

Press Announcement

28 April 2021

**Press Announcement of KCRC's Audited Results
for the Year Ended 31 December 2020**

KCRC's Chief Officer, L T Ma, today announced the financial results of the Kowloon-Canton Railway Corporation for the year ending 31 December 2020.

Mr Ma pointed out that the Variable Annual Payment received by the Corporation from the MTR Corporation Limited (MTRCL) for 2020 amounted to HK\$238 million, which is a decrease of about 91% when compared to HK\$2,583 million in 2019. The decrease was mainly attributed to the dip in patronage as a result of the COVID-19 pandemic.

With the drop in patronage and revenue from the railway business, the Corporation recorded an accounting loss of HK\$2,291 million. Nevertheless, the Corporation withstood the downturn and maintained its robust financial position. Mr Ma commented that the Corporation's financial strength should enable it to repay fully all remaining debts upon their maturity. With the last floating rate debt repaid in 2019, the Corporation is now only servicing relatively modest outstanding fixed rate debts, which would significantly reduce the Corporation's exposure to financial risks associated with interest rate movements. He further noted that the financial performance of the Corporation would improve when the railway services gradually resume with the subsidence of the pandemic.

The Tuen Ma Line (TML) Phase 1 was added to the Corporation's network and commenced operation on 14 February 2020 under a Supplemental Service Concession Agreement with the MTRCL. Mr Ma said that the Corporation is now working with the Government and MTRCL on similar arrangements for TML full commissioning within 2021. Looking forward, upon the completion of Shatin to Central Link, the Corporation's network will cross the Victoria Harbour to arrive at Admiralty. This will greatly enhance the railway network of Hong Kong with improved efficiency and resilience and well-positioned for growth in railway patronage, cross-boundary and within Hong Kong.

KCRC's Annual Report for 2020 will be available on the website www.kcrc.com after formal tabling by the Financial Secretary in the Legislative Council, which is expected in the second quarter of 2021.