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 2026

RESULTS

HK$ million	Six months ended 30 June **2026**	2025	Favourable / (unfavourable) change
Total revenue	**26,231**	27,360	(4.1)%
Profit from recurrent businesses	**3,434**	3,391	1.3%
Profit from property development	**12,233**	5,542	120.7%
Gain / (loss) from fair value measurement of investment properties	**205**	(1,224)	n/m
Net profit attributable to shareholders of the Company	**15,872**	7,709	105.9%

n/m : not meaningful

- Interim ordinary dividend of HK$0.42 per share declared

HIGHLIGHTS

Hong Kong Businesses

- Hong Kong transport operations maintained steady revenue growth mainly 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$12.2 billion mainly arising from Tai Wai Station and THE SOUTHSIDE Package 5. Much of the profit would contribute to our asset replacements and management as well as new railway projects
- The tender of Kam Sheung Road Station Phase 2 property project was awarded in April 2026

Chinese Mainland and International Businesses

- We continue to progress the design works for the Sydney Metro West project awarded in December 2025
- Shenzhen Metro Line 13 Phase 2 Northern Extension commenced operation in June 2026

HIGHLIGHTS *(continued)*

Outlook

- Our five-year plan sets out a clear roadmap which aims to evolve the Company into a future-fit, AI- and technology-empowered organisation with the agility, capabilities and culture to ignite long-term business success and grow together with Hong Kong
- To counter market challenges to our domestic and international businesses, we would protect and expand our recurrent revenue streams, exercise prudent and proactive financial and cash flow management. During the first half of 2026, we successfully issued EUR 3 billion, HK$18.8 billion and AU$2 billion senior unsecured green bonds
- We will continue our discussions with the Government to finalise the Northern Link (Part 2) Project Agreement and move ahead at full steam on the Northern Metropolis' main transport artery. We will also keep exploring participation in a variety of other initiatives of the Government to develop Hong Kong's transport networks
- Subject to the progress of construction and sales, we expect to book property development profit from THE SOUTHSIDE Package 6 and the Yau Tong Ventilation Building project and continue to book profit from Tai Wai Station in the second half of 2026
- The tendering of the Tuen Mun A16 Station Package 2 property development project was launched in July 2026. Subject to market conditions, we expect to tender two projects 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 2026 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Six months ended 30 June	
HK$ million	**2026 (Unaudited)**	2025 (Unaudited)
Revenue from Hong Kong transport operations	**11,850**	11,509
Revenue from Hong Kong station commercial businesses	**2,615**	2,621
Revenue from Hong Kong property rental and management businesses	**2,593**	2,657
Revenue from Chinese Mainland and international railway, property rental and management subsidiaries	**8,845**	10,183
Revenue from other businesses	**328**	376
	26,231	27,346
Revenue from Chinese Mainland property development	**-**	14
Total revenue	**26,231**	27,360
Expenses relating to Hong Kong transport operations		
- Staff costs and related expenses	**(4,086)**	(4,053)
- Maintenance and related works	**(1,293)**	(1,273)
- Energy and utilities	**(1,118)**	(1,094)
- General and administration expenses	**(412)**	(398)
- Stores and spares consumed	**(295)**	(300)
- Railway support services	**(295)**	(255)
- Government rent and rates	**(130)**	(116)
- Other expenses	**(165)**	(54)
	(7,794)	(7,543)

HK$ million	Six months ended 30 June **2026 (Unaudited)**	2025 (Unaudited)
Expenses relating to Hong Kong station commercial businesses	**(373)**	(377)
Expenses relating to Hong Kong property rental and management businesses	**(567)**	(556)
Expenses relating to Chinese Mainland and international railway, property rental and management subsidiaries	**(8,074)**	(9,507)
Expenses relating to other businesses	**(285)**	(302)
Project study and business development expenses	**(184)**	(227)
	(17,277)	(18,512)
Expenses relating to Chinese Mainland property development	**(1)**	(10)
Operating expenses before depreciation, amortisation and variable annual payment	**(17,278)**	(18,522)
Operating profit / (loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment		
- Arising from recurrent businesses	**8,954**	8,834
- Arising from Chinese Mainland property development	**(1)**	4
	8,953	8,838
Hong Kong property development profit from share of surplus, income and interest in unsold properties	**14,595**	6,594
Gain / (loss) from fair value measurement of investment properties	**205**	(1,224)
Operating profit before depreciation, amortisation and variable annual payment	**23,753**	14,208
Depreciation and amortisation	**(3,374)**	(3,099)
Variable annual payment	**(1,706)**	(1,534)
Share of profit of associates and joint ventures	**771**	601
Profit before interest, finance charges and taxation	**19,444**	10,176
Interest and finance charges	**112**	(620)
Profit before taxation	**19,556**	9,556
Income tax	**(2,937)**	(1,734)
Profit for the period	**16,619**	7,822
Attributable to:		
- Shareholders of the Company	**15,872**	7,709
- Perpetual capital securities holders	**618**	24
- Non-controlling interests	**129**	89
Profit for the period	**16,619**	7,822

HK$ million	Six months ended 30 June **2026** **(Unaudited)**	2025 (Unaudited)
Profit / (loss) for the period attributable to shareholders of the Company:		
- Arising from recurrent businesses		
- in Hong Kong	**2,917**	2,973
- outside Hong Kong	**517**	418
	3,434	3,391
- Arising from property development		
- in Hong Kong	**12,223**	5,530
- outside Hong Kong	**10**	12
	12,233	5,542
- Arising from underlying businesses	**15,667**	8,933
- Arising from fair value measurement of investment properties	**205**	(1,224)
	15,872	7,709
Earnings per share:		
- Basic	**HK$2.55**	HK$1.24
- Diluted	**HK$2.55**	HK$1.24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HK$ million	Six months ended 30 June **2026** **(Unaudited)**	 2025 (Unaudited)
Profit for the period	**16,619**	7,822
Other comprehensive income / (loss) for the period (after taxation and reclassification adjustments):		
Item that will not be reclassified to profit or loss:		
- Surplus / (loss) on revaluation of self-occupied buildings	**86**	(136)
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	**814**	728
- non-controlling interests	**(5)**	25
- Net movement in hedging reserve	**803**	(1,362)
	1,612	(609)
	1,698	(745)
Total comprehensive income for the period	**18,317**	7,077
Attributable to:		
- Shareholders of the Company	**17,575**	6,939
- Perpetual capital securities holders	**618**	24
- Non-controlling interests	**124**	114
Total comprehensive income for the period	**18,317**	7,077

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK$ million	**As at 30 June 2026 (Unaudited)**	As at 31 December 2025 (Audited)
Assets		
Fixed assets		
- Investment properties	**93,603**	93,188
- Other property, plant and equipment	**112,411**	110,862
- Service concession assets	**42,088**	41,654
	248,102	245,704
Property management rights	**7**	7
Railway construction in progress	**22,357**	17,879
Property development in progress	**43,378**	43,054
Deferred expenditure	**98**	138
Interests in associates and joint ventures	**14,435**	13,614
Deferred tax assets	**530**	509
Investments in securities	**17,973**	7,276
Properties held for sale	**4,164**	2,862
Derivative financial assets	**2,178**	1,691
Stores and spares	**3,249**	3,021
Debtors and other receivables	**15,524**	13,562
Amounts due from related parties	**6,346**	5,379
Cash, bank balances and deposits	**113,997**	44,242
	492,338	398,938
Liabilities		
Short-term loans	**16**	49
Creditors, other payables and provisions	**57,217**	58,824
Current taxation	**4,056**	1,850
Amounts due to related parties	**2,777**	3,655
Loans and other obligations	**170,339**	88,874
Obligations under service concession	**9,839**	9,886
Derivative financial liabilities	**2,391**	2,401
Loans from holders of non-controlling interests	**129**	125
Deferred tax liabilities	**17,116**	16,879
	263,880	182,543
Net assets	**228,458**	216,395
Capital and reserves		
Share capital	**61,287**	61,287
Shares held for Executive Share Incentive Scheme	**(335)**	(298)
Other reserves	**143,322**	131,226
Total equity attributable to shareholders of the Company	**204,274**	192,215
Perpetual capital securities	**23,496**	23,496
Non-controlling interests	**688**	684
Total equity	**228,458**	216,395

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 2026 but are extracted from that interim financial report.

The interim financial report for the six months ended 30 June 2026 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 2025 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 2025 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 2025. 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 2026 unaudited interim financial report should be read in conjunction with the 2025 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 developments have had a material effect on how 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.

The accounting policies adopted for the preparation of the interim financial report are the same as those adopted in the preparation of the 2025 annual financial statements, except for any accounting policy changes, if applicable, that will be reflected in the 2026 annual financial statements.

3. RETAINED PROFITS

The movements of the retained profits during the six months ended 30 June 2026 and the year ended 31 December 2025 are as follows:

HK$ million	
Balance as at 1 January 2026	**130,176**
Profit for the period attributable to shareholders of the Company	**15,872**
Vesting and forfeiture of award shares of Executive Share Incentive Scheme	**(7)**
Dividend proposed and approved	**(5,541)**
Unclaimed dividends forfeited	**93**
Balance as at 30 June 2026	**140,593**

HK$ million	
Balance as at 1 January 2025	123,454
Profit for the year attributable to shareholders of the Company	14,677
Other comprehensive income arising from remeasurement of net asset of defined benefit schemes	204
Vesting and forfeiture of award shares of Executive Share Incentive Scheme	(4)
Dividends declared and approved	(8,155)
Balance as at 31 December 2025	130,176

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	**2026**	2025
Share of surplus, income and interest in unsold properties from property development	**14,565**	6,592
Agency fee and other income from West Rail property development	**32**	5
Overheads	**(2)**	(3)
Hong Kong Property Development Profit (Pre-tax)	**14,595**	6,594
Hong Kong Property Development Profit (Post-tax)	**12,223**	5,530

For the six months ended 30 June 2026, profit attributable to shareholders of the Company arising from Hong Kong property development of HK$12,223 million (2025: HK$5,530 million) represents Hong Kong property development profit of HK$14,595 million (2025: HK$6,594 million) and related income tax expenses of HK$2,372 million (2025: HK$1,064 million).

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

The amount represents the result of fair value measurement of the Group's investment properties in Hong Kong and Chinese Mainland. Included in the amount for the six months ended 30 June 2025 was HK$1.5 billion gain from fair value measurement of investment properties on recognition from property development.

6. INCOME TAX

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

HK$ million	Six months ended 30 June **2026**	2025
Current tax		
- Hong Kong Profits Tax	**2,690**	1,484
- Tax outside Hong Kong	**166**	174
	2,856	1,658
Deferred tax		
- Origination and reversal of temporary differences on:		
- tax losses	**3**	1
- depreciation allowances in excess of related depreciation	**146**	46
- provisions and others	**(68)**	27
- right-of-use assets	**(7)**	(1)
- lease liabilities	**7**	3
	81	76
	2,937	1,734

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 2026 is calculated at 16.5% (2025: 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 2025.

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% (2025: 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 2026, the Group has recognised HK$nil for the current tax relating to the Pillar Two model rules (2025: HK$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 2026/2027 amounted to HK$6.8 billion (31 December 2025: for the years of tax assessment from 2007/2008 to 2025/2026 amounted to HK$6.5 billion).

(i) As of 30 June 2026, 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 2019/2020 (31 December 2025: for the years of assessment from 2009/2010 to 2018/2019) 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$3.3 billion (31 December 2025: 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.

(vi) 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 2026/2027 amounted to HK$6.8 billion (31 December 2025: for the years of assessment from 2007/2008 to 2025/2026 amounted to HK$6.5 billion). As at 30 June 2026, the related tax provision made for the amortisation of upfront payment and cut-over liabilities amounted to HK$0.2 billion (31 December 2025: HK$0.2 billion) and HK$14 million was utilised during the six months ended 30 June 2026 (2025: HK$14 million) 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** **2026**	2025
Ordinary dividends attributable to the period		
- Interim ordinary dividend declared after the end of the reporting period of HK$0.42 (2025: HK$0.42) per share	**2,614**	2,614
Ordinary dividends attributable to the previous year		
- Final ordinary dividend of HK$0.89 (2025: HK$0.89 per share attributable to year 2024) per share approved and paid during the reporting period	**5,541**	5,541

The 2026 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 2026 in cash. The interim dividend is expected to be paid on 15 September 2026 to shareholders whose names appear on the Register of Members of the Company as at the close of business on 2 September 2026, 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 2026 of HK$15,872 million (2025: HK$7,709 million) and the weighted average number of ordinary shares in issue less shares held for Executive Share Incentive Scheme during the period amounting to 6,213,513,397 shares (2025: 6,214,985,540 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 2026 of HK$15,872 million (2025: HK$7,709 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 6,224,136,949 shares (2025: 6,225,220,814 shares).

Both basic and diluted earnings per share would have been HK$2.52 (2025: HK$1.44), if the calculation is based on profit attributable to shareholders of the Company arising from underlying businesses of HK$15,667 million (2025: HK$8,933 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 Chinese Mainland and international railway, property rental and management businesses (referred to as "recurrent businesses outside 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 Chinese Mainland 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.

(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) Chinese Mainland 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 Chinese Mainland.

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

(vii) Other businesses: Businesses not directly relating to transport operations 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 2026**	Revenue Six months ended 30 June 2025	**Contribution to (loss) / profit Six months ended 30 June 2026**	Contribution to (loss) / profit Six months ended 30 June 2025
Hong Kong transport services				
- Hong Kong transport operations	**11,850**	11,509	**(141)**	98
- Hong Kong station commercial businesses	**2,615**	2,621	**1,755**	1,798
	14,465	14,130	**1,614**	1,896
Hong Kong property rental and management businesses	**2,593**	2,657	**2,011**	2,084
Chinese Mainland and international railway, property rental and management businesses	**8,845**	10,183	**430**	409
Chinese Mainland property development	**-**	14	**(1)**	4
Other businesses	**328**	376	**3**	39
	26,231	27,360	**4,057**	4,432
Hong Kong property development			**14,595**	6,594
Project study and business development expenses			**(184)**	(227)
Gain / (loss) from fair value measurement of investment properties			**205**	(1,224)
Share of profit of associates and joint ventures			**771**	601
Profit before interest, finance charges and taxation			**19,444**	10,176
Interest and finance charges			**112**	(620)
Income tax			**(2,937)**	(1,734)
Profit for the period			**16,619**	7,822

For the six months ended 30 June 2026, profit attributable to shareholders of the Company arising from property development of HK$12,233 million (2025: HK$5,542 million) represents Hong Kong property development profit of HK$14,595 million (2025: HK$6,594 million), Chinese Mainland property development loss of HK$1 million (2025: profit of HK$4 million) and the related interest, finance charges and income tax expenses of HK$2,361 million (2025: HK$1,056 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 2026**	2025
Hong Kong SAR (place of domicile)	**17,438**	17,157
Australia	**8,024**	6,785
Chinese Mainland and Macao SAR	**713**	530
Sweden	**35**	1,492
United Kingdom	**21**	1,396
	8,793	10,203
	26,231	27,360

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 the HKSAR Government provided its response in a "Reply Paper" to the Company in late June 2026. 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 2026, 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 2026 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 2026, HK$10 million (2025: HK$9 million) of such costs were incurred by the Company, which are payable by the HKSAR Government. As at 30 June 2026, the amount of such costs which remained outstanding from the HKSAR Government was HK$91 million (31 December 2025: HK$130 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 2026, the provision utilised amounted to HK$15 million (2025: HK$36 million) and no provision was written back (2025: HK$nil). As at 30 June 2026, the provision of HK$122 million (31 December 2025: HK$137 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 2026, the provision utilised amounted to HK$3 million (2025: HK$10 million) and no provision was written back (2025: HK$nil). As at 30 June 2026, the provision of HK$718 million (31 December 2025: HK$721 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 uncertainties involved. While no provision in respect of the SCL Project related matters was recognised at 30 June 2026 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 2026, the Group's debtors and other receivables amounted to HK$15,524 million (31 December 2025: HK$13,562 million), of which debtors accounted for HK$4,320 million (31 December 2025: HK$4,116 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 2026 is analysed as follows:

HK$ million	**At 30 June 2026 (Unaudited)**	At 31 December 2025 (Audited)
Amounts not yet due	**3,861**	3,670
Overdue by within 30 days	**205**	233
Overdue by more than 30 days but within 60 days	**48**	82
Overdue by more than 60 days but within 90 days	**25**	47
Overdue by more than 90 days	**181**	84
Total debtors	**4,320**	4,116
Other receivables and contract assets	**11,204**	9,446
	15,524	13,562

B As at 30 June 2026, creditors, other payables and provisions amounted to HK$57,217 million (31 December 2025: HK$58,824 million), of which creditors and accrued charges amounted to HK$22,424 million (31 December 2025: HK$21,341 million). As at 30 June 2026, the analysis of creditors by due dates is as follows:

HK$ million	**At 30 June 2026 (Unaudited)**	At 31 December 2025 (Audited)
Due within 30 days or on demand	**9,618**	8,551
Due after 30 days but within 60 days	**1,913**	2,438
Due after 60 days but within 90 days	**617**	1,122
Due after 90 days	**5,675**	4,498
	17,823	16,609
Rental and other refundable deposits	**2,779**	2,676
Accrued employee benefits	**1,822**	2,056
Total creditors and accrued charges	**22,424**	21,341
Other payables, deferred income and provisions	**31,323**	34,421
Contract liabilities	**3,470**	3,062
	57,217	58,824

12. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Group did not purchase, sell or redeem any of the Group's listed securities during the six months ended 30 June 2026. 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 3,959,800 Ordinary Shares of the Company for a total consideration of approximately HK$130 million during the six months ended 30 June 2026.

13. CHARGE ON GROUP ASSETS

As at 30 June 2026, MTR Corporation (Shenzhen) Limited, a wholly-owned subsidiary of the Company in Chinese Mainland, 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 RMB382 million (HK$442 million) bank loan facility granted to it.

As at 30 June 2026, MTR CREC Metro (Shenzhen) Company Limited, a subsidiary of the Company in Chinese Mainland, 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$3.7 billion) bank loan facility granted to it.

Save as disclosed above, none of the other assets of the Group was charged or subject to any encumbrance as at 30 June 2026.

14. CORPORATE GOVERNANCE

During the six months ended 30 June 2026, 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.

15. 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 2026.

KEY STATISTICS AND FINANCIAL

	Six months ended 30 June	
	2026	2025
Hong Kong transport operations		
Total passenger boardings (in millions)		
- Domestic Service	**789.6**	786.0
- Cross-boundary Service	**55.4**	51.2
- High Speed Rail	**16.6**	14.7
- Airport Express	**6.4**	6.4
- Light Rail and Bus	**107.4**	105.4
Average number of passengers (in thousands)		
- Domestic Service (weekday)	**4,704.5**	4,667.7
- Cross-boundary Service (daily)	**306.0**	282.8
- High Speed Rail (daily)	**91.8**	81.4
- Airport Express (daily)	**35.6**	35.4
- Light Rail and Bus (weekday)	**630.4**	618.8
Financial		
EBITDA margin[^]		
- Including Chinese Mainland and international subsidiaries	**34.1%**	32.3%
- Excluding Chinese Mainland and international subsidiaries[δ]	**47.1%**	47.5%
EBIT margin[*]		
- Including Chinese Mainland and international subsidiaries	**14.8%**	15.4%
- Excluding Chinese Mainland and international subsidiaries[φ]	**19.8%**	22.1%
Profit attributable to shareholders of the Company arising from Hong Kong property development (HK$'million)	**12,223**	5,530
Profit attributable to shareholders of the Company arising from underlying businesses (HK$'million)	**15,667**	8,933

^ 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 Chinese Mainland and international subsidiaries of HK$8,845 million and HK$8,075 million (2025: HK$10,197 million and HK$9,517 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 Chinese Mainland and international subsidiaries of HK$8,845 million, HK$8,075 million, and HK$341 million (2025: HK$10,197 million, HK$9,517 million, and HK$267 million) respectively

CEO'S REVIEW AND OUTLOOK

It is an exciting time to be part of the Hong Kong growth story. MTR is now actively progressing seven new railway projects that present fresh opportunities for the Company and the city's development. As we carry out one of the largest railway expansions in our history, we are also contending with external challenges such as global economic headwinds, shifting consumer and travel patterns, uncertainties in the retail and property markets, and increased competition both at home and abroad. However, I believe our stakeholders and shareholders should feel confident about the steps we are taking to ensure delivery of these critical infrastructure projects, maintain high standards for existing networks, meet our sustainability objectives, and Keep Cities Moving while simultaneously creating the MTR of tomorrow.

Earlier in the year, we completed a five-year plan to evolve the Company into a future-fit, AI- and tech-empowered organisation with the agility, capabilities and culture to ignite long-term business success and grow together with Hong Kong. This plan involves several important pillars. To Keep Cities Moving with sustainable world-class mass transit services, we are accelerating our adoption of AI and other advanced technologies to continuously enhance safety, reliability and customer experience, enable smart asset management, and strengthen our assets' efficiency and resilience. We are focusing on delivering our many new projects, on time, within budget and to a high level of quality. We are pursuing growth opportunities at home, on the Chinese Mainland and overseas. We are increasing our efforts in being an engaged, socially responsible company and a preferred employer with an aligned, motivated and skilled workforce. Finally, to counter market challenges to our domestic and international businesses, we are sustaining and expanding our recurrent revenue streams while exercising prudent and proactive financial and cash flow management. Our new five-year plan signals our firm intent to achieve long-term organisational excellence through financial strength, innovation and technology, and steadfast commitments to communities and those we serve.

We believe our foresight, planning and preparations have us right on track, especially now that there are glimpses of recovery in various aspects of the local economy. Over the first six months of the year, we continued to maintain our Hong Kong services at world-class levels, a highlight of which was the successful replacement of a major signalling system along the Tsuen Wan Line. Recurrent revenue benefitted from increased patronage for our Cross-boundary Service and High Speed Rail. In our property business, the tender market and unit sales were both on the upswing, though the outlook for the second half of the year seems more uncertain. We also kick-started another new project, Pak Shek Kok Station, and won new business on the Chinese Mainland and in Australia. In the longer term, our new projects are progressing well, with many of them to be completed in the coming few years. We are currently in an intensive phase of financing and construction, advancing both in a professional and prudent manner to ensure smooth execution and long-term value creation for the Company. Railways form the core of the city's transportation infrastructure, and the city's rail network today is double that of 20 years ago. Upon completion of the seven new projects underway, together with the South Island Line (West) and Pak Shek Kok Station projects currently under planning and design, we expect the number of stations to increase by 20, enhancing connectivity and providing fresh impetus for Hong Kong.

BUSINESS PERFORMANCE AND GROWTH

Over the first six months of 2026, MTR once again achieved a world-class performance level of 99.9% in both passenger journeys on-time and train service delivery across its heavy rail network in Hong Kong. Cutting-edge innovations such as AI and data analytics continued to help us "Go Smart Go Beyond" in our efforts to achieve enhanced railway operations and maintenance as well as customer service. In March 2026, we announced that fares for 2026/2027 will remain unchanged based on the Fare Adjustment Mechanism. Meanwhile, we continued to offer on-going fare concessions for the elderly, children, eligible students, persons with disabilities and more.

In April 2026, we awarded the tender for the Kam Sheung Road Station Phase 2 property development, supporting the development of the Northern Rail Link. In terms of existing projects, we had eight residential property projects under construction and along with the completed residential property projects, we anticipate to contribute about 9,300 units to the market for sale while supporting the development of new rail lines.

We were invited by Government in July 2026 to commence detailed planning and design for Pak Shek Kok Station on the East Rail Line, a station that is important for the development of the Northern Metropolis as well as Hong Kong's technology industry due to its location next to the Science Park. We also continued to make strong progress on a number of new railway projects throughout the first half of the year, including the Tung Chung Line Extension, Oyster Bay Station, the Tuen Mun South Extension, Kwu Tung Station on the East Rail Line, Hung Shui Kiu Station on the Tuen Ma Line and the Northern Link (Part 1).

In support of the National 15th Five-Year Plan, and as part of our continued growth strategy, the Company partnered with a subsidiary of the state-owned enterprise CRRC Group and was awarded the Sydney Metro West project in December 2025. The operations and maintenance contract for Shenzhen Metro Line 13 Phase 2 Northern Extension was awarded in June 2026. We also continued to build our station commercial business on the Chinese Mainland, where we now have operations or agreements in four cities.

One of our top priorities is ensuring that we maintain a diversified funding base to drive growth and execute our capital investment programme. During the period under review, MTR raised an AU$2 billion senior unsecured green bond, a HK$18.8 billion corporate green bond and a EUR 3 billion green bond, further diversifying the Company's investor base and underscoring market confidence in its fundamentals and long-term prospects. The Company maintains disciplined financial stewardship through prudent management, ensuring that obligations are met while supporting long-term growth.

FINANCIAL PERFORMANCE

Profit attributable to equity shareholders from recurrent businesses improved slightly to HK$3,434 million in the first half of 2026 compared to the HK$3,391 million that was recorded over the same period last year. This was due primarily to higher contributions from our Chinese Mainland and International businesses, which were partially offset by higher depreciation and variable annual payment for our Hong Kong businesses. The period under review also saw higher property development profit of HK$12,233 million, which was mainly derived from property development packages relating to our earlier railway projects. As a result, profit from underlying businesses increased by 75.4% to HK$15,667 million. Including the gain arising from fair value measurement of investment properties (a non-cash accounting item) of HK$205 million, net profit attributable to shareholders of the Company increased to HK$15,872 million, representing earnings per share of HK$2.55. Your Board has declared an interim dividend of HK$0.42 per share, same as the first six months of 2025.

OUTLOOK

Our network expansion programme in Hong Kong and our on-going asset maintenance, upgrade and replacement activities require significant capital outlay, which we will continue to manage effectively by sustaining and growing our recurrent revenue streams, securing external funding, and exercising prudent financial management.

In the second half of the year, we anticipate that our patronage will keep seeing mild increases based on recent trends, while our advertising and property rental businesses may also benefit from the gradual stabilisation of the retail and property markets. As always, we will keep a close eye on inflation and interest rate trends as macroeconomic and geopolitical conditions continue to fluctuate.

In our property business, its performance and that of the wider property market will depend to some degree on prevailing local and global economic conditions and interest rate trends. Subject to the progress of construction and sales, we expect to book property development profit from THE SOUTHSIDE Package 6 and Yau Tong Ventilation Building and to continue booking profit from Tai Wai Station in the second half of the year. Much of the profit from property development will contribute to our asset replacement and management programmes as well as new railway projects. Property development projects typically span several years, from design to pre-sales, and the timing of profit recognition depends on both construction and sales progress. The tendering of the Tuen Mun A16 Station Package 2 property development project was launched in July 2026, and the project is expected to be completed in 2033 or after. Subject to market conditions, we expect to tender two projects in the coming 12 months or so. Together with Tuen Mun A16 Station Package 2, these projects can yield a total of about 8,000 units.

On top of commencing project design for the Pak Shek Kok Station project, we will continue discussions with Government in the second half of the year to finalise the Northern Link (Part 2) Project Agreement and move ahead at full steam on the Northern Metropolis' main transport artery. We will also continue to explore opportunities to participate in a range of Government initiatives to expand Hong Kong's transport networks, including additional railway lines as well as smart and green transit systems to serve various parts of the city.

Meanwhile, we are actively pursuing new growth opportunities outside of Hong Kong, a core part of our five-year plan to create diversified business streams and increase recurrent revenue. On the Chinese Mainland, we will seek to grow our core operations and maintenance business, explore transit-oriented development opportunities, and expand our station commercial activities in multiple cities across the country. Internationally, our priorities are to support our client in opening the southwest section of the Sydney Metro M1 Metro North West & Bankstown Line and continue to grow our business in Australia while also looking afield at high-potential opportunities in Asia, Europe and the Middle East.

In closing, I would like to say once again how excited we are to be participating in this crucial stage of Hong Kong's infrastructural and economic development. I also look forward to working together with our Board, our talented and passionate staff, and our business partners in the coming months and years as we continue building a caring, future-ready, financially robust organisation that our stakeholders can continue to rely on to Keep Cities Moving.

Jeny Yeung Mei-chun
Chief Executive Officer
Hong Kong, 13 August 2026

HONG KONG BUSINESSES

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

Hong Kong Transport Services – Transport Operations

Highlights

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

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

n/m: not meaningful

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

Patronage and Revenue

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

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

Market Share

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

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

Fare Adjustment, Promotions and Concessions

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

Service Performance

In the first half of 2026, MTR once again achieved world-class levels of 99.9% in passenger journeys on-time and train service delivery, exceeding the Company's Operating Agreement commitment as well as its own, even more demanding Customer Service Pledge. During the period, MTR ran over 0.92 million train trips on its Heavy Rail network and about 0.45 million trips on its Light Rail network, with three delays on Heavy Rail and no delays on Light Rail. Delays are defined as those lasting 31 minutes or more and attributable to factors within MTR's control. In all cases of delay, we investigated thoroughly to determine the cause and prevent reoccurrence from happening.

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

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

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

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

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

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

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

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

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

Smart Mobility, Operations and Maintenance
MTR is committed to "Go Smart Go Beyond" by incorporating the latest technological innovations for a more seamless railway transit experience. Our AI-powered Virtual Service Ambassador AI Tracy, a self-service channel that provides customers with instant, personalised support for wayfinding as well as information on station facilities and local attractions, is now

available at 11 stations. We have also introduced an AI-powered instant translation service, fluent in over 20 languages, at six stations with high tourist traffic.

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

Hong Kong Transport Services – Station Commercial Businesses

Highlights

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

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

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

Station Retail

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

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

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

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

Advertising

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

Telecommunications

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

Property Businesses

Highlights

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

Property Rental and Management

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

Property rental

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

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

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

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

In terms of trade mix, food and beverage accounted for approximately 31% of the leased area of our shopping malls, followed by fashion, beauty and accessories at 21%, services at 19%, leisure and entertainment at 19%, and department stores and supermarkets at 10% as at 30 June 2026.

Property management
Property management revenue in Hong Kong increased by 6.4% to HK$167 million over the first six months of the year, which was mainly due to increase in the number of residential units managed. As at 30 June 2026, MTR managed over 132,000 residential units and over 920,000 square metres of commercial and office space.

Property Development and Tendering
Hong Kong property development profit (post-tax) for the first half of 2026 was HK$12,223 million, mainly due to profit recognition from Tai Wai Station and THE SOUTHSIDE Package 5.

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

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

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

Pre-sales for YOHO WEST PARKSIDE (Tin Wing Stop Phase 2) were 97% sold as at 30 June 2026, while YOHO WEST (Tin Wing Stop Phase 1) was 97% sold. Pre-sales for ONE PARK PLACE (Yau Tong Ventilation Building) were 62% sold as at 30 June 2026. The applications for pre-sale consent for Phases 1 and 2 of the Tung Chung Traction Substation property development are in progress.

For West Rail properties, where we act as agent for relevant subsidiaries of KCRC, sales activities continued for the Cullinan West Development (Nam Cheong Station), where 99% of units were sold as at 30 June 2026. The YOHO Hub and The YOHO Hub II (Yuen Long Station) were 68% sold as at 30 June 2026, while GRAND MAYFAIR I, II and III (Kam Sheung Road Station Package 1) were 90% sold.

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

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

Hong Kong Network Expansion

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

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

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

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

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

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

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

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

Supporting New Railway Projects
Design, planning and negotiations for the signing of the Northern Link (Part 2) Project Agreement continued during the first half of the year. Discussions relate primarily to the financing and construction of the remaining works of the Main Line and Spur Line as well as the operation and maintenance of both lines. The railway scheme for the Northern Link Spur Line was gazetted under the Railways Ordinance in June 2026. Government has announced its intention to proceed with MTR using the ownership approach, and different funding models, including the R+P Model, may be deployed to ensure commercial returns on the Company's investments. We are proactively studying approaches for how best to finance this critical infrastructure project for the future Northern Metropolis and help deliver the next chapter of Hong Kong's railway growth story.

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

Chinese Mainland and International Businesses

Highlights

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

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

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

Excluding Chinese Mainland property development, our railway, property rental and management subsidiaries (after business development expenses), together with our associates and joint ventures outside of Hong Kong, contributed a net after-tax profit of HK$517 million during the first six months of the year on an attributable basis compared with the net after-tax profit of HK$418 million that was recorded over the same period in 2025.

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

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

Railway Businesses on the Chinese Mainland

Beijing

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

Shenzhen

Shenzhen Metro Line 4

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

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

Shenzhen Metro Line 13

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

Hangzhou

Hangzhou Metro Line 1 and Its Extensions

In Hangzhou, Hangzhou Metro Line 1 ("HZL1"), the Xiasha Extension and Airport Extension achieved stable operations in the first half of 2026 with average on-time performance of 99.9%.

As we have previously reported, HZL1 has been loss-making in recent years due to slow growth in patronage and the pandemic. As there is no patronage protection mechanism under this concession agreement, the line's long-term financial viability will be impacted if patronage remains at a lower level over a further period of time, especially when compounded by the lower average fare resulting from the expanded network. We anticipate that patronage and average fare will remain at a lower level for longer than expected and had therefore recognised a share of impairment provision of HK$380 million for the HZL1 railway assets in 2025.

Hangzhou Metro Line 5

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

Property Business on the Chinese Mainland

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

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

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

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

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

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

OTHER BUSINESSES

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

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

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

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

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

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

HUMAN RESOURCES

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

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

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

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

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

For the six months ended 30 June 2026, steady growth in Hong Kong patronage contributed to a solid increase in the Group's Hong Kong operating revenue, along with our property development business recorded profits mainly from Tai Wai Station and THE SOUTHSIDE Package 5.

Total Revenue

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

Recurrent Business Profit

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

Total Recurrent EBIT by Businesses

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

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

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

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

Chinese Mainland and international railway, property rental and management subsidiaries: EBIT increased by HK$21 million or 5.1% to HK$430 million, mainly due to higher EBIT from our Melbourne operations.

Other businesses, project study and business development expenses: EBIT loss narrowed by HK$7 million or 3.7% to HK$181 million.

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

Total Recurrent EBIT Margin

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

Interest and Finance Charges

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

Income Tax

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

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

Property Development Profit (Post-tax)

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

Underlying Business Profit

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

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

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

Net Profit Attributable to Shareholders of the Company

Taking into account the Group's recurrent businesses, property development businesses and fair value measurement of investment properties, net profit attributable to shareholders increased by HK$8,163 million or 105.9% to HK$15,872 million.

CONSOLIDATED FINANCIAL POSITION

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

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

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

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

CONSOLIDATED CASH FLOWS

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

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

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

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

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

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

FINANCING ACTIVITIES

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

During first half of 2026, the Company arranged a total of HK$58 billion equivalent of external funding that comprised of the issuance of a dual-tranche AUD 2.0 billion green public bond in January; a three-tranche HK$18.8 billion public bond in April; a three-tranche EUR 3.0 billion green public bond in June; and a HK$1.0 billion bilateral bank credit facility.

The Group's consolidated debt position at the end of June 2026 was HK$170.4 billion, with a cash and deposit balance of HK$114.0 billion, investment balance of HK$16.7 billion, and undrawn committed facilities of over HK$19.0 billion. The weighted average cost of the Group's interest bearing borrowings over the first six months in 2026 was 3.5% p.a., compared to 3.7% p.a. for the same period in 2025. As at the end of June 2026, around 74% of the Group's borrowing were in fixed-rate.

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

Net Debt-to-equity Ratio and Interest Coverage

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

Capital Expenditure and Investment

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

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

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

By Order of the Board
Jeny Yeung Mei-chun
Chief Executive Officer

Hong Kong, 13 August 2026

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

For the purpose of determining shareholders' entitlement to the 2026 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 27 August 2026
Closure of Register of Members	28 August 2026 to 2 September 2026 (both dates inclusive)
Record date	2 September 2026

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 Jacob Kam Chak-pui *(Chairman)***, Jeny Yeung Mei-chun *(Chief Executive Officer)*, Andrew Clifford Winawer Brandler*, Dr Bunny Chan Chung-bun*, Cheng Yan-kee*, Mary Huen Wai-yi*, Hui Siu-wai*, Ayesha Macpherson Lau*, Professor Sunny Lee Wai-kwong*, Jimmy Ng Wing-ka*, Susanna Shen Shuk-ching*, Sandy Wong Hang-yee*, Adrian Wong Koon-man*, Professor Anna Wong Wai-kwan*, Michael Wong Yick-kam*, 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 (Winnie Tse Wing-yee)**

Members of the Executive Directorate: Jeny Yeung Mei-chun, David Tang Chi-fai, Margaret Cheng Wai-ching, Linda Choy Siu-min, Carl Michael Devlin, Michael George Fitzgerald, Wilson Kwong Wing-tsuen, Gillian Elizabeth Meller 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.