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MTR CORPORATION LIMITED

(地鐵有限公司) (the "Company")

(Incorporated in Hong Kong with limited liability)

INTERIM DIVIDEND FOR THE SIX MONTHS ENDED 30TH JUNE, 2001 SCRIP DIVIDEND SCHEME

Reference is made to the Company's announcement of 26th September, 2001 in relation to the following:-

- Formula for calculation of scrip dividend entitlements (which is set out below).
- Reminder of deadline for receipt of scrip dividend election forms.

This announcement serves as a reminder to the shareholders and the content of this announcement is the same as that contained in the announcement of 26th September, 2001.

The Company has informed shareholders in a document dated 21st September, 2001 (the "Scrip Dividend Document") that the Board of Directors is pleased to offer those shareholders of the Company whose names appeared on the register of members of the Company on 20th September, 2001, the interim dividend of HK\$0.14 per ordinary share of HK\$1.00 each of the Company (a "Share") for the six months ended 30th June, 2001 (the "2001 Interim Dividend"), 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. This announcement serves as a reminder to the shareholders and the content of this announcement is the same as that contained in the announcement of 26th September, 2001.

As stated in the Scrip Dividend Document, 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, 12th September, 2001 (being the day when the Shares were first quoted ex-dividend). **Shareholders are hereby informed that the Relevant Value is HK\$10.06.**

Accordingly, the number of New Shares which a Qualifying Shareholder will receive, in respect of the existing Shares registered in his/her name on 20th September, 2001 and for which he/she has elected to receive New Shares will be calculated as follows:

Formula:

$$\text{Number of New Shares to be received} = \frac{\text{Number of existing Shares held on 20th September, 2001 for which scrip election is made for the 2001 Interim Dividend}}{\frac{\text{HK\$0.14}}{\text{HK\$10.06}}} \times \text{HK\$0.14}$$

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 2001 Interim 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 2001 Interim Dividend.

Qualifying Shareholders who need to return a scrip dividend election form are reminded that they should return it to the Company's Registrar, Central Registration Hong Kong 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 19th October, 2001.**

The Scrip Dividend Scheme is conditional upon 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 2001 Interim 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 2nd November, 2001.

By Order of the Board
Leonard Bryan Turk
Secretary