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for the half-year ended 30 June in HK\$ million	Note	2001 (Unaudited)	2000 (Unaudited)
Fare revenue			
– MTR Lines		2,516	2,514
– Airport Express Line		279	252
Station commercial and other revenue		476	474
Rental and management income		435	428
Turnover		3,706	3,668
Staff costs and related expenses		(821)	(847)
Energy and utilities		(245)	(235)
Operational rent and rates		(38)	(29)
Stores and spares consumed		(48)	(54)
Repairs and maintenance		(198)	(184)
Railway support services		(87)	(103)
Expenses relating to station commercial and other businesses		(71)	(77)
Property ownership and management expenses		(66)	(66)
General and administration expenses		(54)	(53)
Other expenses		(56)	(67)
Operating expenses before depreciation		(1,684)	(1,715)
Operating profit from railway and related operations before depreciation		2,022	1,953
Profit on property developments		827	746
Operating profit before depreciation		2,849	2,699
Depreciation		(1,064)	(1,052)
Operating profit before interest and finance charges		1,785	1,647
Interest and finance charges:			
Interest expense		(469)	(631)
Interest income		18	31
		(451)	(600)
Share of profit of non-controlled subsidiary		17	7
Profit for the period attributable to shareholders		1,351	1,054
Dividend	3	703	–
Earnings per share:	4		
– Basic		HK\$0.27	HK\$0.21
– Diluted		HK\$0.27	N/A

The notes on pages 20 to 26 form part of this interim financial report.

for the half-year ended 30 June in HK\$ million	2001 (Unaudited)	2000 (Unaudited)
Surplus on revaluation of investment properties	-	1,126
Deficit on revaluation of other fixed assets	-	(53)
Net gains transferred directly to reserves	-	1,073
Net profit for the period	<u>1,351</u>	<u>1,054</u>
Total recognised gains and losses	<u>1,351</u>	<u>2,127</u>

in HK\$ million	Note	The Group		The Company
		At 30 June 2001 (Unaudited)	At 31 December 2000 (Unaudited)	At 31 December 2000 (Audited and restated)
Assets				
Fixed assets				
– Investment properties		10,240	10,151	10,151
– Other property, plant and equipment		68,318	68,324	68,324
		<u>78,558</u>	<u>78,475</u>	<u>78,475</u>
Railway construction in progress		11,181	9,194	9,194
Property development in progress		3,024	2,699	2,699
Deferred expenditure		232	187	187
Interest in non-controlled subsidiary		39	26	–
Investments in subsidiaries		–	–	53
Staff housing loans		202	635	635
Stores and spares		285	275	275
Debtors, deposits and payments in advance	7	585	676	685
Amounts due from the Government and other related parties		227	224	224
Cash at banks and in hand		179	174	99
		<u>94,512</u>	<u>92,565</u>	<u>92,526</u>
Liabilities				
Bank overdrafts		21	44	44
Short-term loans		1,312	887	887
Creditors, accrued charges and provisions	9	2,923	3,289	3,277
Contract retentions		766	817	817
Amounts due to the Government and other related parties		421	422	422
Loans and obligations under finance leases	8	27,898	26,272	26,272
Deferred liabilities		77	76	76
Deferred income		9,637	10,403	10,403
		<u>43,055</u>	<u>42,210</u>	<u>42,198</u>
Net assets		<u>51,457</u>	<u>50,355</u>	<u>50,328</u>

The notes on pages 20 to 26 form part of this interim financial report.

in HK\$ million	Note	The Group		The Company
		At 30 June 2001 (Unaudited)	At 31 December 2000 (Unaudited)	At 31 December 2000 (Audited and restated)
Shareholders' funds				
Share capital, share premium and capital reserve	10	32,439	32,188	32,188
Other reserves	11	<u>19,018</u>	<u>18,167</u>	<u>18,140</u>
		<u>51,457</u>	<u>50,355</u>	<u>50,328</u>

for the half-year ended 30 June in HK\$ million	2001 (Unaudited)	2000 (Unaudited)
Net cash inflow from operating activities	2,312	1,932
Servicing of finance and returns on investments		
Interest paid	(987)	(912)
Interest received	18	31
Interest element of finance lease rental payments	(36)	(41)
Finance charges paid	(30)	(26)
Dividend paid	(250)	-
Net cash outflow from servicing of finance and returns on investments	(1,285)	(948)
Investing activities		
Capital expenditure		
– Airport Railway Project	(172)	(74)
– Tseung Kwan O Extension Project	(1,776)	(1,560)
– Purchase of assets and other capital projects	(1,288)	(1,263)
– Property development projects	(364)	(519)
Receipts from property developers	100	120
Decrease / (Increase) in investments in subsidiaries	16	(47)
Loans made under Staff Housing Loan Scheme	(3)	(138)
Principal repayments under Staff Housing Loan Scheme	437	99
Net cash outflow from investing activities	(3,050)	(3,382)
Net cash outflow before financing	(2,023)	(2,398)

for the half-year ended 30 June in HK\$ million	2001 (Unaudited)	2000 (Unaudited)
Financing		
Shares issued	1	–
Drawdown of loans	5,425	4,165
Repayment of loans	(3,309)	(1,707)
Reduction in capital element of finance lease	(65)	(59)
(Release) / Collection of refundable deposits and asset replacement reserve funds	<u>(1)</u>	<u>2</u>
Net cash inflow from financing	<u>2,051</u>	<u>2,401</u>
Increase in cash and cash equivalents	28	3
Cash and cash equivalents at 1 January	<u>130</u>	<u>84</u>
Cash and cash equivalents at 30 June	<u>158</u>	<u>87</u>
Analysis of the balances of cash and cash equivalents		
Cash at banks and in hand	179	127
Bank overdrafts	<u>(21)</u>	<u>(40)</u>
	<u>158</u>	<u>87</u>