



Press Announcement

28 March 2017

**Press Announcement of KCRC's Audited Results  
for the Year Ended 31 December 2016**

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 2016.

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 2016 increased by some 8% when compared with 2015, from HK\$1,649 million to HK\$1,787 million. This increase reflects the continued growth in fare and non-fare revenues earned by MTRCL from the KCR network and the service concession payments of HK\$2,537 million is the highest since the rail merger in 2007.

The Corporation's operating profit for the year before depreciation, amortisation and impairment amounted to HK\$3,095 million, an increase of HK\$232 million (8.1%) from 2015. However, mainly due to non-cash depreciation charges on its railway assets, the Corporation recorded an accounting loss of HK\$280 million, a decrease of some HK\$180 million on the loss of HK\$460 million recorded in 2015.

Mr Leung commented that the Corporation's expected revenues should enable it to repay fully all remaining debts upon their maturities. 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 be paid to the Government as the sole shareholder.

KCRC's Annual Report for 2016 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 2017.