

Press Announcement

7 April 2016

**Press Announcement of KCRC's Audited Results  
for the Year Ended 31 December 2015**

KCRC's Chief Officer, Edmund K H Leung, today announced the financial results of the Kowloon-Canton Railway Corporation for the year ending 31 December 2015.

Mr Leung noted that in addition to the Fixed Annual Payment of HK\$750 million, the Variable Annual Payment from the MTR Corporation Limited (MTRCL) for 2015 increased by some 12% when compared with 2014, from HK\$1,472 million to HK\$1,649 million. This increase reflects the continued growth in fare and non-fare revenues earned by MTRCL from the KCR network due to increasing passenger numbers and railway-related commercial activities such as the leasing of station shops.

The Corporation's operating profit for the year before depreciation, amortisation and impairment amounted to HK\$2,863 million, an increase of HK\$253 million (9.7%) from 2014. However, mainly due to non-cash depreciation charges on its railway assets, the Corporation recorded an accounting loss of HK\$460 million, a decrease of some HK\$155 million on the loss of HK\$615 million recorded in 2014.

Mr Leung commented that the Corporation's expected revenues should enable it to repay fully all remaining debts upon their maturity. He further noted that the annual losses recorded by the Corporation have declined rapidly in recent years and a return to sustained long-term accounting profitability was expected within a few short years, allowing annual dividend payments to resume to the Government as the sole shareholder.

KCRC's Annual Report for 2015 will be available on the website [www.kcrc.com](http://www.kcrc.com) after formal tabling by the Financial Secretary in the Legislative Council, which is expected in the second quarter of 2016.