

Lianhe Global has assigned ‘AA+’ global scale Long-term Issuer Credit Rating with Stable Outlook to MTR Corporation Limited

HONG KONG, 21 October 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘AA+’ global scale Long-term Issuer Credit Rating to MTR Corporation Limited (“MTRC” or “the company”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects MTRC’s dominant market position in Hong Kong’s mass transit rail sector, and revenue recovery supported by established network, strong market demand, diversified revenue streams and high operating efficiency. Moreover, there is a high possibility that the Government of the Hong Kong Special Administrative Region (“Hong Kong government”) would provide very strong support to MTRC if needed, in light of its majority ownership, MTRC’s strategic importance in the public transportation system, and the linkage between the Hong Kong government and MTRC, including appointment of directors in MTRC’s board of directors, strategic alignment, major investment and financing plan decisions and ongoing government support. In addition, the Hong Kong government may face significant negative impact on its reputation and financing activities if MTRC encounters any operational and financial difficulties.

The Stable Outlook reflects our expectation that MTRC will maintain its market position and strategic importance, while the Hong Kong government will continue to ensure MTRC’s stable operation.

Rating Sensitivities

We would consider downgrading MTRC’s rating if (1) there is perceived weakening in support from the Hong Kong government, particularly due to its reduced strategic importance with diminished policy role or government functions, or (2) there is a significant reduction of the Hong Kong government’s ownership of MTRC, or (3) there is a downgrade in our internal credit assessment on the Hong Kong government.

We would consider upgrading MTRC’s rating if there is an upgrade in our internal credit assessment on the Hong Kong government.

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Rating Methodology

The principal methodology used in this MTRC's rating are Lianhe Global's General Corporate Rating Criteria published on 31 December 2021 and General Corporate Rating Criteria: Addendum published on 30 August 2022, which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings are unsolicited ratings. None of the aforementioned entities nor its related parties participate in the credit rating process. Our analysis is conducted based on publicly available information.

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