

MTR CORPORATION LIMITED

(地鐵有限公司)

(the "Company")

(Incorporated in Hong Kong with limited liability)
(Stock code: 66)

FINAL DIVIDEND FOR THE YEAR ENDED 31ST DECEMBER, 2003 SCRIP DIVIDEND SCHEME

1. Formula for calculation of scrip dividend entitlements is set out below.
2. Reminder of deadline for receipt of scrip dividend election forms.

The Company has informed shareholders ("Shareholders") in a document dated 13th April, 2004 (the "Scrip Dividend Document") that the Board of Directors of the Company had recommended that a final dividend of HK\$0.28 per ordinary share of HK\$1.00 each in the Company (each, a "Share") for the year ended 31st December, 2003 (the "2003 Final Dividend") be paid to Shareholders whose names appeared on the register of members of the Company as at the close of business on 2nd April, 2004, and that qualifying Shareholders ("Qualifying Shareholders") may elect to receive their dividend in the form of new Shares ("New Shares") instead of the whole or part of their cash dividend.

This Announcement should be read in conjunction with, and is qualified by, the Scrip Dividend Document.

As stated in the Scrip Dividend Document, at the annual general meeting of the Company held on 17th May, 2001, the Shareholders passed a resolution authorising the Board to offer Shareholders the right to choose to receive extra Shares instead of the whole or part of their cash dividend in respect of some or all of the future dividends (including any final and/or interim dividends) which may be declared or paid in the period up to and including the annual general meeting of the Company which is held in the fifth year after the passing of the resolution.

As stated in the Scrip Dividend Document, subject to Shareholders' approval of the 2003 Final Dividend at the forthcoming annual general meeting of the Company to be held on 3rd June, 2004 (the "AGM"), a Qualifying Shareholder who elects to receive New Shares instead of some or all 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 Shares for which he/she has elected to receive New Shares. The Relevant Value of a Share is the average value of the Company's Shares for the five dealing days starting from, and including, 24th March, 2004 (being the day when the Shares were first quoted ex-dividend). **Shareholders are hereby informed that the Relevant Value is HK\$11.93.**

Accordingly, the number of New Shares which a Qualifying Shareholder will receive, in respect of the existing Shares registered in his/her name on 2nd April, 2004 and for which he/she has elected to receive New Shares will be calculated as follows:

Formula:

$$\frac{\text{Number of New Shares to be received}}{\text{Number of existing Shares held on 2nd April, 2004 for which scrip election is made for the 2003 Final Dividend}} \times \frac{\text{HK\$0.28}}{\text{HK\$11.93}}$$

The number of New Shares to be received by each Qualifying Shareholder pursuant to his/her election will be rounded down to the nearest whole number of New Shares. Fractional entitlements to New Shares will be disregarded and the benefit thereof will accrue to the Company. The New Shares issued in respect of the 2003 Final Dividend will, when they are issued, rank *pari passu* in all respects with the existing issued Shares of the Company except that such New Shares themselves will not rank for the 2003 Final Dividend.

Qualifying Shareholders who need to return a scrip dividend election form are reminded that they should return it to the Company's Registrar, Computershare Hong Kong Investor Services Limited, Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong so that it is received by the Company's Registrar **not later than 4:00 p.m. on 12th May, 2004.**

The Scrip Dividend Scheme is conditional upon (i) the Shareholders passing an ordinary resolution at the AGM authorising and declaring the 2003 Final Dividend and (ii) the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, the New Shares to be issued in respect of the 2003 Final Dividend. Application will be made to the Listing Committee of the Hong Kong Stock Exchange for listing of, and permission to deal in, the New Shares.

Share certificates for the New Shares and cheques for cash entitlements will be despatched to Shareholders at their own risk on or about 30th June, 2004.

By Order of the Board
Leonard Bryan Turk
Secretary

Hong Kong, 23rd April, 2004

Members of the Board: Dr. Raymond Ch'ien Kuo Fung (Chairman)**, Chow Chung Kong (Chief Executive Officer), Professor Cheung Yau Kai*, David Gordon Eldon*, T. Brian Stevenson*, Edward Ho Sing Tin*, Lo Chung Hing*, Christine Fang Meng Sang*, Frederick Ma Si Hang (Secretary for Financial Services and the Treasury)***, Secretary for the Environment, Transport and Works (Dr. Sarah Liao Sau Tung)** and Commissioner for Transport (Robert Charles Law Footman)**

Members of the Executive Directorate: Chow Chung Kong, Russell John Black, William Chan Fu-keung, Philip Gaffney, Thomas Ho Hang-kwong, Lincoln Leong Kwok-kuen and Leonard Bryan Turk

* independent non-executive directors

** non-executive directors



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