# MTR CORPORATION LIMITED
# 香港鐵路有限公司

(the "Company")
*(Incorporated in Hong Kong with limited liability)*
(Stock Code: 66)

## ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

**RESULTS**

| HK$ million | Six months ended 30 June **2025** | 2024 | Favourable / (unfavourable) change |
|---|---|---|---|
| Total revenue | **27,360** | 29,271 | (6.5)% |
| Profit from recurrent businesses | **3,391** | 4,024 | (15.7)% |
| Profit from property development | **5,542** | 1,740 | 218.5% |
| (Loss) / gain from fair value measurement of investment properties | **(1,224)** | 280 | n/m |
| Net profit attributable to shareholders of the Company | **7,709** | 6,044 | 27.5% |

*n/m : not meaningful*

- Interim ordinary dividend of HK$0.42 per share declared

**HIGHLIGHTS**

**Hong Kong Businesses**

- Hong Kong transport operations recorded steady revenue growth driven by increase in patronage from Cross-boundary and High Speed Rail (Hong Kong Section) services
- Train service delivery and passenger journeys on-time for heavy rail maintained at 99.9% world-class level
- Hong Kong property development profit of HK$5.5 billion mainly derived from Ho Man Tin Station packages 1 and 2 and THE SOUTHSIDE packages 3 and 5
- Project Agreement with the Government for Northern Link Project – Part 1 signed

**Mainland China and International Businesses**

- Southwest section of Sydney Metro M1 Metro North West & Bankstown Line, other sections of Shenzhen Metro Line 13 and middle section of Beijing Metro Line 17 continued to progress
- Operational handover to the next operators for UK Elizabeth Line and South Western Railway completed in May 2025
- Station commercial businesses in Chengdu, Zhengzhou and Xi'an are under development

**HIGHLIGHTS** *(continued)*

**Outlook**

- With the successful issuance of US$3 billion public senior notes (including a US$1.5 billion 30-year tranche) and US$3 billion dual-tranche corporate subordinated perpetual securities, we continue to move prudently but confidently into the second half of the year, fully intent on helping Hong Kong achieve its aspirations for sustainable future growth. We are also looking forward to extending our quality railway network development via the many current initiatives under RDS 2014 and the Hong Kong Major Transport Infrastructure Development Blueprint
- Although patronage has been steadily climbing since the pandemic, the success of our railway operations remains dependent to some extent on the health of the local and regional economies
- Subject to the progress of construction and sales, we expect to book property development profit from LOHAS Park Package 12 and to continue to book profit from THE SOUTHSIDE Package 5
- Depending on market conditions, we anticipate the possible tender of Tung Chung East Station Package 2 and Tuen Mun A16 Station Package 1 in the coming 12 months or so

The Directors of the Company announce the unaudited interim results of the Company and its subsidiaries ("the Group") for the six months ended 30 June 2025 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| HK$ million | **Six months ended 30 June 2025 (Unaudited)** | 2024 (Unaudited) |
|---|---|---|
| Revenue from Hong Kong transport operations | **11,509** | 11,138 |
| Revenue from Hong Kong station commercial businesses | **2,621** | 2,638 |
| Revenue from Hong Kong property rental and management businesses | **2,657** | 2,688 |
| Revenue from Mainland China and international railway, property rental and management subsidiaries | **10,183** | 12,429 |
| Revenue from other businesses | **376** | 378 |
| | **27,346** | 29,271 |
| Revenue from Mainland China property development | **14** | - |
| **Total revenue** | **27,360** | 29,271 |
| Expenses relating to Hong Kong transport operations | | |
| - Staff costs and related expenses | **(4,053)** | (3,592) |
| - Maintenance and related works | **(1,273)** | (1,206) |
| - Energy and utilities | **(1,094)** | (1,093) |
| - General and administration expenses | **(398)** | (391) |
| - Stores and spares consumed | **(300)** | (288) |
| - Railway support services | **(255)** | (229) |
| - Government rent and rates | **(116)** | (91) |
| - Other expenses | **(54)** | (189) |
| | **(7,543)** | (7,079) |
| Expenses relating to Hong Kong station commercial businesses | **(377)** | (310) |
| Expenses relating to Hong Kong property rental and management businesses | **(556)** | (525) |
| Expenses relating to Mainland China and international railway, property rental and management subsidiaries | **(9,507)** | (11,720) |
| Expenses relating to other businesses | **(302)** | (326) |
| Project study and business development expenses | **(227)** | (197) |
| | **(18,512)** | (20,157) |

| HK$ million | Six months ended 30 June **2025 (Unaudited)** | 2024 (Unaudited) |
|---|---|---|
| Expenses relating to Mainland China property development | **(10)** | (2) |
| **Operating expenses before depreciation, amortisation and variable annual payment** | **(18,522)** | (20,159) |
| **Operating profit / (loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment** | | |
| - Arising from recurrent businesses | **8,834** | 9,114 |
| - Arising from Mainland China property development | **4** | (2) |
| | **8,838** | 9,112 |
| Hong Kong property development profit from share of surplus, income and interest in unsold properties | **6,594** | 2,024 |
| (Loss) / gain from fair value measurement of investment properties | **(1,224)** | 280 |
| **Operating profit before depreciation, amortisation and variable annual payment** | **14,208** | 11,416 |
| Depreciation and amortisation | **(3,099)** | (2,906) |
| Variable annual payment | **(1,534)** | (1,434) |
| Share of profit of associates and joint ventures | **601** | 673 |
| **Profit before interest, finance charges and taxation** | **10,176** | 7,749 |
| Interest and finance charges | **(620)** | (494) |
| **Profit before taxation** | **9,556** | 7,255 |
| Income tax | **(1,734)** | (1,111) |
| **Profit for the period** | **7,822** | 6,144 |
| **Attributable to:** | | |
| - Shareholders of the Company | **7,709** | 6,044 |
| - Perpetual capital securities holders | **24** | - |
| - Non-controlling interests | **89** | 100 |
| **Profit for the period** | **7,822** | 6,144 |

| HK$ million | Six months ended 30 June<br>**2025**<br>**(Unaudited)** | <br>2024<br>(Unaudited) |
|---|---|---|
| **Profit / (loss) for the period attributable to shareholders of the Company:** | | |
| - Arising from recurrent businesses | | |
| - in Hong Kong | **2,973** | 3,482 |
| - outside Hong Kong | **418** | 542 |
| | **3,391** | 4,024 |
| - Arising from property development | | |
| - in Hong Kong | **5,530** | 1,722 |
| - outside Hong Kong | **12** | 18 |
| | **5,542** | 1,740 |
| - Arising from underlying businesses | **8,933** | 5,764 |
| - Arising from fair value measurement of investment properties | **(1,224)** | 280 |
| | **7,709** | 6,044 |
| **Earnings per share:** | | |
| - Basic | **HK$1.24** | HK$0.97 |
| - Diluted | **HK$1.24** | HK$0.97 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

**Notes:**

## 1. REVIEW OF INTERIM FINANCIAL REPORT

The interim results set out in this preliminary announcement do not constitute the Group's interim financial report for the six months ended 30 June 2025 but are extracted from that interim financial report.

The interim financial report for the six months ended 30 June 2025 is unaudited, but has been reviewed by the Company's auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unmodified review report of KPMG is included in the interim report to be sent to shareholders. The interim financial report has also been reviewed by the Company's Audit & Risk Committee.

## 2. BASIS OF PREPARATION

This preliminary announcement of the Company's interim results has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

- The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

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

The 2025 unaudited interim financial report should be read in conjunction with the 2024 annual financial statements.

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

Except for the new accounting policy for perpetual capital securities as disclosed in note 12, the accounting policies adopted for the preparation of the interim financial report are the same as those adopted in the preparation of the 2024 annual financial statements.

## 3. RETAINED PROFITS

The movements of the retained profits during the six months ended 30 June 2025 and the year ended 31 December 2024 are as follows:

| HK$ million | |
|---|---|
| Balance as at 1 January 2025 | **123,454** |
| Profit for the period attributable to shareholders of the Company | **7,709** |
| Vesting and forfeiture of award shares of Executive Share Incentive Scheme | **(5)** |
| Dividend proposed and approved | **(5,541)** |
| Balance as at 30 June 2025 | **125,617** |

| HK$ million | |
|---|---|
| Balance as at 1 January 2024 | 115,688 |
| Profit for the year attributable to shareholders of the Company | 15,772 |
| Other comprehensive income arising from remeasurement of net asset / liability of defined benefit schemes | 144 |
| Vesting and forfeiture of award shares of Executive Share Incentive Scheme | (6) |
| Dividends declared and approved, net of scrip dividend for shares held for Executive Share Incentive Scheme | (8,144) |
| Balance as at 31 December 2024 | 123,454 |

## 4. HONG KONG PROPERTY DEVELOPMENT PROFIT FROM SHARE OF SURPLUS, INCOME AND INTEREST IN UNSOLD PROPERTIES

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

| | **Six months ended 30 June** | |
|---|---|---|
| HK$ million | **2025** | 2024 |
| Share of surplus, income and interest in unsold properties from property development | **6,592** | 1,995 |
| Agency fee and other income from West Rail property development | **5** | 33 |
| Overheads | **(3)** | (4) |
| Hong Kong Property Development Profit (Pre-tax) | **6,594** | 2,024 |
| Hong Kong Property Development Profit (Post-tax) | **5,530** | 1,722 |

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

## 5. (LOSS) / GAIN FROM FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES

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

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

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

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

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

## 6. INCOME TAX

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

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

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

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

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

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and has accounted for the tax as current tax when incurred, if any. During the six months ended 30 June 2025, the Group has recognised HK$nil for the current tax relating to the Pillar Two model rules (2024: HK$nil).

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

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

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

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

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

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

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

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

## 7. DIVIDENDS

Ordinary dividends to shareholders of the Company are as follows:

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

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

The Company has a progressive ordinary dividend policy. The aim of this policy is to steadily increase or at least maintain the Hong Kong dollar value of ordinary dividends per share annually. In setting the proposed level of dividend payable in respect of any period, the Board considers, inter alia, the financial performance and future funding needs of the Company. The Board has resolved to pay an interim dividend of HK$0.42 per share for the six months ended 30 June 2025 in cash. The interim dividend is expected to be paid on 16 September 2025 to shareholders whose names appear on the Register of Members of the Company as at the close of business on 3 September 2025, being the record date for determination of entitlement to the interim dividend.

## 8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2025 of HK$7,709 million (2024: HK$6,044 million) and the weighted average number of ordinary shares in issue less shares held for Executive Share Incentive Scheme during the period amounting to 6,214,985,540 shares (2024: 6,210,898,154 shares).

The calculation of diluted earnings per share is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2025 of HK$7,709 million (2024: HK$6,044 million) and the weighted average number of ordinary shares in issue less shares held for Executive Share Incentive Scheme during the period after adjusting for the dilutive effect of the Company's Executive Share Incentive Scheme amounting to 6,225,220,814 shares (2024: 6,218,725,473 shares).

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

## 9. SEGMENTAL INFORMATION

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

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

(i) Hong Kong transport operations: The provision of passenger operation and related services on the domestic mass transit railway system in Hong Kong, the Airport Express serving both the Hong Kong International Airport and the AsiaWorld-Expo at Chek Lap Kok, cross-boundary railway connection with the Mainland China at Lo Wu and Lok Ma Chau, the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section), light rail and bus feeder with railway system in the north-west New Territories and intercity railway transport with certain cities in Mainland China.

(ii) Hong Kong station commercial businesses: Commercial activities including the letting of advertising, retail and car parking spaces at railway stations, the provision of telecommunication, bandwidth and data centre services in railway and other premises, and other commercial activities within the Hong Kong transport operations network.

(iii) Hong Kong property rental and management businesses: The letting of retail, office and car parking spaces and the provision of property management services in Hong Kong.

(iv) Hong Kong property development: Property development activities at locations near the railway systems in Hong Kong.

(v) Mainland China and international railway, property rental and management businesses: The construction, operation and maintenance of mass transit railway systems including station commercial activities outside of Hong Kong and the letting of retail spaces and provision of property management services in Mainland China.

(vi) Mainland China property development: Property development activities in Mainland China.

(vii) Other businesses: Businesses not directly relating to transport services or properties such as Ngong Ping 360, which comprises cable car operation in Tung Chung and related businesses at the Ngong Ping Village, railway consultancy business, investment in Octopus Holdings Limited and the provision of project management services to the Government of the Hong Kong Special Administrative Region (the "HKSAR Government" or "Government").

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

| HK$ million | **Revenue Six months ended 30 June 2025** | Revenue Six months ended 30 June 2024 | **Contribution to profit / (loss) Six months ended 30 June 2025** | Contribution to profit / (loss) Six months ended 30 June 2024 |
|---|---|---|---|---|
| Hong Kong transport services | | | | |
| - Hong Kong transport operations | **11,509** | 11,138 | **98** | 415 |
| - Hong Kong station commercial businesses | **2,621** | 2,638 | **1,798** | 1,897 |
| | **14,130** | 13,776 | **1,896** | 2,312 |
| Hong Kong property rental and management businesses | **2,657** | 2,688 | **2,084** | 2,154 |
| Mainland China and international railway, property rental and management businesses | **10,183** | 12,429 | **409** | 486 |
| Mainland China property development | **14** | - | **4** | (2) |
| Other businesses | **376** | 378 | **39** | 19 |
| | **27,360** | 29,271 | **4,432** | 4,969 |
| Hong Kong property development | | | **6,594** | 2,024 |
| Project study and business development expenses | | | **(227)** | (197) |
| (Loss) / gain from fair value measurement of investment properties | | | **(1,224)** | 280 |
| Share of profit of associates and joint ventures | | | **601** | 673 |
| Profit before interest, finance charges and taxation | | | **10,176** | 7,749 |
| Interest and finance charges | | | **(620)** | (494) |
| Income tax | | | **(1,734)** | (1,111) |
| Profit for the period | | | **7,822** | 6,144 |

For the six months ended 30 June 2025, profit attributable to shareholders of the Company arising from property development of HK$5,542 million (2024: HK$1,740 million) represents Hong Kong property development profit of HK$6,594 million (2024: HK$2,024 million), Mainland China property development profit of HK$4 million (2024: loss of HK$2 million) and the related interest, finance charges and income tax expenses of HK$1,056 million (2024: HK$282 million).

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

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

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

## 10. RAILWAY CONSTRUCTION PROJECTS UNDER ENTRUSTMENT BY THE HKSAR GOVERNMENT

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

(a) Entrustment Agreements

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

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

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

The HKSAR Government has the right to claim against the Company if the Company breaches the HSR Entrustment Agreement (including, if the Company breaches the warranties it gave in respect of its project management services) and, under the HSR Entrustment Agreement, to be indemnified by the Company in relation to losses suffered by the HKSAR Government as a result of any negligence of the Company in performing its obligations under the HSR Entrustment Agreement or any breach of the HSR Entrustment Agreement by the Company. Under the HSR Entrustment Agreement, the Company's total aggregate liability to the HKSAR Government arising out of or in connection with the Entrustment Agreements (other than for death or personal injury) is subject to a cap equal to the total of HSR Project Management Fee and any other fees that the Company receives under the HSR Entrustment Agreement and certain fees received by the Company under the HSR Preliminary Entrustment Agreement (the "**Liability Cap**"). In accordance with general principles of law, such Liability Cap could not be relied upon if the Company were found to be liable for the fraudulent or other dishonest conduct of its employees or agents, to the extent that the relevant loss had been caused by such fraudulent or other dishonest conduct. Although the HKSAR Government has reserved the right to refer to arbitration the question of the Company's liability for the Current Cost Overrun (as defined hereunder) (if any) under the HSR Preliminary Entrustment Agreement and the HSR Entrustment Agreement (as more particularly described in note 10A(b)(v) below), up to the date of the interim financial report, no formal claim has been received from the HKSAR Government. In 2024, the HKSAR Government informed the Company of a number of areas of interest to it arising out of the Company's performance under the HSR Entrustment Agreements ("**Areas of Interest**") for which the HKSAR Government was seeking further information and explanations from the Company. Subsequently, in late 2024, the HKSAR Government invited the Company to take part in a series of Senior Executive Meetings as a forum to discuss and endeavour to settle issues between the parties in connection with the HSR project (as was contemplated under a protocol entered into between the parties in December 2021 (the "**Protocol**")). The first such meeting was held on 13 December 2024, at which the HKSAR Government issued a "Position Paper" to the Company for the purpose of commencing discussions in accordance with the Protocol. The Company delivered its response in April 2025 and discussions with the HKSAR Government are ongoing.

(b) HSR Agreement

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

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

(ii) The Company will, if the project cost exceeds HK$84.42 billion, bear and finance the portion of the project cost which exceeds that sum (if any) (the "**Further Cost Overrun**") except for certain agreed excluded costs (namely, additional costs arising from changes in law, force majeure events or any suspension of construction contracts specified in the HSR Agreement);

(iii) The Company would pay a special dividend in cash of HK$4.40 in aggregate per share in two tranches in 2016 and 2017;

(iv) The HSR Project Management Fee increases from HK$4.59 billion to HK$6.34 billion. Consequently, the Liability Cap increases from up to HK$4.94 billion to up to HK$6.69 billion; and

(v) The HKSAR Government reserves the right to refer to arbitration the question of the Company's liability for the Current Cost Overrun (if any) under the Entrustment Agreements (including any question the HKSAR Government may have regarding the validity of the Liability Cap). The Entrustment Agreements contain dispute resolution mechanisms which include the right to refer a dispute to arbitration. If the arbitrator does not determine that the Liability Cap is invalid and determines that, but for the Liability Cap, the Company's liability under the Entrustment Agreements for the Current Cost Overrun would exceed the Liability Cap, the Company shall:

- bear such amount as is awarded to the HKSAR Government up to the Liability Cap;

- seek the approval of its independent shareholders, at another General Meeting (at which The Financial Secretary Incorporated, the HKSAR Government and their Close Associates and Associates and the Exchange Fund will be required to abstain from voting), for the Company to bear the excess liability; and

- if the approval of the independent shareholders (referred to immediately above) is obtained, pay the excess liability to the HKSAR Government. If such approval is not obtained, the Company will not make such payment to the HKSAR Government.

(c) As at 30 June 2025, the Company has not made any provision in its interim financial report in respect of:

(i) any possible liability of the Company for any Further Cost Overrun (if any), given the Company does not currently believe based on information available to date there is any need to revise further the Revised Cost Estimate;

(ii) any possible liability of the Company that may be determined in accordance with any arbitration that may take place (as more particularly described in note 10A(b)(v) above), given that (a) the Company has not received any notification from the HKSAR Government of any formal claim by the HKSAR Government against the Company or of any referral by the HKSAR Government to arbitration as of 30 June 2025 and up to the date of the interim financial report and the eventual outcome of any dialogue between the Company and the HKSAR Government on the Areas of Interest remains highly uncertain at the current stage; (b) the Company has the benefit of the Liability Cap; and (c) as a result of the HSR Agreement, the Company will not make any payment to the HKSAR Government in excess of the Liability Cap pursuant to a determination of the arbitrator without the approval of its independent shareholders; and where applicable, because the Company is not able to measure with sufficient reliability the amount of the Company's obligation or liability (if any).

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

(a) SCL Agreements

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

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

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

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

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

(b) SCL EA3 Cost Overrun

*(i) Cost to Complete*

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

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

*(ii) Provision for Additional PMC*

As detailed in note 10B(b)(i) above and as previously disclosed by the Company, the programme for the delivery of the SCL Project has been significantly impacted by certain key external events. Not only do these matters increase the cost of works, they also increase the cost to the Company of carrying out its project management responsibilities under the relevant SCL entrustment agreement, which is estimated to be around HK$1,371 million.

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

After taking into account the matters described above, and in particular, the Company meeting, on an interim and without prejudice basis (on the basis outlined above), the cost to the Company of continuing to comply with its project management obligations, the Group recognised a provision of HK$1,371 million in its consolidated statement of profit or loss for the year ended 31 December 2020, for the estimated additional cost to the

Company of continuing to comply with its project management responsibilities. During the six months ended 30 June 2025, the provision utilised amounted to HK$36 million (2024: HK$59 million) and no provision was written back (2024: HK$nil). As at 30 June 2025, the provision of HK$160 million (31 December 2024: HK$196 million), net of amount utilised, is included in "Creditors, other payables and provisions" in the consolidated statement of financial position.

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

(c) Hung Hom Incidents

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The HKSAR Government has the right to claim against the Company if the Company breaches the SCL Agreements (including, if the Company breaches the warranties it gave in respect of its project management services) and, under each SCL Agreement, to be indemnified by the Company in relation to losses incurred by the HKSAR Government as a result of the negligence of the Company in performing its obligations under the relevant SCL Agreement or breach thereof by the Company. Under the SCL EA3, the Company's total aggregate liability to the HKSAR Government arising out of or in connection with the SCL Agreements (other than for death or personal injury) is subject to a cap equal to the fees that the Company receives under the SCL Agreements. In accordance with general principles of law, such cap could not be relied upon if the Company were found to be liable for the fraudulent or other dishonest conduct of its employees or agents, to the extent that the relevant loss had been caused by such fraudulent or other dishonest conduct. Although the HKSAR Government has stated that it reserves all rights to pursue further actions against the Company and related contractors and has made the statements in its closing submission to the COI (as stated in note 10B(c)(i) above), up to the date of the interim financial report, no claim has been received from the HKSAR Government in relation to any SCL Agreement. It is uncertain as to whether such claim will be made against the Company in the future and, if made, the nature and amount of such claim.

The eventual outcome of the discussions between the Company and the HKSAR Government on various matters remain highly uncertain at the current stage. As a result, no additional provision other than as stated above has been made as the Company is currently not able to measure with sufficient reliability the ultimate amount of the

Company's obligation or liability arising from the SCL Project as a whole in light of the significant uncertainties involved. While no provision in respect of the SCL Project related matters was recognised at 30 June 2025 other than as stated above, the Company will reassess on an ongoing basis the need to recognise any further provision in the future in light of any further development.

## 11. DEBTORS AND CREDITORS

**A** As at 30 June 2025, the Group's debtors and other receivables amounted to HK$11,506 million (31 December 2024: HK$15,780 million), of which debtors accounted for HK$4,537 million (31 December 2024: HK$8,552 million). Receivables in respect of rentals, advertising and telecommunication activities are due from immediately to 60 days. Receivables in respect of income from railway subsidiaries outside of Hong Kong are mainly due within 30 days or in the following month. Receivables relating to consultancy services and entrustment works are due within 30 days. Receivables under interest rate and currency swap agreements are due in accordance with the terms of the agreements. Receivables relating to property development are due in accordance with the terms of the relevant development agreements or sale and purchase agreements. The ageing of debtors by due dates as at 30 June 2025 is analysed as follows:

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

**B** As at 30 June 2025, creditors, other payables and provisions amounted to HK$64,265 million (31 December 2024: HK$69,417 million), of which creditors and accrued charges amounted to HK$22,292 million (31 December 2024: HK$23,015 million). As at 30 June 2025, the analysis of creditors by due dates is as follows:

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

## 12. PERPETUAL CAPITAL SECURITIES

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

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

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

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

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

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

## 13. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2025, the Company redeemed a notional RMB345 million (HK$399 million) bond at par on 21 January 2025. The bond was listed on The Stock Exchange of Hong Kong Limited prior to their redemption. Save as disclosed above, the Group did not purchase, sell or redeem any of the Group's listed securities during the six months ended 30 June 2025. However, the Trustee of the Executive Share Incentive Scheme, pursuant to the terms of the rules and the trust deed of the Executive Share Incentive Scheme, purchased on the Hong Kong Stock Exchange a total of 4,341,500 Ordinary Shares of the Company for a total consideration of approximately HK$113 million during the six months ended 30 June 2025.

## 14. CHARGE ON GROUP ASSETS

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

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

Saved as disclosed above, none of the other assets of the Group was charged or subject to any encumbrance as at 30 June 2025.

## 15. CORPORATE GOVERNANCE

During the six months ended 30 June 2025, the Company has complied with the code provisions set out in Appendix C1 (Corporate Governance Code) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 16. PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company's website at www.mtr.com.hk and the website of the Stock Exchange of Hong Kong Limited ("the Stock Exchange"). The Interim Report will also be available at the Company's and the Stock Exchange's websites and will be despatched to shareholders of the Company in mid-September 2025.

## KEY STATISTICS AND FINANCIAL

| | Six months ended 30 June 2025 | 2024 |
|---|---|---|
| **Hong Kong transport operations** | | |
| Total passenger boardings (in millions) | | |
| - Domestic Service | **786.0** | 787.5 |
| - Cross-boundary Service | **51.2** | 46.5 |
| - High Speed Rail | **14.7** | 12.7 |
| - Airport Express | **6.4** | 6.2 |
| - Light Rail and Bus | **105.4** | 104.5 |
| Average number of passengers (in thousands) | | |
| - Domestic Service (weekday) | **4,667.7** | 4,651.1 |
| - Cross-boundary Service (daily) | **282.8** | 255.5 |
| - High Speed Rail (daily) | **81.4** | 69.7 |
| - Airport Express (daily) | **35.4** | 34.4 |
| - Light Rail and Bus (weekday) | **618.8** | 608.3 |
| **Financial** | | |
| EBITDA margin^ | | |
| - Including Mainland China and international subsidiaries | **32.3%** | 31.1% |
| - Excluding Mainland China and international subsidiaries[δ] | **47.5%** | 49.9% |
| EBIT margin* | | |
| - Including Mainland China and international subsidiaries | **15.4%** | 16.3% |
| - Excluding Mainland China and international subsidiaries[φ] | **22.1%** | 25.5% |
| Profit attributable to shareholders of the Company arising from Hong Kong property development (HK$'million) | **5,530** | 1,722 |
| Profit attributable to shareholders of the Company arising from underlying businesses (HK$'million) | **8,933** | 5,764 |

^ Operating profit before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment as a percentage of total revenue

δ Excluding the relevant revenue and expenses of Mainland China and international subsidiaries of HK$10,197 million and HK$9,517 million (2024: HK$12,429 million and HK$11,722 million) respectively

* Profit before interest, finance charges and taxation (excluding Hong Kong property development profit from share of surplus, income and interest in unsold properties, gain/loss from fair value measurement of investment properties and share of profit of associates and joint ventures) as a percentage of total revenue

φ Excluding the relevant revenue, expenses, and depreciation and amortisation of Mainland China and international subsidiaries of HK$10,197 million, HK$9,517 million, and HK$267 million (2024: HK$12,429 million, HK$11,722 million, and HK$223 million) respectively

## CEO'S REVIEW AND OUTLOOK

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

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

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

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

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

## BUSINESS PERFORMANCE AND GROWTH

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

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

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

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

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

## FINANCIAL PERFORMANCE

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

## OUTLOOK

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

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

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

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

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

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

## HONG KONG BUSINESSES

MTR's Hong Kong businesses comprise rail and bus transport services, station commercial activities such as retail rentals and advertising sales, property activities including development, rental and management, and the investments, design and construction of new railway lines throughout the city. The Company operates according to a "Rail plus Property" business model ("R+P Model") that enables it to generate funds from property developments along existing railway lines to support future infrastructure projects as well as on-going operations and maintenance, while creating vibrant communities centred on convenient transport links.

### Hong Kong Transport Services – Transport Operations

**Highlights**

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

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

In the first half of 2025, revenue from Hong Kong transport operations was HK$11,509 million, an increase of 3.3% compared to the same period last year, which was driven by higher contribution from Domestic Service as well as higher patronage for Cross-boundary Service and HSR. Profit before interest, finance charges and taxation and net of the variable annual payment to Kowloon–Canton Railway Corporation ("KCRC") decreased to HK$98 million, which was mainly attributable to higher operating costs.

***Patronage and Revenue***

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

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

***Market Share***

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

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

***Fare Adjustment, Promotions and Concessions***

In March 2025, we announced that MTR fares would remain unchanged in 2025/2026 in accordance with the Fare Adjustment Mechanism. The calculated fare adjustment rate of +1.45% fell within the range of ±1.5% and will instead be rolled over to 2026/2027. The total rate of +1.91% to be recouped in 2025/2026 will also be carried forward to 2026/2027 for recoupment according to the mechanism. The fare freeze demonstrates the mechanism's considerations of public affordability based on objective data that reflect Hong Kong's overall economic situation. We continued to offer fare concessions this year for passengers from all walks of life, including the elderly, children, eligible students, persons with disabilities and more, as well as the City Saver and HK$0.5 interchange discount with Green Minibus, while extending the Monthly Passes and Early Bird Discount for another year. An overall fare adjustment of +9.24% for Airport Express became effective on 22 June 2025, along with fare promotions for various passenger groups. This marked the first fare adjustment for this line since 2017.

***Service Performance***

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

***Safety Performance***

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

***Enhancing the Customer Experience***

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

*Boosting Passenger Convenience*

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

*Upgrade of Automatic Fare Collection System*

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

*New Trains*

Our programme to replace older trains with newer, more comfortable Q-train models continued over the first six months of 2025. A total of 28 new trains are now in use along the Kwun Tong and Island lines. Meanwhile, we commenced type testing of new Tung Chung Line trains, and new Disneyland Resort Line trains are in the design stage and expected to be brought into operation in 2028. We have also commenced the design stage for new trains along the Tuen Mun South Extension.

*Replacement of Signalling System*

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

*Replacement of Power Distribution Systems*

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

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

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

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

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

## Hong Kong Transport Services – Station Commercial Businesses

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

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

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

### *Station Retail*

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

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

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

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

### *Advertising*

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

### *Telecommunications*

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

## Property Businesses

**Highlights**

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

### *Property Rental and Management*

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

*Property rental*

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

Hong Kong's retail environment remained challenging over the first six months of the year as many residents continued to travel to Mainland China on weekends and holidays. However, MTR shopping mall tenants still benefit to a degree from being located in convenient, high-traffic areas around major transport hubs. We also continued to launch promotional activities and leveraged the MTR Mobile app and MTR Points Loyalty Scheme to drive traffic and sales at our shopping malls during the period under review.

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

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

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

*Property management*

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

### *Property Development and Tendering*

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

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

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

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

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

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

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

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

## Hong Kong Network Expansion

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

MTR continues to "Go Beyond Boundaries" in developing the railway infrastructure needed to support Hong Kong's future growth. In the first half of 2025, we continued to invest resources into new projects that will connect existing and future communities with world-class mass transit services and provide growth opportunities benefitting the Company and its shareholders.

Construction of many new railway projects is now in full swing. We are proactively managing project-specific challenges, including building new tracks and stations on operating lines. The projects team has to optimise the "Golden Two Hours" during non-traffic hours and coordinate closely with the operations and maintenance team to avoid train service disruptions. To progress multiple projects on existing railway sections, the projects team initiated preparations early with prudent planning, careful risk management and well-organised working procedures. Innovative technologies and flexible work plans tailored to each project have been introduced to minimise risks to the existing rail service, and to enhance construction efficiency and quality. Backed by deep expertise in project design, construction and management, and supported by innovative technologies and new construction methods, our dedicated teams are committed to delivering a more connected and accessible future for Hong Kong.

***Projects in Progress***

*Tung Chung Line Extension*

In February 2023, MTR signed the Project Agreement with Government for the financing, design, construction, operation and maintenance of the Tung Chung Line Extension, a major project that will serve new town extensions in the Tung Chung East new reclamation area and Tung Chung West, enhance connectivity in Lantau North, and support sustainable, long-term population and economic growth. It is being funded by the financial contribution from the R+P Model and the Company's internal resources. In the first half of 2025, we commenced westbound tunnel construction works using the tunnel boring machine "Xihe" and plan to commence eastbound tunnel construction works by the end of 2025. The Tung Chung Line Extension is expected to be completed in 2029.

*Oyster Bay Station*

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

*Tuen Mun South Extension*

In September 2023, MTR signed the Project Agreement with Government for the financing, design, construction, operation and maintenance of the Tuen Mun South Extension. This project involves extending the Tuen Ma Line southward by approximately 2.4 km from Tuen Mun Station by way of a viaduct as well as building an intermediate station at Area 16 and a new terminal station at Tuen Mun South near the Tuen Mun Ferry Terminal. Foundation construction for Tuen Mun South Station, A16 Station and the viaduct sections has commenced. Regarding the reprovision of the new Tuen Mun Swimming Pool, critical works have already approached the final stage to facilitate handover to Government by the end of 2025. Only after this, the construction of the A16 Station can fully commence. The overall project, which is being funded by financial contributions from the R+P Model and the Company's internal resources, is expected to be completed in 2030.

*Kwu Tung Station on the East Rail Line*

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

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

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

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

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

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

## Mainland China and International Businesses

**Highlights**

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

Our Mainland China and international businesses represent a growth pillar for the Company, helping diversify our revenue streams geographically while promoting the MTR and Hong Kong brands in markets around the world. Over the first six months of 2025, MTR, its subsidiaries, associates and joint ventures served approximately 1.2 billion passengers in Mainland China, Europe and Australia.

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

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

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

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

### ***Railway Businesses in Mainland China***

*Beijing*

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

*Shenzhen*

Shenzhen Metro Line 4

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

As previously stated, there has been no increase in fares for SZL4 since we began operating the line in 2010. We expect that the mechanism and procedures for fare adjustments will take time to implement and that patronage will remain at a lower level for longer than expected. If a suitable fare increase and adjustment mechanism are not implemented soon, the long-term financial viability of this line will be impacted.

Shenzhen Metro Line 13

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

*Hangzhou*

Hangzhou Metro Line 1 and Its Extensions

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

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

Hangzhou Metro Line 5

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

### ***Property Businesses in Mainland China***

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

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

### ***Other Businesses in Mainland China***

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

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

### *International Railway Businesses*

*Australia*

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

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

*Sweden*

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

*United Kingdom*

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

### *Growth Outside of Hong Kong*

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

## OTHER BUSINESSES

### *Ngong Ping 360*

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

### *Octopus*

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

### *MTR Academy*

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

***MTR Lab***

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

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

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

***Environmental Aspects***

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

***Social Aspects***

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

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

We also continued our "Art in MTR" programme, promoting public appreciation of the arts by hosting exhibitions and performances in our stations. Highlights included "My Boy: A Nostalgic Journey Exhibition" at the Hong Kong Station Living Art Stage in March 2025, featuring the works of comic legend Wong Sze Ma as well as "My Boy" artworks created by local artists to reimagine the famous comic's characters. Another highlight was the "'THE COMMEOWNITY' Feline Store Managers Heartening Photography Exhibition" at Central Station in March 2025, which displayed inspiring interactions between the city's well-known "feline store managers" and shop owners, locals and visitors, all captured by photographers and exhibited in four themed zones. We also joined hands with dayday330 to promote mental well-being and encourage passengers to relish quiet moments and share therapeutic experiences during their journeys.

***Governance***

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

## HUMAN RESOURCES

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

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

## THE FIRST HALF IN REVIEW – FINANCIAL PERFORMANCE

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

## CONSOLIDATED PROFIT OR LOSS

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

*ε : EBIT represents profit before interest, finance charges and taxation*
*# : Excluding share of profit of associates and joint ventures*
*n/m : not meaningful*

For the six months ended 30 June 2025, improvements in Hong Kong patronage drove solid results for the Group's operating revenue, while our property development business recorded profits mainly from Ho Ma Tin Station packages 1 and 2, and THE SOUTHSIDE packages 3 and 5.

### Total Revenue

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

### Recurrent Business Profit

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

#### *Total Recurrent EBIT by Businesses*

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

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

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

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

Mainland China and international railway, property rental and management subsidiaries: For the six months ended 30 June 2025, EBIT recorded a decrease of HK$77 million, or 15.8%, to HK$409 million. This was mainly due to the operating losses arising from the commencement of the initial section of Shenzhen Metro Line 13 which opened in December 2024.

Other businesses, project study and business development expenses: EBIT loss was HK$188 million for the six months ended 30 June 2025, similar to the same period in 2024.

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

### *Total Recurrent EBIT Margin*

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

### *Interest and Finance Charges*

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

### *Income Tax*

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

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

## Property Development Profit (Post-tax)

The Group's property development profit (post-tax) was HK$5,542 million for the six months ended 30 June 2025, representing an increase of HK$3,802 million over the same period in 2024. The profit was mainly derived from Ho Man Tin Station packages 1 and 2, and THE SOUTHSIDE packages 3 and 5.

## Underlying Business Profit

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

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

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

### Net Profit Attributable to Shareholders of the Company

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

## CONSOLIDATED FINANCIAL POSITION

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

*n/m : not meaningful*

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

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

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

## CONSOLIDATED CASH FLOWS

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

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

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

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

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

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

## FINANCING ACTIVITIES

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

Noting that the U.S. Federal Open Market Committee of the Federal Reserve maintained their target federal funds rate at 4.25-4.50% throughout the first half of 2025, Hong Kong interbank interest rates decreased during June 2025 and the interest rate differential between the Hong Kong dollar and the US dollar widen in accordance with the longstanding linked exchange rate system between the two currencies.

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

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

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

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

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

### Capital Expenditure and Investment

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

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

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

By Order of the Board
**Dr Jacob Kam Chak-pui**
*Chief Executive Officer*

Hong Kong, 14 August 2025

## CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

For the purpose of determining shareholders' entitlement to the 2025 interim dividend, the Register of Members of the Company will be closed and, during such closure period, no transfer of shares will be registered. Details of the closure are set out below:

Latest time to lodge transfer documents for registration (Note 1) ……………………. .4:30 p.m. on 28 August 2025

Closure of Register of Members …………………………………………………29 August 2025 to 3 September 2025 (both dates inclusive)

Record date ……………………………………………………...……….3 September 2025

Notes:

1. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

2. The above references to times and dates are to Hong Kong times and dates.

As at the date of this announcement:

*Members of the Board:* Dr Rex Auyeung Pak-kuen *(Chairman)***, Dr Jacob Kam Chak-pui *(Chief Executive Officer)*, Andrew Clifford Winawer Brandler*, Dr Bunny Chan Chung-bun*, Cheng Yan-kee*, Hui Siu-wai*, Ayesha Macpherson Lau*, Sunny Lee Wai-kwong*, Jimmy Ng Wing-ka*, Susanna Shen Shuk-ching*, Dr Carlson Tong*, Sandy Wong Hang-yee*, Adrian Wong Koon-man*, Professor Anna Wong Wai-kwan*, Christopher Hui Ching-yu (Secretary for Financial Services and the Treasury)**, Secretary for Transport and Logistics (Mable Chan)**, Permanent Secretary for Development (Works) (Ricky Lau Chun-kit)** and Commissioner for Transport (Angela Lee Chung-yan)**

*Members of the Executive Directorate:* Dr Jacob Kam Chak-pui, Jeny Yeung Mei-chun, Margaret Cheng Wai-ching, Linda Choy Siu-min, Carl Michael Devlin, Michael George Fitzgerald, Gillian Elizabeth Meller, David Tang Chi-fai and Sammy Wong Kwan-wai

* *independent non-executive Director*
** *non-executive Director*

*This announcement is made in English and Chinese. In case of any inconsistency, the English version shall prevail.*