

Press Announcement

9 April 2020

**Press Announcement of KCRC's Audited Results  
for the Year Ended 31 December 2019**

KCRC's Chief Officer, L T Ma, today announced the financial results of the Kowloon-Canton Railway Corporation for the year ending 31 December 2019.

Mr Ma pointed out that the Fixed Annual Payment and Variable Annual Payment from the MTR Corporation Limited (MTRCL) for 2019 totalled HK\$2,653 million, decreased about 10% when compared to HK\$2,957 million in 2018. The decrease was mainly attributed to the disrupted railway service schedules and dipping patronage amidst public order events in the latter half of 2019.

With the Express Rail Link (XRL) added to the Corporation's network in August 2018, the patronage on the XRL has been very encouraging for the first half of 2019 bringing considerable amount of revenue to the Corporation. However, with the onset of the unprecedented public order events, the rising patronage on the XRL and the local rail network curbed in the latter half of 2019. Despite the drop in patronage and revenue from the railway business, the Corporation recorded an accounting profit of HK\$634 million. The Corporation's operating profit for the year (before depreciation, amortisation and impairment) amounted to HK\$3,462 million, a decrease of HK\$288 million (7.7%) over 2018.

Mr Ma commented that the Corporation's expected revenues should enable it to repay fully all remaining debts upon their maturities. With the last floating rate debt repaid in 2019, the Corporation is now only servicing fixed rate debts, which would significantly reduce the Corporation's exposure to financial risks associated with interest rate movements. He further noted that he expected the financial performance of the Corporation would improve in the years to come and the Corporation will be achieving long-term accounting profitability soon.

KCRC's Annual Report for 2019 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 2020.