

MTR Corporation at a Glance

MTR is recognised as one of the world's leading railway operators, with a successful track record of building sustainable communities based on an integrated approach to rail transport and property development. We opened our first railway line in Hong Kong over 30 years ago, since when our activities have increased in size, scale, geographic coverage and diversity. Our strategy for future growth is accelerating, as we significantly expand our network in Hong Kong and our portfolio of rail-related operations in the Mainland of China and overseas.

Hong Kong Transport Operations

Business Description

We operate a predominantly rail-based transportation system in Hong Kong, comprising Domestic and Cross-boundary services, a dedicated high-speed Airport Express railway and a light rail system. The entire system stretches 218.2 km and has 84 stations and 68 Light Rail stops. Our network is one of the most intensively used in the world, and its reliability, safety and efficiency are held in high regard. We also provide intercity services to and from the Mainland of China as well as a small bus operation in Hong Kong offering convenient feeder services.

2012 Highlights

- Record passenger numbers and overall market share
- Award winning high levels of service performance
- Significant service improvements as train capacity was increased
- Construction works for the South Island Line (East), Kwun Tong Line Extension, West Island Line and Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link all made good progress
- Works also now underway on the Shatin to Central Link, following the project's approval by Government



Hong Kong Station Commercial Business

Business Description

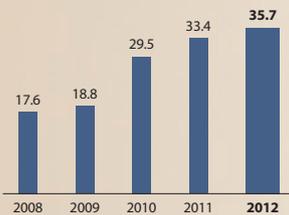
We leverage on our Hong Kong railway assets and expertise into other businesses, including rental of station retail space, advertising in trains and stations, and telecommunications.

2012 Highlights

- Positive rental reversions and increase in shop areas boosted rental income
- New Duty Free licence at Lo Wu and Hung Hom stations concluded at significantly higher rents starting from 1 January 2013
- Advertising revenue continued to increase due to economic growth and introduction of new formats
- Provision of more data capacity and 4G services continue to enhance mobile services for passengers

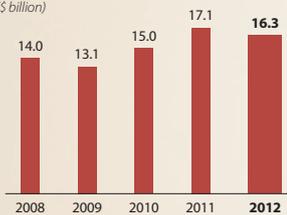
Turnover

(HK\$ billion)



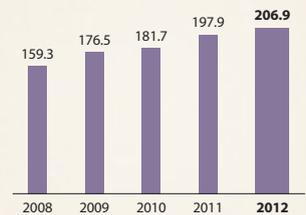
Operating Profit Before Depreciation, Amortisation and Variable Annual Payment

(HK\$ billion)



Total Assets

(HK\$ billion)



Hong Kong Property and Other Businesses

Business Description

In Hong Kong, we develop for sale mainly residential properties in conjunction with property developers. We hold investment properties, principally shopping malls and offices, managing these and other properties. Our investment portfolio primarily includes 13 shopping malls and 18 office floors of the Two International Finance Centre ("Two ifc") office tower. We also engage in cable car operations, the Octopus card payments system, consulting and project management.

2012 Highlights

- Units at the three phases of Festival City all sold and good results were achieved from pre-sale of The Riverpark at Che Kung Temple Station and Century Gateway, the Tuen Mun Station property development Phase 1 (where we act as agent for the relevant subsidiary of Kowloon-Canton Railway Corporation)
- Tenders for the Tsuen Wan West Station (TW5) Cityside and Bayside, and the Long Ping Station (North) sites awarded on behalf of relevant subsidiaries of Kowloon-Canton Railway Corporation
- The Company's shopping malls and its 18 floors of Two ifc were close to 100% let
- New lease for 19,038 square metres of office space at Two ifc signed with an existing major tenant at a higher rent, effective from mid 2014



Mainland of China and International Businesses

Business Description

We have invested in urban rail networks in the Mainland of China, and "asset-light" operating concessions in the UK, Sweden and Australia. We continue to pursue new railway and rail-related business opportunities in these and other markets.

2012 Highlights

- The Daxing Line and Beijing Metro Line 4 continued to deliver very high levels of service performance
- Shenzhen Metro Longhua Line performance exceeded targets and official endorsement was given for the development of the Depot Site Phase 1
- Hangzhou Metro Line 1 commenced operations
- Concession agreement was initialled for Beijing Metro Line 14
- London Overground Rail Operations Limited met the challenge of the London Olympics
- Operating performance of the Stockholm and Melbourne franchises improved further