI SACEM”) platform
- 13 new eight-car heavy rail trains were received as of June 2022, passenger service expected in 4Q2022



MTR Corporation

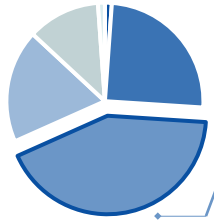


Station Commercial

- Data centre service at Tseung Kwan O commenced
- Introducing new brands to keep our retail portfolio fresh
- Increase of 23 new station shops



Hong Kong Property Rental and Management



EBIT

HK\$1,865m

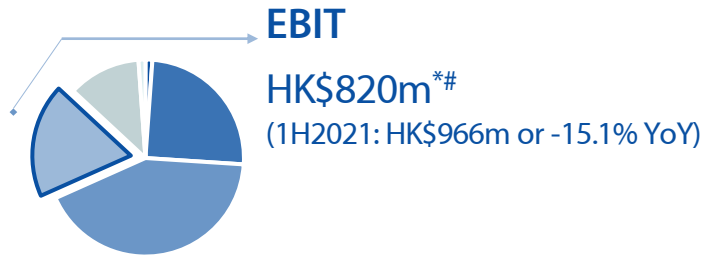
(1H2021: HK\$2,067m or -9.8% YoY)

Rental Income

- Promotional campaigns, such as Chinese New Year Markets, “Fun Family Farming” events and the Organic Farmers’ Market
- Launched tactical MTR Mobile marketing promotions to targeted users based on their shopping behaviours
- Pre-leasing at The Wai and THE SOUTHSIDE shopping malls were progressing well



Mainland China and International Businesses



Mainland China and Macao

- New wave of COVID-19 in the first half of 2022, which resulted in decreased patronage
- HZL5's Baoshanqiao Station opened on 1 April 2022
- Impairment Loss on Shenzhen Metro Line 4



International

- (Sweden) Patronage gradually began to return following the lifting of all COVID restrictions
- (Sweden) Took over Upptåget lines as part of Mälartåg regional traffic
- (Australia) Revenue reset of MTM and recognised profit from Sydney Metro City & Southwest
- (UK) Carries no fare revenue risk



* EBIT of Subsidiaries (Net of Non-controlling Interests) and Share of EBIT of Associates and Joint Ventures from recurrent businesses
 # Excluding the impairment loss of HK\$962 million on Shenzhen Metro Line 4 in Mainland China

Hong Kong Property Development

EBIT: HK\$9,277m (1H2021: HK\$3,654m or +153.9% YoY)

Profit after-tax: HK\$7,747m (1H2021: HK\$3,052m or +153.8% YoY)

Property Sales

- Profit booking mainly from LP10, SOUTHLAND and La Marina
- Pre-sales for Villa Garda I were launched in June 2022
- Applying pre-sale consent for THE SOUTHSIDE Package 4, Ho Man Tin Station Package 2 and LOHAS Park Package 12

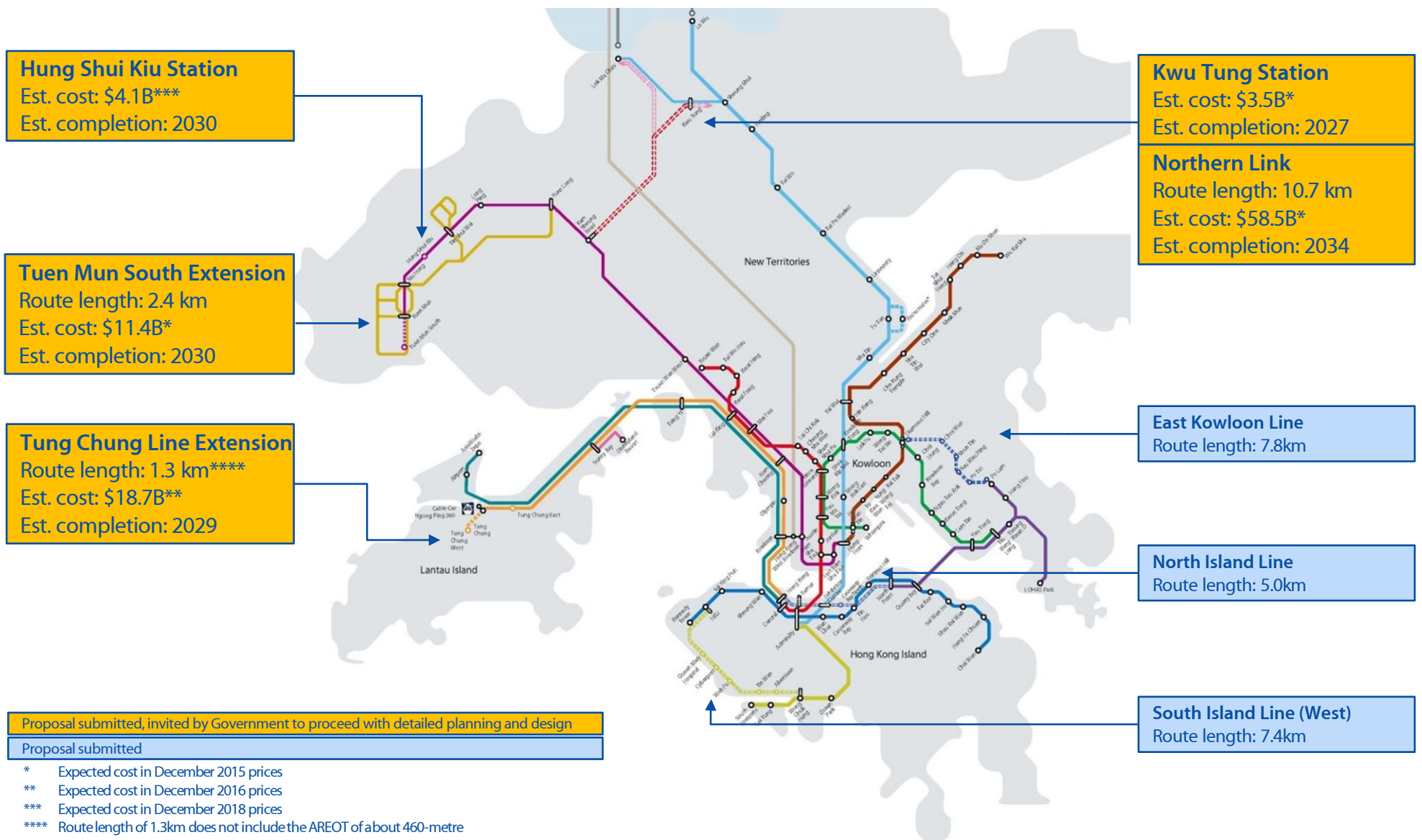


Project Tenders

- Pak Shing Kok Ventilation Building and Tung Chung Traction Substation Property Development were awarded



New Railway Projects – RDS2014



Proposal submitted, invited by Government to proceed with detailed planning and design
 Proposal submitted

* Expected cost in December 2015 prices
 ** Expected cost in December 2016 prices
 *** Expected cost in December 2018 prices
 **** Route length of 1.3km does not include the AREOT of about 460-metre

Proceeding RDS2014

Projects	Route length (km)	No. of new stations	Expected Cost (HK\$B)	Expected completion	Latest Status
Tung Chung Line Extension	1.3****	2	18.7**	2029	Gazetted
Tuen Mun South Extension	2.4	2	11.4*	2030	Railway scheme authorised
Kwu Tung Station	-	1	3.5*	2027	Gazetted
Northern Link	10.7	3	58.5*	2034	Detailed planning and design
Hung Shui Kiu Station	-	1	4.1***	2030	Detailed planning and design
East Kowloon Line	7.8	-	-	-	Proposal submitted
North Island Line	5.0	-	-	-	Proposal submitted
South Island Line (West)	7.4	-	-	-	Proposal submitted

* Expected cost in December 2015 prices

** Expected cost in December 2016 prices

*** Expected cost in December 2018 prices

**** Route length of 1.3km does not include the AREOT of about 460-metre

Subject to signing of project agreement

Proposal submitted, invited by Government to proceed with detailed planning and design

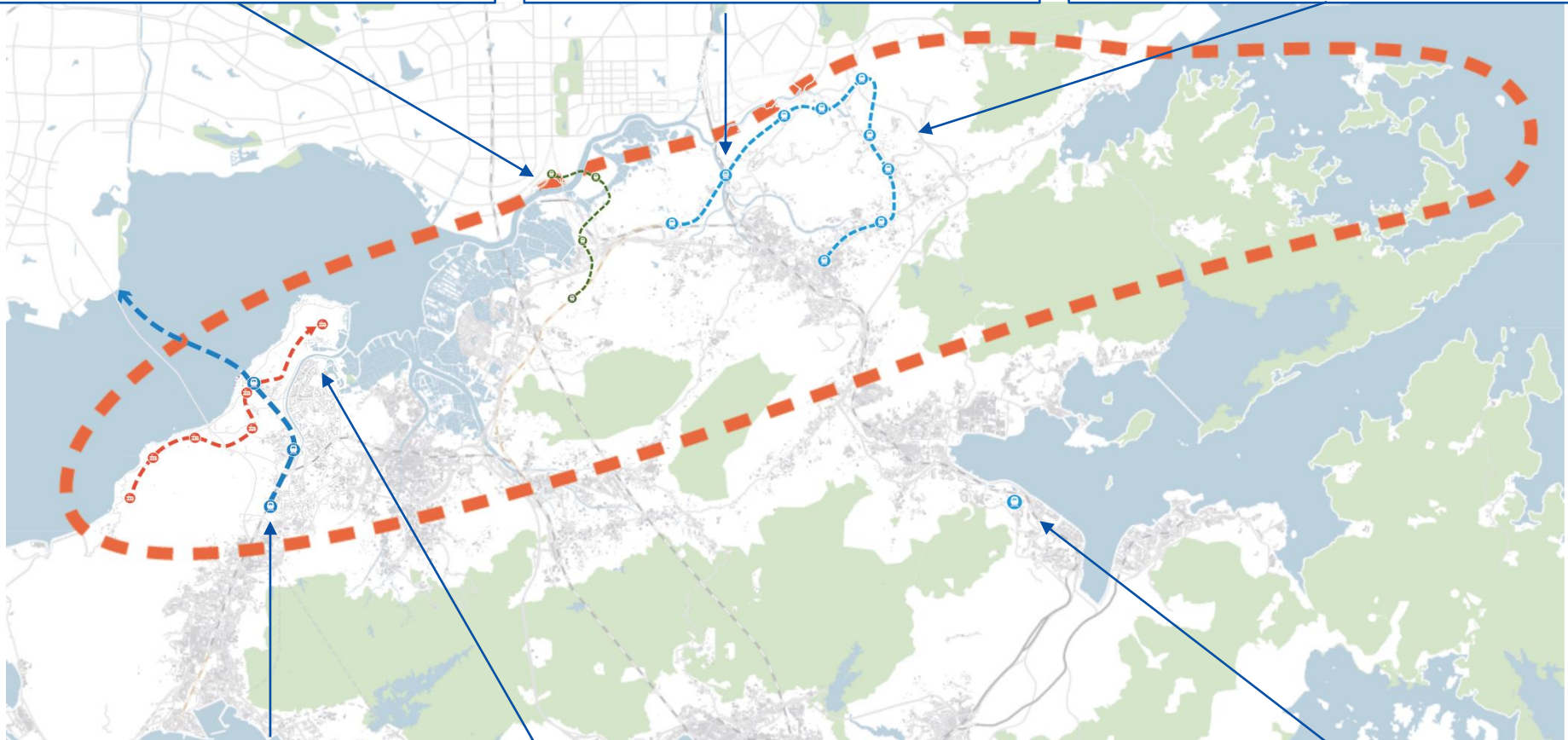
Proposal submitted

Northern Metropolis

Northern Link (NOL) Spur Line
Connect to the new Huanggang Port

Lo Wu South Station
New station service between the existing Lo Wu Station and the Sheung Shui Station

Eastwards Extension of Northern Link
From the Kwu Tung Station to New Territories North New Town



Hong Kong-Shenzhen Western Rail Link
Link up Hung Shui Kiu/Ha Tsuen and Qianhai of Shenzhen

Automated People Mover System
From Tsim Bei Tsui to Pak Nai to promote the development of the area and Lau Fau Shan

New Science Park/ Pak Shek Kok Station
New station along East Rail Line

Source: Northern Metropolis Development Strategy (Combined by MTRC)

Oyster Bay Property Development

- **Oyster Bay Property Development** (formerly known as the Siu Ho Wan Depot Topside Property Development)
- Detailed design and advance works have been commenced
- The land grant process is on-going
- Subject to market conditions and entering into a project agreement with Government and signing the land grant, we aim to tender out Phase 1 Package 1 over the next 12 months or so



Oyster Bay: artist's impression

Steady Progress in New Malls



An artist's impression of The Wai

The Wai at Tai Wai Station

- GFA: 60,620 sqm
- No. of floors: 4
- Target opening: mid-2023

THE SOUTHSIDE at Wong Chuk Hang Station

- GFA: 47,000 sqm
- No. of floors: 5
- Target opening: 2H2023



An artist's impression of THE SOUTHSIDE

ESG – Environmental

SBTi + Carbon Neutrality by 2050

- The Company has committed to the establishment of science-based carbon reduction targets for the year 2030 for our railway and property businesses in Hong Kong with the aim of achieving carbon neutrality by 2050

Greening our Assets

- A total of 154 chillers will be replaced with newer, more energy-efficient models that will reduce about 15,000 tonnes of CO2 and deliver increased comfort for station passengers. The last phase, which involves the replacement of the remaining 33 chillers, is expected to be completed in 2023.
- A new replacement programme will follow, and a total of 31 chillers are expected to be replaced progressively from 2023 to 2026 to achieve further reduction in CO2 emissions.

ESG – Social

Social Inclusion

- Installed new inclusive facilities, including smart toilets, babycare facilities and wheelchair charging points
- Signed the Equal Opportunities Commission Racial Diversity and Inclusion Charter and achieved our KPI of over 8% of our summer interns being from diverse backgrounds
- Continued our outreach work with local NGOs with a series of activities aimed to help combat the impact of the fifth wave of COVID-19, engagement visits associated with the opening of the East Rail Cross-Harbour Extension and through our MTR Volunteer Month 2022 with the theme “Go Green Grow Love”

Advancement and Opportunities

- More than HK\$300 million allocated for investing in start-ups in the next few years to foster innovation
- Signed MOU with Hong Kong Cyberport Management Company Limited to set up a two-year collaboration framework for joint investment in digital technology start-ups

ESG – Governance

- Implemented a new committee structure that will help optimise the Board's decision-making processes and promote the achievement of the governance goals
- The restructuring included the establishment of Finance & Investment Committee and Technology Advisory Panel, the combination of the former Audit Committee and Risk Committee to become the Audit & Risk Committee and a revamping of all the Board Committees' terms of reference
- As part of the Company's commitment to diversity, the Board has pledged to have not less than 20% female members on the Board with immediate effect and to achieving 25% female members by 2025
- Supporting the Company's overall ESG commitments, a new ESG investment framework has been established ensuring that sufficient funding is available and can be appropriately allocated

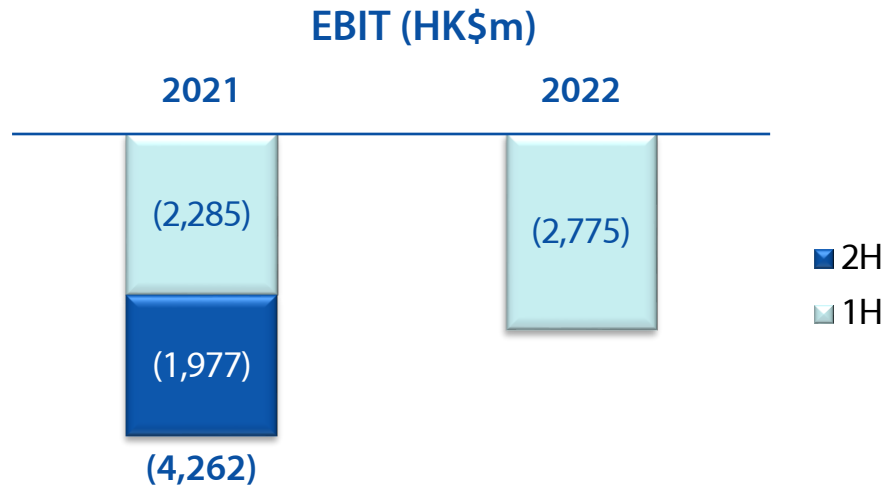
Shenzhen Metro Line 4 (SZL4) Impairment

- In July 2020, the Shenzhen Municipal Government announced that a fare adjustment framework for the Shenzhen Metro network would come into effect on 1 January 2021. The framework was expected to enable the establishment of a mechanism for fare setting and the implementation procedures for fare adjustments
- Up to 30 June 2022, there has been no increase in SZL4's fare since we started operating the line in 2010 whilst the operating costs continue to rise. As we have been warning repeatedly for some time, if a suitable fare increase and adjustment mechanism are not implemented soon, the long-term financial viability of this line will be impacted
- As it is anticipated that the mechanism and procedures for fare adjustments will take longer time to implement and patronage will remain at lower level for a period of time, an impairment test was performed for SZL4, which carried a book value of HK\$4,589 million, and the corresponding recoverable amount was determined at HK\$3,627 million as at 30 June 2022
- As such, an impairment provision of HK\$962 million was recognised for the SZL4 service concession assets in the consolidated profit and loss account for the six months ended 30 June 2022
- The recoverable amount tested for impairment has been determined based on a value in use calculation covering the remaining services concession period. An estimated pre-tax discount rate of 9.2% was used in estimating SZL4 's value in use



Financial Results

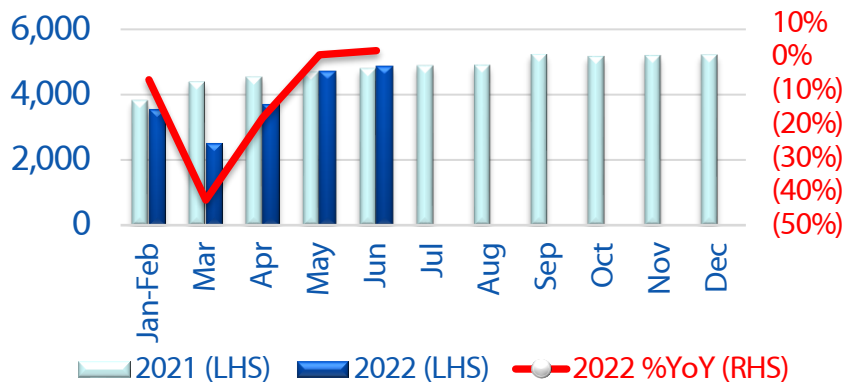
Hong Kong Transport Operations



1H2022

- Patronage declined in early 2022 due to the fifth wave of COVID-19
- Patronage of Cross-boundary Service, High Speed Rail (“HSR”) and Intercity remained severely impacted due to the on-going boundary closures
- Average weekday / daily patronage decreased to 3.85 million, or -11.9% YoY
- The adverse impact was mitigated by our collective effort in maintaining stringent cost control measures

Average weekday patronage (‘000)

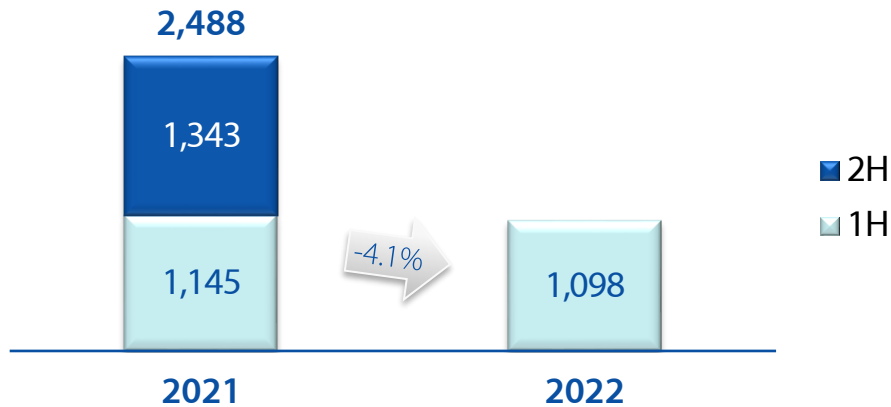


FAM, Promotions and Concessions

- No adjustment of fares for 2022/23 and that the Overall Fare Adjustment Rate, calculated at 0.5%, will be rolled over to 2023/24
- Special 3.8% fare rebate was extended to 1 January 2023
- Next FAM review is expected to begin in the 2H2022 and conclude in the first half of 2023, with the new FAM taking effect in June/July 2023

Hong Kong Station Commercial Businesses

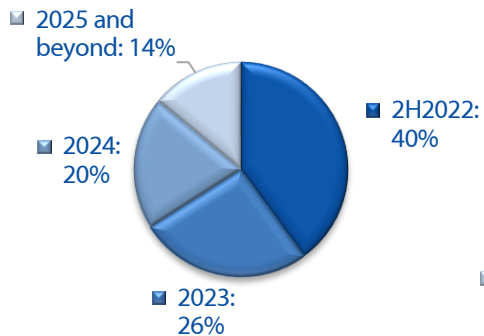
EBIT (HK\$m)



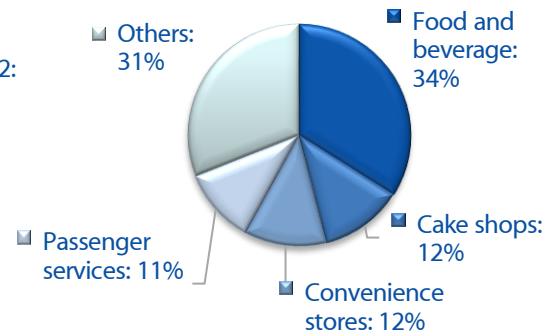
1H2022

- Significantly impacted by the pandemic since February 2020 when the revenue stream from Duty Free Shop was lost due to the closure of boundary crossing stations
- Further year-on-year decrease in EBIT was mainly due to negative rental reversions
- Average occupancy rate in our station kiosks was 97.4%
- Rental reversion was -13.5%

Lease expiry by area occupied*



Trade mix by leased area**



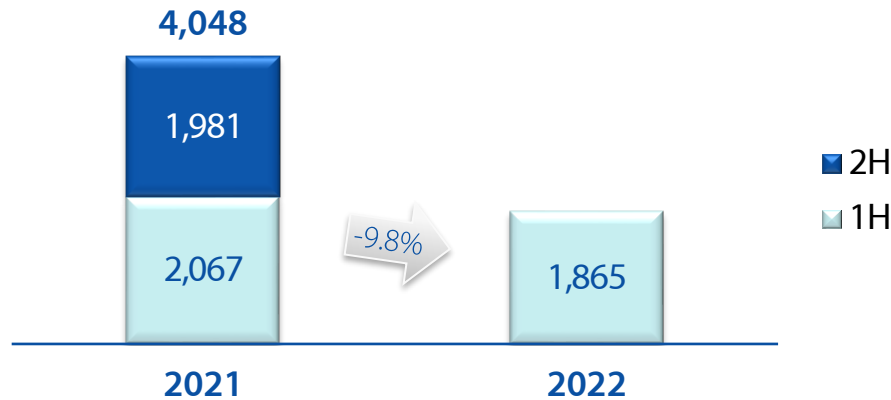
* Station kiosks and Duty Free Shops

** Station kiosks, excluding Duty Free Shops

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Hong Kong Property Rental and Management Businesses

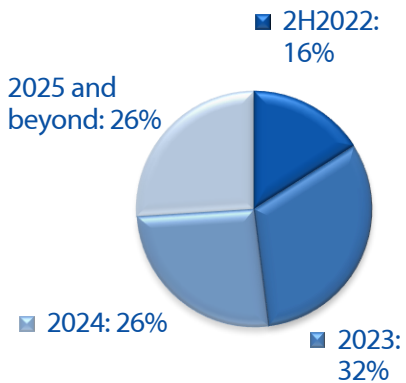
EBIT (HK\$m)



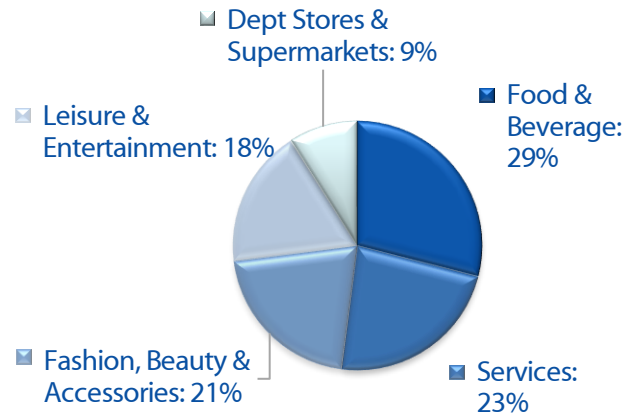
1H2022

- The year-on-year decrease in EBIT was mainly due to more rental concessions granted and amortised in 2022, and the negative rental reversions
- A series of promotional campaigns were launched to drive mall traffic and stimulate spending during this challenging period
- MTR shopping malls recorded a rental reversion of -6.8% and an average occupancy rate of 99%
- Two IFC recorded an average occupancy rate of 92%

Lease expiry by area occupied*



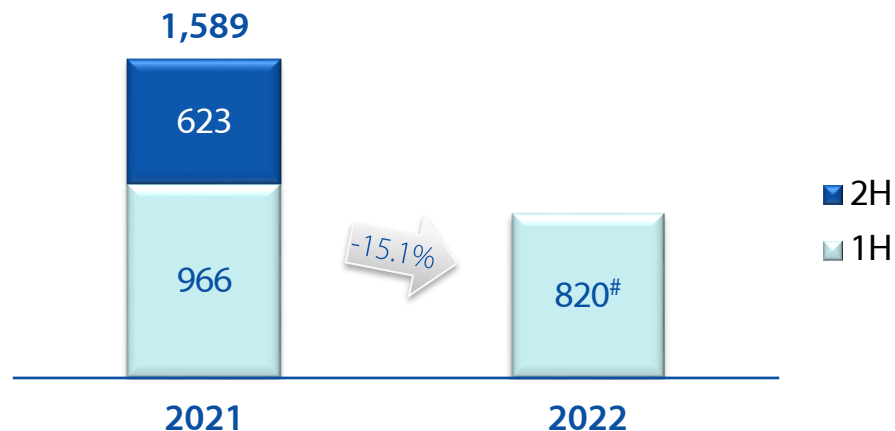
Trade mix by leased area*



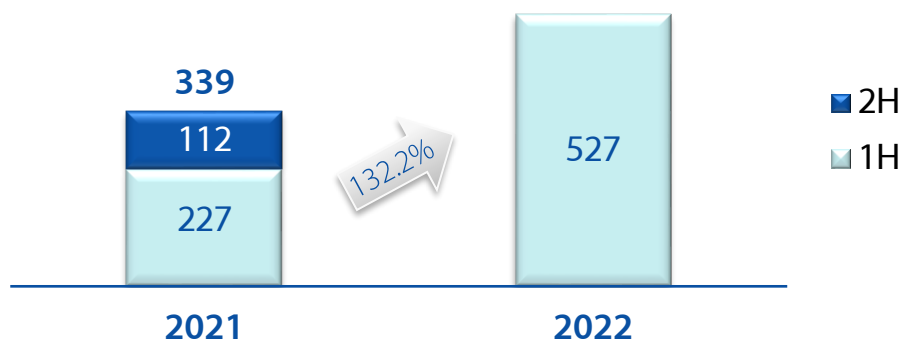
* Shopping malls

Mainland China and International Businesses

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



International EBIT* (HK\$m)



1H2022

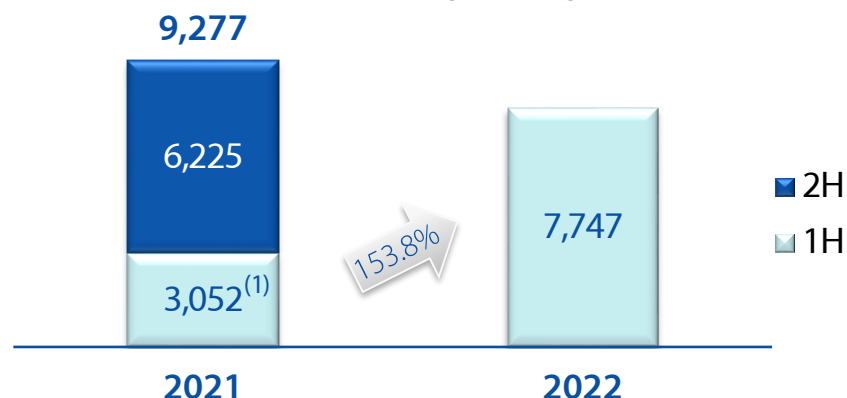
- Total passengers carried by our subsidiaries, associates and joint ventures outside of Hong Kong increased by 1.1% to about 815 million
- In Mainland China and Macao, recurrent business profit decreased, mainly due to the new waves of COVID-19 in 1H2022
- HZL5's Baoshanqiao Station opened in April 2022
- Construction continued for the remaining sections of BJL16, and the full line is expected to open after 2022
- Construction of SZL13 continued to progress with key contracts awarded
- In international businesses, the increase was mainly due to the contribution from revenue reset of Metro Trains Melbourne and the profit recognition from Sydney Metro City & Southwest as construction progressed
- The Central Operating Section of the Elizabeth line opened in May 2022
- The interim agreement for Mälartåg regional Traffic in Sweden has reverted to an eight-year agreement with the possibility of a one-year extension

* EBIT of Subsidiaries (Net of Non-controlling Interests) and Share of EBIT of Associates and Joint Ventures from Recurrent Businesses

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

Hong Kong Property Development

Hong Kong Property Development Profit after Tax (HK\$m)



1H2022

- Property development profit primarily derived from the share of proceeds from LP10, SOUTHLAND and La Marina
- Pre-sale of Villa Garda I was launched in June 2022
- Awarded two tenders: Pak Shing Kok Ventilation Building and Tung Chung Traction Substation property development project

Property projects profit recognised	GFA (sqm)	No. of units
LP10 (LOHAS Park Package 10)	75,400	893
SOUTHLAND (THE SOUTHSIDE Package 1)	53,600	800
La Marina (THE SOUTHSIDE Package 2)	45,800	600

Property tendered	GFA (sqm)	No. of units
Pak Shing Kok Ventilation Building	27,000	550
Tung Chung Traction Substation	87,300	1,600

Property projects launched	Launch Date	Units Sold (end Jun 2022)
La Marina (THE SOUTHSIDE Package 2)	Sep 2021	83% of 600 units sold
THE PAVILIA FARM (Tai Wai Project)	Oct 2020 - Jun 2021	98% of 3,090 units sold (up to July 2021)
SOUTHLAND (THE SOUTHSIDE Package 1)	May 2021	78% of 800 units sold
LP10 (LOHAS Park Package 10)	Jan 2021	89% of 893 units sold

1. The amount has been adjusted from the amount disclosed in 2021 interim results to conform to interim period's presentation

Financial Highlights

1H2022 (HK\$m)	Recurrent Businesses		
	Hong Kong ⁽¹⁾	Outside of Hong Kong ⁽¹⁾	Total
Revenue from recurrent businesses	9,745	13,150	22,895
Change (% YoY)	(4.8%)	9.1%	2.7%
Recurrent business loss ⁽²⁾	(232)	(446)	(678)
Change (% YoY)	n/m	n/m	n/m

(HK\$m)	1H2022	YoY % Change Favourable / (Unfavourable)
Recurrent business loss ⁽²⁾	(678)	n/m
Property development profit (post-tax)		
Hong Kong	7,747	153.8%
Mainland China	39	34.5%
Sub-total	7,786	152.7%
Underlying business profit ⁽²⁾	7,108	78.0%
Loss from fair value measurement of investment properties ⁽³⁾	(2,376)	(80.0%)
Reported net profit attributable to shareholders of the company ⁽²⁾	4,732	77.0%
Reported EPS (HK\$)	0.76	76.7%
Underlying businesses EPS (HK\$)	1.15	76.9%
Interim ordinary dividend per share (HK\$)	0.42	68.0%

Note:

1. Recurrent business profit/(loss) from 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 (1H2022: HK\$196m profit; 1H2021: HK\$109m profit)
 3. Loss 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
 4. Certain comparative figures have been reclassified to conform to current period's presentation
- n/m: not meaningful

Segmental Profit/(Loss) of Underlying Businesses

	1H2022	1H2021	Favourable/ (Unfavourable)	
				%
Recurrent EBIT⁽¹⁾ (HK\$m)				
Hong Kong Transport Operations ⁽²⁾	(2,775)	(2,285)	(490)	(21.4)
Hong Kong Station Commercial ⁽²⁾	1,098	1,145	(47)	(4.1)
Hong Kong Property Rental and Management ⁽²⁾	1,865	2,067	(202)	(9.8)
Mainland China and International Railway, Property Rental and Management Subsidiaries ⁽³⁾	791	445	346	77.8
Other Businesses, Project Study and Business Development Expenses ⁽⁴⁾	(317)	(294)	(23)	(7.8)
Share of Profit of Associates and Joint Ventures	490	530	(40)	(7.5)
Recurrent EBIT (before Impairment Loss)	1,152	1,608	(456)	(28.4)
Impairment Loss on Shenzhen Metro Line 4	(962)	-	(962)	n/m
Total Recurrent EBIT (after Impairment Loss)	190	1,608	(1,418)	(88.2)
Interest and Finance Charges	(501)	(482)	(19)	(3.9)
Income Tax	(171)	(105)	(66)	(62.9)
Non-controlling Interests	(196)	(109)	(87)	(79.8)
Recurrent Business (Loss) / Profit	(678)	912	(1,590)	n/m
Property Development Profit (Post-tax)⁽⁵⁾	7,786	3,081	4,705	152.7
Underlying Business Profit	7,108	3,993	3,115	78.0

Note:

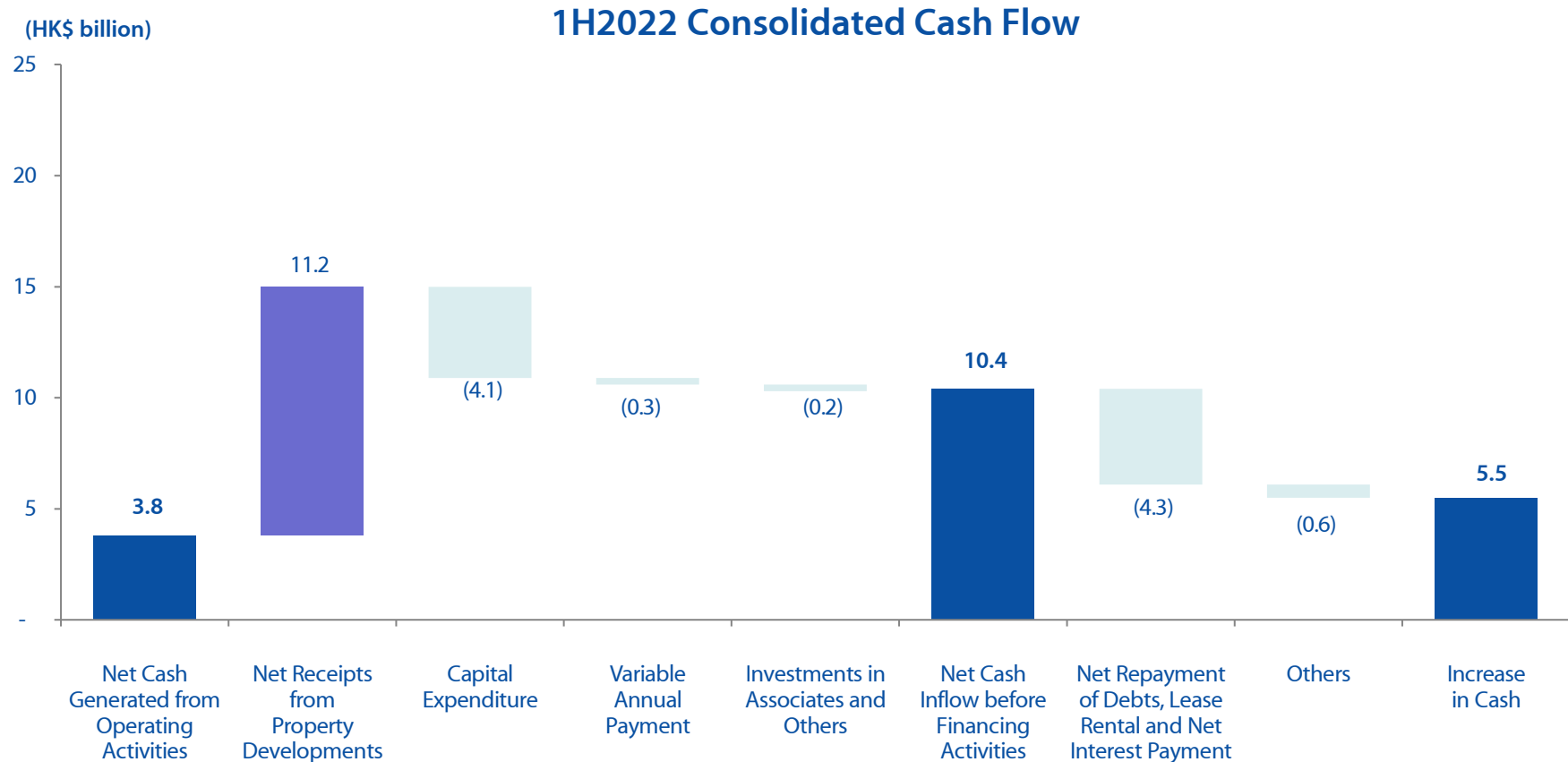
1. All recurrent EBIT shown are profit/(loss) before interest, finance charges and tax
2. Net of depreciation, amortisation and variable annual payment to KCRC
3. Net of depreciation, amortisation but before impairment loss
4. Includes consultancy, Ngong Ping 360 and project management for HKSAR Government
5. Certain comparative figures have been reclassified to conform to current period's presentation

n/m: not meaningful

Consolidated Statement of Financial Position

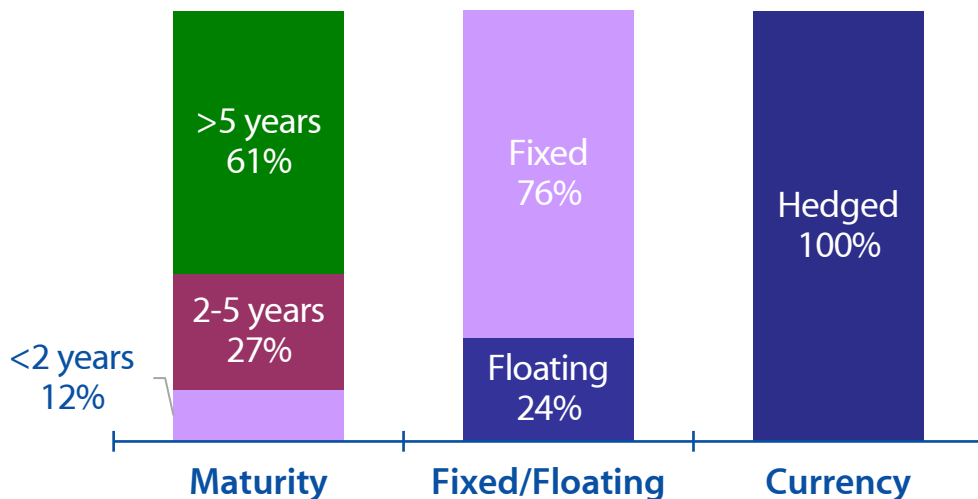
(HK\$m)	30 Jun 2022	31 Dec 2021	Increase/ (Decrease)	
				%
Assets				
Investment properties	82,492	84,801	(2,309)	(2.7)
Other property, plant and equipment	101,311	101,517	(206)	(0.2)
Service concession assets	33,988	34,714	(726)	(2.1)
Property development in progress	10,605	11,215	(610)	(5.4)
Interests in associates & joint ventures	12,504	12,442	62	0.5
Debtors and other receivables	10,774	14,797	(4,023)	(27.2)
Amounts due from related parties	5,586	4,384	1,202	27.4
Cash, bank balances and deposits	26,439	20,970	5,469	26.1
Deferred expenditure	2,343	1,964	379	19.3
Investments in securities	1,470	1,479	(9)	(0.6)
Properties held for sale	1,133	639	494	77.3
Others	3,649	3,160	489	15.5
Total Assets	292,294	292,082	212	0.1
Liabilities				
Debts	39,288	43,752	(4,464)	(10.2)
Creditors, other payables and provisions	40,390	40,077	313	0.8
Current taxation	3,517	2,381	1,136	47.7
Amounts due to related parties	5,518	479	5,039	n/m
Obligations under service concession	10,181	10,231	(50)	(0.5)
Deferred tax liabilities	14,392	14,418	(26)	(0.2)
Others	1,080	707	373	52.8
Total Liabilities	114,366	112,045	2,321	2.1
Total Equity	177,928	180,037	(2,109)	(1.2)

Consolidated Cash Flow



Financing and Credit Ratios

Company Debt Profile (30 Jun 2022)⁽¹⁾



Group's consolidated debt position ⁽²⁾:
 HK\$39,288m
 (HK\$43,752m as at 31 Dec 2021)

Average cost of interest-bearing borrowings: 2.2% (same as 1H2021)

Interest and finance charges:
 HK\$458m (+2.9% YoY)

	30 Jun 2022	31 Dec 2021
Net Debt / Equity ratio⁽³⁾	12.7%	18.1%
	1H2022	1H2021
Interest cover⁽⁴⁾	19.8x	12.0x

Note:

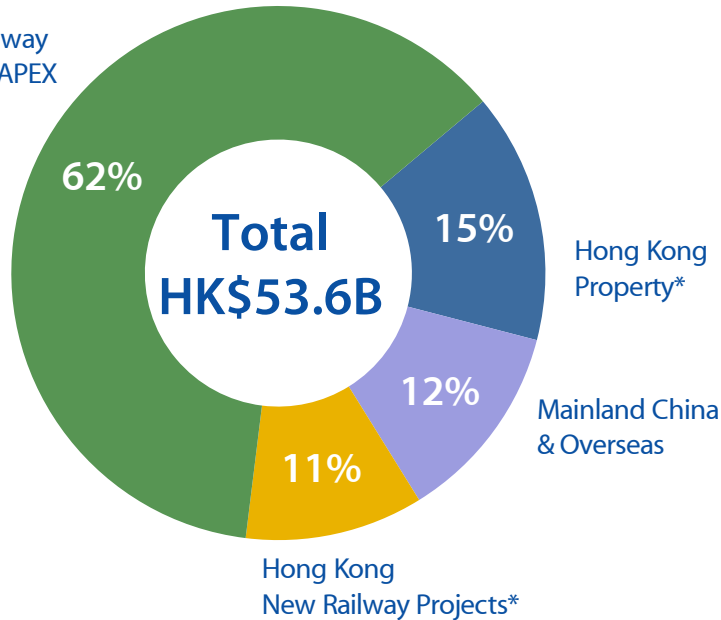
1. Excluding Mainland China and overseas subsidiaries debts
2. Excluding obligations under service concession
3. Including lease liabilities, bank overdrafts, obligations under service concession and loan from holders of non-controlling interests as components of debt
4. Operating profit before fair value measurement of investment properties, depreciation, amortisation, impairment loss, variable annual payment, share of profit of associates and joint ventures divided by gross interest and finance charges before capitalization and utilisation of government subsidy for Shenzhen Metro Line 4 operation
5. Certain comparative figures have been reclassified to confirm to current period's presentation.

Capital Expenditure & Investments



2022-2024

Hong Kong Railway
Maintenance CAPEX



Estimated spend (HK\$Billion):

2022: \$16.1

2023: \$20.7

2024: \$16.8

Total: \$53.6

* including planning and design CAPEX for New Railway and Property Projects, but excluding related construction CAPEX which are subject to the signing of project agreements.



Outlook

Outlook

Recurrent Businesses in Hong Kong

- The development of COVID-19 pandemic and the global economic conditions will remain highly uncertain in 2H2022
- Impact of the negative rental reversions and rental concessions are unlikely to change over the coming six months
- Rebound in advertising revenue will be dependent on economic recovery and improvements in consumer sentiment and spending

Property Development

- Subject to construction progress, we may make an initial booking in respect of the Tai Wai project predominantly on the gain from fair value measurement of our sharing in kind shopping mall (i.e. The Wai) in the second half of 2022, after accounting for the entire contribution to this project
- Tender out Tung Chung East Station Package 1 site and Oyster Bay Property Development Phase 1 Package 1 in the coming 12 months or so, subject to market conditions and entering into project agreements with Government and/or signing the land grant

New Projects*

- Continue to progress various railway projects under RDS 2014
- Prepare for the projects under Government's Northern Metropolis Development Strategy

Businesses outside of Hong Kong

- Continue to expand our global portfolio

* Subject to signing project agreements



Appendix

Consolidated Cash flow summary

<i>(HK\$m)</i>	1H2022	1H2021	Favourable/ (Unfavourable) change %	
Net Cash Generated from Operating Activities	3,775	4,215	(440)	(10.4)
Net receipts from Property Developments	11,152	12,961	(1,809)	(14.0)
Capital Expenditure	(4,053)	(3,193)	(860)	(26.9)
Variable Annual Payment	(260)	(238)	(22)	(9.2)
Investment in associates and others	(217)	(814)	597	73.3
Net Cash Inflow before Financing Activities	10,397	12,931	(2,534)	(19.6)
Net Repayment of Debts, Net of Lease Rental and Net Interest Payments	(4,344)	(4,033)	(311)	(7.7)
Others	(584)	(11)	(573)	n/m
Net increase in cash	5,469	8,887	(3,418)	(38.5)

n/m: not meaningful

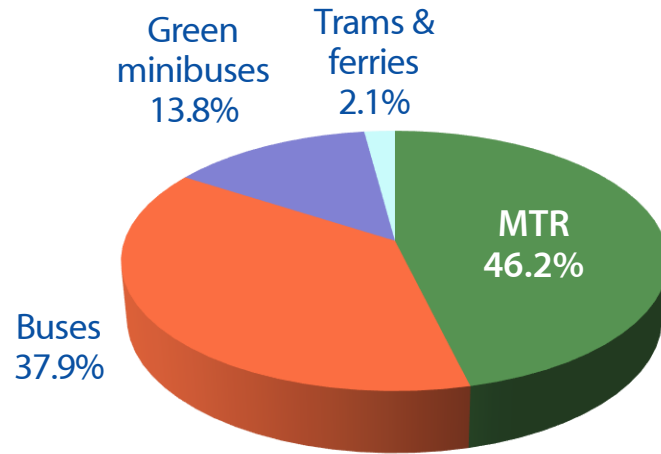
Hong Kong Transport Operations

	1H2022	1H2021	Favourable/ (Unfavourable) change (%)
Patronage (million)			
- Domestic Service	570.5	646.1	(11.7)
- Cross-boundary Service	0.2	0.2	(13.0)
- High Speed Rail	-	-	n/m
- Airport Express	1.0	1.0	(0.6)
- Light Rail and Bus	77.7	88.6	(12.3)
- Intercity	-	-	n/m
Total	649.4	735.9	(11.8)
Average fare (HK\$)			
- Domestic Service	8.08	7.61	6.1
- Cross-boundary Service	9.6	10.2	(5.0)
- High Speed Rail	-	-	n/m
- Airport Express	34.7	53.1	(34.7)
P&L (HK\$m)			
- Domestic Service	4,782	5,000	(4.4)
- Cross-boundary Service	2	2	-
- High Speed Rail	723	651	11.1
- Airport Express	33	51	(35.3)
- Light Rail and Bus	248	268	(7.5)
- Intercity	-	-	n/m
- Others	27	32	(15.6)
Total Revenue	5,815	6,004	(3.1)
Staff Costs and Related Expenses	(3,155)	(2,988)	(5.6)
Maintenance and Related Works	(1,019)	(1,046)	2.6
Energy and Utilities	(877)	(826)	(6.2)
General and Administration Expenses	(343)	(346)	0.9
Stores and Spares Consumed	(253)	(267)	5.2
Railway Support Services	(89)	(113)	21.2
Government Rent and Rates	(77)	(80)	3.8
Other Expenses	(118)	(87)	(35.6)
EBITDA	(116)	251	n/m
Depreciation and amortization	(2,496)	(2,362)	(5.7)
Variable Annual Payment	(163)	(174)	6.3
EBIT	(2,775)	(2,285)	(21.4)
EBITDA Margin (%)	(2.0%)	4.2%	n/m
EBIT Margin (%)	(47.7%)	(38.1%)	-9.6%pts

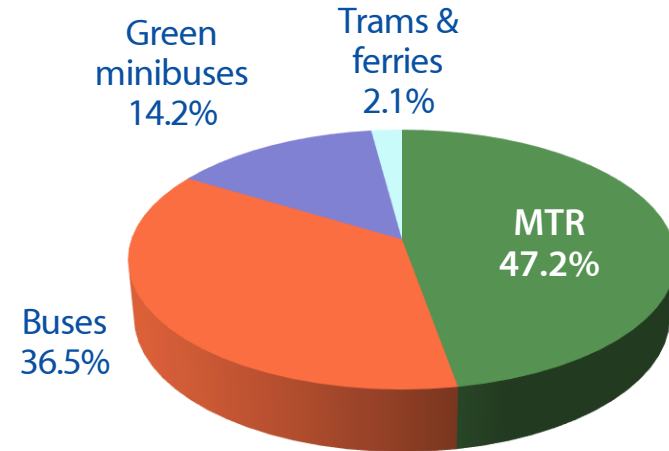
n/m: not meaningful

Hong Kong Transport Operations: Market Share

Hong Kong Franchised Public Transport



Jan – May 2021



Jan – May 2022

Cross-harbour

66.7%



Jan-May 2021

67.1%



Jan-May 2022

Cross-boundary & HSR

0%⁽²⁾

Jan-May 2021

0%⁽²⁾

Jan-May 2022

Airport Express

21.0%



Jan-May 2021⁽¹⁾

16.3%



Jan-May 2022⁽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. Cross-boundary & HSR were suspended during the period

Hong Kong Station Commercial

Hong Kong Station Commercial (HK\$m)	1H2022	1H2021	Favourable/ (Unfavourable) change (%)
- Station Retail Rental Revenue	774	808	(4.2)
- Advertising Revenue	352	344	2.3
- Telecommunication Income	316	302	4.6
- Other Station Commercial Income	39	42	(7.1)
Total Revenue	1,481	1,496	(1.0)
Operating expenses	(244)	(220)	(10.9)
EBITDA	1,237	1,276	(3.1)
Depreciation and Amortisaion	(105)	(95)	(10.5)
Variable Annual Payment	(34)	(36)	5.6
EBIT	1,098	1,145	(4.1)
EBITDA Margin (%)	83.5%	85.3%	-1.8%pts
EBIT Margin (%)	74.1%	76.5%	-2.4%pts
Average Occupancy Rate (% , Station Kiosks)	97.4%	98.1%	-0.7%pt
Rental Reversion (% , Station Kiosks)	-13.5%	-17.5%	+4.0%pts

Note: Rental concessions were granted to tenants who were affected by station closures and suspended cross-boundary rail services following boarder shutdowns, as well as other station shop tenants during COVID-19 outbreak.

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

Hong Kong Property Rental and Management (HK\$m)	1H2022	1H2021	Favourable/ (Unfavourable) change (%)
- Property Rental	2,188	2,392	(8.5)
- Property Management	119	119	-
Total Revenue	2,307	2,511	(8.1)
Operating Expenses	(434)	(433)	(0.2)
EBITDA	1,873	2,078	(9.9)
Depreciation and Amortization	(7)	(10)	30.0
Variable Annual Payment	(1)	(1)	-
EBIT	1,865	2,067	(9.8)
EBITDA Margin (%)	81.2%	82.8%	-1.6%pts
EBIT Margin (%)	80.8%	82.3%	-1.5%pts
Average Occupancy Rate (% Malls)	99.0%	98.5%	+0.5%pt
Average Occupancy Rate (% Two ifc)	92.0%	98.2%	-6.2%pts
Rental Reversion (% Malls)	-6.8%	-11.4%	+4.6%pts

Hong Kong Property Development (HK\$m)	1H2022	1H2021	Favourable/ (Unfavourable) change (%)
- Share of Surplus and Interest in Unsold Properties from Property Development	9,161	3,635	152.0
- Agency Fee and Other Income from West Rail Property Development	122	29	320.7
- Overheads and Miscellaneous Studies	(6)	(10)	40.0
EBIT	9,277	3,654	153.9

n/m: not meaningful

Note: Relief measures were provided to tenants during the pandemic, which were granted on a case-by-case basis with priority given to small to medium tenants

Hong Kong property development profit was primarily derived from the proceeds from LP10, THE SOUTHLAND and La Marina in 1H2022

Mainland China and International Businesses

<i>(HK\$m)</i>	1H2022	1H2021	Favourable/ (Unfavourable) change (%)
Recurrent Businesses Revenue of Subsidiaries	13,150	12,050	9.1
- Melbourne Train	580	299	94.0
- Sydney Metro Northwest	27	33	(18.2)
- Sydney Metro City & Southwest	113	4	n/m
- Nordic Group	(12)	21	n/m
- TfL Rail/Elizabeth Line	94	74	27.0
- Shenzhen Metro Line 4*	43	56	(23.2)
- Others	78	92	(15.2)
EBITDA	923	579	59.4
Depreciation and Amortisation	(132)	(134)	(1.5)
EBIT	791	445	77.8
EBIT (net of Non-controlling Interests)	595	336	77.1
EBITDA Margin (%)	7.0%	4.8%	+2.2%pts
EBIT Margin (%)	6.0%	3.7%	+2.3%pts
Recurrent Business Profit	364	258	41.1
Associates & Joint Ventures			
Share of EBIT	752	857	(12.3)
Share of Profit	292	430	(32.1)
(Loss)/Profit Attributable to Shareholders of the Company			
Arising from Recurrent Businesses (before Business Development Expenses and Impairment Loss)	656	688	(4.7)
- Business Development Expenses	(140)	(122)	(14.8)
Arising from Recurrent Businesses (after Business Development Expenses but before Impairment Loss)	516	566	(8.8)
- Impairment Loss on Shenzhen Metro Line 4	(962)	-	n/m
Arising from Recurrent Businesses (after Business Development Expenses and Impairment Loss)	(446)	566	n/m
- Arising from Mainland China Property Development	39	29	34.5
Arising from Underlying Profit	(407)	595	n/m

n/m: not meaningful

Note: While COVID-19 affected passenger numbers, patronage losses had varied impacts on our financial performance depending on the business models for different business contracts.

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

Landbank

Tin Wing Station
Awarded: 0.09m sqm GFA

Tai Wai Station
Awarded: 0.25m sqm GFA

Ho Man Tin Station
Awarded: 0.13m sqm GFA

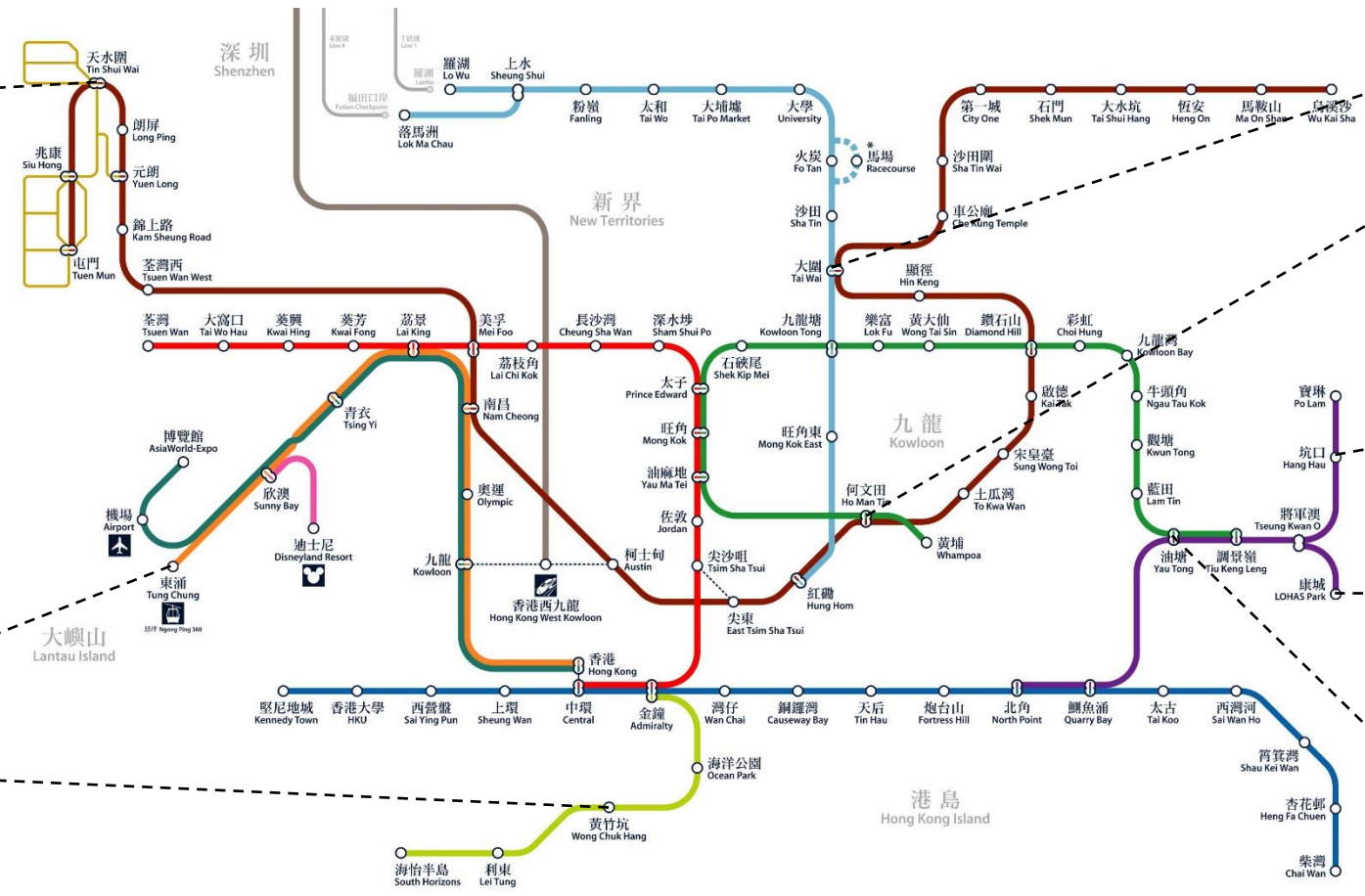
Pak Shing Kok Ventilation Building
Awarded: 0.03m sqm GFA

LOHAS Park
Awarded: 0.32m sqm GFA

Yau Tong Ventilation Building
Awarded: 0.03m sqm GFA

Tung Chung Traction Substation
Awarded: 0.09 m sqm GFA

THE SOUTHSIDE
Awarded: 0.31m sqm GFA



Note: Residential GFA: 1.13m sqm (all awarded)
Shopping mall GFA: 0.11m sqm

Hong Kong Property Development

Development profit yet to be booked: ~20,000 residential units (GFA : 1.13 million sqm)

	Property 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	Oct 2014	New World	190,480	3,090		✓	✓	TBC
2	Tin Wing Stop	Feb 2015	Sun Hung Kai	91,051	1,976		✓		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	✓	✓	✓	2024
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	✓	✓		2025
8	THE SOUTHSIDE Package 4	Oct 2019	Kerry Properties, Swire Properties, Sino Land	59,300	800	✓	✓		2025
9	LOHAS Park Package 12	Feb 2020	Wheelock	89,290	2,000	✓	✓		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	1,050	✓	✓		2026
12	THE SOUTHSIDE Package 6	Apr 2021	Wheelock	46,800	750	✓	✓		2027
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



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