

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including any applicable procedures or any other similar formalities.



MTR CORPORATION LIMITED 香港鐵路有限公司

(the 'Company')

(Incorporated in Hong Kong with limited liability)

(Stock Code: 66)

Board of Directors:

Dr Rex Auyeung Pak-kuen (Chairman)**
Dr Jacob Kam Chak-pui (Chief Executive Officer)
Andrew Clifford Winawer Brandler*
Dr Bunny Chan Chung-bun*
Walter Chan Kar-lok*
Cheng Yan-kee*
Hui Siu-wai*
Ayesha Macpherson Lau*
Sunny Lee Wai-kwong*
Jimmy Ng Wing-ka*
Dr Carlson Tong*
Sandy Wong Hang-yee*
Adrian Wong Koon-man*
Professor Anna Wong Wai-kwan*
Christopher Hui Ching-yu (Secretary for Financial Services and the Treasury)**
Secretary for Transport and Logistics (Lam Sai-hung)**
Permanent Secretary for Development (Works) (Ricky Lau Chun-kit) **
Commissioner for Transport (Angela Lee Chung-yan)**

* Independent non-executive Director

** Non-executive Director

Registered Office:

MTR Headquarters Building
Telford Plaza
Kowloon Bay
Kowloon
Hong Kong

11 June 2024

To: the shareholders and
the award holders of the Executive Share Incentive Scheme of the Company
(for information only)

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME - 2023 FINAL DIVIDEND

1. INTRODUCTION

2023 Final Dividend

This circular is to inform you about the procedures applicable to the Scrip Dividend Scheme (as described below) and the action which should be taken by the shareholders of the Company (the 'Shareholders') in relation thereto.

At the annual general meeting (the 'AGM') of the Company held on 22 May 2024, Shareholders approved the declaration of a final dividend of HK\$0.89 per ordinary share in the Company (each, a 'Share') (the '2023 Final Dividend') which is expected to be distributed on 16 July 2024 to Shareholders whose names appeared on the register of members of the Company (the 'Register of Members') as at the close of business on 31 May 2024 (the 'Record Date'), with an option to receive the 2023 Final Dividend wholly or partly in new and fully paid Shares in lieu of cash under the Scrip Dividend Scheme as more particularly described below.

The scrip dividend option will enable those Shareholders who elect for scrip dividends to increase their investment in the Company without incurring brokerage fees, stamp duty and related dealing costs. The Company will also benefit by retaining the cash which would otherwise be payable by way of cash dividends to such Shareholders.

For the purpose of ascertaining Shareholders' entitlement to the 2023 Final Dividend, the Register of Members was closed from 28 May 2024 to 31 May 2024 (both dates inclusive) during which no transfers of Shares were effected. To qualify for the 2023 Final Dividend, all completed transfer documents, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited (the '**Share Registrar**'), at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 27 May 2024.

Scrip Dividend Scheme

At the AGM held in 2019, Shareholders passed a resolution authorising the Board of Directors of the Company (the '**Board**') to offer Shareholders the right to choose to receive new shares of the Company to be issued under the scrip dividend scheme (the '**Scrip Dividend Scheme**') and credited as fully paid (the '**Scrip Shares**') in lieu of the whole or part of their cash dividend in respect of some or all of the dividends (including any interim and/or final dividends) which may be declared or paid in the period up to and including the AGM which is held in the fifth year after the passing of the relevant resolution (i.e. in 2024).

Shareholders whose names appeared on the Register of Members on the Record Date (other than Shareholders with registered addresses in New Zealand or the United States of America or any of its territories or possessions (collectively the '**Excepted Shareholders**')) (the '**Qualifying Shareholders**') will have the non-transferable right to choose to receive Scrip Shares in lieu of the whole or part of their cash dividend for the year ended 31 December 2023 and for future interim and final dividends declared by the Company after the 2023 Final Dividend (the '**Future Dividends**') if a scrip dividend option is available, until such Qualifying Shareholders provide the Share Registrar a notice in writing that they no longer wish to receive Scrip Shares.

2. CHOICES IN RESPECT OF THE 2023 FINAL DIVIDEND

Qualifying Shareholders have the following alternative choices in respect of the 2023 Final Dividend:

- (a) cash of HK\$0.89 per Share; or
- (b) an allotment of Scrip Shares (the number of which is determined as explained below); or
- (c) partly in cash and partly in Scrip Shares.

A Qualifying Shareholder who elects to receive Scrip Shares in lieu of the whole or part of his/her cash dividend will be entitled to Shares whose total Relevant Value (see below) is as near as possible to the cash dividend he/she would have received in respect of the existing Shares for which he/she has opted to receive Scrip Shares. The Relevant Value of a Share is HK\$26.48 which is the average closing price of a Share as quoted on The Stock Exchange of Hong Kong Limited ('**HKSE**') for the five consecutive trading days starting from, and including, 24 May 2024 (being the day when the Shares were first quoted ex-dividend) (the '**Relevant Value**') pursuant to Article 135(b) of the Company's Articles of Association.

Accordingly, the number of Scrip Shares which a Qualifying Shareholder will receive based on his/her election, is calculated as follows:

$$\text{Number of Scrip Shares to be received} = \text{Number of registered Shares held on the Record Date for which scrip election is made for the 2023 Final Dividend} \times \frac{\text{2023 Final Dividend HK\$0.89}}{\text{Relevant Value HK\$26.48}}$$

The number of Scrip Shares to be received by each Qualifying Shareholder pursuant to his/her election:

- (i) will be rounded down to the nearest whole number of the Scrip Shares. Fractional entitlements to Scrip Shares in respect of choices (b) and (c) above will be distributed in cash. The Scrip Shares issued in respect of the 2023 Final Dividend will, when they are issued, rank *pari passu* in all respects with the existing issued Shares except that such Scrip Shares themselves will not rank for the 2023 Final Dividend; and
- (ii) may be allocated in odd lots (of fewer than a board lot of 500 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of Scrip Shares issued in odd lots. Qualifying Shareholders should be aware that odd lots are usually traded at a discount to the price of board lots.

Whether or not it is to Shareholders' advantage to elect to receive Scrip Shares in lieu of cash, in whole or in part, in respect of the 2023 Final Dividend and/or the Future Dividends for which a scrip dividend option is available will depend upon his/her own individual circumstances and the decision in this regard, and all effects resulting therefrom must be solely his/her responsibility. Shareholders who are trustees are recommended to take professional advice as to whether an election to receive Scrip Shares is within their powers and as to the effect of such election having regard to the terms of the relevant trust instrument.

For calculation of the maximum number of Scrip Shares that Shareholders are entitled to elect, he/she may contact the Share Registrar at (852) 2862 8555 or make use of the dividend calculator made available on the Company's website at www.mtr.com.hk/dividend-calculator-en from 7 June 2024 to 26 June 2024 (both dates inclusive).

3. ELECTION FORM AND ACTION TO BE TAKEN

- (I) **If you have already given standing instructions to receive only Scrip Shares under the Scrip Dividend Scheme or any previous scrip dividend scheme of the Company (the ‘Standing Instructions’), no action is required to be taken by you. However, if you wish to make a change to your Standing Instructions, you will need to take action described below according to your choice:**

Only cash for the 2023 Final Dividend	A letter revoking your Standing Instructions must be received by the Share Registrar by 4:30 p.m. on 26 June 2024 (the ‘ Closing Time ’)
Scrip Shares for part of the 2023 Final Dividend	A letter revoking your Standing Instructions AND a duly completed Election Form* must be received by the Share Registrar by the Closing Time

* Please contact the Share Registrar for the Election Form for completion and return.

- (II) **If you have NOT previously given any Standing Instructions**

Please read carefully the instructions printed on the Election Form and indicate your choice in the enclosed Election Form. Then, please date, sign and return the Election Form by the Closing Time.

Choice	Scrip Shares only			Partly Cash and Partly Scrip Shares	Cash only
	2023 Final Dividend	All Future Dividends	2023 Final Dividend & All Future Dividends	2023 Final Dividend	
Action	Tick Box C	Tick Box D	Tick Box E	Complete Box F	No action

- (III) **How and when to return your Election Form**

If you need to return an Election Form, you should return it to the Share Registrar at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by the Closing Time. If the Share Registrar does not receive your completed and signed Election Form by the Closing Time, you will receive the whole of your 2023 Final Dividend in cash and any election which you may have made in such Election Form will be of no effect. The Closing Time will be adjusted, as the case may be, in accordance with (a) or (b) below if a Typhoon Warning Signal No. 8 or above is hoisted, a Black Rainstorm Warning is in force in Hong Kong or ‘extreme conditions’ are announced by the Government of the Hong Kong Special Administrative Region:

- (a) at any time before 12:00 noon on 26 June 2024. In such a case, the Closing Time will be extended to 5:00 p.m. on the same business day; or
- (b) at any time between 12:00 noon and 4:30 p.m. on 26 June 2024. In such a case, the Closing Time will be extended to 4:30 p.m. on the next business day which does not have any of the above warnings in force at any time between 9:00 a.m. and 4:30 p.m.

Notes:

- (i) **The Election Form is for the use by the Qualifying Shareholders only. The right to elect and receive Scrip Shares in lieu of the whole or part of the cash dividend is non-transferable.**
- (ii) **For the avoidance of doubt, other than the options provided in the Election Form, no other requests which are written on the Election Form will be processed; and no acknowledgement of receipt of the Election Form will be issued.**
- (iii) **No election in respect of the 2023 Final Dividend may, after the relevant Election Forms are signed and returned to the Share Registrar, be in any way withdrawn, revoked, superseded or altered.**
- (iv) **No Election Form will be sent to Shareholders who have previously given Standing Instructions.**

4. CONDITION(S) OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme described in this circular is conditional upon the Listing Committee of the HKSE granting listing of, and permission to deal in, the Scrip Shares to be issued in respect of the 2023 Final Dividend. If this condition is not satisfied, the 2023 Final Dividend will then be paid wholly in cash to all Shareholders.

5. SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

Excepted Shareholders will not be permitted to participate in the Scrip Dividend Scheme and they will receive the 2023 Final Dividend wholly in cash. Having obtained and taken into consideration legal opinions in respect of the relevant jurisdictions, the Directors considered such exclusion to be necessary and expedient pursuant to Rule 13.36(2) of the Rules Governing the Listing of Securities on the HKSE. Excepted Shareholders are therefore not ‘Qualifying Shareholders’ for the purposes of the Scrip Dividend Scheme and no Election Form is being sent to them.

Save for Excepted Shareholders, all Shareholders resident outside Hong Kong should consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consents are required or other formalities need to be observed. No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive Scrip Shares in lieu of the cash dividend must also comply with any restrictions on the resale of the Shares which may apply outside Hong Kong. It is a term of this offer of Scrip Shares under the Scrip Dividend Scheme that this offer is made in compliance with the laws of Hong Kong and all other relevant codes, rules and other requirements relating to the offer that apply in Hong Kong.

6. LISTING, CLEARING AND SETTLEMENT

Application has been made to the Listing Committee of the HKSE for listing of, and permission to deal in, the Scrip Shares.

Subject to the granting of the listing of, and permission to deal in, the Scrip Shares issued pursuant to the Scrip Dividend Scheme on the HKSE, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited ('HKSCC') for deposit, clearance and settlement in the Central Clearing and Settlement System ('CCASS') with effect from the commencement date of dealings in the Scrip Shares on the HKSE or such other date as determined by HKSCC. Settlement of transactions between participants of the HKSE is required to take place in CCASS on the second settlement day after any trading day. Shareholders should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests. All activities under CCASS are subject to the Operating Guide for Investor Participants, the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Shares are listed on the HKSE and are traded on the Tradegate Exchange based in Berlin, Gettex of the Munich Stock Exchange, Quotrix of the Dusseldorf Stock Exchange, Boerse Stuttgart in Stuttgart, BX Swiss in Zurich and in the Regulated Unofficial Market (Open Market) on the Frankfurt Stock Exchange. The Company's debt issuance programme is listed on the HKSE.

7. SUMMARY OF EVENTS IN RELATION TO THE SCRIP DIVIDEND SCHEME

Event	Date/Time
Shares quoted ex-dividend	24 May 2024
Latest time for lodging all completed transfer documents (accompanied by the relevant share certificates) to the Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to ensure entitlements to the 2023 Final Dividend	27 May 2024, 4:30 p.m.
Closure of Register of Members for ascertaining Shareholders' respective entitlements to the 2023 Final Dividend	28 May 2024 to 31 May 2024 (both dates inclusive)
Record Date	31 May 2024, close of business
Closing time for return of Election Form (and, if applicable, return of letter revoking any previous Standing Instructions) by Qualifying Shareholders	26 June 2024, 4:30 p.m.
Expected despatch of cheques for cash dividends and/or definitive certificates for Scrip Shares by ordinary post at the risk of recipients	16 July 2024
Expected first day of dealings in Scrip Shares (subject to the proper receipt of definitive certificates for Scrip Shares by Qualifying Shareholders)	17 July 2024

Yours faithfully,
By Order of the Board
Gillian Elizabeth Meller
Company Secretary

IF YOU HAVE ANY QUERIES IN RELATION TO THE SCRIP DIVIDEND SCHEME, PLEASE CALL THE SHARE REGISTRAR AT (852) 2862 8555.

Members of the Board: Dr Rex Auyeung Pak-kuen (*Chairman*)**, Dr Jacob Kam Chak-pui (*Chief Executive Officer*), Andrew Clifford Winawer Brandler*, Dr Bunny Chan Chung-bun*, Walter Chan Kar-lok*, Cheng Yan-kee*, Hui Siu-wai*, Ayesha Macpherson Lau*, Sunny Lee Wai-kwong*, Jimmy Ng Wing-ka*, Dr Carlson Tong*, Sandy Wong Hang-yee*, Adrian Wong Koon-man*, Professor Anna Wong Wai-kwan*, Christopher Hui Ching-yu (*Secretary for Financial Services and the Treasury*)**, *Secretary for Transport and Logistics (Lam Sai-hung)***, *Permanent Secretary for Development (Works) (Ricky Lau Chun-kit)*** and *Commissioner for Transport (Angela Lee Chung-yan)***

Members of the Executive Directorate: Dr Jacob Kam Chak-pui, Jeny Yeung Mei-chun, Margaret Cheng Wai-ching, Linda Choy Siu-min, Carl Michael Devlin, Michael George Fitzgerald, Dr Tony Lee Kar-yun, Gillian Elizabeth Meller, David Tang Chi-fai and Sammy Wong Kwan-wai

* *Independent non-executive Director*

** *Non-executive Director*

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

References to time and dates in this circular are to Hong Kong time and dates.