

# HONG KONG PROPERTY AND OTHER BUSINESSES

Over **18,000**  
residential units under  
property packages  
tendered

managing over  
**96,000**  
residential units

**13**  
shopping malls  
in our portfolio



## Our Aims and Achievements

We aim to be an industry leader in creating integrated communities for Hong Kong citizens. The route to success is the creation of sustainable communities through developing sites along our rail network and providing excellent service as manager of these developments. This relies on expertise that covers all aspects of property development and management, together with strong community engagement.

In 2017, two property development packages were awarded, Wong Chuk Hang Package 1 and 2. As agent for the relevant subsidiary of KCRC, we awarded Kam Sheung Road Station Package 1. We continue to look for new development opportunities along our railway network that would increase housing supply. Our property management business continued to win awards. Work pressed ahead on the major expansion of our investment properties portfolio, with Maritime Square 2 and the seventh and eighth floors of Telford Plaza II opened during the year.

## Our Challenges

### Property Rental

- Expanding our investment properties portfolio without affecting existing railway operations and new railway projects
- Change in customer behaviour and retail space demand due to development of e-commerce

### Property Management

- Statutory changes will bring opportunities and challenges to the residential property management industry in Hong Kong, ranging from licensing to procurement and maintenance

### Property Development

- The market is vulnerable to potential interest rate rises and global capital market fluctuations

## Our Strategies

### Property Safety

- Safety at our construction sites, investment and managed properties and adjoining railway facilities is our top priority

### Property Rental

- Sustain the growth in profit and capital value in our investment properties portfolio in Hong Kong
- Maintain the value of our investment properties portfolio through optimising our shopping malls, while achieving 34% growth in attributable GFA by adding new high quality retail space
- Develop sustainable and innovative strategies to combat the impact of e-commerce

### Property Management

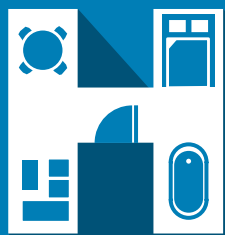
- Enhance our property management service so that we meet or exceed customer requirements and expectations

- Promote green projects with greater energy efficiency to foster health and sustainability in our managed properties

### Property Development

- Optimise the integration between our property developments and the railway network, as well as other modes of transport
- Expand, through seeking the rezoning of feasible existing railway sites and through applying the proven "Rail plus Property" integrated development model to potential new rail projects under RDS2014
- Deliver property developments awarded to a high standard, on time and within budget
- Pursue continuous improvement in our standards through innovation and capturing new development opportunities

BUSINESS REVIEW  
HONG KONG PROPERTY  
AND OTHER BUSINESSES



Property  
Rental and  
Management

EBITDA  
HK\$4,098m

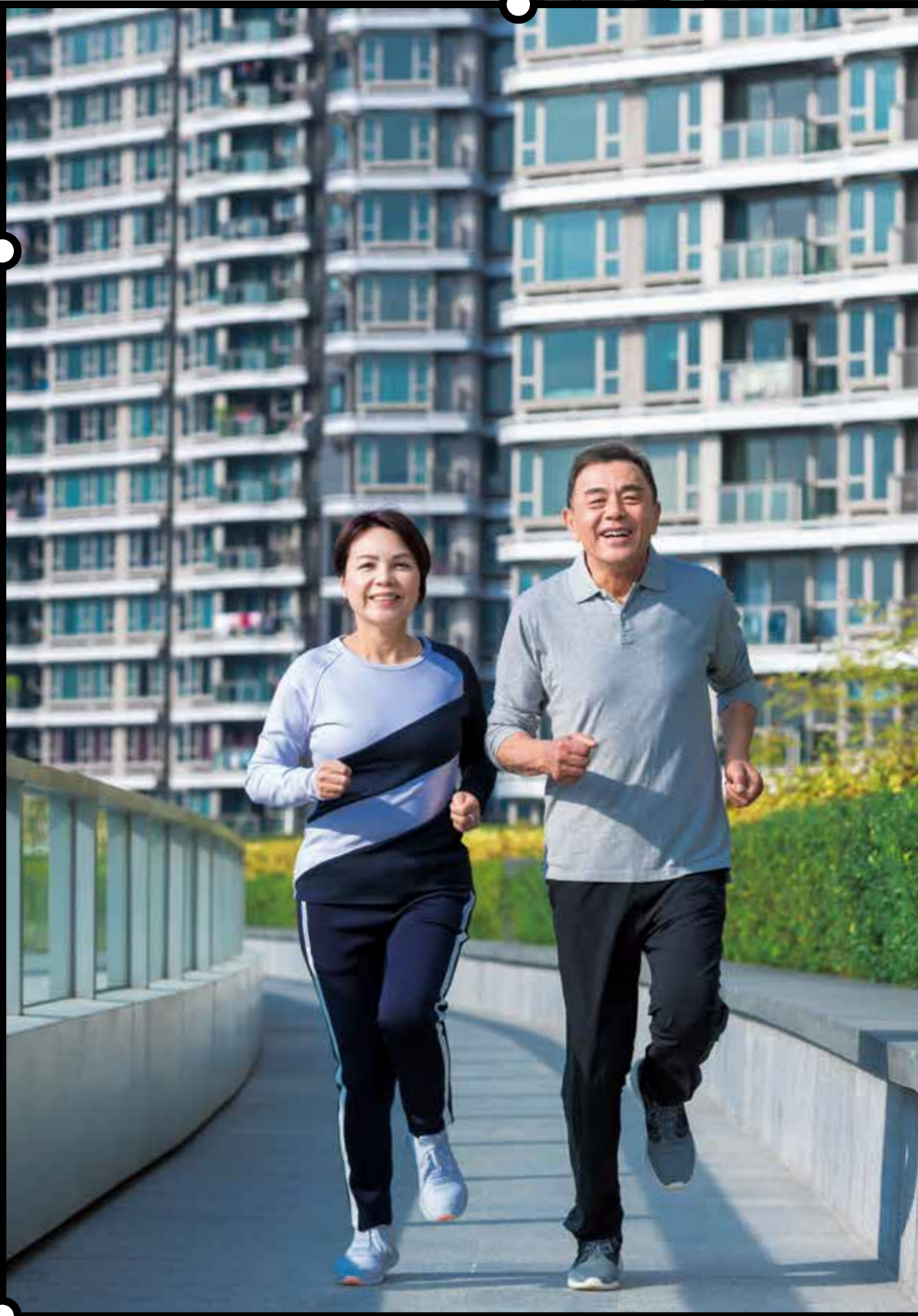
↑ 4.3%

EBIT  
HK\$4,082m

↑ 4.3%

Property  
Development  
Profit

HK\$1,097m



## FINANCIAL PERFORMANCE

The financial performance of our Hong Kong property rental and property management businesses is summarised as follows:

In HK\$ million	Year ended 31 December		
	2017	2016	Inc./ (Dec.) %
<b>Hong Kong Property Rental and Property Management Businesses</b>			
Revenue from Property Rental	<b>4,608</b>	4,451	3.5
Revenue from Property Management	<b>292</b>	290	0.7
Total Revenue	<b>4,900</b>	4,741	3.4
Operating profit before depreciation, amortisation and variable annual payment ("EBITDA")	<b>4,098</b>	3,930	4.3
Operating profit before interest and finance charges and after variable annual payment ("EBIT")	<b>4,082</b>	3,912	4.3
EBITDA Margin (in %)	<b>83.6%</b>	82.9%	0.7% pt.
EBIT Margin (in %)	<b>83.3%</b>	82.5%	0.8% pt.

## PROPERTY RENTAL

Hong Kong property rental revenue increased by 3.5% in 2017. This was mainly due to rental increases in accordance with existing lease agreements. Rental reversion in our shopping mall portfolio in Hong Kong recorded a 1.7% fall during the year. As at 31 December 2017, our shopping malls in Hong Kong and the Company's 18 floors in Two International Finance Centre were 100% let.

As at 31 December 2017, the Company's attributable share of investment properties in Hong Kong was 218,251 square metres of lettable floor area of retail properties, 39,410 square metres of lettable floor area of offices and 17,764 square metres of property for other use. Our retail properties saw an increase in lettable area with the opening, in July 2017, of the converted retail space at Telford Plaza II (which added 3,400 square metres of gross floor area ("GFA")) and, in December 2017, of Maritime Square 2 (formerly known as the Maritime Square extension) (which added another 12,100 square metres GFA of new space). In the fourth quarter of 2017, the second phase

of the "sports and wellbeing" zone was progressively opened in Paradise Mall.

Our retail portfolio again garnered a large number of awards in the year. Elements and Telford Plaza received the "Shopping Mall Award for Warm Service" and the "Excellence Service Award" respectively at the Hong Kong Service Awards 2017 organised by East Week Magazine; both malls were also awardees of the "Best Mall Awards" presented by Next Media Action News. Elements also received the "My Favourite Shopping Mall Award 2016/17" from Hong Kong Economic Times. Telford Plaza received the "Green Plus Award 2017" from CLP Power Hong Kong Limited in the category of "Property Management – Industrial & Commercial". In recognition of its successful revamp project, Paradise Mall won the "Certificate of Excellence" in the Retail Team of the Year Category at the Royal Institution of Chartered Surveyors (RICS) Awards Hong Kong 2017.

## Investment Property Portfolio in Hong Kong (as at 31 December 2017)

Location	Type	Lettable floor area (sq. m.)	No. of parking spaces	Company's ownership interest
Telford Plaza I, Kowloon Bay, Kowloon	Shopping Centre	39,305	–	100%
	Car park	–	993	100%
Telford Plaza II 7-8/F, Kowloon Bay, Kowloon	Shopping Centre	2,397	–	100%
Telford Plaza II 3-6/F, Kowloon Bay, Kowloon	Shopping Centre	19,063	–	50%
	Car park	–	136	50%
Luk Yeung Galleria, Tsuen Wan, New Territories	Shopping Centre	11,094	–	100%
	Car park	–	651	100%
Paradise Mall, Heng Fa Chuen, Hong Kong	Shopping Centre	15,353	–	100%
	Wet Market	1,216	–	100%
	Kindergarten	2,497	–	100%
	Car park	–	415	100%
Maritime Square 1, Tsing Yi	Shopping Centre	29,161	–	100%
	Kindergarten	920	–	100%
	Car park	–	220	100%
	Motorcycle park	–	50	100%
Maritime Square 2, Tsing Yi	Shopping Centre	6,448	–	100%
	Car park	–	65	100%
	Motorcycle park	–	21	100%
The Lane, Hang Hau	Shopping Centre	2,629	–	100%
	Car park	–	16	100%
	Motorcycle park	–	1	100%
PopCorn 2, Tseung Kwan O	Shopping Centre	8,456	–	70%
	Car park	–	50	70%
PopCorn 1, Tseung Kwan O	Shopping Centre	12,173	–	50%
	Car park	–	115	50%
	Motorcycle park	–	16	50%
G/F, No. 308 Nathan Road, Kowloon	Shop Unit	70	–	100%
G/F, No. 783 Nathan Road, Kowloon	Shop Unit	36	–	100%
New Kwai Fong Gardens, Kwai Chung, New Territories	Kindergarten	540	–	100%
	Car park	–	126	100%
International Finance Centre ("ifc"), Central, Hong Kong	– Two ifc	39,410	–	100%
	– One and Two ifc	–	1,308	51%
Phase I, Carpark Building, Kornhill, Quarry Bay, Hong Kong	Car park	–	292	100%
Roof Advertising Signboard, Admiralty Centre, No. 18 Harcourt Road, Hong Kong	Advertising signboard	–	–	100%
Ten Shop Units, First Floor Podium, Admiralty Centre, No. 18 Harcourt Road, Hong Kong	Shop unit	286	–	50%
Olympian City One, Tai Kok Tsui, Kowloon	Indoor sports hall	13,219	–	100%
Olympian City Two, Tai Kok Tsui, Kowloon	Shop unit	1,096	–	100%
Choi Hung Park & Ride Public Car Park, No. 8 Clear Water Bay Road, Choi Hung, Kowloon	Car park	–	54	100%
	Motorcycle Park	–	10	100%
	Park & Ride	–	450	100%
Elements, No. 1 Austin Road West, Kowloon	Shopping Centre	45,800	–	81%
	Car park	–	898	81%
Cross Border Coach Terminus, No. 1 Austin Road West, Kowloon	Coach terminus	5,113	–	100%
Kindergarten, No. 1 Austin Road West, Kowloon	Kindergarten	1,045	–	81%
Plaza Ascot, Fo Tan	Shopping Centre	7,720	–	100%
Royal Ascot, Fo Tan	Residential	2,784	–	100%
	Car park	–	20	100%
Ocean Walk, Tuen Mun	Shopping Centre	6,083	–	100%
	Car park	–	32	100%
Sun Tuen Mun Shopping Centre, Tuen Mun	Shopping Centre	9,022	–	100%
	Car park	–	421	100%

## Investment Property Portfolio in Hong Kong (as at 31 December 2017)(continued)

Location	Type	Lettable floor area (sq. m.)	No. of parking spaces	Company's ownership interest
Hanford Plaza, Tuen Mun	Shopping Centre	1,924	–	100%
	Car park	–	22	100%
Retail Floor and 1-6/F., Citylink Plaza, Shatin	Shopping Centre	12,154	–	100%
The Capitol, LOHAS Park	Shop Unit	391	–	100%
	Residential Care Home for the Elderly	2,571	–	100%
Le Prestige, LOHAS Park	Kindergarten	800	–	100%
	Car park	–	2	100%
The Riverpark, Che Kung Temple	Shop Unit	154	–	100%
	Kindergarten	708	–	100%
Hemera, LOHAS Park	Kindergarten	985	–	100%

All properties are held by the Company and its subsidiaries under Government Leases for over 50 years except for:

- Telford Plaza I and II, Luk Yeung Galleria, Maritime Square 1 and 2, New Kwai Fong Gardens, ifc, Olympian City, Elements, Cross Border Coach Terminus and Kindergarten at No. 1 Austin Road West, Plaza Ascot, Royal Ascot, Ocean Walk, Sun Tuen Mun Shopping Centre and Hanford Plaza where the Government Leases expire on 30 June 2047
- Choi Hung Park & Ride where the Government Lease expires on 11 November 2051
- The Lane where the Government Lease expires on 21 October 2052
- PopCorn 2 where the Government Lease expires on 27 March 2052
- LOHAS Park where the Government Lease expires on 16 May 2052
- Citylink Plaza where the Government Leases expire on 1 December 2057
- The Shop Units and Kindergarten of The Riverpark, Che Kung Temple where the Government Lease expires on 21 July 2058

## Properties held for sale (as at 31 December 2017)

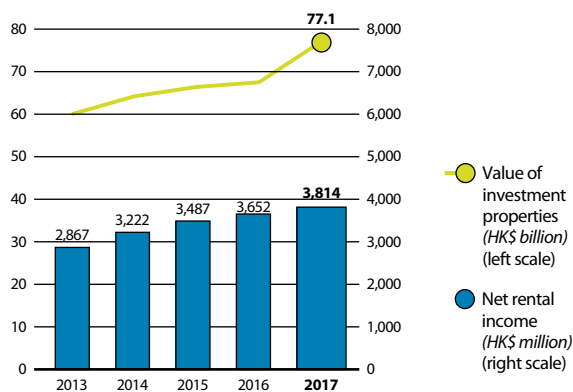
Location	Type	Lettable floor area (sq. m.)	No. of parking spaces	Company's ownership interest
Olympian City One, No. 11 Hoi Fai Road, Kowloon	Shopping centre	6,026*	–	40%
	Car park	–	330	40%
Bank of China Centre, No. 11 Hoi Fai Road, Kowloon	Car park	–	117	40%
The Arch, No. 1 Austin Road West, Kowloon	Residential	548**	–	38.5%
	Car park	–	12	38.5%
Residence Oasis, No. 15 Pui Shing Road, Hang Hau, Tseung Kwan O	Motorcycle park	–	18	71%
The Grandiose, No. 9 Tong Chun Street, Tseung Kwan O	Motorcycle park	–	24	70%
Harbour Green, No. 8 Sham Mong Road, Kowloon	Kindergarten	1,299	–	50%
The Palazzo, No. 28 Lok King Street, Shatin	Residential	749***	–	55%
	Retail	2,000	–	55%
	Car park	–	15	55%
	Motorcycle park	–	5	55%
Lake Silver, No. 599 Sai Sha Road, Shatin	Residential	1,674**	–	92.88%
	Retail	3,000	–	92.88%
	Kindergarten	1,000	–	92.88%
	Car park	–	38	92.88%
Festival City, No. 1 Mei Tin Road, Shatin	Car park	–	137	100%
Hemera, LOHAS Park, Tseung Kwan O	Residential	1,476***	–	73.10%
	Car park	–	240	100%
The Riverpark, No. 8 Che Kung Miu Road, Shatin	Residential	212***	–	87%
	Car park	–	5	87%

\* Lettable floor area

\*\* Brochure gross floor area as per previously issued marketing brochures

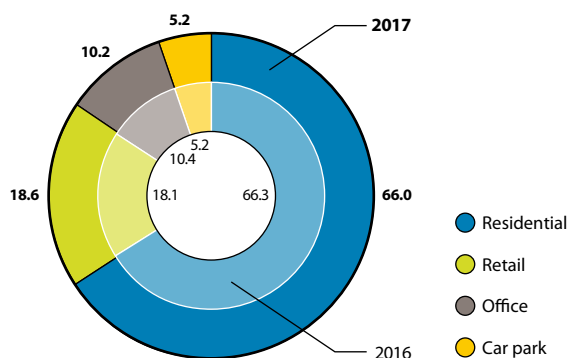
\*\*\* Saleable area

### Investment Properties



### Distribution of Hong Kong Property Management Income

(Percentage)



## PROPERTY MANAGEMENT

Hong Kong property management revenue in 2017 increased by 0.7% to HK\$292 million. As at 31 December 2017, over 96,000 residential units and over 772,000 square metres of commercial space were managed by MTR.

As in previous years, the excellence of our property management secured a number of awards during 2017.

Two of our managed properties gained awards from Occupational Safety and Health Council. The Palazzo received a “Gold Award of the Safety Culture Award” in the “Best Property Safety Management Award 2016 to 2017” while The Arch received a “Merit Award” in the council’s “Best Property Management Awards”.

## PROPERTY DEVELOPMENT

Profit from Hong Kong property development in 2017 amounted to HK\$1,097 million, and was derived from sundry sources, such as agency fee income from West Rail property developments (including Cullinan West and Cullinan West II, Ocean Pride, Ocean Supreme, THE PAVILIA BAY, PARC CITY as well as The Spectra), the sale of inventory units and car parking spaces, as well as further profit bookings arising from the finalisation of development accounts for completed property development projects.

Pre-sales were launched for Wings at Sea and Wings at Sea II of LOHAS Park Package 4 in September and October 2017 respectively. By year end, about 97% of the 1,040 units of Wings at Sea and about 36% of the 1,132 units of Wings at

Sea II had been sold. Pre-sales for MALIBU of LOHAS Park Package 5 are planned to be launched in March 2018.

For West Rail property development projects where we are the agent for the relevant subsidiaries of KCRC, a series of pre-sales were launched during the year. THE PAVILIA BAY (the Tsuen Wan West Station (TW6) site) was launched in January 2017 with about 98% of 983 units sold by year end. Cullinan West and Cullinan West II at Nam Cheong Station were launched in March and November 2017 respectively, with about 92% of 1,050 units and about 44% of 1,188 units respectively sold by year end. May and July 2017 saw the launches respectively of Ocean Pride and Ocean Supreme (the Tsuen Wan West Station (TW5) Bayside





site), with about 99% of 970 units and 87% of 1,436 units sold respectively by the end of the year. PARC CITY (the Tsuen Wan West Station (TW5) Cityside site) was launched in August 2017, with all 953 units sold. Pre-sales also continued at The Spectra (the Long Ping Station (North) site), with about 96% of 912 units sold by year end.

In our property tendering, Wong Chuk Hang Station Package 1 was awarded to a consortium formed by Road King Infrastructure Limited and Ping An Real Estate Company Limited in February 2017. In December 2017, Wong Chuk Hang Station Package 2 was awarded to a consortium formed by Kerry Properties Limited and Sino Land Company Limited.

As agent for the relevant subsidiary of KCRC, we awarded Kam Sheung Road Station Package 1 to a consortium formed by Sino Land Company Limited, China Overseas Land & Investment Limited and K. Wah International Holdings Limited in May 2017.

In our residential development, during the past four years or so, 12 MTR property development packages have been tendered out and are now in various stages of planning and construction. Over 18,000 residential units, with a total GFA of over 1.15 million square metres, will be completed over the next six years.



# BUSINESS REVIEW

## HONG KONG PROPERTY AND OTHER BUSINESSES

### Progress of Property Development Packages Awarded

Location	Project Status		
	Design	Foundation Works	Superstructure
LOHAS Park Package 4	Completed	Completed	In progress
Tai Wai Station	Completed	In progress	In progress
LOHAS Park Package 5	Completed	Completed	In progress
LOHAS Park Package 6	Completed	Completed	In progress
Tin Wing Stop	Completed	In progress	To be started in first half of 2018
LOHAS Park Package 7	Completed	Completed	In progress
LOHAS Park Package 8	Completed		To be started in first half of 2018
LOHAS Park Package 9	Completed	Completed	To be started in first half of 2018
LOHAS Park Package 10	Completed	Completed	To be started in first half of 2018
Ho Man Tin Station Package 1	In progress	To be started in first half of 2018	
Wong Chuk Hang Station Package 1	In progress		
Wong Chuk Hang Station Package 2	In progress		

### West Rail Line Property Development Plan

The Company acts as development agent for the West Rail property projects.

Station/Site	Site Area (hectares)	Actual/Expected tender award date	Actual/Expected completion date
<b>Property Development Packages awarded</b>			
Tuen Mun	2.65	August 2006	By phases from 2012 – 2014
Tsuen Wan West (TW7)	2.37	September 2008	2014
Nam Cheong	6.18	October 2011	By phases from 2017 – 2019
Long Ping (North)	0.99	October 2012	2017
Tsuen Wan West (TW5) Cityside	1.34	January 2012	2018
Tsuen Wan West (TW5) Bayside	4.29	August 2012	2018
Tsuen Wan West (TW6)	1.38	January 2013	2018
Long Ping (South)	0.84	June 2013	2019
Yuen Long	3.91	August 2015	2022
Kam Sheung Road Package 1	4.17	May 2017	2025
	<b>28.12</b>		
<b>Property Development Packages to be awarded</b>			
Kam Sheung Road Package 2	About 5.17	2024 – 2025	2031 – 2032
Pat Heung Maintenance Centre	About 23.56	Under review	Under review
	<b>28.73</b>		
<b>Total</b>	<b>56.85</b>		

## Property Development Packages Completed during the year and Awarded

Location	Developers	Type	Gross floor area (sq. m.)	Tender award date	Expected completion date
<b>Ho Man Tin Station</b> Package 1	Goldin Financial Holdings Limited	Residential	69,000	December 2016	2022
<b>LOHAS Park Station</b> Wings at Sea and Wings at Sea II	Sun Hung Kai Properties Limited	Residential	122,302	April 2014	By phases from 2018 – 2019
Package 5	Wheelock and Company Limited	Residential	102,336	November 2014	2019
Package 6	Nan Fung Group Holdings Limited	Residential	136,970	January 2015	2020
Package 7	Wheelock and Company Limited	Residential Retail Kindergarten	70,260 44,500 1,160	June 2015	2022
Package 8	CK Asset Holdings Limited	Residential	97,000	October 2015	2021
Package 9	Wheelock and Company Limited	Residential Kindergarten	104,110 810	December 2015	2022
Package 10	Nan Fung Group Holdings Limited	Residential	75,400	March 2016	2022
<b>Tai Wai Station</b> Tai Wai	New World Development Company Limited	Residential Retail	190,480 60,620*	October 2014	2022
<b>Tin Wing Stop</b> Tin Wing	Sun Hung Kai Properties Limited	Residential Retail	91,051 205	February 2015	2021
<b>Wong Chuk Hang Station</b> Package 1	Road King Infrastructure Limited and Ping An Real Estate Company Limited	Residential	53,600	February 2017	2022
Package 2	Kerry Properties Limited and Sino Land Company Limited	Residential	45,800	December 2017	2023
<b>Kam Sheung Road Station<sup>#</sup></b> Package 1	Sino Land Company Limited, China Overseas Land & Investment Limited and K. Wah International Holdings Limited	Residential	114,896	May 2017	2025
<b>Long Ping Station<sup>#</sup></b> The Spectra	K. Wah International Holdings Limited and Sino Land Company Limited	Residential	48,675	October 2012	2017
Long Ping (South)	Chinachem Group	Residential	41,990	June 2013	2019
<b>Nam Cheong Station<sup>#</sup></b> Cullinan West	Sun Hung Kai Properties Limited	Residential Retail Kindergarten	214,700 26,660 1,000	October 2011	By phases from 2017 – 2019
<b>Tsuen Wan West Station<sup>#</sup></b> PARC CITY	Chinachem Group	Residential Retail	66,114 11,210	January 2012	2018
Ocean Pride and Ocean Supreme	CK Asset Holdings Limited	Residential Retail Kindergarten	167,100 40,000 550	August 2012	2018
THE PAVILIA BAY	New World Development Co. Ltd. and Vanke Property (Overseas) Limited	Residential	62,711	January 2013	2018
<b>Yuen Long Station<sup>#</sup></b> Yuen Long	Sun Hung Kai Properties Limited	Residential Retail	126,455 11,535 <sup>^</sup>	August 2015	2022

<sup>#</sup> as development agent for the relevant subsidiaries of KCRC

\* excluding a bicycle park with cycle track

<sup>^</sup> including a 24-hour pedestrian walkway and a covered landscape plaza

## Property Development Packages to be Awarded <sup>Notes 1 and 2</sup>

Location	Type	Gross floor area (sq. m.)	Period of package tenders	Expected completion date
LOHAS Park Station	Residential	About 320,000	2018 – 2021	2023 – 2026
Wong Chuk Hang Station	Residential Retail	258,100 47,000		
Ho Man Tin Station	Residential	59,400		

Notes:

1 Property development packages for which we are acting as development agent for the relevant subsidiaries of KCRC are not included.

2 These property development packages are subject to review in accordance with planning approval, land grant conditions and completion of statutory processes.



## EXPANDING THE PROPERTY PORTFOLIO

As our Hong Kong rail network expands, this yields additional opportunities for residential and commercial property developments.

### Investment Properties

Over the next four years or so our investment properties portfolio in Hong Kong will expand significantly as more retail space is added. Two of these projects were completed in 2017, namely the Maritime Square 2 and the seventh and eighth floors of Telford Plaza II. A further 105,120 square metres GFA will be added by the two that remain under construction, namely the new LOHAS Park shopping centre and the Tai Wai shopping centre.

The Tai Wai Shopping Centre will have 60,620 square metres GFA and is targeted to complete in 2022. Foundation and superstructure works are in progress and on schedule. The Company has already contributed HK\$7.5 billion to this development package, and will, in addition to profit sharing from the whole development, retain ownership of the mall when completed and bear the fit-out costs.

The LOHAS Park Shopping Centre will have 44,500 square metres GFA and is targeted to complete by the end of 2020. Foundation and superstructure works are in progress and

on schedule. The Company will contribute a total of HK\$4.98 billion to the development, of which HK\$2.44 billion has already been invested. The remaining HK\$2.54 billion will be paid upon the completion of mall construction, which is expected to be in 2019. MTR will also bear the fit out cost of the shopping centre. Upon completion of the project, MTR will retain the ownership of the shopping centre, in addition to profit sharing from the whole development.

### Property Development

We are continuing to examine suitable sites along our railway lines where other properties might be developed.

Above our depot in Siu Ho Wan on Lantau Island around 14,000 residential units could be built, subject to the necessary zoning and other statutory approvals. The Environmental Impact Assessment reports for this project were approved by Government in November 2017. The statutory planning procedures commenced with the draft Siu Ho Wan Outline Zoning Plan being agreed by the Town Planning Board for District Council consultation on 5 January 2018.

A second possible site is the Yau Tong Ventilation Building. The rezoning process for this project was completed in April 2017 and the gazetted road works scheme was approved in August 2017. At this preliminary stage there is no assurance that either project would be commercially viable.



## OTHER BUSINESSES

### Ngong Ping 360

The Ngong Ping Cable Car was closed between 9 January and 4 June 2017 for the planned rope replacement works, during which time the associated theme village remained open to the public. Cable Car service resumed on 5 June 2017 after the successful completion of the rope replacement project. In consequence, revenue at the Ngong Ping Cable Car and associated theme village (“Ngong Ping 360”) decreased by 32.7% in 2017 to HK\$263 million. Visitor numbers for the year fell by 38.9% to 1.04 million.

In June 2017, Ngong Ping 360 was recognised by USA Today as one of “The World’s 10 best cable cars”. Ngong Ping 360 is the only cable car in Asia to have gained this status three times, following similar awards from CNN.com in the US in 2015 and The Daily Telegraph in the UK in 2014.

### Octopus

The Company’s share of net profit from Octopus Holdings Limited in 2017 declined by 30.5% to HK\$173 million. As at 31 December 2017, more than 10,000 service providers in Hong

Kong were accepting Octopus for payment. Total cards and other stored-value Octopus products in circulation reached 34.4 million. Average daily transaction volumes and value reached 14.5 million and HK\$193.6 million respectively.

New measures for the newly issued On-Loan Adult Octopus were effective starting from 1 October 2017. The “convenience limit” for newly issued On-Loan Octopus was increased from HK\$35 to HK\$50 to enhance customer convenience, while an “Inactive Octopus Administrative Fee” applicable to newly issued On-Loan Adult Octopus was introduced to encourage regular use.

### Consultancy Business

As one of the world’s leading railway operators we offer consultancy services to clients in and outside of Hong Kong. Revenue from our consultancy business in 2017 increased by 64.8% to HK\$356 million, mainly contributed by the service contract to provide project management and technical assistance to the Macau Light Rapid Transit project.