

2016 Performance Highlights

Financial Performance



Total Revenue

HK\$ **45.2** billion



Underlying Business Profit

HK\$ **9.4** billion



Net Assets

HK\$ **149.6** billion



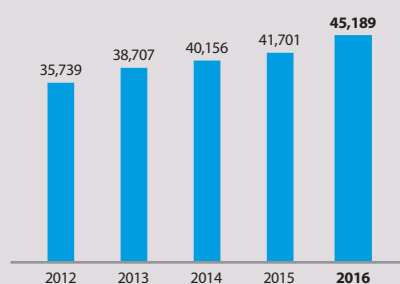
Net Debt-to-Equity Ratio

20.2%

Summary of Past Performance

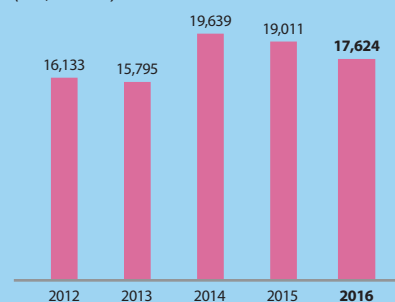
Total Revenue

(HK\$ million)



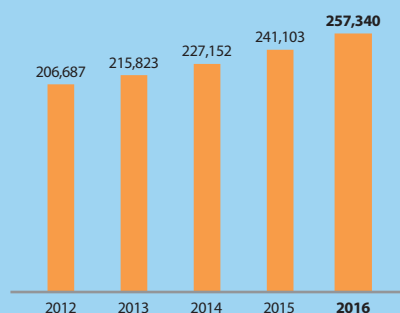
Operating Profit Before Depreciation, Amortisation and Variable Annual Payment

(HK\$ million)



Total Assets

(HK\$ million)



Ordinary Dividend per Share

(HK\$)



Key Figures

	2016	2015	% Increase/ (Decrease)
Financial highlights (in HK\$ million)			
Revenue			
– Hong Kong transport operations	17,655	16,916	4.4
– Hong Kong station commercial businesses	5,544	5,380	3.0
– Hong Kong property rental and management businesses	4,741	4,533	4.6
– Mainland of China and international railway, property rental and management subsidiaries	13,478	12,572	7.2
– Mainland of China property development subsidiary	1,348	–	N/A
– Other businesses	2,423	2,300	5.3
Operating profit before Hong Kong property development, depreciation, amortisation and variable annual payment	17,313	16,120	7.4
Profit on Hong Kong property development	311	2,891	(89.2)
Operating profit before depreciation, amortisation and variable annual payment	17,624	19,011	(7.3)
Profit attributable to shareholders of the Company arising from underlying businesses	9,446	10,894	(13.3)
Total assets	257,340	241,103	6.7
Loans, other obligations and bank overdrafts	39,939	20,811	91.9
Obligations under service concession	10,507	10,564	(0.5)
Total equity attributable to shareholders of the Company	149,461	170,055	(12.1)
Financial ratios			
Operating margin (in %)	38.3	38.7	(0.4%) pt.
Operating margin (excluding Mainland of China and international subsidiaries) (in %)	53.9	53.3	0.6% pt.
Net debt-to-equity ratio* (in %)	20.2[#]	11.3	8.9% pts.
Return on average equity attributable to shareholders of the Company arising from underlying businesses (in %)	5.9	6.5	(0.6%) pt.
Interest cover (times)	12.7	14.4	(1.7) times
Share information			
Basic earnings per share (in HK\$)	1.74	2.22	(21.6)
Basic earnings per share arising from underlying businesses (in HK\$)	1.61	1.87	(13.9)
Ordinary dividend per share (in HK\$)	1.07	1.06	0.9
Share price at 31 December (in HK\$)	37.70	38.40	(1.8)
Market capitalisation at 31 December (HK\$ million)	222,629	224,956	(1.0)
Operations highlights			
Total passenger boardings in Hong Kong (million)			
– Domestic Service	1,586.5	1,577.5	0.6
– Cross-boundary Service	113.3	114.2	(0.8)
– Airport Express	16.1	15.7	2.6
– Light Rail and Bus	229.1	226.7	1.1
Average number of passengers (thousand)			
– Domestic Service (weekday)	4,608	4,577	0.7
– Cross-boundary Service (daily)	309.5	313.0	(1.1)
– Airport Express (daily)	44.1	43.1	2.3
– Light Rail and Bus (weekday)	644.7	637.4	1.1
Fare revenue per passenger (in HK\$)			
– Domestic Service	7.81	7.49	4.3
– Cross-boundary Service	28.71	27.76	3.4
– Airport Express	61.85	60.42	2.4
– Light Rail and Bus	3.09	2.96	4.4
Proportion of franchised public transport boardings (in %)	48.4	48.5	(0.1%) pt.

* Including obligations under service concession and loan from holders of non-controlling interests as components of debts.

If the HK\$2.20 per share of the second tranche of special dividend payable totalling HK\$13 billion as at 31 December 2016 had been paid as at 31 December 2016, the Group's net debt-to-equity ratio as at 31 December 2016 would have increased from 20.2% to 28.9%.