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This announcement and the listing document attached hereto are for information purposes only and do not constitute an invitation or offer to acquire, purchase or subscribe for securities.

*The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction and the securities may not be offered or sold into or within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.*

***This announcement and the listing document attached hereto have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing document attached hereto) forms the basis for any contract or commitment whatsoever.** For the avoidance of doubt, the publication of this announcement and the listing document attached hereto shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of MTRCL and MTR Cayman (each as defined below) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).*

***Notice to Hong Kong investors:** MTRCL and MTR Cayman confirm that the notes to be issued under the Programme (as defined below) (the "**Notes**") are intended for purchase by Professional Investors (as defined in Chapter 37 of the Listing Rules) only and the Programme has been, and the Notes to be listed on The Stock Exchange of Hong Kong Limited ("**SEHK**") will be, listed on the SEHK that basis. Accordingly, MTRCL and MTR Cayman confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF THE OFFERING CIRCULAR

MTR CORPORATION LIMITED
香港鐵路有限公司

(*incorporated in Hong Kong under the Companies Ordinance with limited liability*)
("**MTRCL**")
(Stock Code: 66)

and

MTR CORPORATION (C.I.) LIMITED

(a company with limited liability organised under the laws of the Cayman Islands)
("**MTR Cayman**")

US$25,000,000,000 Debt Issuance Programme (the "**Programme**")
(Unconditionally and irrevocably guaranteed by MTRCL)

This announcement is issued pursuant to Rule 37.39A of the Listing Rules.

Reference is made to the notice of listing of the Programme on The Stock Exchange of Hong Kong Limited dated 30 October 2026 published by MTRCL and MTR Cayman.

The offering circular dated 30 October 2026 in relation to the Programme (the "**Offering Circular**") is appended to this announcement.

Hong Kong, 2 November 2026

As at the date of this announcement:

Members of the Board of MTRCL: Dr Jacob Kam Chak-pui (Chairman)**, Jeny Yeung Mei-chun (Chief Executive Officer), Andrew Clifford Winawer Brandler*, Dr Bunny Chan Chung-bun*, Cheng Yan-kee*, Mary Huen Wai-yi*, Hui Siu-wai*, Ayesha Macpherson Lau*, Professor Sunny Lee Wai-kwong*, Jimmy Ng Wing-ka*, Susanna Shen Shuk-ching*, Sandy Wong Hang-yee*, Adrian Wong Koon-man*, Professor Anna Wong Wai-kwan*, Michael Wong Yick-kam*, Christopher Hui Ching-yu (Secretary for Financial Services and the Treasury)**, Secretary for Transport and Logistics (Mable Chan)**, Permanent Secretary for Development (Works) (Ricky Lau Chun-kit)** and Commissioner for Transport (Winnie Tse Wing-yee)**

Members of the Executive Directorate of MTRCL: Jeny Yeung Mei-chun, David Tang Chi-fai, Margaret Cheng Wai-ching, Linda Choy Siu-min, Carl Michael Devlin, Michael George Fitzgerald, Wilson Kwong Wing-tsuen, Gillian Elizabeth Meller and Sammy Wong Kwan-wai

* *independent non-executive Director*
** *non-executive Director*

Members of the Board of MTR Cayman: Michael George Fitzgerald, Gillian Elizabeth Meller and Dr Lee Guo Chun

Appendix - Offering Circular

ANY OFFERING TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS UNDER RULE 144A OR (2) NON-U.S. PERSONS OUTSIDE OF THE UNITED STATES

Important: You must read the following before continuing. The following applies to the offering circular following this page (the **"Offering Circular"**), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND SECURITIES IN BEARER FORM ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE SECURITIES MAY NOT BE OFFERED, SOLD OR (IN THE CASE OF NOTES IN BEARER FORM) DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY PERSON OTHER THAN (1) A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OR (2) A NON-U.S. PERSON OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S, AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. IN PARTICULAR, IT MAY NOT BE FORWARDED TO ANY U.S. PERSON, OR TO ANY ADDRESS IN THE UNITED STATES, THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT ALLOWED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of certain offerings of the Notes (as defined in the Offering Circular) (each such offering, a "CMI Offering"), including certain Dealers (as defined in the Offering Circular), may be "capital market intermediaries" (the "CMIs") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "SFC Code"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (the "OCs") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the relevant Issuer (as defined in the Offering Circular), the Guarantor (as defined in the Offering Circular), a CMI or its group companies would be considered under the SFC Code as having an association (an "Association") with the relevant Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the relevant Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the relevant Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks

are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the relevant Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

Confirmation of the Representation: In order to be eligible to view the following Offering Circular or make an investment decision with respect to the securities, investors must be either (1) Qualified Institutional Buyers ("QIBs") (within the meaning of Rule 144A under the Securities Act) or (2) non-U.S. persons (within the meaning of Regulation S) eligible to purchase the securities outside the United States (the "U.S.") in an offshore transaction in reliance on Regulation S. The Offering Circular is being sent at your request, and by accepting the e-mail and accessing the Offering Circular, you will be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S and that, in the case of limb (b), the electronic mail address that you gave us and to which the Offering Circular has been delivered is not located in the United States and (2) you consent to delivery of the Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or forward this Offering Circular, electronically or otherwise, or disclose the contents of this Offering Circular, to any other person. If you have gained access to this Offering Circular contrary to the foregoing restriction, you are not allowed to purchase any of the securities described in this Offering Circular.

The materials relating to any offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that such offering be made by a licensed broker or dealer and an Arranger (as defined in this Offering Circular) or Dealer or any affiliate of such Arranger or Dealer is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by such Arranger or Dealer or such affiliate on behalf of the relevant Issuer in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arranger, the Dealers or any person who controls any Arranger, Dealer or any director, officer, employee or agent of any Arranger or Dealer or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Arranger or the Dealers.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Offering Circular

MTR Corporation Limited 香港鐵路有限公司

(a company incorporated on 26th April 2000 in Hong Kong)

and

MTR Corporation (C.I.) Limited

(a company with limited liability organised under the laws of the Cayman Islands on 30th October 2000)

(Unconditionally and Irrevocably Guaranteed by MTR Corporation Limited 香港鐵路有限公司)

US$25,000,000,000

Debt Issuance Programme

On 22nd December 1993, Mass Transit Railway Corporation ("MTRC") entered into a US$1,000,000,000 Debt Issuance Programme (the "Programme"). The maximum aggregate nominal amount of Notes (as defined below) which may be outstanding under the Programme was increased to US$2,000,000,000 with effect from 1st June 1999, to US$3,000,000,000 with effect from 31st October 2006, to US$4,000,000,000 with effect from 13th March 2013, to US$5,000,000,000 with effect from 20th October 2017, to US$7,000,000,000 with effect from 30th October 2020, to US$10,000,000,000 with effect from 31st October 2023, to US$15,000,000,000 with effect from 31st October 2024 and to US$25,000,000,000 with effect from 31st October 2025. On 30th June 2000 MTR Corporation Limited 香港鐵路有限公司 ("MTRCL" or "the Company") replaced MTRC as the issuer of Notes under the Programme. All the assets and liabilities of MTRC vested in MTRCL and MTRCL has adopted all of the financial statements of MTRC. MTR Corporation (C.I.) Limited ("MTR Cayman") became an additional issuer of Notes under the Programme with effect from 9th April 2001 pursuant to an Amending and Restating Programme Agreement dated 9th April 2001 made between MTRCL, MTR Cayman and the Dealers named therein (MTRCL and MTR Cayman together being the "Issuers" and each an "Issuer"). This Offering Circular supersedes any previous prospectus, listing particulars or offering circular describing the Programme. Notes issued under the Programme on or after the date of this Offering Circular are subject to the provisions described herein. This does not affect any Notes issued before the date of this Offering Circular.

Under the Programme, MTRCL or MTR Cayman or any other entity that may be appointed as an additional issuer under the Programme, as the case may be, (the "relevant Issuer") may from time to time issue Notes (the "Notes") denominated in any currency agreed upon by the relevant Issuer and the relevant Dealer(s) (as defined herein). The Notes may be issued in bearer or registered form and shall have maturities that are one month or greater (subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank or equivalent body (however called) or any laws or regulations applicable to the relevant currency) and, subject as set out herein, the maximum aggregate principal amount of all Notes from time to time outstanding will not exceed US$25,000,000,000 (or its equivalent in other currencies). The payment of all amounts payable in respect of Notes to be issued by MTR Cayman or any other entity that may be appointed as an additional issuer under the Programme will be unconditionally and irrevocably guaranteed by MTRCL (the "Guarantor"). The Notes will be offered through one or more of the Dealers specified under the section headed "Summary" in this Offering Circular and any additional Dealers appointed under the Programme from time to time (each a "Dealer" and together the "Dealers") on a continuing basis whether in respect of the Programme generally or a particular issue of Notes.

Application has been made to The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for the listing of the Programme under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (''Professional Investors'') only during the 12-month period after the date of this document on the Hong Kong Stock Exchange. This document is for distribution to Professional Investors only. **Notice to Hong Kong investors:** The Issuers and the Guarantor confirm that the Notes to be issued under the Programme are intended for purchase by Professional Investors only and the Programme and the Notes (where they are to be listed on the Hong Kong Stock Exchange) will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuers and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Issuers, or MTRCL (in such capacity as the Guarantor) or the Group (as defined below) or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

IMPORTANT – EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET – The pricing supplement in respect of any Notes (the "Pricing Supplement") may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "SFA") – Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice of the aggregate principal amount or interest (if any) payable in respect of the issue price of each Tranche (as defined herein) of Notes will be given in a Pricing Supplement which, with respect to Notes to be listed on the Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange on or before the date of issue of such Notes. Copies of each Pricing Supplement will be available from the specified office of each of the Paying Agents (as defined herein). The Programme provides that Notes may be listed on such other or further stock exchanges as may be agreed between the relevant Issuer and the relevant Dealer(s), and may also be unlisted. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or any other stock exchange.

Each Tranche of Notes in bearer form ("Bearer Notes") with a maturity of more than 365 days will initially be represented by a temporary global note (each a "Temporary Global Note"), unless the applicable Pricing Supplement specifies otherwise, and will be offered and sold to non-U.S. persons in an "offshore transaction" within the meaning of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "Securities Act"). Interests in Temporary Global Notes generally will be exchangeable for interests in permanent global notes (each a "Permanent Global Note" and, together with the Temporary Global Notes, the "Global Notes"), or if so stated in the relevant Pricing Supplement, definitive Notes, after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche, upon certification as to non-U.S. beneficial ownership.

The Notes of each Tranche to be issued in registered form ("Registered Notes") and which are sold in an "offshore transaction" within the meaning of Regulation S ("Unrestricted Notes") will initially be represented by a permanent registered global certificate (each an "Unrestricted Global Certificate") without interest coupons, which may be deposited (a) in the case of a Tranche intended to be cleared through Euroclear Bank SA/NV ("Euroclear") or Clearstream Banking, S.A. ("Clearstream"), on the issue date with a common depositary on behalf of Euroclear and Clearstream, (b) in the case of a Tranche intended to be cleared through the Central Moneymarkets Unit Service (the "CMU"), operated by the Hong Kong Monetary Authority (the "HKMA"), with a sub-custodian for the CMU, (c) in the case of a Tranche intended to be cleared through The Depository Trust Company ("DTC"), registered in the name of Cede & Co. as nominee for DTC, and (d) in the case of a Tranche intended to be cleared through any other clearing system other than Euroclear, Clearstream, CMU and/ or DTC, or delivered outside a clearing system, as stipulated in the applicable Pricing Supplement. Registered Notes which are sold in the United States to "qualified institutional buyers" (each, a "QIB") within the meaning of Rule 144A ("Rule 144A") under the Securities Act ("Restricted Notes") will initially be represented by a permanent registered global certificate (each a "Restricted Global Certificate" and, together with the relevant Unrestricted Global Certificate, the "Global Certificates"), without interest coupons, which may be deposited on the relevant issue date with a custodian (the "DTC Custodian") for, and registered in the name of Cede & Co. as nominee for, DTC or with a common depositary on behalf of Euroclear and Clearstream. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form". Interests in Permanent Global Notes will be exchangeable for definitive Notes in bearer form or for definitive Notes in registered form. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

The Notes and the Guarantee of the Notes, if applicable, have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Accordingly, the Notes are being offered and sold only (i) in the United States to QIBs as defined in Rule 144A and (ii) outside the United States to non-U.S. persons in offshore transactions in accordance with Regulation S. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons. Registered Notes are subject to certain restrictions on transfer. Any Series of Notes may be subject to additional selling restrictions. The applicable pricing supplement in respect of such Series of Notes will specify any such restrictions. See "Subscription and Sale", "Transfer Restrictions" and the applicable Pricing Supplement.

As at the date of this Offering Circular, MTRCL and MTR Cayman's debt ratings are (i) (P)Aa3 (for senior unsecured debt) and (P)P-1 (for short-term debt) by Moody's Investors Service Hong Kong Limited; and (ii) AA+ (for long term debt) by S&P Global Ratings.

Notes issued under the Programme may be rated or unrated. When an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable) such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular. This Offering Circular does not describe all of the risks of an investment in the Notes.

Arranger

HSBC

Dealers

Agricultural Bank of China Limited Hong Kong Branch
Bank of China (Hong Kong)
BNP PARIBAS
China Construction Bank (Asia)
Citigroup
Goldman Sachs (Asia) L.L.C.
J.P. Morgan
MUFG
UBS
ABC International
Bank of Communications
BOCI Asia
China International Capital Corporation
Crédit Agricole CIB
HSBC
Mizuho
SMBC Nikko
United Overseas Bank
ANZ
Barclays
BofA Securities
CITIC Securities
Deutsche Bank
ICBC (Asia)
Morgan Stanley
Standard Chartered Bank

30th October 2026

IMPORTANT

If you are in any doubt about this Offering Circular you should consult your stockbroker, bank manager, solicitor, certified public accountant or other professional adviser.

This Offering Circular is to be read in conjunction with all the documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference").

The Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuers, the Guarantor and the Group (as defined below). The Issuers and the Guarantor accept full responsibility for the accuracy of the information contained in the Offering Circular and confirm, having made all reasonable enquiries, that to the best of the knowledge and belief of the Issuers and the Guarantor there are no other facts the omission of which would make any statement herein misleading.

Each Tranche (as defined in "Terms and Conditions of the Notes") will be issued on the terms set out herein under "Terms and Conditions of the Notes" as amended and/or supplemented by the Pricing Supplement specific to each Tranche. The Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche, must be read and construed together with the relevant Pricing Supplement.

The distribution of the Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Offering Circular comes are required by the Issuers, the Guarantor as well as the Arranger and the Dealers to inform themselves about and to observe any such restrictions. None of the Issuers, the Guarantor, the Arranger, the Dealers, the Trustee (as defined herein) or the Agent (as defined herein) represents that the Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution of offering. In particular, no action has been taken by the Issuers, the Guarantor, the Arranger, the Dealers, the Trustee or the Agent which would permit a public offering of any Notes or distribution of the Offering Circular or any Pricing Supplement in any jurisdiction where action for such purposes is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of the Offering Circular, any Pricing Supplement or any advertisement or other offering materials may be distributed or published in any jurisdiction, except under circumstance that will result in compliance with any applicable laws and regulations. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arranger or Dealers or any affiliate of the relevant Arranger or Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Arranger or Dealer or its affiliate on behalf of the relevant Issuer in such jurisdiction.

The Issuers and the Guarantor, having made all reasonable enquiries, confirm that the Offering Circular contains all information with respect to the Issuers, the Guarantor and their subsidiaries and the Notes which is material in the context of the issue and offering of the Notes, the statements contained in them relating to the Issuers, the Guarantor and their subsidiaries are in every material respect true and accurate and not misleading, the opinions and intentions expressed in them with regard to the Issuers, the Guarantor and their subsidiaries are honestly held, have been reached after considering all relevant assumptions and are based on reasonable assumptions and there are no other facts in relation to the Issuers, the Guarantor and their subsidiaries or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in them misleading in any material respect and all reasonable enquiries have been made by the Issuers and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.

The Arranger and the Dealers have not separately verified the information contained in the Offering Circular. None of the Arranger, the Dealers, the Agent or the Trustee or any director, officer, employee, agent or affiliate of such person makes any representation, warranty or undertaking, express or implied, or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular or for any other statement made or purported to be made by the Issuers and the Guarantor in connection with either of them or the issue and offering of the Notes. Each Arranger, Dealer and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of the Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Offering Circular.

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Offering Circular or any other document entered into in relation to the Programme or any other information supplied by the Issuers or the Guarantor in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers or the Guarantor or any of the Arranger or the Dealers.

Neither the Offering Circular nor any other information supplied or incorporated by inference in connection with the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers, the Guarantor or any of the Arranger or the Dealers or any director, officer, employee, agent or affiliate of such person, that any recipient of the Offering Circular, or of any such information, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and the Guarantor (if applicable). Neither the Offering Circular, the Pricing Supplement, nor any other information supplied or incorporated by reference in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuers, the Guarantor or any of the Dealers to any person to subscribe for or purchase any of the Notes.

The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuers, the Guarantor and their subsidiaries during the life of the Programme. Investors should review, inter alia, the most recent financial statements of the Issuers and the Guarantor when deciding whether or not to subscribe for, or purchase, any of the Notes.

Neither the delivery of the Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in the Offering Circular is true subsequent to the date hereof or the date upon which the Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any material adverse change, in the Issuers' or the Guarantor's prospects, financial or trading position since the date thereof or, if later, the date upon which the Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of the Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession the Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of the Offering Circular, the offer or sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions and persons connected therewith. For a summary of certain restrictions on offers, sales and resales of the Notes and distribution of the Offering Circular, see "Subscription and Sale" in the Offering Circular.

The Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in the Notes of a particular issue. Each investor contemplating purchasing any of the Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in the Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisors as to the risks and investment considerations arising from an investment of an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

In the Offering Circular, references to "HK$" and "HK dollars" are to Hong Kong dollars, references to "US$" and "US dollars" are to United States dollars, references to "CNY", "RMB" and "Renminbi" are to the currency of the People's Republic of China, references to "C.I.$" are to Cayman Islands dollars, references to "sterling" and "£" are to United Kingdom pounds sterling and references to "euro" are to the currency of member states of the European Union that adopted the single currency introduced at the start of the third stage of economic and monetary union in accordance with the Treaty on the Functioning of the European Union as amended from time to time. References to any other currency or composite currency in any applicable Pricing Supplement will be defined therein. References to "Hong Kong" are references to the Hong Kong Special Administrative

Region of the People's Republic of China. References to "Macao" are references to the Macao Special Administrative Region of the People's Republic of China. References to the "PRC" are references to the People's Republic of China and, for the purposes of this Offering Circular, includes Hong Kong, Taiwan and Macao. References to "Chinese Mainland" are references to the People's Republic of China and, for the purposes of this Offering Circular, excludes Hong Kong, Taiwan and Macao. References to the "Central People's Government" are references to the central government of the PRC.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the Stabilisation manager(s) (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

U.S. Information

This Offering Circular is being delivered on a confidential basis in the United States to a limited number of qualified institutional buyers ("QIBs") (as defined in Rule 144A under the Securities Act) for informational use solely in connection with the consideration of the purchase of the Notes which may from time to time be issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes and any Guarantees have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). The Notes may be offered or sold outside the United States to non-U.S. persons in reliance on Regulation S and within the United States only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Each U.S. purchaser of Notes is hereby notified that the offer and sale of any Notes to it is being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes will be deemed, by its acceptance or purchase of any such Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "Subscription and Sale" and "Transfer Restrictions" of this Offering Circular. Unless otherwise stated, terms used in this paragraph have the meanings given to them in "Form of the Notes" of this Offering Circular.

Neither the Programme, the Notes nor any Guarantees have been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities passed upon or endorsed the merits of any offering of securities under the Programme or approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

Available Information

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuers have undertaken to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and each of the Issuers is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the "Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Service of Process and Enforcement of Civil Liabilities

MTRCL is incorporated in Hong Kong and MTR Cayman is incorporated in the Cayman Islands. MTRCL has a two-tier board and management structure, consisting of the members of the Board and the members of the Executive Committee. The members of the Board oversee MTRCL's activities, while the day-to-day management is delegated to the members of the Executive Committee. MTR Cayman has a single-tier Board of Directors. All of the members of the Board and of the Executive Committee of MTRCL, as well as all of the members of the Board of Directors of MTR Cayman, reside outside the United States, and all or a substantial portion of the assets of MTRCL and MTR Cayman are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Hong Kong upon the Issuers or such persons or to enforce judgments against them obtained in courts outside Hong Kong predicated upon civil liabilities of the Issuers or such persons under laws other than Hong Kong law, including any judgment predicated upon United States federal securities laws. There is no assurance as to the enforceability in Hong Kong in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

Forward-looking Statements

Certain statements in this Offering Circular constitute "forward-looking statements". The words including "believe", "expect", "plan", "anticipate", "schedule", "estimate", "intend", "aim", "target", "seek", "project", "forecast", "continue", "may", "will", "would", "should", "could" and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategy, prospects and capital expenditure of the Group and the plans and objectives of the Group's management for its future operations (including development plans and objectives relating to the Group's operations), are forward looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on many assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. The Issuers do not assume: (i) any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuers' expectations with regard thereto or any change of events, conditions or circumstances on the basis of which any such statements were based or (ii) any liability in the event that any of the forward-looking statements does not materialise or turns out to be incorrect. This Offering Circular discloses, under "Risk Factors" and elsewhere, important factors that could cause actual results to differ materially from the Issuers' expectations. All subsequent forward-looking statements attributable to the Issuers or persons acting on behalf of the Issuers are expressly qualified in their entirety by such cautionary statements. Any forward-looking statement contained in this Offering Circular speaks only as at the date on which it is made, and, except as required by applicable law or the rules of any relevant stock exchange, the Issuers undertake no obligation to update or revise any such statement.

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Documents Incorporated by Reference

This Offering Circular should be read and construed in conjunction with: (a) the published consolidated Annual Report and audited annual financial statements of MTRCL and its subsidiaries (the "Group") for the years ended 31st December 2024 and 31st December 2025 together with the audit reports prepared in connection therewith; (b) the unaudited interim financial report of the Group for the half year ended 30th June 2026 together with the review report prepared in connection therewith; and (c) the latest published consolidated Annual Report and audited annual financial statements of the Group or the unaudited interim financial report of the Group from time to time (if any), and, if the consolidated Annual Report and audited annual financial statements of the Group (or, as applicable, the unaudited interim financial report of the Group) for a period have not yet been published, the latest published annual results announcement (or, as the case may be, interim results announcement) of MTRCL for that period. In respect of the documents referred to in (a) and (c) above, the relevant "published" document refers to MTRCL's Annual Report, annual results announcement or interim results announcement, in each case, that is published on MTRCL's website (www.mtr.com.hk) and/or the website of the Hong Kong Stock Exchange (www.hkexnews.hk). The documents referred to in (a) to (c) above shall be incorporated in and form part of this Offering Circular in each case, excluding any "forward-looking statements" contained in such documents. Words such as "believe", "expect", "plan", "anticipate", "schedule", "estimate", "intend", "aim", "target", "seek", "project", "forecast", "continue", "may", "will", "would", "should", "could" and similar words or expressions identify forward-looking statements. However, these words are not the exclusive means of identifying forward-looking statements. All statements other than statements of historical facts, including, but without limitation, those regarding the financial position and results of operations, business strategy, prospects, capital expenditure and investment plans of the Issuers and/or the Group and the plans and objectives of the Issuers' and/or Group's management for future operations, are forward-looking statements. Any statement contained herein or in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

This Offering Circular should be read and construed in conjunction with:

(i) each relevant Pricing Supplement; and

(ii) all amendments and supplements from time to time to this Offering Circular;

which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular.

MTRCL will provide to each person to whom a copy of this Offering Circular has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference unless such documents have already been supplied to such person. Written requests for such documents should be directed to MTRCL at its principal office set out at the end of this Offering Circular. In addition, such documents will be available from the principal office of the Agent.

Presentation of Financial Information

The Group's audited annual financial statements as incorporated in and form part of this Offering Circular have been prepared in accordance with all applicable HKFRS Accounting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Group's unaudited interim financial reports as incorporated in and form part of this Offering Circular have been prepared in accordance with HKAS 34, Interim Financial Reporting, issued by the HKICPA. The HKFRSs differ in certain respects from generally accepted accounting principles in the United States and in certain other countries. There could be significant differences between HKFRSs and generally accepted accounting principles in the United States and in certain other countries as applied to the Group. The Issuers have made no attempt to describe or quantify the impact of those differences. In making an investment decision, investors must rely upon their own examination of the Group, the terms of the Notes, and the consolidated financial statements/information presented herein. Potential investors should consult their own professional advisers for an understanding of the differences between HKFRSs and accounting principles generally accepted in other countries, including the United States, and how those differences might affect the consolidated financial statements/information presented herein.

This Offering Circular contains non-HKFRSs financial measures that are not required by, or presented in accordance with, HKFRSs. The Issuers believe that the presentation of non-HKFRSs measures when shown in conjunction with the corresponding HKFRSs measures provides useful information to investors and management regarding financial and business trends in relation to the Group's financial condition and results of operations, by eliminating any potential impact of items that the Group's management does not consider to be indicative of the Group's operating performance such as certain non-cash or one-off items and certain impact of investment transactions. The Issuers also believe that the non-HKFRSs measures are appropriate for evaluating the Group's operating performance. However, the use of these non-HKFRSs measures has limitations as an analytical tool, and investors should not consider them in isolation from, or as a substitute for analysis of, the Group's results of operations or financial conditions as reported under HKFRSs. In addition, these non-HKFRSs measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies. Potential investors must exercise caution when using any unaudited figures to evaluate the financial condition and results of operations of the Group.

Supplementary Offering Circular

The Issuers have given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Offering Circular which is capable of affecting the assessment of any Notes and whose inclusion in this Offering Circular or removal is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuers, and the rights attaching to the Notes, the Issuers shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes and shall supply to each Dealer and the Trustee such number of copies of such supplement hereto as such Dealer and the Trustee may reasonably request.

Summary

This summary must be read as an introduction to this Offering Circular. Any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference.

Issuer	MTRCL or MTR Cayman.
Guarantor (if MTR Cayman is the relevant Issuer)	MTRCL.
Description	Debt Issuance Programme.
Arranger	The Hongkong and Shanghai Banking Corporation Limited.
Dealers	Agricultural Bank of China Limited Hong Kong Branch ABCI Capital Limited Australia and New Zealand Banking Group Limited Bank of China (Hong Kong) Limited Bank of Communications Co., Ltd. Hong Kong Branch Barclays Bank PLC BNP PARIBAS BOCI Asia Limited China Construction Bank (Asia) Corporation Limited China International Capital Corporation Hong Kong Securities Limited Citigroup Global Markets Limited CLSA Limited Crédit Agricole Corporate and Investment Bank Deutsche Bank AG, Hong Kong Branch Goldman Sachs (Asia) L.L.C. The Hongkong and Shanghai Banking Corporation Limited Industrial and Commercial Bank of China (Asia) Limited J.P. Morgan Securities (Asia Pacific) Limited Merrill Lynch (Asia Pacific) Limited Mizuho Securities Asia Limited Morgan Stanley & Co. International plc MUFG Securities EMEA plc SMBC Nikko Securities (Hong Kong) Limited Standard Chartered Bank (Hong Kong) Limited UBS AG Hong Kong Branch United Overseas Bank Limited

	The Issuers and the Guarantor may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme.
Agent, Principal Paying Agent, Transfer Agent and Registrar	Citibank, N.A.
HK Reference, Lodging, Paying and Transfer Agent	Citibank, N.A., Hong Kong Branch.
Paying and Transfer Agents	Citibank, N.A. and Citibank, N.A., Hong Kong Branch.
Trustee	The Law Debenture Trust Corporation p.l.c.
Amount	Up to US$25,000,000,000 (or its equivalent in other currencies calculated at the time of the agreement to issue) outstanding at any time. The Issuers will have the option at any time to increase the aggregate principal amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution	Notes may be distributed by way of private placement on a syndicated or non-syndicated basis.
Currencies	Subject to compliance with all relevant laws, regulations and directives, such currencies as may be agreed upon between the relevant Issuer and the relevant Dealer(s).
Redenomination	Notes may, in certain circumstances, be redenominated into euro as provided in Condition 10 under "Terms and Conditions of the Notes" (the "Conditions").
Maturities	Subject to compliance with all relevant laws, regulations and directives, the Notes will have any maturity that is one month or greater.
Issue Price	Notes may be issued on a fully paid or a partly paid basis and at an issue price which is equal to, less than, or more than their principal amount.
Form of Notes	The Notes will be issued in bearer form only, in bearer form exchangeable for Registered Notes or in registered form only as described in Condition 1. No single Tranche may comprise both Bearer Notes and Registered Notes.

Each Tranche of Bearer Notes with a maturity of more than 365 days will initially be represented by a Temporary Global Note, unless the applicable Pricing Supplement specifies otherwise, which, in each case, may be deposited on the issue date with a common depositary for Euroclear, Clearstream or any other agreed clearing system compatible with Euroclear and Clearstream or, in respect of Notes cleared through CMU, a sub-custodian for CMU.

Bearer Notes that are issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) (the "D Rules") must be initially represented by a Temporary Global Note. Certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note.

Each Tranche of Registered Notes will be represented by one or more Unrestricted Global Certificates in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S and/or one or more Restricted Global Certificates in the case of Registered Notes sold to QIBs in reliance on Rule 144A, in each case as specified in the relevant Pricing Supplement.

Each Tranche of Notes to be cleared through DTC and represented by an Unrestricted Global Certificate or a Restricted Global Certificate will be registered in the name of Cede & Co. (or such other entity as is specified in the applicable Pricing Supplement) as nominee for DTC, and the relevant Global Certificate will be deposited on or about the issue date with the DTC Custodian.

Each Note to be cleared through Euroclear, Clearstream or CMU and represented by a Global Certificate will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream and/or any other relevant clearing system or in respect of CMU Notes, a sub-custodian for the CMU and the relevant Global Certificate will be deposited on or about the issue date with the common depositary or sub-custodian.

See "Form of the Notes" and "Summary of Provisions relating to the Notes while in Global Form".

Fixed Rate Notes	Fixed Rate Notes will bear interest at such rate(s) and will be payable in arrear on such date or dates, as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement) and on redemption.
Floating Rate Notes	Floating Rate Notes will bear interest (i) calculated on the same basis as the floating amounts under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended, updated or replaced as at the Issue Date of the first Tranche of the Notes of the relevant Series), or (ii) by reference to a specified Screen or Reference Bank Rate, or (iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement). Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Dealer(s), will be payable on the first day of the next Interest Period and on maturity.
Dual Currency Notes	Payments (whether with respect to principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement).
Index-Linked Notes	Payments (whether with respect to principal or interest and whether at maturity or otherwise) in respect of Index-Linked Notes will be calculated by reference to such index and/or formula as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement).
Zero Coupon Notes	Zero Coupon Notes may be offered and sold at a discount to their face amount and will not bear interest except in the case of any late payment as provided in Condition 5.
Optional Redemption	The Pricing Supplement relating to each Tranche of Notes will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than redemptions by instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity

	and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement, subject to applicable currency regulations.
Redemption by Instalments	Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in the applicable Pricing Supplement.
Denomination of Definitive Notes	Definitive Notes will be in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) and as specified in the relevant Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Taxation	All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Hong Kong or the Cayman Islands, or any authority having power to levy tax in Hong Kong or the Cayman Islands, except as provided in Condition 11.
Guarantee and Status of the Notes	The Notes, the Coupons and the Receipts and the Guarantee in respect of Notes, Coupons and Receipts issued by the relevant Issuer are direct, unconditional, unsubordinated, general and (subject to Condition 2(b)) unsecured obligations of the relevant Issuer and (where MTR Cayman is the relevant Issuer) the Guarantor ranking *pari passu* in all respects and rateably without preference or priority (except for any statutory preference or priority applicable in the winding-up of the relevant Issuer and (where MTR Cayman is the relevant Issuer) the Guarantor) with all other outstanding direct, unconditional, unsecured, general and unsubordinated obligations (contingent or otherwise, present and future) of the relevant Issuer and (where MTR Cayman is the relevant Issuer) the Guarantor.
Negative Pledge	The Conditions will, unless the applicable Pricing Supplement indicates otherwise, contain a negative pledge provision as described in Condition 2(b).
Cross Default	The Conditions will, unless the applicable Pricing Supplement indicates otherwise, contain a cross default provision as described in Condition 12(b).

Listing and Trading	Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Separate application will be made for the listing of, and permission to deal in, the Notes to be issued under the Programme on the Hong Kong Stock Exchange. The Notes may be listed on the Hong Kong Stock Exchange and/or on such other additional stock exchange(s) or as may be agreed between the relevant Issuer and the relevant Dealer(s) in relation to each Series as indicated in the applicable Pricing Supplement, and all references to listing shall be construed accordingly. Unlisted Notes may also be issued. The Pricing Supplement relating to each Tranche will state whether or not the Notes are to be listed and, if so, the relevant stock exchange(s). The Programme Agreement provides that, if the maintenance of the listing of any Notes has, in the opinion of the relevant Issuer, become, inter alia, unduly onerous, the relevant Issuer shall be entitled to terminate such listing subject to its using its reasonable endeavours to list or admit to trading the Notes on a stock exchange within or outside the European Union to be agreed between the relevant Issuer, the Guarantor and the relevant Dealer(s) or, as the case may be, the Lead Manager. In respect of any Notes listed on Hong Kong Stock Exchange, the minimum denomination will be HK$500,000 (or its equivalent in other currencies).
Ratings	Notes issued under the Programme may be rated or unrated. When an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable) such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Governing Law	The Notes will be governed by, and construed in accordance with, English law. Any matter, claim or dispute arising out of or in connection with the Notes, whether contractual or non-contractual, is to be governed by and construed in accordance with English law.

Clearing Systems	Euroclear, Clearstream, CMU, DTC and/or other relevant clearing systems, as specified in the relevant Pricing Supplement.
Selling Restrictions	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering materials in the United States, the European Economic Area, United Kingdom, Hong Kong, Cayman Islands, Japan and Singapore and such other restrictions as may be required in connection with a particular issue of Notes, see "Subscription and Sale" below. For the purpose of Regulation S, Category 2 selling restrictions will apply unless otherwise indicated in the relevant Pricing Supplement. In connection with the offering and sale of a particular Tranche of Notes, additional restrictions may be imposed which will be set out in the applicable Pricing Supplement. Bearer Notes will be issued in compliance with the D Rules unless (i) the applicable Pricing Supplement states that the Bearer Notes are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "C Rules") or (ii) the Bearer Notes are issued other than in compliance with the D Rules or the C Rules but in circumstance in which the Notes will not constitute "registration required obligations" for U.S. federal income tax purposes, which circumstance will be referred to in the applicable Pricing Supplement; Bearer Notes with a term of 365 days or less (taking into account unilateral extensions and rollovers) will be issued other than in compliance with the D Rules or the C Rules and will be referred to in the applicable Pricing Supplement as a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") is not applicable.
Transfer Restrictions	There are restrictions on the transfer of Notes sold pursuant to Category 2 of Regulation S prior to the expiration of the relevant distribution compliance period (as defined under the section "Transfer Restrictions") and on the transfer of Registered Notes sold pursuant to Rule 144A under the Securities Act. See "Transfer Restrictions".

Risk Factors

Each Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither Issuer is in a position to express a view on the likelihood of any such contingency occurring.

Factors which each Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but an Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and neither of the Issuers represents that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUERS' ABILITY TO FULFIL THEIR OBLIGATIONS UNDER THE NOTES ISSUED UNDER THE PROGRAMME

Risks relating to MTRCL and its business

Competition in Hong Kong from other transport providers may adversely affect MTRCL.
MTRCL competes with other transport providers, principally franchised bus and public light bus operators, as well as non-franchised bus, tram and ferry operators, taxis and licensed ride-hailing services. MTRCL's competitive strengths of speed, reliability and comfort may have been eroded in recent years with:

(i) the general improvement in bus services;

(ii) the expanding bus network;

(iii) the opening of new highways and expressways, thus resulting in an overall improvement in road traffic conditions; and

(iv) the opening of more ports and control points, which resulted in increased competition in land-based cross boundary transport.

The lower capital costs of MTRCL's competitors and their greater inherent structural flexibility may enable them to respond to changing passenger demand more quickly than MTRCL can. In the Railway Development Strategy 2000 published in May 2000, the Government confirmed that railways are essential to Hong Kong's continued economic, social and land development and will be given priority

in the Government's plans for infrastructure development. Within this framework, the Government also recognised that franchised buses would continue to play an essential role in the public transport system in Hong Kong. As a result, MTRCL does not expect the Government to take any particular direct measures which, in the short-term, would have the effect of reducing or containing patronage on franchised buses or public light buses for the purpose of increasing MTRCL's patronage. The Government completed its review and update of the Railway Development Strategy 2000 in 2014. For more information, please see pages 157 to 161 under the heading "Potential Future Extensions".

The growth of MTRCL's railway and property businesses, including increase in patronage, depends, in part, on the award to the Company of new railway projects, the implementation of those projects and on other factors that MTRCL may not be able to control.

The growth of MTRCL's railway and property businesses depends, in part, on whether new railway projects are awarded to the Company and whether it can implement them in a timely and effective manner in order to expand capacity and, thereby, accommodate more passengers, and develop more properties. MTRCL's plans for new railway projects are subject to a number of uncertainties, including:

(i) whether, and on what terms, including the grant of property development rights, certain new railway projects will be awarded to the Company and, in particular, whether such terms will enable the Company to earn a commercial rate of return on its investment in new railway projects;

(ii) whether there will be a sufficient population in the catchment area for a new railway project and whether that catchment area is encouraged to use the mass transit railway system as a result of government planning of highways and bus routes; and

(iii) whether MTRCL will be able to obtain adequate financing on acceptable terms to fund the required capital expenditures.

MTRCL cannot assure investors that new railway projects will be awarded to the Company. In addition, although MTRCL has significant experience in the design and construction of railway projects since 1975, MTRCL cannot assure investors that railway projects undertaken by it will be completed on time and within budget. Please see pages 157 to 161 under the heading "Potential Future Extensions" for a discussion on MTRCL's current railway projects.

On 17th September 2014, the Government issued its Railway Development Strategy 2014 ("RDS 2014"), which outlined the Government's agenda for railway expansion in Hong Kong up to 2031 and proposed seven new railway projects. In December 2023, the Government announced the Hong Kong Major Transport Infrastructure Development Blueprint (the "2023 Blueprint"), which maps the way forward for Hong Kong's transport infrastructure through projects that support sustainable development and reinforce the city's strategic position, including enhanced strategic railway projects and two new railway projects in the Northern Metropolis, namely the "Northern Link Eastern Extension" and the "Northeast New Territories Line". In February 2026, the Government announced the Transport Strategy Blueprint (the "2026 Blueprint"), which further advanced plans for railway development in Hong Kong, including the "Eight Vertical and Eight Horizontal Corridors" layout for public transportation infrastructure across the city. MTRCL cannot assure investors that any of these

new projects proposed under the RDS 2014, the 2023 Blueprint or the 2026 Blueprint will be implemented by the Government and there is no certainty that any or all of these new railway projects will be awarded to the Company. For more information regarding the Government's proposed projects under RDS 2014, the 2023 Blueprint and the 2026 Blueprint, please see pages 157 to 161 under the heading "Potential Future Extensions".

Since the Rail Merger (as defined on page 28) which took effect on 2nd December 2007 (the "Merger Date"), the award of new projects has been subject to the terms set out in the New Operating Agreement (as defined on page 154). The New Operating Agreement provides for three types of new project: natural extensions of the Mass Transit Railway (the "MTR railway"); natural extensions of the Kowloon-Canton Railway (the "KCR railway"); and 'separate' projects. For natural extensions of the MTR railway, the Company will be invited on an exclusive basis to undertake the project under the ownership approach and to submit a proposal. If agreement cannot be reached on the terms of the project, the Government may invite third parties to undertake the project. For natural extensions of the KCR railway, the Government may decide to adopt the ownership or the concession approach. If the Government decides to adopt the ownership approach, MTRCL will have the exclusive right to make proposals in respect of such new projects. If agreement cannot be reached on the terms of the project, the Government may invite third parties or, alternatively, invite the Company to operate the new project under the concession approach. For new 'separate' projects, the Government may decide to adopt the ownership or the concession approach. If the Government decides to adopt the ownership approach, it may invite the Company to submit a proposal or award the project through an open tender. If the Government decides to adopt the concession approach, it may invite the Company and/or third parties to operate the new project under the concession approach. Therefore, even after the Rail Merger, the Company cannot assure investors that new railway projects will be awarded to it.

Since 2018, MTRCL has had to deal with incidents relating to the Shatin to Central Link ("SCL") project, i.e. the inadequacies in respect of the construction process and MTRCL's project management in relation to the Hung Hom Station extension and its adjacent structures, namely the North Approach Tunnel, the South Approach Tunnel and the Hung Hom Stabling Sidings (together, the "Hung Hom Incidents"). The Chief Executive in Council set up a Commission of Inquiry to investigate matters relating to the Hung Hom Incidents (the "COI"). The Government also appointed the Expert Adviser Team ("EAT") to conduct a review of the Company's project management system and recommend additional management and monitoring measures to be undertaken by the Company and the Government in taking forward the SCL project. The final reports of COI and EAT were released in May 2020 and February 2021 respectively. Both reports confirmed that the relevant structures are safe with the implementation of suitable measures. MTRCL has also updated and improved its project management system as recommended with the new project management procedures being applied to SCL and new railway projects.

In order to progress the SCL project and to facilitate the phased opening of the Tuen Ma Line (Tai Wai to Hung Hom section) (the "Phased Opening") in the first quarter of 2020, MTRCL announced in July 2019 that it agreed to fund, on an interim and without prejudice basis, the costs for the preparation and implementation of the Phased Opening, as well as the costs associated with the Hung Hom Incidents (together, the "Hung Hom Incidents Related Costs"), whilst reserving its position as to the ultimate

liability for such costs. MTRCL recognised a provision of HK$2 billion in its consolidated statement of profit or loss account for the year ended 31st December 2019. During the six months ended 30th June 2026, the provision utilised amounted to HK$3 million and no provision was written back. As at 30th June 2026, the provision (net of amount utilised) was HK$718 million.

Due to continuing challenges posed by external factors, MTRCL completed a further review and revalidation of the cost to complete in respect of the SCL project in early 2020 and notified the Government accordingly, including an additional project management fee payable to MTRCL of HK$1,371 million ("Additional PMC"), being the additional cost to MTRCL of carrying out its remaining project management responsibilities under the SCL Entrustment Agreement entered into between MTRCL and the Government. This HK$1,371 million is separate from the Hung Hom Incidents Related Costs. However, the Government considers there has been no material modification in respect of the SCL project and, therefore, disagrees to the inclusion of any Additional PMC in the cost to complete. The additional funding sought by the Government and subsequently approved by the Legislative Council on 12th June 2020 did not include any amount of Additional PMC for MTRCL. MTRCL has written to the Government to restate MTRCL's belief that MTRCL is entitled, in accordance with the provisions of the SCL EA3 (as defined below), to an increase in the project management fee. However, the Government has responded by reiterating the reasons above for maintaining its position of disagreement to any increase in the project management fee. The Group has recognised a provision of HK$1,371 million in its consolidated statement of profit or loss for the year ended 31st December 2020, for the estimated additional cost to the Company of continuing to comply with its project management responsibilities. During the six months ended 30th June 2026, the provision utilised amounted to HK$15 million and no provision was written back. As at 30th June 2026, the provision (net of amount utilised) was HK$122 million.

On 2nd October 2026, the Company and the Government, without admission of any liability by either party, entered into a settlement deed in relation to the SCL project. Please refer to page 151 for further information relating to such settlement deed.

Patronage will hinge on macro-economic factors, such as population, employment market fluctuation, visitors arrival changes and distribution, and changes in demographics, transport policies and economic conditions. It will also be affected by road infrastructure improvement, the amount of road congestion, any expansion of the road transport network and increase of control points for cross-boundary travel. Furthermore, because of certain inherent capacity limitations and structural inflexibilities of the MTR railway, MTRCL may not be able to respond quickly to increases in demand. For example, MTRCL cannot quickly change its routes to cater for new passenger demand in areas in which it does not operate.

MTRCL's ability to raise fares to cover MTRCL's operating costs could be limited by a number of factors.
Since the Rail Merger, the Company's setting of the majority of its fares has been made in accordance with the Fare Adjustment Mechanism ("FAM"). The FAM requires the Company to adjust its fares according to a pre-determined formula based on changes in the composite consumer price index and

wage index, and a productivity factor. Although the composite consumer price index and wage index correlate to the costs of the Company, the FAM is not directly linked to the costs of operating the MTR and KCR railways. There is a risk therefore that although the costs to the Company of operating the railways may increase (for example, as a result of increased maintenance cost or increased energy and utility costs), the Company may not be able to raise its fares as high as the increase in costs.

Furthermore, because of the lack of a direct relationship between the FAM and the Company's cost base, there is also the risk that the FAM could require the Company to decrease its fares by a greater percentage than any decrease in the Company's costs. In addition, external political and social pressures may require the Company to offer discounts and concessions to certain passengers to mitigate the effects of any upward fare increase in accordance with the FAM, or even where there has been no fare increase in accordance with the FAM. From 2020 to 2022, during the COVID-19 pandemic, MTRCL introduced a number of fare rebates (including a 20% rebate to customers, partially funded by the government, from July 2020 to March 2021). Over the same period, fares were frozen twice and reduced once according to the direct-drive formula. In March 2023, MTRCL and Government concluded the FAM review. Following the review, it was determined that the current direct-drive FAM formula will be retained for the upcoming five-year cycle (from 2023/2024 to 2027/2028) in order to provide a stable source of recurrent revenue for the maintenance, upgrading and renewal of railway assets. The existing "Affordability Cap" arrangement, by which the rate of any fare increase is capped at the change in the Median Monthly Household Income for the corresponding year, will also be kept in order to continue ensuring affordability. The "Productivity Factor" was enhanced to make reference to the Company's post-tax Hong Kong property development profit; as a result, the corresponding rate of the Productivity Factor will lower the fare adjustment rate by 0.6 to 0.8 percentage points. In March 2026, it was announced that the fares for 2026/2027 will remain unchanged based on the "Affordability Cap" arrangement, which stipulates that the calculated fare adjustment rate (+2.85%) cannot exceed the corresponding year-on-year change in median monthly household income (zero). The +2.85% fare adjustment rate will instead be recouped over the subsequent two years, of which +1.43% will be recouped in 2027/2028 and +1.42% will be recouped in 2028/2029. Additionally, the total rate of +1.96% to be recouped in 2026/2027 will also be carried forward to 2027/2028 for recoupment in accordance with the FAM. Please see pages 154 to 157 for details relating to the Company's applications of the FAM.

In accordance with the New Operating Agreement (as defined on page 154), the FAM is subject to review every five years upon request by either the Company or the Government. The first FAM review was completed in April 2013. In April 2016, the Company agreed to an early joint review of the FAM as requested by the Government, thereby advancing the next scheduled review by one year (the "Early Review"). The Early Review was completed in 2017. On 21st March 2023, the Company announced that the joint review of the FAM by the Company and Government in accordance with the New Operating Agreement, scheduled to be undertaken in 2022/23, has been completed (see page 154 for more details) and the next scheduled review of the FAM is expected to take place in 2027/28. As noted above, external political and social pressures may affect the review of the FAM and any amendment to the FAM may affect the Company's ability to adjust its fares in the future.

As the Group's railway operations continue to expand into other jurisdictions, if the Group is not able to increase its fares in a jurisdiction to cover increasing costs of operations, this may adversely affect the Group's profitability in operating railways in that jurisdiction. For example, the fares for the Shenzhen Metro Line 4 have not increased since the Group began operating the line in 2010. Shenzhen Metro Line 4 forms part of the Shenzhen metro system, which is operated by a wholly-owned subsidiary, MTR Corporation (Shenzhen) Limited ("MTRSZ"). In July 2020, the Shenzhen Municipal Government announced that a fare adjustment framework for the Shenzhen metro network would come into effect on 1st January 2021. The framework was expected to enable the establishment of a mechanism for fare setting and the implementation procedures for fare adjustments. Up to 30th June 2026, there has been no increase in Shenzhen Metro Line 4's fare since MTRSZ started operating the line in 2010. As disclosed in previous years, if a suitable fare increase and adjustment mechanism are not implemented soon, the long-term financial viability of this line will be impacted. At 30th June 2022, as it was anticipated that the mechanism and procedures for fare adjustments will take longer time to implement and patronage will remain at a lower level for a period of time, an impairment test was performed for Shenzhen Metro Line 4 and an impairment provision of HK$962 million was recognised for the Shenzhen Metro Line 4 service concession assets in the consolidated statement of profit or loss for the six months ended 30th June 2022. Based on the review performed by the Group as at 30th June 2026 and 31st December 2025, no further impairment loss was recognised as at 30th June 2026 and 31st December 2025.

If MTRCL is unable to continue expanding its business initiatives outside Hong Kong, its growth prospects could be materially and adversely affected.

MTRCL has been conducting consulting business and pursuing new investments outside Hong Kong, including in Chinese Mainland, Europe and Australia (see pages 169 to 175 for more details). These investments outside Hong Kong are subject to the risks of investing in those specific areas, as well as risks generally associated with doing business in a new city, a new region or a new country.

Hangzhou MTR Corporation Limited ("HZMTR"), a 49% owned associate of the Group, operates Hangzhou Metro Line 1 ("HZL1"), the HZL1 Xiasha Extension and HZL1 Airport Extension. HZMTR has been loss-making in recent years due to slow growth in patronage and the pandemic. As there is no patronage protection mechanism under this concession agreement, the line's long-term financial viability will be impacted if patronage remains at a lower level over a further period of time, especially when compounded by the lower average fare resulting from the expanded network. The Company anticipates that patronage and average fare will remain at a lower level for longer than expected, and had therefore recognised a share of impairment provision of HK$380 million for the HZL1 railway assets in the consolidated statement of profit or loss for the year ended 31 December 2025. Based on the review performed by the Group as at 30 June 2026, no further impairment was recognised as at 30 June 2026. In May 2025, MTRCL completed the handover of operations for the Elizabeth Line and South Western Railway in the United Kingdom to the next operators. In Sweden, the service contract for Stockholm Metro (Stockholms tunnelbana) ended in 2025 and handover of operations for the Stockholm Metro was completed in November 2025.

As such, MTRCL also cannot assure investors that it will be successful in securing new projects that are in markets outside of Hong Kong, in renewing overseas franchises and in implementing its business strategies outside Hong Kong, and failure to do so could limit its growth prospects and have a material adverse effect on its future profitability.

In addition, MTRCL may be subject to increased foreign currency risks with its continuous business presence outside of Hong Kong. In particular, the value of, and income generated from, MTRCL's investments outside Hong Kong may be subject to fluctuations in currency exchange rates which may impact on MTRCL's profitability when translated into Hong Kong dollars.

The Government can exert significant influence on MTRCL, and could cause the Company to make decisions, modify the scope of its activities or impose new obligations on the Company that may not be in the Company's best interest or that of its other shareholders.

As long as the Government remains a majority shareholder of MTRCL, the Government is able to appoint MTRCL's entire Board of Directors (the "Board"). Accordingly, the Government is in a position to significantly influence MTRCL's major business decisions and strategies, including the scope of its activities and investment decisions and its dividend policy. Please see page 142 for a description of the Government's beneficial ownership of MTRCL's share capital. MTRCL also competes with Kowloon Motor Bus and Citybus, each of which has two board members who are appointed by the Government. Each of Kowloon Motor Bus, Citybus and other transport providers, such as taxi operators and minibus operators, are regulated by the Government. The Government may use its ability to influence MTRCL's business and/or the businesses of the Company's competitors (whether through its shareholding interest, board representation or through regulation) in a manner that may not be in MTRCL's best interest.

A number of provisions in the New Operating Agreement (as defined on page 154) are related to prevailing Government policies, including the provisions relating to the amount of land premium payable by MTRCL for the grant of land. The Government may change its policies, intentions, preferences, views, expectations, projections, forecasts and opinions, including as a result of changes in the economic, political and social environment, its projections of population and employment growth. In addition, the Mass Transit Railway Ordinance and its subsidiary legislation may be amended, modified or repealed in accordance with the Hong Kong legislative process. Any amendment, modification or repeal could modify the existing regulatory regime and materially and adversely affect MTRCL's financial condition and results of operations. The Government has agreed with MTRCL under the New Operating Agreement that it will not make any new regulations under the Mass Transit Railway Ordinance without first having consulted the Company and having taken account of all reasonable representations made by the Company.

The Government may also adopt new policies and enact new laws, including in relation to environmental matters, which may result in increased operating and construction costs for MTRCL or otherwise have a material adverse effect on the Company's business, financial condition and results of operations.

MTRCL requires significant capital for its business and is exposed to the impact of interest rate and foreign currency movements in respect of its borrowings. If the Company is unable to obtain additional capital on acceptable terms when needed, its growth prospects and future profitability may be adversely affected.

MTRCL incurs substantial capital expenditures each year to maintain, renew and replace its operating assets and infrastructure. MTRCL may also incur substantial capital expenditures when it undertakes new railway projects and investments in Hong Kong, Chinese Mainland and overseas. The need to fund multiple large railway projects under the ownership model concurrently may require MTRCL to incur significant capital expenditure upfront and may adversely affect or increase pressure on its cash flows.

Substantial portions of MTRCL's operating cash flows are used to pay for these capital expenditures. If MTRCL is unable to fund capital expenditures from operating cash flows and external sources, it will be required to reduce its capital expenditures. This would restrict MTRCL's ability to grow and, over time, could reduce the quality and reliability of the service the Company provides.

In addition, MTRCL has borrowed, and expects to continue to borrow, significant amounts at floating interest rates and in foreign currencies. In order to reduce its exposure to movements in interest rates and exchange rates, MTRCL has typically hedged a portion of such exposure by entering into interest rate or cross currency swap arrangements. This helps to reduce, but does not eliminate, the impact of interest rate and foreign currency movements. An increase in interest rates, or fluctuations in exchange rates between the Hong Kong dollar and other currencies, may limit the availability or increase the cost of such swaps or hedging instruments. This may increase MTRCL's borrowing costs or reduce the availability of funding.

Investments in new projects related to MTRCL's railway operations will increase MTRCL's overall depreciation charges, and interest and finance charges which could have a material adverse effect on the Company's financial condition and results of operations. Moreover, any failure to generate the necessary returns on these investments could materially reduce MTRCL's profitability.

Investments in MTRCL's infrastructure, such as improvements to MTRCL's existing railway assets, the construction of new railway projects, or the extension of existing railway lines, generally involve substantial capital expenditures. Investments in future new railway projects may require significant capital expenditures and long periods of time to generate the necessary returns and may lead to increased interest and depreciation expenses in the future, which could have a material adverse effect on MTRCL's financial condition and results of operations. Moreover, any failure to generate the necessary returns on these investments could materially reduce MTRCL's profitability.

MTRCL's property business is subject to fluctuations in the Hong Kong and Chinese Mainland property markets as well as to general risks incidental to the development, ownership and management of properties.

MTRCL's property business has in recent years accounted for, and is expected to continue to account for, a substantial portion of MTRCL's net profit. Most of MTRCL's completed investment properties and investment properties under development are located in Hong Kong. MTRCL also has property businesses in Chinese Mainland.

Historically, the Hong Kong property market has been cyclical with property values affected by the amount of new land made available by the Government, the rate of economic growth in Hong Kong and political and economic developments in Hong Kong and Chinese Mainland.

Economic developments outside Hong Kong, such as the China-U.S. trade relations, the possibility of unforeseen financial market crisis or pandemics, measures taken by the Central People's Government in Chinese Mainland and interest rate policy in the United States, could also affect the property market in Hong Kong and Chinese Mainland.

MTRCL is exposed to the general risks inherent in relation to property development, including that construction may not be completed on schedule or within budget, that development may be affected by governmental regulations, that there may be delays in timing on a change of the parameters regarding Government land grants, that developed properties may not be leased or sold on profitable terms and that purchasers may default. The terms on which property developers are prepared to bid for development packages will also be affected by the state of the property market at the time of tender. In the event that there is a downturn in the property market in Hong Kong or Chinese Mainland, the targeted revenue from property development could be significantly reduced. MTRCL's property business in Chinese Mainland could be affected by governmental policies (such as land and housing policies) and property market control measures.

In relation to properties held by MTRCL as investments, since leases of Hong Kong properties are often for a short duration (typically about three years) or contain provisions requiring rent review within a short period of time (typically about three years), MTRCL's income from these properties may be subject to more frequent adjustments than would be the case in other real estate markets. MTRCL is also subject to the general risks relating to its property business including, amongst other things, fluctuations in sentiment in the property and retail sectors, changes in the patterns of consumer behaviour, competition for tenants, changes in market rental levels, inability to collect rent from tenants, inflation, risk of labour movement and the need to renovate, repair and relet space periodically. For example, during the COVID-19 pandemic, MTRCL granted rental concessions to tenants on a case-by-case basis at its stations and malls to ease their financial burden. The asset value of MTRCL's investment property portfolio may be further affected by market conditions. Depending on the extent to which these and other risks materialise, they could have a material adverse effect on the property business of MTRCL.

In certain circumstances, the Government has the power to suspend and revoke MTRCL's franchise under the Mass Transit Railway Ordinance.

Although the power of the Chief Executive in Council (which refers to the Chief Executive of Hong Kong acting after consultation with the Executive Council of Hong Kong) under the Mass Transit Railway Ordinance to suspend or revoke MTRCL's franchise is exercisable only in certain circumstances, the Company cannot assure investors that such power will not be exercised. If MTRCL's franchise were to be suspended or revoked, the Company would not be able to operate its railway business and, accordingly, could not generate revenues from that business.

Accidents, extreme weather events, natural disasters and security incidents could lead to decreased revenues and increased expenditure and reduce MTRCL's operating flexibility.

MTRCL's operations could be affected by accidents, extreme weather events, natural disasters and security incidents resulting in major equipment and power failures, collisions and derailments, which in turn will interrupt or prevent the operation of the mass transit railway and lead to:

(i) decreased revenues;

(ii) increased expenditure;

(iii) prolonged interruptions in, or reductions of, railway operations;

(iv) a reduction in MTRCL's operating flexibility;

(v) increased liabilities for MTRCL;

(vi) pressure for greater regulation; and

(vii) in cases which constitute a failure by MTRCL to comply with any provision of the Mass Transit Railway Ordinance or the New Operating Agreement, the potential imposition of a financial penalty.

Climate change may also increase the frequency and intensity of extreme weather events, which can result in natural disasters.

Although MTRCL believes that the insurance it has put in place is adequate and consistent with industry practice, MTRCL cannot assure investors that such insurance will be sufficient to cover losses or that such insurance will continue to be available on the same terms.

Any future outbreak of mass communicable diseases like COVID-19, Severe Acute Respiratory Syndrome, avian influenza, swine influenza or other new or contagious diseases may materially and adversely affect MTRCL's business and operations, as well as its financial condition and status.

Hong Kong, together with certain areas in the region and elsewhere experienced in early 2003 an outbreak of Severe Acute Respiratory Syndrome, or SARS, a new and highly contagious form of atypical pneumonia. At the height of the outbreak of SARS, MTRCL's average weekday patronage on the MTR Lines decreased to a low point of 1.8 million in April 2003, and the Airport Express recorded a significant reduction in its average daily patronage to a low point of 9,200 in May 2003, due to a steep decline in the number of airport passengers. In addition, since the latter half of 2005, several countries in Asia and Europe have reported cases of avian influenza, or bird flu, a disease which was first detected in humans in 1997 in Hong Kong. While there have been no known cases of efficient human-to-human transmission of avian influenza, there can be no assurance that the virus will not

mutate, thereby causing a human pandemic in Hong Kong and nearby territories. In 2009, Hong Kong and several countries across the globe reported cases of swine influenza with instances of human-to-human transmission. In 2013, cases of the H7N9 virus were also reported.

The COVID-19 pandemic outbreak has had a significant impact on MTRCL's transport operations, station commercial, property rental and other businesses. Patronage across MTRCL's network was heavily affected due to the reduced number of passengers as a result of social distancing measures, including work-from-home arrangements and face-to-face school classes suspension and related government measures such as the temporary closure of several boundary crossings between Hong Kong and Chinese Mainland. In Hong Kong, MTRCL also offered additional fare rebates to passengers and rental concessions to tenants at its stations and malls. In the post-COVID era, while patronage has slowly recovered, changes in the patterns of consumer and traveller behaviour have been observed. There can be no assurance that the growth of cross-boundary and overseas travel will translate into similar level of increase in patronage for MTRCL services.

MTRCL cannot assure investors that there will not be any future outbreak of novel coronavirus, SARS, avian influenza, swine influenza or any other contagious diseases for which there may be no known cure or vaccine. Any future outbreak of novel coronavirus, SARS, avian influenza, swine influenza or any other contagious diseases may cause patronage on the railway to again materially decrease. Furthermore, MTRCL's ability to adequately staff and maintain its operations may be significantly disrupted in such circumstances. In addition, any future outbreak of novel coronavirus, SARS, avian influenza, swine influenza or any other contagious diseases may severely restrict the general level of economic activity in Hong Kong and places where MTRCL operates its business, which may also adversely affect MTRCL's business and prospects. As a result, MTRCL cannot assure investors that any future outbreak of novel coronavirus, SARS, avian influenza, swine influenza or any other contagious disease would not have a material adverse effect on the Company's financial condition and status.

Risks relating to the Rail Merger

After the merger of the MTR railway and the KCR railway and related businesses (the "Rail Merger") (which occurred on the Merger Date) there are certain risks to the Company associated with operation of the KCR railway. These include the following:

There is only limited recourse contained in the Merger Agreements in respect of defects or problems with the property of the Kowloon-Canton Railway Corporation ("KCRC") which is the subject of the Service Concession ("Concession Property"). The terms of the Rail Merger did not provide for warranties in relation to the condition or durability of Concession Property. As a result, any costs which would need to be incurred to rectify problems with the Concession Property may be a direct cost to the Company.

Breach of the Mass Transit Railway Ordinance or the New Operating Agreement with respect to the MTRCL's post-Rail Merger franchise relating to the KCR railway may potentially result in fines and/or, in an extreme case, revocation of the MTRCL's entire franchise.

Since the partial privatisation of the Company in 2000, a breach of the Mass Transit Railway Ordinance and/or the Operating Agreement and New Operating Agreement (as defined on page 154) could potentially result in the revocation of the MTRCL's franchise to operate the MTR railway. After the Rail Merger, the Company is required to operate the KCR railway subject to the Mass Transit Railway Ordinance (as amended by the Rail Merger Ordinance (Ordinance No. 11 of 2007) (the "Rail Merger Ordinance")) and the New Operating Agreement. As a result, certain breaches thereof with respect to the KCR railway could potentially result in a revocation of MTRCL's entire franchise (i.e. with respect to the MTR railway as well as the KCR railway). The Company could, however, have the opportunity in certain circumstances, within specified time periods to remedy any such material breach prior to any revocation of the franchise.

The Company contracted with KCRC without any formal guarantee from the Government.

The Rail Merger involved the Company entering into a number of arrangements with KCRC which is wholly-owned by the Government. The Government was not a party to all of the Merger Agreements. The Government did not provide any guarantee in relation to the obligations of KCRC. However, the Government provided that if, on or after the Merger Date, the Government proposes to cease to be the majority shareholder of KCRC, the Government and the Company shall, prior to the Government so ceasing to be the majority shareholder of KCRC, agree arrangements designed to provide adequate comfort to the Company as to KCRC's performance of its obligations to the Company under the Merger Agreements.

Certain payments and liabilities relating to the Rail Merger may not qualify as profits tax deductions.

Since the Rail Merger in 2007, MTRCL has claimed annual Hong Kong profits tax deductions in respect of the amortisation of upfront payment and cut-over liabilities, and fixed annual payments and variable annual payments relating to the Rail Merger (collectively the "Sums"). Inland Revenue Department issued notices of profits tax assessments disallowing deduction of the Sums in the computation of MTRCL's assessable profits for certain years of assessment, to which MTRCL has lodged objections. After discussing with the external legal counsel and its tax advisor on the approach to the appeal, MTRCL decided not to pursue its deduction claims in respect of the amortisation of upfront payment and cut-over liabilities during its opening submission before the Inland Revenue Board of Review ("the Board of Review"). On 6th August 2024, the Board of Review issued its decision ("the Board of Review Decision") and disagreed with the deduction claims of the fixed annual payments and variable annual payments for the years of assessment from 2011/2012 to 2017/2018. It confirmed the relevant profits tax assessment/additional profits tax assessments in respect of the fixed annual payments and variable annual payments being non-tax deductible. On 4th September 2024, the Company lodged an application to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region for leave to appeal against the Board of Review Decision. On 27th May 2025, the Court of First Instance handed down its decision and granted leave for the Company to appeal against the Board of Review Decision. The Company has conferred with external legal counsel and its tax advisor and the advice obtained is that the Company continues to have strong legal grounds to support its position. As such, the Company has proceeded with its appeal against the Board of Review Decision and no additional tax provision has been made. The hearing of the appeal before the Court of First Instance is scheduled to be held in early 2027. For more information, please see the section headed "Litigation and Governmental Proceedings" on pages 235 to 237. If it is ultimately decided that the Sums do not qualify as Hong Kong profits tax deductions, such decision will increase the Hong Kong profits tax liabilities of MTRCL and may therefore have an adverse effect on the financial position of MTRCL.

Risks relating to Hong Kong and Chinese Mainland

Economic, political and legal developments in Hong Kong and Chinese Mainland could affect MTRCL's business.

A substantial part of MTRCL's assets are located in Hong Kong and a substantial part of the Company's revenues are derived from Hong Kong. Accordingly, MTRCL's financial condition, results of operations and prospects are subject to a significant degree to the economic, political and legal developments in Hong Kong. Hong Kong became a Special Administrative Region of the PRC, on 1st July 1997 when the PRC resumed the exercise of sovereignty over Hong Kong. The basic policies of the Central People's Government regarding Hong Kong are embodied in the Basic Law of Hong Kong, which was adopted by the National People's Congress of the PRC on 4th April 1990 and came into effect on 1st July 1997. During the public order events in Hong Kong in the second half of 2019, MTRCL's transport operations, station commercial businesses and property rental businesses in Hong Kong were adversely affected. The public order events affected patronage, involved damage and vandalism to certain stations, facilities and malls, necessitating repair, maintenance or replacement and led to other costs being incurred for the enhancement of staffing and security as well as rental concessions. MTRCL cannot assure investors that economic, political and legal developments in Hong Kong and Chinese Mainland (for example, China-U.S. trade and geopolitical tensions, caution in the world markets, a weaker local economy and public order events in Hong Kong) will not materially and adversely affect the Company's business and operations.

Any changes to import duties and governmental control over the type of dutiable goods in Hong Kong and Chinese Mainland could affect MTRCL's leasing of retail spaces for duty free shops.

After the Rail Merger, a significant part of MTRCL's revenue is derived from the leasing of retail spaces for duty free shops at the cross-boundary stations, namely, Lo Wu, Lok Ma Chau and Hong Kong West Kowloon. Any changes to import duties and governmental control over the type of dutiable goods (such as tobacco and liquors) in the two duty zones, Hong Kong and Chinese Mainland, can affect the mix of the type of dutiable goods and therefore the gross sales turnover generated from these retail areas and the overall rental income for MTRCL.

Adverse economic developments in Hong Kong, Chinese Mainland or elsewhere could have a material adverse effect on MTRCL's financial condition and results of operations.

The majority of MTRCL's revenues and most of its net profit are derived from its business activities in Hong Kong, which are directly affected by the performance of Hong Kong's economy. Hong Kong's economy is in turn affected, directly and indirectly, by issues that are domestic to Hong Kong (including social unrest, public order events and changes in consumer behaviour) and by the performance of the economies of Chinese Mainland and neighbouring Asian regions. As a result, adverse economic developments in Hong Kong, Chinese Mainland or elsewhere in the Asian region could have a material adverse effect on MTRCL's financial condition and results of operations. In addition, as MTRCL expands its business into Chinese Mainland and other regions, adverse economic developments in Chinese Mainland or in the regions in which MTRCL operates will have a direct impact on MTRCL's financial condition and results of operations.

A devaluation of the Hong Kong dollar may increase costs associated with MTRCL's capital expansion and will increase the Hong Kong dollar cost of repaying its indebtedness.

The Hong Kong dollar has been linked to the US dollar at the rate of approximately HK$7.80 to US$1.00 since 17th October 1983. The Government has repeatedly reaffirmed its commitment to this linked exchange rate system. However, in the event this policy was to be changed and there was to be a devaluation of the Hong Kong dollar, this would increase the Hong Kong dollar cost of MTRCL's foreign currency capital expenditures. In addition, the Hong Kong dollar cost of MTRCL's current and future liabilities denominated in foreign currencies would increase. As a substantial part of MTRCL's revenues are denominated in Hong Kong dollars, a devaluation of the Hong Kong dollar may increase capital costs and the related depreciation costs to the Company and increase its Hong Kong dollar interest expense on US dollar denominated indebtedness. This would in turn reduce MTRCL's operating and net profit.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuers.

An optional redemption feature is likely to limit the market value of Notes. During any period when an Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

An Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Dual Currency Notes.

An Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(a) the market price of such Notes may be volatile;

(b) the payment of principal or interest may occur at a different time or in a different currency than expected; and

(c) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Partly-paid Notes.
An Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor.
Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Floating Rate Notes.
Reference rates and indices, including interest rate benchmarks, which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("Benchmarks"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such Benchmark.

Inverse Floating Rate Notes.
Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes.
Fixed/Floating Rate Notes may bear interest at a rate that an Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. An Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since such Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If such Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If such Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium.
The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Trustee may request indemnity from noteholders.
At any time after the Notes shall have become immediately due and repayable pursuant to Condition 12 or otherwise, the Trustee may request noteholders to provide an indemnity to its satisfaction before instituting proceedings against the Issuer and/or the Guarantor. Please see Condition 12 of the Terms and Conditions of the Notes for details.

Perpetual Notes may be issued for which investors have no right to require redemption.
Any perpetual Notes issued under the Programme are perpetual and have no fixed final maturity date. Holders of perpetual Notes have no right to require the Issuer to redeem perpetual Notes at any time, and an investor who acquires perpetual Notes may only dispose of such perpetual Notes by sale.

Holders of perpetual Notes who wish to sell their perpetual Notes may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of perpetual Notes should be aware that they may be required to bear the financial risks of an investment in perpetual Notes for an indefinite period of time.

Index-Linked or Variable Redemption Amount Notes.
If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index-Linked Notes or Variable Redemption Amount Notes, there is a risk that the investor may lose the value of their entire investment or part of it.

Risks related to Notes denominated in Renminbi
There are certain special risks associated with investing in any Notes denominated in Renminbi ("RMB Notes"). The Issuers believe that the factors described below represent the principal risks inherent in investing in RMB Notes issued, but the inability of the Issuers to pay interest, principal or other amounts on or in connection with RMB Notes may occur for other reasons and the Issuers do not represent that the statements below regarding the risks of holding RMB Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside Chinese Mainland.
Renminbi is not freely convertible at present. The Central People's Government continues to regulate conversion between Renminbi and foreign currencies, including the US dollar and the Hong Kong dollar, despite the significant reduction over the years of control over routine foreign exchange transactions under current accounts. Remittance of Renminbi by foreign investors into Chinese Mainland for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and is subject to a strict monitoring system. Regulations on the remittance of Renminbi into Chinese Mainland for settlement of capital account items are developing gradually.

Although starting from 1st October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the Central People's Government will continue to liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside Chinese Mainland.

Further, if any new regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that funds cannot be repatriated outside Chinese Mainland in Renminbi, the Issuer will need to source Renminbi offshore to finance its obligations under RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside Chinese Mainland.

Holders of beneficial interests in RMB Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such holders to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in various financial centres and cities including Hong Kong. Please see "RMB Currency Controls" for further details.

There is only limited availability of Renminbi outside Chinese Mainland, which may affect the liquidity of RMB Notes and the Issuer's ability to source Renminbi outside Chinese Mainland to service RMB Notes, and in certain circumstances, amounts payable in respect of any Notes in Renminbi may be paid after the original due date and may be paid in US dollars.

As a result of the restrictions by the Central People's Government on cross-border Renminbi fund flows, the availability of Renminbi outside Chinese Mainland is limited.

While the People's Bank of China ("PBOC") has entered into agreements on the clearing of Renminbi business with financial institutions in Hong Kong, Taiwan and Singapore, and has established the Cross-Border Inter-Bank Payments System to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside Chinese Mainland is limited.

Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB clearing bank only has access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers subject to the limitations as provided in the relevant regulatory rules in effect from time to time and for the designated business customers relating to the RMB received in providing their services. The relevant RMB clearing bank is not obliged to square for participating banks any open positions

resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of laws and regulations in Chinese Mainland on foreign exchange.

There is no assurance that new regulations will not be promulgated or settlement agreements will not be terminated or amended in the future which will have the effect of restricting the availability of Renminbi offshore. The limited availability of Renminbi outside Chinese Mainland may affect the liquidity of the relevant Issuer's RMB Notes. To the extent that the relevant Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all.

If any amount is payable in respect of any Notes in Renminbi, the primary obligation of the Issuer and, if applicable, the Guarantor is to make such payment in Renminbi. However, if CNY Disruption Event (as defined in Condition 7(d) of the Terms and Conditions of the Notes) is specified in the relevant Pricing Supplement and, by reason of any CNY Disruption Event, the Issuer determines that it is not reasonably practicable to make such payment in Renminbi, the Issuer has the right to postpone the due date of such payment and, if the CNY Disruption Event continues to exist for 14 consecutive calendar days from the original due date, to make the payment in US dollars instead of Renminbi. (Please refer to Condition 7(d) of the Terms and Conditions of the Notes.) There is therefore no assurance that Noteholders will receive each amount payable in Renminbi on the original due date or in Renminbi.

Investment in RMB Notes is subject to exchange rate risks.

The value of the Renminbi against the US dollar, the Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in economic and other factors. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. The Issuers, failing which, in the case of MTR Cayman, the Guarantor, will make all payments of interest and principal with respect to RMB Notes in Renminbi. As a result, the value of these Renminbi payments in foreign currency may vary with the prevailing exchange rates in the marketplace. For example, when an investor buys RMB Notes, such investor may need to convert foreign currency to Renminbi at the exchange rate available at that time. In August 2015, the PBOC implemented change to the way it calculates the Renminbi's daily mid-point against the US dollar to take into account market-marker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. If the value of Renminbi depreciates against the relevant foreign currency between then and when the relevant Issuer or the Guarantor pays back the principal of RMB Notes in Renminbi at maturity, the value of the investment in the relevant foreign currency will have declined.

Payments in respect of RMB Notes will only be made to investors in the manner specified in RMB Notes.
Subject to Condition 7(d), all payments to investors in respect of RMB Notes will be made solely (i) for so long as RMB Notes are represented by a Global Note or a Global Certificate, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or (ii) for so long as RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The relevant Issuer and the Guarantor cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in Chinese Mainland).

Gains on the transfer of the RMB Notes may become subject to income taxes under tax laws applicable to Chinese Mainland.
Under the PRC Enterprise Income Tax Law and its implementation rules, any gain realised on the transfer of RMB Notes by non-resident enterprise holders may be subject to enterprise income tax if such gain is regarded as income derived from sources within Chinese Mainland. However, there remains uncertainty as to whether the gain realised from the transfer of the RMB Notes would be treated as income derived from sources within Chinese Mainland and be subject to tax in Chinese Mainland. This will depend on how the tax authorities in Chinese Mainland interpret, apply or enforce the PRC Enterprise Income Tax Law and its implementation rules.

Therefore, if non-resident enterprise holders are required to pay income tax in Chinese Mainland on gains on the transfer of RMB Notes (such enterprise income tax is currently levied at the rate of 10 per cent. of the gross proceeds, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-resident enterprise holders of the RMB Notes reside that reduces or exempts the relevant tax), the value of their investment in the RMB Notes may be materially and adversely affected.

Risks related to Notes generally
Set out below is a brief description of certain risks relating to the Notes generally:

Modification, and waivers and substitution.
The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of either of the Issuers, in the circumstances described in Condition 13 of the Terms and Conditions of the Notes.

Change of law.
The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Notes where denominations involve integral multiples.
In the case of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or integral multiples of the minimum Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Each series of Notes may be represented by one or more Global Certificates and holders of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System(s).

Each series of Notes may be represented by one or more Global Certificates deposited with a common depositary for Euroclear and Clearstream, or lodged with the CMU, or deposited with a custodian for and registered in the name of a nominee of DTC (each of Euroclear, Clearstream, CMU and DTC, a "Clearing System"). Except in the circumstances described in the relevant Global Certificate, investors will not be entitled to receive the relevant series of definitive Certificates. The relevant Clearing System(s) will maintain records of the beneficial interests in such a Global Certificate. While each series of Notes is represented by a Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While each series of Notes is represented by a Global Certificate, the Issuers will discharge their payment obligations under each series of Notes by making payments to the relevant Clearing System for distribution to their account holders or, in the case of the CMU, to the persons for whose account(s) interests in such Global Certificate are credited as being held in the CMU in accordance with the CMU Rules.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant series of Notes. The Issuers have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the relevant series of Notes. Instead, such Holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

Exchange rate risks and exchange controls.

An Issuer will pay principal and interest on the Notes in the Currency specified. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Currency in which the Notes are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Currency in which the Notes are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency in which the Notes are denominated would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, reduced or withdrawn by the rating agency at any time.

Terms and Conditions of the Notes

The following are the terms and conditions of Notes to be issued by the relevant Issuer which (subject to completion and as supplemented by the provisions of the relevant Pricing Supplement) will be attached to or incorporated by reference into each Global Note and each Global Certificate and which will be incorporated by reference or endorsed upon each Definitive Note and each Definitive Certificate.

Terms and Conditions of the Notes

This Note is one of a Series (as defined below) of Notes constituted by an Amended and Restated Trust Deed dated 31st October 2025 (as amended, supplemented, novated or restated from time to time, the "Trust Deed") and made between the Issuer, the other issuer named therein, the Guarantor (as defined below) and The Law Debenture Trust Corporation p.l.c. (the "Trustee", which expression shall, wherever the context permits, include all other persons or companies for the time being acting as trustee under the Trust Deed). Unless the context requires otherwise, references herein to the "Notes" shall be references to the Notes of this Series (as defined below) and shall mean:

(i) in relation to any Notes represented by a Global Note or Global Certificate, units of the lowest Specified Denomination in the Specified Currency of the relevant Notes;

(ii) Definitive Notes or Definitive Certificates; and

(iii) any Global Note or Global Certificate.

Notes issued by MTR Corporation (C.I.) Limited ("MTR Cayman") or any other entity appointed as an additional issuer under the Programme have been unconditionally and irrevocably guaranteed by MTR Corporation Limited 香港鐵路有限公司 (the "Guarantor"). In the case of Notes issued by MTR Corporation Limited all references in these Conditions to the "Guarantee" or "Guarantor" are not applicable.

The Notes and the Receipts and the Coupons (each as defined below) also have the benefit of an Amended and Restated Agency Agreement dated 31st October 2025 (as amended, supplemented, restated or novated from time to time, the "Agency Agreement") and made between the Issuer, the other issuer named therein, the Guarantor, Citibank N.A., as issuing agent, a transfer agent and a paying agent (the "Agent" which expression shall include any successor agent), the other paying agents named therein (together with the Agent, the "Paying Agents", which expression shall include any additional or successor paying agents) and Citibank N.A., Hong Kong Branch as transfer agent (together with the Agent and any additional or other transfer agents in respect of the Notes from time to time appointed, the "Transfer Agents"), Citibank, N.A., as registrar (the "Registrar"), Citibank, N.A., Hong Kong Branch, as Hong Kong reference agent (the "HK Reference Agent", which expression shall include any successors as HK Reference Agent), Citibank, N.A., Hong Kong Branch as Hong Kong lodging agent (the "HK Lodging Agent" which expression shall include any successor HK lodging agent) and the Trustee.

In connection with the Notes, the Issuer, the other issuer named therein and the Guarantor have executed an amended and restated deed of covenant dated 31st October 2025 (as amended, supplemented, restated or novated from time to time, the "Deed of Covenant") in favour of certain accountholders of Euroclear Bank SA/NV ("Euroclear"), Clearstream Banking, S.A. ("Clearstream"), The Depository Trust Company ("DTC") and the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority ("CMU").

Interest-bearing Definitive Notes will (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons ("Coupons") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes redeemable in instalments will have receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes (as defined below) do not have Receipts, Coupons or Talons attached on issue.

As used herein, "Series" means a Tranche (as defined below) together with any further Tranche or Tranches which are (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates, Issue Prices and the date of the first payment of interest, and the expressions "Notes of the relevant Series" and "holders of Notes of the relevant Series" and related expressions shall be construed accordingly. As used herein, "Tranche" means Notes which are identical in all respects (including as to listing).

The Pricing Supplement applicable to any particular Note or Notes is attached hereto or endorsed hereon and supplements these Conditions. References herein to the "applicable Pricing Supplement" shall mean the Pricing Supplement attached hereto or endorsed hereon.

In these Conditions "Noteholder" means (a) the holder of any Definitive Note, (b) the holder of a co-ownership interest or other interest in Bearer Notes (in global or definitive form) held in collective custody, in proportion to such Notes deposited for such holder's account, as provided below, or (c) the person in whose name a Registered Note is registered; "Couponholder" means (i) the holder of any Coupon or Talon, or (ii) the holder of a co-ownership interest or other interest in Coupons or Talons held in collective custody, in proportion to such Coupons or Talons deposited for such holder's account, and "Receiptholder" means the holder of any Receipt. Any reference herein to Euroclear and/or Clearstream and/or DTC and/or CMU shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer, the Trustee and the Agent.

The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders, all in accordance with the provisions of the Trust Deed.

Copies of the Trust Deed, the Deed of Covenant, the Agency Agreement (which contains the form of the Pricing Supplement) and the Pricing Supplement applicable to any particular Note or Notes (if

listed) are available for inspection free of charge at the specified offices of the Trustee, the Agent and each of the other Paying Agents save that the applicable Pricing Supplement will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Trustee or, as the case may be, the relevant Agent as to its holding of such Notes and its identity.

The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement, which are binding on them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed or Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated. In the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. Form, Denomination and Title

The Notes in this Series are in bearer form ("Bearer Notes", which expression includes Notes which are specified in the applicable Pricing Supplement to be Exchangeable Bearer Notes) or in registered form ("Registered Notes") as specified in the applicable Pricing Supplement and, in the case of Definitive Notes or Definitive Certificates, serially numbered in the Specified Currency and in the Specified Denominations(s) specified in the applicable Pricing Supplement.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Note or an Index-Linked Note or any combination of the foregoing, depending upon the Interest/Payment Basis specified in the applicable Pricing Supplement. It is also a Partly Paid Note and/or an Index-Linked Note (where payment with respect to principal is linked to an Index and/or formula) and/or a Dual Currency Note (where payment with respect to principal may be made in an alternative currency) if, in each case, the applicable Pricing Supplement so indicates and the appropriate provisions of these Conditions will apply accordingly.

Bearer Notes in definitive form ("Definitive Notes") are issued with Coupons (and, where appropriate, a Talon) attached, unless they are Zero Coupon Notes in which case references to interest (other than interest due after the Maturity Date), Coupons and Couponholders in these Conditions are not applicable. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached. References in these Conditions to Receipts, Coupons and Talons do not apply to any Notes represented by a Global Note or Global Certificate or any Notes in definitive registered form ("Definitive Certificates").

Except as set out below, title to the Bearer Notes and the Receipts and Coupons appertaining thereto will pass by delivery. The Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent

may deem and treat the bearer of any Bearer Note and any Receipt or Coupon appertaining thereto as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note or Global Certificate, without prejudice to the provisions set out in the next succeeding paragraph. Title to the Registered Notes shall pass by transfer and registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the Agency Agreement as described in Condition 4(b).

For so long as any of the Notes are represented by a Global Note or a Global Certificate, each person other than Euroclear and/or Clearstream and/or DTC and/or CMU who is for the time being shown in the records of Euroclear or Clearstream or DTC or CMU as the holder of a particular principal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream or DTC or CMU as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the Registrar, the Transfer Agent, the Agent and any other Paying Agent as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, the right to which shall be vested, as against the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent solely in the bearer of the relevant Global Note (or, in the case of a Global Certificate, in the registered holder thereof) in accordance with and subject to its terms (and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly). Notes which are represented by a Global Note or a Global Certificate will be transferable only in accordance with rules and procedures for the time being of Euroclear, Clearstream, DTC or CMU, as the case may be.

2. Status of Notes and Negative Pledge

(a) The obligations of the Issuer under the Notes, the Coupons and the Receipts are direct, unconditional, unsubordinated, general and (subject to Condition 2(b)) unsecured obligations of the Issuer ranking *pari passu* in all respects and rateably without preference or priority (except for any statutory preference or priority applicable in the winding-up of the Issuer or otherwise required to be preferred by law) with all other outstanding unsecured and unsubordinated obligations (contingent or otherwise, present and future) of the Issuer.

(b) So long as any of the Notes remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will create or permit to be outstanding any mortgage, charge, pledge or other security interest (other than a security interest arising by operation of law) (each a "Charge") other than a Permitted Charge upon the whole or any part of its undertaking or assets, present or future, in order to secure any existing or future Securities issued (or guarantees in respect thereof granted) by it unless in any such case at the same time the relevant Notes are (to the satisfaction of the Trustee) equally and rateably secured so as to rank *pari passu* with such Securities or guarantees or other security is granted in respect of the Notes as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as approved by an Extraordinary Resolution of the Noteholders.

For the purposes of this Condition 2(b), the term "Securities" means any indebtedness in the form of or represented by bonds, notes, debentures or other similar securities, or by bills of exchange drawn or accepted for the purpose of raising money, which are, or are at the time of issue or acceptance intended to be, quoted, listed or ordinarily traded on any stock exchange or over-the-counter securities market or traded between financial institutions or institutional investors and the term "Permitted Charge" means:

(i) any Charge over any assets (or related documents of title) purchased by the Issuer or the Guarantor as security for all or part of the purchase price of such assets and any substitute security created on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets (but the principal amount secured by any such security may not be increased without the authority of the Trustee in writing);

(ii) any Charge over any assets (or related documents of title) purchased by or vested in the Issuer or the Guarantor (whether by virtue of legislation, contract, consent or any other way whatsoever) subject to such Charge and any substitute security created on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets;

(iii) any Charge on any immovable property of the Issuer or the Guarantor effected for the purpose of the development by the Issuer or the Guarantor (for such purposes and in such manner as it may think fit) of all or any of its immovable property not for the time being required for use in connection with the Railway (which, for the purposes of this Condition, has the meaning ascribed to the word "railway" in the Mass Transit Railway Ordinance (Cap. 556 of the Laws of Hong Kong) but shall not include any property used as corporate headquarters or administrative offices of the Issuer or the Guarantor) provided that neither such Charge nor the enforcement of any rights or security arising out of such Charge would result in the Issuer or the Guarantor (as the case may be) ceasing to have the right to the unrestricted use of such part or parts of its property as are for the time being required for use in connection with the Railway;

(iv) any liens (including any conditional sale or retention of title) arising in the ordinary course of business (including the operation of the Railway and/or the development of all or any of the immovable property of the Issuer and/or the Guarantor) and not in connection with the borrowing of money;

(v) any Charge over any amounts which may be or become due or owing to the Issuer or the Guarantor under or in connection with any contract entered into by the Issuer or the Guarantor (as the case may be) where such Charge is security for all or part of any moneys (and for any interest on such moneys) raised by the Issuer or the Guarantor (as the case may be) or by the contractor with whom such contract is entered into or by any sub-contractor of such contractor in order to finance the whole or any part of the cost of the goods and/or services supplied by such contractor or sub-contractor where the provision of such finance is supported by an export credit finance authority or institution;

(vi) any Charge pursuant to any order of attachment, distraint or similar legal process arising in connection with proceedings provided that the execution or other enforcement of such process is effectively stayed and the claims secured are being contested at the time in good faith by appropriate proceedings;

(vii) any Charge which constitutes a right of any bank or financial institution to apply any credit balance maintained by the Issuer or the Guarantor with such bank or financial institution, or any amount due and payable, or to become due and payable, by such bank or financial institution to the Issuer or the Guarantor, against any amount due and payable, or to become due and payable, to such bank or financial institution (or any of its subsidiaries or its holding company or any subsidiaries of such holding company) by the Issuer or the Guarantor (as the case may be); and

(viii) any other Charge authorised in writing by the Trustee or as approved by an Extraordinary Resolution of the Noteholders.

3. The Guarantee

The payment of principal, premium (if any) and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the "Guarantee"). The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 2(b)) unsecured obligations of the Guarantor and (except for any statutory preference or priority applicable in the winding-up of the Guarantor or otherwise required to be preferred by law) rank equally with all other outstanding unsecured and unsubordinated obligations (contingent or otherwise, present or future) of the Guarantor.

4. Exchange of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 4(e), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes of a Specified Denomination at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of the Registrar or the Transfer Agent (or, in the case of Notes lodged in CMU, the HK Lodging Agent); provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)(ii)(A)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination may not be exchanged for Bearer Notes of another Denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

A Registered Note may be transferred in whole or in part in a Specified Denomination upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it

duly completed and executed (and, if applicable, stamped), at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Note a new Registered Note in respect of the balance not transferred will be issued to the transferor. A Registered Note may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

(c) Delivery of Registered Notes

Each Registered Note to be issued upon exchange of Exchangeable Bearer Notes or transfer of Registered Notes will, within seven business days (being a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such request for exchange or form of transfer shall have been delivered) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom such request shall have been made or, at the option of the holder making such request as aforesaid and as specified in the relevant request for exchange or form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the new Registered Note to such address as may be specified in such request for exchange or form of transfer.

(d) Formalities of Exchange or Transfer of Registered Notes

Exchange or transfer of Notes as described in paragraphs (a), (b) and (c) above will be effected without charge by or on behalf of the Issuer, the Registrar, the Transfer Agent or, in the case of Exchangeable Bearer Notes lodged in CMU, the HK Lodging Agent, subject to (i) payment (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect) of any tax, duties or other governmental charges which may be imposed in relation to it, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the request or application, and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar, the Agent, the Transfer Agents, the Trustee and, in the case of Exchangeable Bearer Notes lodged in CMU, the HK Lodging Agent.

(e) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days ending on the due date for any payment of principal on that Note; (ii) during the period of 15 days prior to any date on which Notes may be drawn for redemption by the Issuer at its option pursuant to Condition 6(c); or (iii) after any such Note has been drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for a Registered Note which is simultaneously surrendered not later than the relevant Record Date.

5. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date which is specified in the applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate(s) of Interest specified in the applicable Pricing Supplement to (but excluding) the Fixed Interest Date(s) in

each year and to (but excluding) the Maturity Date so specified if it does not fall on a Fixed Interest Date, and such interest will be paid in arrear on the Fixed Interest Date(s) or the Maturity Date so specified (as the case may be). The first payment of interest shall be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount specified in the applicable Pricing Supplement. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date) to (but excluding) the Maturity Date will amount to the Final Broken Amount specified in the applicable Pricing Supplement.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note or Global Certificate, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or Global Certificate (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

(a) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Pricing Supplement, to (but excluding) each interest payment date (each an "Interest Payment Date") which (except as otherwise specified in these Conditions or the applicable Pricing Supplement) (i) is specified in the applicable Pricing Supplement or (ii) falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, and such interest will be paid in arrear on each Interest Payment Date. Unless otherwise specified in the applicable Pricing Supplement, if any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition 5, "Business Day" means (unless otherwise stated in the applicable Pricing Supplement) a day which is both:

(A) a day (other than a Saturday or Sunday or other day on which banking institutions are required or authorised by law or executive order to close) on which commercial banks are open for business and foreign exchange markets settle payments in Hong Kong; and

(B) (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal

financial centre of the country of the relevant Specified Currency (if other than Hong Kong) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19th November 2007 or any successor thereto (the "TARGET System") is operating (a "TARGET Business Day") or (3) in relation to any sum payable in Renminbi, a day on which commercial banks in Hong Kong are open for business and settlement of Renminbi payments.

Unless otherwise provided in the applicable Pricing Supplement, the principal financial centre of any country for the purpose of these Conditions shall be the financial centre for the Specified Currency as provided in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and amended and updated or replaced as at the Issue Date of the first Tranche of a Series of the Notes (the "ISDA Definitions").

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of each Series of Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement. The relevant Rate of Interest payable from time to time will be based on the Hong Kong inter-bank offered rate ("HIBOR"), the CNH Hong Kong inter-bank offered rate ("CNH HIBOR"), the Euro-zone inter-bank offered rate ("EURIBOR") or determined in such manner as is otherwise specified in the applicable Pricing Supplement.

(iii) ISDA Determination

(A) Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest shall (unless otherwise specified in the Pricing Supplement) be determined on such dates and at such rates as would have been determined by the Issuer if it had entered into an interest rate swap transaction governed by an agreement (regardless of any event of default or termination event thereunder) in the form of the Interest Rate and Currency Exchange Agreement incorporating the ISDA Definitions with the holder of the relevant Note under which:

(1) the manner in which the Rate of Interest is to be determined is the "Floating Rate Option";

(2) the Issuer is the "Floating Rate Payer";

(3) the person specified in the applicable Pricing Supplement is the "Calculation Agent";

(4) the Interest Commencement Date is the "Effective Date";

(5) the aggregate paid up principal amount of the Series is the "Notional Amount";

(6) the relevant Interest Period is the "Designated Maturity";

(7) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on HIBOR or CNH HIBOR or EURIBOR for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement; and

(8) all other terms are as specified in the applicable Pricing Supplement.

For the purpose of this sub-paragraph (iii), (1) "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions; (2) the definition of "Banking Day" in the ISDA Definitions shall be amended to insert after the words "are open for" in the second line the word "general"; and (3) "Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended (the "Treaty").

(B) When Condition 5(b)(iii)(A) applies, with respect to each relevant Interest Payment Date:

(1) the amount of interest determined for such Interest Payment Date shall be the Interest Amount (as defined in Condition 5(b)(vi) below) for the relevant Interest Period for the purposes of these Conditions as though calculated under Condition 5(b)(vi) below; and

(2) (unless otherwise specified in the Pricing Supplement) the Rate of Interest of such Interest Period shall be the Floating Rate (as defined in the ISDA Definitions) determined by the Calculation Agent specified in the applicable Pricing Supplement (the "Calculation Agent") in accordance with Condition 5(b)(iii)(A), plus or minus (as indicated in the applicable Pricing Supplement), the applicable Margin (if any).

(iv) Screen Determination

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be either:

(x) where the quotation which appears on the appropriate page of the Screen is a composite quotation or is customarily supplied by one entity only, that quotation; or

(y) where a number of quotations appear on the appropriate page of the Screen, the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of those quotations,

(expressed as a percentage rate per annum), for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the appropriate page of the Screen as at 11:00 a.m. (Brussels time) in the case of EURIBOR or 11:00 a.m. (Hong Kong time) in the case of HIBOR or 11:15 a.m. (Hong Kong time) in the case of CNH HIBOR or 11:00 a.m. (London time) in all

other cases on the Interest Determination Date (as defined below) in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent;

(A) if, in the case of (x) above, no such rate appears or, in the case of (y) above, fewer than two of such offered rates appear at such time or if the offered rate or rates which appears or appear, as the case may be, as at such time do not apply to a period of a duration equal to the relevant Interest Period, the Rate of Interest for such Interest Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations of the Reference Banks for inter-bank deposits in the Specified Currency for that Interest Period (expressed as a percentage rate per annum), of which the Calculation Agent (or, in the case of Notes denominated in HK dollars, the HK Reference Agent, who shall forthwith advise the Calculation Agent) is advised by all Reference Banks (as defined below) as at 11:00 a.m. (Brussels time) in the case of EURIBOR or 11:00 a.m. (Hong Kong time) in the case of HIBOR or 11:15 a.m. (Hong Kong time) in the case of CNH HIBOR or 11:00 a.m. (London time) in all other cases on the Interest Determination Date plus or minus (as specified in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent;

(B) if on any Interest Determination Date to which Condition 5(b)(iv)(A) applies two only of the Reference Banks advise the Calculation Agent (or, as aforesaid, the HK Reference Agent) of such offered quotations, the Rate of Interest for the next Interest Period shall be determined as in Condition 5(b)(iv)(A) on the basis of the rates of those Reference Banks advising such offered quotations;

(C) if on any Interest Determination Date to which Condition 5(b)(iv)(A) applies one only or none of the Reference Banks advises the Calculation Agent (or, as aforesaid, the HK Reference Agent) of such rates, the Rate of Interest for the next Interest Period shall, subject as provided below, be:

(1) the reserve interest rate (the "Reserve Interest Rate") which shall be the rate per annum which the Calculation Agent determines to be either (x) the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the lending rate(s) for the Specified Currency which a bank (which in the case of Notes denominated in Hong Kong dollars shall be The Hongkong and Shanghai Banking Corporation Limited or another bank nominated by the HK Reference Agent after consultation with the Issuer) or banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency after consultation with the Issuer (which, if Australian dollars, shall be Sydney and, if euro, shall be such financial centre or centres in the Euro-zone as the Calculation Agent shall select) are quoting on the relevant Interest Determination Date for the next Interest Period to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Calculation Agent, being so made plus or minus (as specified in the applicable Pricing Supplement) the Margin (if any), or (y) in the event that the Calculation Agent can determine no such arithmetic mean, the lowest lending rate for the Specified Currency which a bank (which in the case of Notes denominated in HK dollars shall

be The Hongkong and Shanghai Banking Corporation Limited or another bank nominated by the HK Reference Agent after consultation with the Issuer) or banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency after consultation with the Issuer (which, if Australian dollars, shall be Sydney and, if euro, shall be such financial centre or centres in the Euro-zone as the Calculation Agent shall select) are quoting on such Interest Determination Date to leading European banks for the next Interest Period plus or minus (as specified in the applicable Pricing Supplement) the Margin (if any); or if the banks selected as aforesaid by the Calculation Agent are not quoting as mentioned above;

(2) the Rate of Interest in effect for the last preceding Interest Period to which Condition 5(b)(iv)(A) shall have applied (plus or minus, where a different Margin is to be applied to the next Interest Period than that which applied to the last preceding Interest Period, the Margin relating to the next Interest Period in place of the Margin relating to the last preceding Interest Period, all as specified in the applicable Pricing Supplement).

(D) the expression "the appropriate page of the Screen" means (in the case of all Notes other than Notes determined in HK dollars) such page, whatever its designation, on which EURIBOR (or, if there is only one such rate, that rate for deposits in the Specified Currency of prime banks) are for the time being displayed on the Reuter Monitor Money Rates Service ("Reuters") or the appropriate Moneyline Telerate Service ("Moneyline Telerate"), as specified in the applicable Pricing Supplement, and in the case of Notes denominated in HK dollars means such page, whatever its designation, on which Hong Kong Interbank offered rates for HK dollar deposits of prime banks are for the time being displayed on Moneyline Telerate or Reuters as specified in the applicable Pricing Supplement;

(E) unless otherwise specified in the applicable Pricing Supplement, the Reference Banks for all Notes not denominated in HK dollars will be the principal London offices of Citibank N.A., Barclays Bank PLC and JPMorgan Chase Bank N.A. and for Notes denominated in HK dollars will be any three of the banks who usually quote rates on the appropriate page of the Screen as selected by the HK Reference Agent. The Issuer shall procure that, so long as any Floating Rate Note (not denominated in HK dollars) to which Condition 5(b)(iv)(A) is applicable remains outstanding, in the case of any bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall specify the London office of some other leading bank engaged in the Eurodollar market to act as such in its place;

(F) the expression "Interest Determination Date" means unless otherwise specified in the applicable Pricing Supplement, (w) other than in the case of Condition 5(b)(iv)(A), with respect to Notes denominated in any Specified Currency other than sterling, euro or Hong Kong dollars, the second Banking Day in London prior to the commencement of the relevant Interest Period and, in the case of Condition 5(b)(iv)(A), the second Banking Day in the principal financial centre of the country of the Specified Currency (which, if Australian dollars, shall be Sydney) prior to the commencement of the relevant Interest Period and (x) with respect to Notes denominated in sterling, the first Banking Day in London of the relevant Interest Period or (y) with respect to

Notes denominated in euro, the second TARGET Business Day prior to the commencement of the relevant Interest Period and (z) with respect to Notes denominated in Hong Kong dollars the first Banking Day in Hong Kong of the relevant Interest Period; and

(G) the expression "Banking Day" means, in respect of any place, any day other than Saturday or Sunday on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that place or, as the case may be, as indicated in the applicable Pricing Supplement.

(v) Minimum and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a minimum Rate of Interest for any Interest Period, then in the event that the Rate of Interest for such period determined as aforesaid would be less than such minimum Rate of Interest, the Interest Rate for such period shall be such minimum Rate of Interest. If the applicable Pricing Supplement specifies a maximum Rate of Interest for any Interest Period, then in the event that the Rate of Interest for such period determined as aforesaid would be greater than such maximum Rate of Interest, the Interest Rate for such period shall be such maximum Rate of Interest.

(vi) Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest (subject to any minimum or maximum Rate of Interest specified in the applicable Pricing Supplement) and calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes for the relevant Interest Period. The Calculation Agent will calculate the Interest Amount by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note or a Global Certificate, the aggregate outstanding nominal amount of the Notes represented by such Global Note or Global Certificate (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount, and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 5(b):

if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period

falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(vii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will as soon as possible after their determination but in no event later than the second London Business Day thereafter notify the Agent or cause the Agent to be notified of the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date and the Agent will then promptly notify the Issuer and the Relevant Dealer of the same and will cause the same to be published in accordance with Condition 15. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without publication as aforesaid in the event of an extension or shortening of the Interest Period in accordance with the provisions hereof. Each stock exchange on which the relevant Floating Rate Notes are for the time being listed will be promptly notified of any such amendment.

For the purposes of this subparagraph (vii), the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(viii) Determination or Calculation by Agent or by Trustee

If for any reason the Calculation Agent does not at any time determine the Rate of Interest or calculate any Interest Amount in accordance with sub-paragraphs (ii), (iii) or (iv), as the case may be, and, in each case, sub-paragraph (vi) above, the Agent may (but shall not be obliged to) determine the Rate of Interest as if it had been named as Calculation Agent in the applicable Pricing Supplement. If for any reason the Agent does not choose to fulfil this role of substitute Calculation Agent, the Trustee shall determine the Rate of Interest to be such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 5(b) but subject always to any minimum or maximum Rate of Interest specified in the applicable Pricing Supplement) it shall deem fair and reasonable in all the circumstances and/or as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent specified in the applicable Pricing Supplement.

(ix) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Calculation Agent, the Agent or the Trustee, shall (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Calculation Agent, the Agent, the other Paying Agents, the Trustee and all Noteholders, Receiptholders and Couponholders and no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent, the Agent or, as the case may be, the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Index-Linked Notes and Dual Currency Notes

In the case on Index-Linked Notes or Dual Currency Notes, if the Rate of Interest or amount of interest falls to be determined by reference to an index and/or a formula or, as the case may be, an exchange rate, such Rate of Interest or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(d) Zero Coupon Notes

When a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(e)(iii). As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield set forth in the applicable Pricing Supplement.

(e) Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid up principal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(f) Accrual of Interest

Each Note (or in the case of the redemption in part only of a Note, such part to be redeemed) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note; and (ii) the day on which the Agent has notified the holder thereof (either in accordance with Condition 15 or individually) of receipt of all sums due in respect thereof up to that date.

6. Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, Notes will be redeemed by the Issuer at their Final Redemption Amount in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement (in the case of a Note other than a Floating Rate Note) or on the Interest Payment Date falling in the Redemption Month specified in the applicable Pricing Supplement (in the case of a Floating Rate Note).

(b) Redemption for Tax Reasons

The Notes of this Series may be redeemed at a price or prices and on such terms as are indicated in the applicable Pricing Supplement at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee and the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee that the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 or the Guarantor satisfies the Trustee that the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of Hong Kong [or the Cayman Islands][1] or any political subdivision thereof or therein or any authority having power to levy tax therein, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and that such obligation cannot be avoided by the Issuer or, as the

[1] Delete if MTR Corporation Limited is the Issuer.

case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor (as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Series of Notes or the Guarantee (as the case may be) then due. On the expiry of such notice the Issuer shall be bound to redeem the Notes accordingly. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer (or the Guarantor, as the case may be) stating that the obligation to pay additional amounts as referred to above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence that such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures as required above in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(c) Redemption at the Option of the Issuer

If so specified in the applicable Pricing Supplement, the Issuer may, having (unless otherwise specified in the applicable Pricing Supplement) given not more than 60 nor less than 30 days' notice to the Trustee and the holders of the Notes of this Series in accordance with Condition 15 (which notice shall be irrevocable), repay all or some only of the Notes of this Series then outstanding (as defined in the Trust Deed) on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) indicated in the applicable Pricing Supplement together, if appropriate, with accrued interest. In the event of redemption of some only of such Notes of this Series, such redemption must be for an amount being the Minimum Redemption Amount or a Maximum Redemption Amount, as indicated in the applicable Pricing Supplement. In the case of a partial redemption of Definitive Notes or Definitive Certificates of this Series, the Notes of this Series to be repaid will be selected individually by lot not more than 60 days prior to the date fixed for redemption and a list of the Notes of this Series called for redemption will be published in accordance with Condition 15 not less than 30 days prior to such date. In the case of a partial redemption of Notes which are represented by a Global Note or a Global Certificate, the relevant Notes will be redeemed in accordance with the rules of Euroclear and/or Clearstream and/or DTC and/or CMU, as the case may be.

(d) Redemption at the Option of the Noteholders

If and to the extent specified in the applicable Pricing Supplement, upon the holder of any Note of this Series giving to the Issuer in accordance with Condition 15 not more than 60 nor less than 30 days' notice (or such lesser period if so specified in the Pricing Supplement) (which notice shall be irrevocable) the Issuer shall, upon the expiration of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Pricing Supplement in whole (but not in part) such Note on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Pricing Supplement together, if appropriate, with accrued interest.

(e) Early Redemption Amounts

For the purposes of paragraphs (b), (c) and (d) above, Notes will be redeemed at an amount (the "Early Redemption Amount") calculated as follows:

(i) in the case of Notes with a Final Redemption Amount equal to their principal amount, at the Final Redemption Amount thereof; or

(ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be greater or less than their principal amount or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in the applicable Pricing Supplement, or if no such amount or manner is set out in the applicable Pricing Supplement, at their principal amount; or

(iii) in the case of Zero Coupon Notes, at an amount (the "Amortised Face Amount") equal to:

(A) the sum of (x) the Reference Price specified in the applicable Pricing Supplement and (y) the product of the Accrual Yield specified in the applicable Pricing Supplement (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or

(B) if the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 12 is not paid or available for payment when due, the amount due and repayable in respect of such Zero Coupon Note shall be the Amortised Face Amount of such Zero Coupon Note calculated as provided above as though the references in subparagraph (A) to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the "Reference Date") which is the earlier of:

(1) the date on which all amounts due in respect of the Note have been paid; and

(2) the date on which the full amount of the moneys repayable has been received by the Agent and notice to that effect has been given in accordance with Condition 15.

The calculation of the Amortised Face Amount in accordance with this sub-paragraph (B) will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the principal amount of such Note together with interest from (and including) the Maturity Date to (but excluding) the Reference Date at a rate per annum equal to the Accrual Yield.

Where any such calculation is to be made for a period of less than a full year, it shall be made (x) in the case of Notes denominated in US dollars on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed; (y) in the case of Notes denominated in all other currencies on the basis that "Actual/Actual ICMA" shall apply, as calculated in accordance with Condition 5(b)(vi); or (z) as otherwise specified in the applicable Pricing Supplement.

(f) Instalments

Any Note which is repayable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement.

(g) Partly Paid Notes

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise in accordance with the provisions of this Condition 6 as amended or varied by the applicable Pricing Supplement.

(h) Purchases

The Issuer and the Guarantor and any Connected Company of the Issuer or the Guarantor may at any time purchase Notes of this Series (provided that, in the case of Definitive Notes, all unmatured Receipts and Coupons appertaining thereto are surrendered therewith) in the open market or by private treaty at any price. If purchases are made by tender, tenders must be available to all holders of Notes of this Series alike.

7. Payments

(a) Method of Payment

Subject as provided below and unless otherwise provided in the Pricing Supplement, payments in a currency other than euro or Renminbi will be made by transfer to an account in the Specified Currency maintained by the payee with, or by a cheque in the Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; provided that a cheque may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in the United States of America (including the States and the District of Columbia) or its possessions (including Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) by any office or agency of the Issuer, the Guarantor, the Agent or any Paying Agent. Payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque. Payments in Renminbi will be made by transfer to an account denominated in Renminbi maintained by the payee with a bank in Hong Kong.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10.

(b) Presentation of Notes, Receipts, Coupons and Talons

(i) Bearer Notes

Payments of principal in respect of Definitive Notes not held in CMU will (subject as provided below) be made in the Specified Currency against surrender of Definitive Notes and payments of interest in respect of the Definitive Notes will (subject as provided below) be made in the Specified Currency against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States of America and its possessions.

In the case of Definitive Notes not held in CMU, payments of principal with respect to instalments (if any), other than the final instalment, will (subject as provided below) be made against presentation and surrender of the relevant Receipt. Each Receipt must be presented for payment of the relevant

instalment together with the relevant Definitive Note against which the amount will be payable with respect to that instalment. If any Definitive Note is redeemed or becomes repayable prior to the stated Maturity Date (in the case of a Note other than a Floating Rate Note) or prior to the Interest Payment Date falling in the Redemption Month (in the case of a Floating Rate Note) in respect thereof, principal will be payable on surrender of such Definitive Note together with all unmatured Receipts appertaining thereto. Receipts presented without the Definitive Note to which they appertain and unmatured Receipts do not constitute valid obligations of the Issuer.

Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in the form of Definitive Notes which are not held in CMU (other than Dual Currency Notes or Index-Linked Notes) should be presented for payment together with all unmatured Coupons appertaining thereto failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the aggregate amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of six years after the Relevant Date (as defined in Condition 14) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 14). Upon any Fixed Rate Bearer Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Bearer Note, Dual Currency Bearer Note or Indexed Bearer Note in definitive form not held in CMU becomes due and repayable, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

In the case of Definitive Notes held in CMU, payments will be made to the person(s) for whose account(s) interests in the relevant Definitive Note are credited as being held with CMU in accordance with the arrangements, rules and regulations governing the operation of CMU (the "CMU Rules") at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer or, as the case may be, the Guarantor in respect of that payment.

If the due date for redemption of any Definitive Note is not a Fixed Interest Date or an Interest Payment Date, interest (if any) accrued with respect to such Note from (and including) the preceding Fixed Interest Date or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Note.

(ii) Registered Notes

(A) Payments of principal (which for the purposes of this Condition 7(b)(ii) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes will be

made to the persons shown on the Register (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear (and Clearstream) or DTC, a day on which Euroclear (and Clearstream) or, as the case may be, DTC are open for business, and in respect of Notes clearing through CMU, a day on which CMU is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business (x) in the case of a currency other than Renminbi, on the fifteenth day before the due date for payment thereof or (y) in the case of Renminbi, on the fifth business day before the due date for payment thereof (the "Record Date") by mail to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar or, in the case of Renminbi, by transfer to the registered account of the holder (or to the first named of joint holders of such Note).

In this Condition 7(b)(ii), "registered account" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register on the fifth business day before the due date for payment.

(B) Interest (which for the purpose of this Condition 7(b)(ii) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes will be paid to the person shown on the Register at the close of business on the Record Date. Payments of interest on each Registered Note (other than Notes denominated in euro or Renminbi) will be made in the currency in which such payments are due by cheque drawn on a bank (being a town clearing branch of a bank in the City of London in the case of sterling) in the principal financial centre of the country of the currency concerned and (in the case of Notes denominated in euro) by euro cheque and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Payment of interest on Notes denominated in Renminbi will be made by transfer to the registered account of the holder (or to the first named of joint holders of such Note). Upon application by the holder of a Note other than a Note denominated in Renminbi to the specified office of the Registrar or the Transfer Agent before the Record Date and subject as provided in paragraph (i) above, such payment of interest may be made by transfer to (in the case of Notes denominated in a currency other than euro) an account in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of that currency or (in the case of Notes denominated in euro) a euro account or any other account to which euro may be transferred.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Guarantor, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(iii) Global Notes and Global Certificates

Payments of principal and interest (if any) in respect of Notes of this Series represented by any Global Note or Global Certificate will (subject as provided below) be made in the manner specified above and otherwise in the manner specified in the relevant Global Note or Global Certificate (i) in the case of a Global Note or Global Certificate lodged with CMU to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited as being held by CMU in accordance with the CMU Rules, or (ii) in the case of a Global Note or Global Certificate not lodged with CMU against presentation or surrender, as the case may be, of such Global Note or Global Certificate at the specified office of the Agent. A record of each payment made against presentation or surrender of such Global Note or Global Certificate, distinguishing between any payment of principal and any payment of interest, will be made in the case of a Global Note (or, as the case may be, Global Certificate) not held in CMU, by the Agent or, in the case of a Global Note (or, as the case may be, Global Certificate) lodged with CMU, on withdrawal of the Global Note (or, as the case may be, Global Certificate) by the HK Lodging Agent and such record shall be prima facie evidence that the payment in question has been made.

If the Global Note or Global Certificate is not lodged with CMU, the holder of the relevant Global Note or Global Certificate or, if the Global Note or Global Certificate is lodged in CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in CMU in accordance with the CMU Rules (or, as provided in the Trust Deed, the Trustee) shall be the only person(s) entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note or Global Certificate or, if the Global Note or Global Certificate is lodged in CMU, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in CMU (or the Trustee, as the case may be) with respect to each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, DTC or CMU as the holder of a particular principal amount of Notes must look solely to Euroclear, Clearstream, DTC or the HK Lodging Agent, as the case may be, for his share of each payment so made by the Issuer or, if the Guarantee is called, the Guarantor in respect of the relevant Global Note or Global Certificate.

(iv) US Dollar Notes

Notwithstanding the foregoing, payments in respect of Bearer Notes denominated in US dollars will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction) only if:

(A) the Issuer and the Guarantor have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount owing in respect of the Notes in the manner provided above when due;

(B) payment of the full amount owing in respect of the Notes at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and

(C) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

(c) Payment Business Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Business Day in a place of presentation, the holder thereof shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Pricing Supplement, "Payment Business Day" means any day which is (i) a day (other than a Saturday or Sunday) on which commercial banks are open for business and foreign exchange markets settle payments in the relevant place of presentation, and (ii) a Business Day as defined in Condition 5(b)(i). For the purposes of the definition of "Payment Business Day" in this Condition 7(c), the relevant place of presentation shall be disregarded in respect of any payment in respect of any Global Note.

(d) CNY Disruption Event

This Condition 7(d) shall apply if CNY Disruption Event is specified in the applicable Pricing Supplement.

If any amount in respect of the Notes is payable in Renminbi and the Issuer determines that by reason of any CNY Disruption Event, it is not reasonably practicable for either the Issuer or the Guarantor to pay such amount in CNY (an "Affected CNY Amount"), then notwithstanding any other provision in these Conditions or in the applicable Pricing Supplement, the Issuer may notify the Noteholders of such determination on or before the due date for payment (the "Original Due Date"). If such notification is given:

(i) if the CNY Disruption Event does not continue to exist for 14 consecutive calendar days from the Original Due Date, the due date for the payment of that Affected CNY Amount shall be postponed to two Business Days (as defined in Condition 5(b)(i)) after the date on which the Issuer is aware that the CNY Disruption Event has ceased to exist and the Issuer shall notify the Noteholders of the postponed due date as soon as practicable;

(ii) if the CNY Disruption Event continues to exist for 14 consecutive calendar days from the Original Due Date:

(1) the due date for the payment shall be postponed to such date as the Issuer shall notify the Noteholders. Such notification shall be given after the Relevant Spot Rate has been determined and shall also include the Relevant Spot Rate; and

(2) the obligation to pay that Affected CNY Amount shall be replaced by an obligation to pay, in US dollars, an amount equal to the US dollar equivalent of that Affected CNY Amount on such postponed due date. Such US dollar equivalent shall be arrived at by converting that CNY Affected Amount at the Relevant Spot Rate.

If sub-paragraph (i) or (ii) above of this Condition 7(d) applies, interest on the principal amount of the Affected CNY Amount, if any, will continue to accrue up to but excluding such postponed due date. Any payment made pursuant to sub-paragraph (i) or (ii) above in respect of an Affected CNY Amount shall constitute a valid payment in full of such Affected CNY Amount, such that there shall be no Event of Default in respect of any failure to pay such Affected CNY Amount on the Original Due Date or otherwise.

In this Condition 7(d):

"Relevant Spot Rate" means the CNY/US dollar official fixing rate to be determined as follows.

(1) Such rate shall be the rate reported by the Treasury Markets Association which appears on Reuters page <CNHFIX> at approximately 11:30 a.m. Hong Kong time (on such date as the Issuer may determine) for settlement in two business days. (For this purpose, a "business day" is a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and in New York City.)

(2) If such rate is not so reported, the Issuer shall determine such rate by taking into consideration the information which is available to it and is considered by it to be relevant. Such information may include the settlement rates, and the method for determining such rates, used by foreign exchange dealers in Hong Kong at or around the time of such determination by the Issuer.

"CNY Disruption Event" means any of the following:

(1) any event or circumstance in the general CNY exchange market in Hong Kong which makes it impossible, or commercially impracticable, for the Issuer or the Guarantor to obtain sufficient Renminbi in order to satisfy its obligation to pay any amount in respect of the Notes;

(2) any event or circumstance that makes it impossible (where it had previously been possible) or commercially impracticable for the Issuer or the Guarantor to convert any amount to be paid in respect of the Notes from or into US dollars in the general CNY exchange market in Hong Kong, except where such impossibility or impracticability is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the relevant Issue Date and it is impossible or commercially impracticable for the Issuer or the Guarantor to comply with such law, rule or regulation); or

(3) any event or circumstance that makes it impossible or commercially impracticable for the Issuer or the Guarantor to transfer CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or vice versa, except where such impossibility or impracticability is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the relevant Issue Date and it is impossible or commercially impracticable for the Issuer or the Guarantor to comply with such law, rule or regulation).

For the purpose of this definition of "CNY Disruption Event", "Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority of Hong Kong or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the People's Republic of China or Hong Kong (including, in the case of Hong Kong, the Hong Kong Monetary Authority or any successor agency performing central bank functions).

All notifications, determinations, calculations, quotations and decisions given, made or obtained by the Issuer for the purposes of this Condition 7(d) (including, for the avoidance of doubt, any determination by the Issuer as to whether a CNY Disruption Event has occurred or arisen or whether it continues to exist or has ceased to exist) will, in the absence of wilful default, bad faith or manifest error, be binding on the Issuer, the Guarantor, the Agents and the Noteholders.

(e) Interpretation of Principal and Interest

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any Additional Amounts which may be payable under Condition 11 in respect of principal or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) in relation to Notes redeemable in instalments, the Instalment Amounts;

(v) any premium and any other amounts which may be payable under or in respect of the Notes;

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and

(vii) the Optional Redemption Amount(s) (if any) of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Condition 11 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

8. Agent, Paying Agents and HK Reference Agent

The names of the initial Agent and the other initial Paying Agents and of the HK Reference Agent, the HK Lodging Agents, the Transfer Agents and the Registrar and their initial offices are set out below. The Issuer and the Guarantor are entitled (with the prior approval of the Trustee) to vary or terminate the appointment of the HK Reference Agent, the HK Lodging Agents, the Registrar or any Paying Agent or Transfer Agent and/or appoint a substitute HK Reference Agent, HK Lodging Agent, Registrar or, as the case may be, additional or other paying agents, transfer agents, Hong Kong lodging agents and/or approve any change in the specified office through which any paying agent acts, provided that:

(i) so long as the Notes of this Series are listed on any stock exchange, there will at all times be a Paying Agent and a Transfer Agent with a specified office in each location required by the rules and regulations of the relevant listing authority and/or stock exchange;

(ii) there will at all times be a Paying Agent with a specified office in a city approved by the Trustee in continental Europe;

(iii) there will at all times be an Agent; and

(iv) there will at all times be an HK Reference Agent and, whilst any Notes are lodged in CMU, an HK Lodging Agent who will perform their respective obligations under these Conditions and the Agency Agreement.

In addition, with respect to Notes denominated in US dollars the Issuer and the Guarantor shall forthwith appoint a paying agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 7(b).

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Trustee and the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Agent, the Paying Agents, the Transfer Agents, the Registrar, the HK Reference Agent and the HK Lodging Agent act solely as agents of the Issuer and the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of trust with, any Noteholders.

9. Exchange of Talons

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet

may be surrendered at the specified office of the Agent or any other Paying Agent or, in the case of Notes lodged in CMU, the HK Lodging Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 14. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

10. Redenomination

(a) Redenomination

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Trustee, the Agent, Euroclear, Clearstream, DTC and CMU and at least 30 days' prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro. The election will have effect as follows:

(i) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of €0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Trustee, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders in accordance with Condition 15, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

(ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;

(iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the Trustee and the Agent may approve) €0.01 and such other denominations as the Trustee shall determine and notify to the Noteholders in accordance with Condition 15;

(iv) where definitive Notes have been issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice that replacement euro-

denominated Notes, Receipts and Coupons (the "Exchange Notes") are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Trustee may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro in accordance with Condition 7;

(vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

(I) in the case of the Notes represented by a Global Note or a Global Certificate, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note or Global Certificate; and

(II) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding;

(vii) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest; and

(viii) such other changes shall be made to these Conditions and/or the Trust Deed and/or the Agency Agreement as the Issuer may decide, after consultation with the Trustee, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro. Any such other changes will not take effect until after they have been notified to the Noteholders in accordance with Condition 15.

(b) Definitions

In these Conditions, the following expressions have the following meanings:

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty; and

"Redenomination Date" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Trustee and the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency starts to participate in the third stage of European economic and monetary union pursuant to the Treaty and which falls before the date on which the Specified Currency ceases to be a sub-division of the euro.

11. Taxation and Withholding

All payments of principal and/or interest made by the Issuer or, if the Guarantee is called, the Guarantor in respect of the Notes of this Series will be made without withholding or deduction for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Hong Kong [or the Cayman Islands][2] or any authority having power to levy tax in Hong Kong [or the Cayman Islands][3], unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result (after such withholding or deduction) in the receipt by the holders of the Notes of this Series or the Coupons appertaining thereto of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of the Notes of this Series or the Coupons appertaining thereto, except that no such additional amounts shall be payable with respect to any Note of this Series or any Coupon appertaining thereto:

(a) presented for payment by or on behalf of a holder of such a Note who is liable to such tax, duty or charge in respect of such Note or Coupon by reason of having some connection with Hong Kong [or the Cayman Islands][4] other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or

(b) presented for payment more than 30 days after the due date therefor except to the extent that the holder of such a Note would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or

(c) presented for payment for or on behalf of a holder of such a Note who is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim.

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2 Delete if MTR Corporation Limited is the Issuer.

3 Delete if MTR Corporation Limited is the Issuer.

4 Delete if MTR Corporation Limited is the Issuer.

12. Events of Default

If any of the following events ("Events of Default") shall occur and be continuing:

(a) there is a default for more than seven days in the payment of any principal, interest or other amount due in respect of any Note of this Series; or

(b) (i) the Issuer or the Guarantor shall default in the payment of any principal of or interest on any obligation for Borrowed Money, in each case in an aggregate principal amount of at least US$50,000,000 or the equivalent thereof in another currency or currencies, beyond any period of grace provided in respect thereof, or (ii) the Issuer or the Guarantor shall fail to honour when due and called upon any guarantee of any indebtedness for Borrowed Money, in each case in an aggregate principal amount of at least US$50,000,000 or the equivalent thereof in another currency or currencies, or (iii) indebtedness of the Issuer or the Guarantor for Borrowed Money shall become due and payable prior to its specified maturity by reason of any default or event of default (howsoever described), in each case in an aggregate principal amount of at least US$50,000,000 or the equivalent thereof in another currency or currencies, or (iv) a general moratorium is declared on the payment of debts of the Issuer or the Guarantor, provided that in each case the aggregate principal amount of such debts amounts to at least US$50,000,000 or the equivalent thereof in another currency or currencies; or

(c) the Issuer or the Guarantor shall default in the performance or observance of any other obligation contained in any Note of this Series or the Trust Deed and (unless the same shall be certified by the Trustee to be, in its opinion, not capable of remedy) such default shall not have been remedied within 30 days after written notice shall have been given to the Issuer or, as the case may be, the Guarantor by the Trustee requiring the same to be remedied; or

(d) the Guarantor shall dispose of or attempt to dispose of all or the majority of its assets or undertaking required for use in connection with the Railway (except pursuant to or as part of such an amalgamation or reconstruction as is mentioned in (e) below); or

(e) any competent action shall be taken, any enactment shall be passed, any judgment or order of a court of competent jurisdiction shall be made or any effective resolution shall be passed for the winding up or dissolution of the Issuer or the Guarantor the effect of which would be to dissolve or liquidate the Issuer or the Guarantor or, in the case of the Guarantor, to transfer to a third party all or the majority of its assets or undertaking required for use in connection with the Railway (except where its corporate existence is to be terminated or otherwise affected, or any such transfer made, pursuant to or as part of an amalgamation or reconstruction, details of which have previously been notified to the Trustee, the effect of which is to vest in some other body corporate having, after such vesting, similar or better financial standing to the Guarantor (or the Trustee is satisfied, or advised by an independent merchant or investment bank in Hong Kong, or such other place as the Trustee may deem appropriate, that such vesting will not materially prejudice the interests of the Noteholders) all or the majority of the Guarantor's undertaking, properties and assets, or such of them as are required for use in connection with the Railway, and to impose upon

such other body corporate all of the obligations and liabilities of the Guarantor or, as the case may be, such of them as relate to the Railway, including all the obligations and liabilities of the Guarantor under each Note, the Deed of Covenant, and the Trust Deed); or

(f) any encumbrancer shall take possession or a receiver or other similar officer shall be appointed of the whole or the majority of the assets or undertaking of the Guarantor required for use in connection with the Railway or a distress or execution shall be levied or enforced upon or sued out against the majority of the assets or undertaking of the Guarantor required as aforesaid and shall not be stayed or discharged within 60 days of being levied or enforced; or

(g) any encumbrancer shall take possession or a receiver or other similar officer shall be appointed of the whole or the majority of the assets or undertaking of the Issuer or a distress or execution shall be levied or enforced upon or sued out against the majority of the assets or undertaking of the Issuer and shall not be stayed or discharged within 60 days of being levied or enforced; or

(h) a decision is taken by the board of the Guarantor or by any other competent authority of or within Hong Kong to close the Railway for a period exceeding one year; or

(i) MTR Cayman ceases to be a subsidiary (as that term is defined in the Trust Deed) of the Guarantor; or

(j) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect, then:

(I) the Trustee at its discretion may declare the Notes of this Series immediately due and repayable, provided that in the case of any event described in paragraph (b) or paragraph (c) above it shall first certify that in its opinion such event is materially prejudicial to the interests of the holders of Notes of this Series;

(II) the Trustee shall, if so directed in writing by the holders of at least 25% in principal amount of the Notes of this Series, declare all of the Notes of this Series which are held by the holders giving such directions immediately due and repayable, provided that the Trustee shall only be so obliged if, taking into account all directions duly received by the Trustee within any period of 30 consecutive days, the Trustee has received directions to declare any Notes of this Series immediately due and repayable from the holders of the Notes of this Series with an aggregate principal amount in excess of HK$200,000,000, and for the purpose of this computation the following holders (and no others) shall be deemed to be giving such directions: the holders giving such directions if, and only if, the holders of at least 25% in principal amount of the Notes in the Series of which such Notes form part have given such directions within such period.

For this purpose Notes not denominated in HK dollars shall be converted into HK dollars at the rate which is the mean of the HK Reference Agent's buying and selling rates for the Specified

Currency against the HK dollars at or about 11:00 a.m. (Hong Kong time) on the date of the first direction (or equivalent direction) within such period of 30 days), whereupon the relevant Notes shall become so due and repayable at their Early Redemption Amount (as defined in Condition 6(e)) together with accrued interest (if any). If any Notes of this Series become due and repayable pursuant to this Condition 12, they shall continue to bear interest in accordance with the provisions of these Conditions, which will continue to apply.

For the purposes of this Condition, "Borrowed Money" means indebtedness for borrowed money, acceptances and the principal amount of any notes including, for the avoidance of doubt, Notes of any other Series, debentures, bonds, bills of exchange, promissory notes or similar instruments drawn, made, accepted, issued, endorsed or guaranteed by the Issuer and/or the Guarantor for the purpose of raising money but shall exclude bills of exchange drawn under or in respect of letters of credit or contracts for the provision of goods or services for the purpose of effecting payment and not in connection with the raising of money and "Railway" means the Hong Kong mass transit railway operated by the Guarantor pursuant to the Mass Transit Railway Ordinance (Cap. 556 of the Laws of Hong Kong) at the date hereof and any extensions thereto.

At any time after any Notes of this Series shall have become immediately due and repayable pursuant to this Condition 12 or otherwise, the Trustee may, at its discretion and without further notice, institute such proceedings as it may think fit against the Issuer and/or the Guarantor, to enforce repayment of the principal of such Notes, together with accrued interest, and to enforce the provisions of the Trust Deed, but it shall not be bound to take any such proceedings unless (1) it shall have been so requested in writing by persons holding at least 25% in principal amount of this Series of Notes then outstanding (as defined in the Trust Deed) and (2) it shall have been indemnified to its satisfaction.

No holder of a Note shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound in accordance with the Trust Deed so to proceed, fails to do so within a reasonable period and such failure is continuing.

13. Meetings, Modification of Conditions, Waiver and Substitution

(a) Generally

The Trust Deed contains provisions for convening meetings of the holders of Notes issued under the Programme for the time being outstanding (as defined in the Trust Deed) (or the holders of Notes of any one or more Series) to consider any matter affecting their interests, including a modification of, or an arrangement in respect of, the Conditions of such Notes, and the provisions of the Trust Deed. A resolution duly passed at any such meeting shall be binding on all the holders of Notes (or, as the case may be, the holders of Notes of the relevant Series) whether present or not. The quorum at any such meeting for passing an Extraordinary Resolution of the holders of Notes (or the holders of Notes of any one or more Series) is two or more persons holding or representing a clear majority in principal amount of the Notes (or, as the case may be, Notes of the relevant Series) for the time being outstanding (as defined in the Trust Deed), or, at any adjourned meeting, two or more persons being or representing holders of Notes (or, as the case may be, Notes of the relevant Series), whatever the principal amount of the Notes so held or represented, except that, at any meeting the business of which includes the

modification of certain material conditions of the Notes or of certain provisions of the Trust Deed (as set out therein), the necessary quorum for passing an Extraordinary Resolution is two or more persons holding or representing not less than three-quarters, or at any such adjourned meeting, not less than one-quarter, of the principal amount of the Notes (or, as the case may be, Notes of the relevant Series) for the time being outstanding (as defined in the Trust Deed).

(b) Trustee's Discretions

The Trustee may without the consent of the holders of Notes (or of the holders of any one or more Series of Notes or the relative Receipts, Coupons or Talons appertaining thereto) at any time and from time to time:

(i) agree to any modification of the provisions of the Agency Agreement, the Trust Deed or the Notes or the relative Receipts or Coupons or Talons, either generally or in relation to any one or more Series of Notes or all Series of Notes or the relative Receipts or Coupons or Talons (except for the modification of certain material conditions of the Notes or of certain provisions of the Trust Deed as set out therein), which, in the opinion of the Trustee, is of a formal, minor or technical nature, is made to correct a manifest error, or is not materially prejudicial to the interests of the holders of Notes or, as the case may be, the holders of Notes of the relevant Series or the relative Receipts or Coupons or Talons; or

(ii) waive or authorise any breach or proposed breach by the Issuer or the Guarantor of the provisions of the Agency Agreement, Trust Deed or the Notes (either generally or in relation to any one or more Series of Notes or all Series of Notes) or any other act or omission which is or would or might otherwise on its own or together with any other act or omission constitute an Event of Default which, in the opinion of the Trustee, is not materially prejudicial to the interests of the holders of Notes or, as the case may be, the holders of Notes of the relevant Series, or the relative Receipts, Coupons or Talons, or determine that such first mentioned act or omission shall, notwithstanding Condition 12, not be an Event of Default.

Any such modification, waiver, authorisation or determination shall be binding on all the holders of Notes or, as the case may be, the holders of Notes of the relevant Series and, unless the Trustee agrees otherwise, any such modification shall be notified by the Issuer to the holders of Notes or, as the case may be, the holders of Notes of the relevant Series as soon as possible thereafter.

(c) Substitution

Subject as provided in the Trust Deed, the Trustee may agree, without the consent of the holders of the Notes or the Notes of any one or more Series, or the holders of any Receipts, Coupons or Talons appertaining thereto, to the substitution of (i) a subsidiary (as defined in the Trust Deed) of the Issuer or the Guarantor in place of the Issuer or any previous substitute as principal debtor under the Notes, Receipts and Coupons or the Notes, Receipts and Coupons of any one or more Series and the Trust Deed in respect of such Notes, Receipts and Coupons, or (ii) a successor in business to the Issuer or Guarantor in place of the Issuer or Guarantor (as the case may be) or any previous substitute provided that in the case of both (i) and (ii) such substituted Company (the "New Company") executes a trust

deed or some other form of undertaking in form and manner satisfactory to the Trustee, agreeing to be bound by the provisions of the Trust Deed with any consequential amendments which the Trustee may deem appropriate as fully as if the New Company had been named in the Trust Deed in place of the Issuer or the Guarantor (or of the previous substitute), as the case may be.

Any substitution pursuant to this Condition 13 shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 15.

(d) Liability

Notwithstanding anything else herein contained, the Agents may refrain without liability from doing anything that would or might in its reasonable opinion be contrary to any law of any state or jurisdiction (including but not limited to the United States of America or any jurisdiction forming a part of it and England & Wales), or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its reasonable opinion, necessary to comply with any such law, directive or regulation.

14. Prescription

The right of the holder to receive any payment under this Note shall become void six years (in the case of interest) or twelve years (in the case of principal) after the Relevant Date for such payment.

For the purposes of this Condition 14, the "Relevant Date" in relation to any payment due on a Note means the date on which such payment first becomes due, except that if the full amount of the moneys payable on such date in respect of such Note has not been received by the Agent on or prior to such date, the "Relevant Date" means the date 14 days after the date on which notice is duly given to the holder of this Note in accordance with Condition 15 that such moneys have been so received.

15. Notices

(a) Notices to holders of Registered Notes will be posted to them at their respective addresses in the Register and such notices will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of posting.

(b) Any notice to the holder of any Bearer Note shall be validly given if published in the Financial Times in London and the South China Morning Post in Hong Kong or, if either or both of such newspapers shall cease to be published or timely publication therein shall not be practicable, in another English language newspaper with general circulation in Europe or, as the case may be, Hong Kong or in such other manner as the Issuer, with the approval of the Trustee and subject to the requirements of any relevant stock exchange, shall determine. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first such publication in both newspapers. Couponholders will be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 15.

(c) Until such time as any Definitive Notes or Definitive Certificates are issued, there may, so long as the Global Notes or Global Certificates for this Series are held in their entirety on behalf of Euroclear (and Clearstream) or DTC, be substituted for such publication in such newspaper the delivery of the relevant notice to the Trustee, and in the case of a Global Note (or Global Certificate) not held in CMU, Euroclear, Clearstream or DTC for communication by them to the holders of the Notes of this Series and in the case of a Global Note (or Global Certificate) held in CMU, to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited as being held by CMU in accordance with the CMU Rules. In the case of a Global Note (or Global Certificate) not held in CMU, any such notice shall be deemed to have been given to the holders of the Notes of this Series on the seventh day after the day on which the said notice was given to the Trustee, Euroclear (and Clearstream) or DTC. In the case of Global Notes (or Global Certificates) held in CMU, any such notice shall be deemed to have been given to the holders of the Notes of this Series on the day on which such notice is delivered to CMU.

(d) Notices to be given by any holder of the Notes of this Series shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Trustee and the Agent. While any of the Notes of this Series are represented by a Global Note or Global Certificate, such notice may be given by any holder of a Note of this Series to the Agent via Euroclear and/or Clearstream and/or DTC, as the case may be, in such manner as the Trustee, the Agent and Euroclear and/or Clearstream and/or DTC, as the case may be, may approve for this purpose.

16. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes which are (a) expressed to be consolidated and form a single series with the Notes; and (b) are identical to the Notes in all respects (including as to listing) except for their respective Issue Prices and Issue Dates and the date of first payment of interest on them, and so that the same shall be consolidated and form a single series with the Notes, and references in these Conditions to Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition and forming a single series with the Notes.

17. Replacement of Notes

Any Note (including for the purposes of this Condition, Coupons and Receipts) which is lost, stolen, mutilated, defaced or destroyed may be replaced (if it is in definitive form) at the specified office of Citibank N.A., London Branch as Agent in London or (if it is in global form) at the office of the Agent in London upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, indemnity, security or otherwise as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

18. Indemnification of Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer or the Guarantor without accounting for any profit resulting therefrom.

19. Governing Law

The Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, the laws of England. Any matter, claim or dispute arising out of or in connection with the Notes, the Receipts and the Coupons, whether contractual or non-contractual, is to be governed by and construed in accordance with English law.

20. Jurisdiction

(a) For the exclusive benefit of the holder of this Note, the Issuer and the Guarantor irrevocably agree that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Note (including a dispute relating to any non-contractual obligations arising out of or in connection with this Note) and that accordingly any suit, action or proceeding (together in this Condition 20 referred to as "Proceedings") arising out of or in connection with this Note (including a dispute relating to any non-contractual obligations arising out of or in connection with this Note) may be brought in such courts.

(b) Nothing contained in this Condition 20 shall limit the right of the holder of this Note to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) The Issuer and the Guarantor further irrevocably agree that no immunity (to the extent that it may exist, whether on the grounds of sovereignty or otherwise) from any Proceedings in relation to this Note or from execution of judgment shall be claimed by or on behalf of them or with respect to their respective assets, any such immunity being irrevocably waived by the Issuer and the Guarantor, and the Issuer and the Guarantor irrevocably consent generally in respect of any such Proceedings to the giving of any relief or the issue of any process in connection with any such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever of any order or judgment which may be made or given in such Proceedings.

(d) The Issuer and the Guarantor agree that process in connection with Proceedings in the courts of England will be validly served on them if served upon Law Debenture Corporate Services Limited at Eighth Floor, 100 Bishopsgate, London EC2N 4AG (or otherwise at its registered office for the time being, as notified in writing to the Trustee). The Issuer and the Guarantor further agree that, in the event that such process agent ceases to be able to act or no longer has an address in England, they shall appoint a replacement agent for service of process in England in respect of any Proceedings.

21. Third Party Rights

No person shall have any right to enforce any term or condition of this Note or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

Form of the Notes

Bearer Notes

Each Tranche of Notes to be issued in bearer form ("Bearer Notes") will initially be in the form of either a temporary global note in bearer form (the "Temporary Global Note"), without interest coupons, or a permanent global note in bearer form (the "Permanent Global Note", together with the Temporary Global Note, the "Global Notes"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear as operator of the Euroclear System and/or Clearstream and/or any other relevant clearing system and/or a sub-custodian for the HKMA as operator of the CMU.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether the C Rules or the D Rules are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the C Rules nor the D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be issued in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and

(ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The CMU may require that any such exchange for a Permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Issue Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the C Rules are applicable or that neither the C Rules nor the D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the D Rules are applicable, then the Notes will initially be issued in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon, certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be issued in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(ii) at any time, if so specified in the relevant Pricing Supplement; or

(iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

  (a) Euroclear or Clearstream, the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

  (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs in respect of any Note of the relevant Tranche.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated

and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" above and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Bearer Notes in global form, the Bearer Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE UNITED STATES INTERNAL REVENUE CODE."

Registered Notes

Each Tranche of Notes in registered form ("Registered Notes") will be represented by either:

(i) definitive certificates in registered form ("Definitive Certificates"); or

(ii) one or more global certificate or unrestricted global certificates ("Unrestricted Global Certificate(s)") in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S ("Unrestricted Notes") and/or one or more restricted global certificates ("Restricted Global Certificates") in the case of Registered Notes sold to QIBs in reliance on Rule 144A ("Restricted Notes"),

in each case as specified in the relevant Pricing Supplement, and references in this Offering Circular to "Global Certificates" shall be construed as to include Unrestricted Global Certificates and Restricted Global Certificates.

Each Note to be cleared through DTC and represented by an Unrestricted Global Certificate or a Restricted Global Certificate will be registered in the name of Cede & Co. (or such other entity as is

specified in the applicable Pricing Supplement) as nominee for DTC and the relevant Global Certificate will be deposited on or about the issue date with the DTC Custodian.

Each Note to be cleared through Euroclear, Clearstream or CMU and represented by a Global Certificate will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream and/or any other relevant clearing system or in respect of CMU Notes, a sub-custodian for the CMU and the relevant Global Certificate will be deposited on or about the issue date with the common depositary or sub-custodian.

If the relevant Pricing Supplement specifies the form of Notes as being "Definitive Certificates", then the Notes will at all times be represented by Definitive Certificates issued to each Noteholder in respect of their respective holdings.

Global Certificate exchangeable for Definitive Certificates

If the relevant Pricing Supplement specifies the form of Notes as being "Global Certificate exchangeable for Definitive Certificates", then the Notes will initially be represented by one or more Global Certificates, each of which will be exchangeable in whole, but not in part, for Definitive Certificates:

(i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(ii) at any time, if so specified in the relevant Pricing Supplement; or

(iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Certificate", then:

(a) in the case of any Global Certificate held by or on behalf of DTC, if DTC notifies the relevant Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Global Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or if at any time DTC is no longer eligible to act as such, and the relevant Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC;

(b) in the case of any Global Certificate held by or on behalf of, Euroclear and/or Clearstream, the CMU and/or any other clearing system (other than DTC), if Euroclear, Clearstream, the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; and

(c) in any case, if any of the circumstances described in Condition 12 (Events of Default) occurs in respect of any Note of the relevant Tranche.

Whenever a Global Certificate is to be exchanged for Definitive Certificates, each person having an interest in a Global Certificate must provide the Registrar (through the relevant clearing system) with such information as the relevant Issuer and the Registrar may require to complete and deliver Definitive Certificates (including the name and address of each person in which the Notes represented by the Definitive Certificates are to be registered and the principal amount of each such person's holding). In addition, whenever a Restricted Global Certificate is to be exchanged for Definitive Certificates, each person having an interest in the Restricted Global Certificate must provide the Registrar (through the relevant clearing system) with a certificate given by or on behalf of the holder of each beneficial interest in the Restricted Global Certificate stating either (i) that such holder is not transferring its interest at the time of such exchange or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Notes and that the person transferring such interest reasonably believes that the person acquiring such interest is a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A. Definitive Certificates issued in exchange for interests in the Restricted Global Certificate will bear the legends and be subject to the transfer restrictions set out under "Transfer Restrictions".

Whenever a Global Certificate is to be exchanged for Definitive Certificates, the relevant Issuer shall procure that Definitive Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Certificate to the Registrar of such information as is required to complete and deliver such Definitive Certificates against the surrender of the Global Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed, the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Certificate will be endorsed on that Definitive Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

Clearance Procedures

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear, Clearstream or the CMU (together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers believe to be reliable, but neither the Issuers, nor the Dealers, nor the Agents takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing System are advised to confirm the continued applicability of the rules, regulations and procedures of the Clearing System. Neither the Issuers nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the relevant series of Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

THE CLEARING SYSTEMS

DTC

DTC is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the clearance and settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealer, banks, trust companies, clearing corporations and certain other organisations. Access to the DTC System is also available to others such as securities brokers and dealer, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "Rules"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("DTC Notes") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("Owners") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual

purchaser of each DTC Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has a reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the relevant Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of each relevant Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Certificate, will be legended as set forth under "Transfer Restrictions".

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for its customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("CMU Members") of Exchange Fund Bills and Notes Clearing and Settlement Service securities and capital markets instruments (together as "CMU Instruments") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to financial institutions regulated by the Hong Kong Monetary Authority, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU's custodial services, please refer to the CMU Reference Manual.

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or redemption proceeds (collectively, the "income proceeds") by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, please refer to the CMU Reference Manual.

An investor holding an interest through an account with either Euroclear or Clearstream, in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, each have with the CMU.

BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES

The relevant Issuer may apply to DTC in order to have any Tranche of Notes represented by a Global Certificate accepted in its book-entry settlement system. Upon the issue of any such Global Certificate, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Global Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Global Certificate will be limited to Direct Participants or Indirect Participants, including, in the case of any Unrestricted Global Certificate, the respective depositaries of Euroclear and Clearstream. Ownership of beneficial interests in a Global Certificate accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Global Certificate accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to an exchange agent on behalf of DTC or its nominee and the exchange agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Global Certificate in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The relevant Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The relevant Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the relevant Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the relevant Issuer.

TRANSFERS OF NOTES REPRESENTED BY GLOBAL CERTIFICATES

Transfers of any interests in Notes represented by a Global Certificate within DTC, Euroclear and Clearstream will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Certificate to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Global Certificate accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Global Certificate accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Paying Agent and the DTC Custodian with whom the relevant Registered Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear and transfers of Notes of such Series between Participants in DTC will be in accordance with the customary arrangements for delivery versus payment.

Cross-market transfers between accountholders in Clearstream or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Global Certificates will be effected through the Registrar, the Paying Agent and the DTC Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Notes among participants and accountholders of DTC, Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the relevant Issuers, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream or Euroclear, the CMU or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

During the resale restriction period, beneficial interests in an Unrestricted Global Certificate may be transferred to a person who takes delivery in the form of an interest in a Restricted Global Certificate denominated in the same currency only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Agent a certificate (in the form provided in the Agency Agreement) to the effect that such transfer is being made to a person who the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with all applicable securities laws of the states of the U.S. and other jurisdictions.

After the expiration of the resale restriction period, beneficial interests in an Unrestricted Global Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in a Restricted Global Certificate denominated in the same currency without compliance with these certification requirements.

Beneficial interests in a Restricted Global Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in an Unrestricted Global Certificate denominated in the same currency only upon receipt by the Agent of a written certification (in the form provided in the Agency Agreement) from the transferor to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available).

Subject to the foregoing, and as set forth in "*Transfer Restrictions*", book-entry interests may be transferred and exchanged as described under "*Form of the Notes*".

Any book-entry interest in one of the Global Certificates that is transferred to a person who takes delivery in the form of a book-entry interest in the other Global Certificate of the same denomination will, upon transfer, cease to be a book-entry interest in the first-mentioned Global Certificate and become a book-entry interest in the other Global Certificate, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other Global Certificate for as long as it retains such a book-entry interest.

Definitive Registered Notes may be transferred and exchanged for book-entry interests in a Global Certificate only as described under "*Form of the Notes*" and, if required, only if the transferor first delivers to the Agent a written certificate (in the form provided in the Agency Agreement) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such definitive Registered Notes. See "*Transfer Restrictions*".

Transfers involving an exchange of a Regulation S book-entry interest for Rule 144A book-entry interest in a Global Certificate will be done by DTC by means of an instruction originating from the registrar through the DTC Deposit/Withdrawal at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the relevant Unrestricted Global Certificate and a corresponding increase in the principal amount of the corresponding Restricted Global Certificate. The policies and practices of DTC may prohibit transfers of unrestricted book-entry interests in the Unrestricted Global Certificate prior to the expiration of the Resale Restriction Period. Any book-entry interest in one of the Global Certificates that is transferred to a person who takes delivery in the form of a book-entry interest in any other global certificate will, upon transfer, cease to be a book-entry interest in the first-mentioned Global Certificate and become a book-entry interest in such other Global Certificate, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other Global Certificate for as long as it remains such a book-entry interest.

Use of Proceeds

The net proceeds from each issue of Notes by MTR Cayman will be applied by it for on-lending to MTRCL. The net proceeds from each issue of Notes by MTRCL and the net proceeds on-lent to it by MTR Cayman under the Programme will be used by MTRCL for general corporate purposes, which may include working capital, refinancing and the repayment of existing debt. MTRCL may temporarily invest funds which are not needed immediately for these purposes in short-term marketable securities. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

Summary of Provisions relating to the Notes while in Global Form

CLEARING SYSTEM ACCOUNTHOLDERS

In relation to any Series of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system and/or a sub-custodian for the HKMA as operator of the CMU, will be that depositary, common depositary or, as the case may be, sub-custodian.

In relation to any Series of Notes represented by one or more Global Certificates, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name the relevant Global Certificate is for the time being registered in the Register which (a) in the case of a Restricted Global Certificate held by or on behalf of DTC will be Cede & Co. (or such other entity as is specified in the applicable Pricing Supplement) as nominee for DTC and (b) in the case of any Unrestricted Global Certificate which is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, will be that depositary or common depositary or a nominee for that depositary or common depositary.

Each of the persons shown in the records of DTC, Euroclear, Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Certificate (each an "Accountholder") must look solely to DTC, Euroclear, Clearstream and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by each relevant Issuer to the holder of such Global Note or Global Certificate and in relation to all other rights arising under such Global Note or Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Certificate will be determined by the respective rules and procedures of DTC, Euroclear and Clearstream and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Certificate, Accountholders shall have no claim directly against any relevant Issuer in respect of payments due under the Notes and such obligations of each relevant Issuer will be discharged by payment to the holder of such Global Note or Global Certificate.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) entitled (or, in the case of Registered Notes, directed or deemed by the CMU as entitled) to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

CONDITIONS APPLICABLE TO BEARER NOTES

Each Tranche of Bearer Notes with a maturity of more than 365 days will initially be represented by a Temporary Global Note, unless the applicable Pricing Supplement specifies otherwise, and each Tranche with a maturity of 365 days or less will initially be represented by a Permanent Global Note, unless the applicable Pricing Supplement specifies otherwise. Each Global Note will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear or Clearstream, on its issue date with a common depositary on behalf of Euroclear and Clearstream or (b) in the case of a Tranche intended to be cleared through CMU or another clearing system other than Euroclear or Clearstream or delivered outside a clearing system, as stipulated in the applicable Pricing Supplement. Upon deposit of a Global Note with (i) the common depositary, Euroclear or Clearstream will credit, and (ii) a sub-custodian for the Hong Kong Monetary Authority ("HKMA") as operator of CMU, CMU will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

MTRCL (in its capacity as an Issuer and the Guarantor) and MTR Cayman have executed an amended and restated deed (the "Deed of Covenant") in favour of certain account holders with Euroclear, Clearstream, DTC and CMU in order to facilitate enforcement by individual Noteholders following any default in payment by the relevant Issuer or the Guarantor.

The Temporary Global Notes and the Permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. Provisions which will apply to Global Notes in registered form will be set out in the applicable Pricing Supplement. The following is a summary of certain of those provisions as they relate to Global Notes in bearer form:

1. Exchange

Interests in a Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note (or, if specified in the applicable Pricing Supplement, Definitive Notes with, where applicable, Receipts, Coupons and Talons attached, subject at all times to the interest being exchanged being a principal amount that is an integral multiple of the minimum Specified Denomination of the Notes) not earlier than the date (the "Exchange Date") which is 40 days after the date on which the Temporary Global Note is issued, provided that in the case of Notes in bearer form, certification of non-U.S. beneficial ownership has been received.

A Permanent Global Note will be exchangeable, in whole or, in certain circumstances, in part, subject at all times to the interest being exchanged being a principal amount that is an integral multiple of the minimum Specified Denomination of the Notes, for Definitive Notes with, where applicable, Receipts, Coupons and Talons attached, upon 60 days' written notice expiring at least 30 days after the Exchange Date from Euroclear, Clearstream or CMU (as the case may be) acting on instructions of the holders of interests in the Permanent Global Note.

2. Payments

No payment falling due on or after the Exchange Date will be made on a Temporary Global Note.

Payments on any Temporary Global Note during the period up to the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership. All payments in respect of Notes represented by a Global Note not held in CMU will be made against presentation for endorsement, and, if no further payment falls to be made in respect of the Notes, surrender, of that Global Note to or to the order of the Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Notes. Payments on Global Notes held in CMU shall be made in accordance with the CMU Rules and, on withdrawal of such Global Note from CMU, a record of all payments made in respect of such Note until the date of withdrawal shall be endorsed in the appropriate schedule to such Global Note, which endorsement shall be prima facie evidence that such payments have been made.

All payments in respect of a Global Note in registered form will be made to the person shown on the Register at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, a day on which Euroclear and Clearstream are open for business, and in respect of Notes clearing through CMU, a day on which CMU is open for business) before the relevant due date. For the purposes of the definition of "Payment Business Day" in Condition 7(c) of the Terms and Conditions of the Notes, the relevant place of presentation shall be disregarded in respect of any payment in respect of any Global Note in Bearer form.

3. Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to Noteholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions, and in the case of Global Notes held in CMU, any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to CMU.

4. Purchase and Cancellation

Cancellation of any Note surrendered for cancellation following its purchase will be effected by reduction in the principal amount of the relevant Global Note.

5. Transfer

Any interest in a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, CMU or other relevant clearing system, as appropriate.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of our financial condition and results of operations as at and for the years ended 31st December 2023, 2024 and 2025 and for the six months ended 30th June 2025 and 2026, and of the material factors that we believe are likely to affect our financial condition and results of operations. The following discussion should be read in connection with our consolidated financial statements, including the notes thereto.

In addition, the following discussion contains certain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this Offering Circular, including "Risk Factors". Our historical consolidated financial statements have been prepared in accordance with all applicable HKFRSs.

1. OVERVIEW

We are regarded as one of the world's leading railway operators for safety, reliability, customer service and cost efficiency.

We were established in 1975 as the Mass Transit Railway Corporation with a mission to construct and operate, under prudent commercial principles, an urban metro system to help meet Hong Kong's public transport requirements. The sole shareholder was the Government.

We were re-established as the MTR Corporation Limited in June 2000 after the Government sold 23% of our issued share capital to private investors in an Initial Public Offering. Our shares were listed on the Hong Kong Stock Exchange on 5th October 2000.

We marked another major milestone on 2nd December 2007 when the operations of the other Government-owned rail operator, the Kowloon-Canton Railway Corporation, were merged into the MTR, heralding a new era in Hong Kong railway development. Other than bringing more efficient and competitively-priced services to local rail passengers, the merger brought new growth opportunities to our businesses in and outside of Hong Kong.

The current rail network comprises nine railway lines serving Hong Kong Island, Kowloon and the New Territories. In addition, a Light Rail network serves the local communities of Tuen Mun and Yuen Long in the New Territories while a fleet of buses provide convenient feeder services. We also operate the Airport Express, a dedicated high-speed link providing the fastest connections to Hong Kong International Airport and the city's major exhibition and conference centre, AsiaWorld-Expo.

For journeys beyond Hong Kong, we commenced service in September 2018 of the 25.7-kilometre Guangzhou-Shenzhen-Hong Kong High Speed Rail (Hong Kong Section). Running from Hong Kong West

Kowloon Station, the High Speed Rail connects Hong Kong to the national high speed rail network, and passengers can conveniently travel directly to many destinations in Chinese Mainland without interchange.

Property and railway-related business

We have been involved in a wide range of business activities in addition to our railway operations. Through the "rail plus property" business model, we develop residential and commercial properties at sites near or adjacent to railways. Our other major businesses include property leasing and management, advertising, telecommunication services and international consultancy services.

Chinese Mainland and international businesses

From our starting base in Hong Kong, we have expanded into Chinese Mainland and taken on a range of railway-related projects and operations internationally. In Chinese Mainland, we now operate Beijing Metro Line 4, Daxing Line, Line 14, Line 16 and Line 17, Shenzhen Metro Line 4 and Line 13, Hangzhou Metro Line 1 and Line 5. In Macao, the service contract managed by our wholly-owned subsidiary in assisting the operations and maintenance of the Macao Light Rapid Transit Taipa Line ended in December 2024. Internationally, we operated and managed the UK Elizabeth Line (previously known as TfL Rail) service and jointly operated and managed the South Western rail franchise in the United Kingdom until May 2025. We also operated and managed the Stockholm Metro (Stockholms tunnelbana) in Sweden until November 2025. In Australia, we operate and manage Melbourne's Metropolitan Rail Service and Sydney Metro's M1 Metro North West & Bankstown Line (including the design, delivery and integration of the Sydney Metro City & Southwest). In December 2025, our consortium with a subsidiary of CRRC Corporation Limited, Metro Trains West Consortium, was awarded the Trains, Systems, Maintenance and Operations contract for the Sydney Metro West project, under which the consortium will provide next-generation metro trains and associated systems and will commission and operate the line connecting Parramatta and the city centre. On top of the above, the scope of our consultancy business has also covered cities across Asia and Australia.

Based on the successful "rail plus property" development model in Hong Kong, we have expanded into Chinese Mainland with property businesses in Beijing, Shenzhen, Tianjin and Hangzhou. The sales of "Tiara", our first property development project in Chinese Mainland, were well received. Sold units have been handed over to buyers since the project completed construction in 2017.

We mainly generate revenues from transport services, and property rental and management services in Hong Kong and Chinese Mainland, as well as international railway operations. In 2023, 2024, 2025 and the six months ended 30th June 2026, we had total revenues of HK$56,982 million, HK$60,011 million, HK$55,465 million and HK$26,231 million, respectively. Our total revenue grew by 5.3% from 2023 to 2024, whilst dropping by 7.6% from 2024 to 2025 and by 4.1% for the six months ended 30th June 2026 compared to the six months ended 30th June 2025. In 2023, 2024, 2025 and the six months ended 30th June 2026, we recorded net profit of HK$8,088 million, HK$16,067 million, HK$15,558 million and HK$16,619 million, respectively. Our net profit increased by 98.7% from 2023 to 2024, decreased by 3.2% from 2024 to 2025 and increased by 112.5% in the six months ended 30 June 2026 as compared to the corresponding period in 2025. In addition, we also maintain a strong cash balance and a healthy liquidity position.

2. MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe the most significant factors that have affected or are expected to affect our results of operations and financial condition include, among others:

A. Competition in Hong Kong from other transport providers

We compete with other transport providers in Hong Kong, including franchised bus and public light bus operators, as well as non-franchised bus, tram, ferry operators, taxis and licensed ride-hailing services. Our competitive strengths — speed, reliability, and comfort — may erode in the light of the general improvements in bus services, expansion of the bus network, and the opening of new highways, expressways, ports and control points. In particular, the Government has acknowledged in the Railway Development Strategy 2000 (which was published in May 2000 and updated in 2014) that franchised buses would continue to play a vital role in the public transport system. As a result, we do not expect the Government to implement any direct short-term measures aimed at reducing or containing patronage on franchised buses or public light buses to increase our own patronage.

B. Award and implementation of new railway projects

Our ability to grow our railway and property businesses depends on whether we are awarded new railway projects and are able to implement them effectively and efficiently. These projects are subject to uncertainties, including whether we will be granted property development rights on commercially viable terms, whether there will be sufficient population and demand in the relevant areas, and whether we can secure financing on acceptable terms. Since the Rail Merger, project awards are governed by the New Operating Agreement, which outlines different approaches depending on the type of project. While we have extensive experience in railway development, we cannot guarantee that every new railway project will be awarded to us or, if awarded, completed on time and within budget.

C. Our ability to raise fares to cover increasing operating costs

Since the Rail Merger, the setting of the majority of our fares has been made in accordance with the FAM, which adjusts fares based on a formula tied to inflation, wages, and a productivity factor. However, the FAM is not directly linked to our operating costs, so we may not be able to introduce any fare increase which corresponds with the changes in our expenses (for example, the over 20% increase in our expenses relating to Hong Kong transport operations since 2020). Political and social pressures may also lead us to offer concessions, even without fare hikes. In 2023, we completed a FAM review with the Government, retaining the current formula through 2027/28, whilst enhancing affordability measures and introducing new passenger benefits to support post-pandemic recovery. As we expand internationally, our ability to adjust fares remains critical to our financial sustainability. In Shenzhen, for example, fares on Metro Line 4 have remained unchanged since 2010 even though operating costs have continued to rise and a fare adjustment framework has been introduced in 2021.

D. Influence from the Government and its policies

For so long as the Government remains our majority shareholder, it retains the power to appoint our entire Board and significantly influence our strategic decisions, including investments, business scope, and dividend policy. The Government's influence — whether through shareholding interest, board representation, or regulation — may not always align with our best interests. Changes in the Government's policies, including those affecting land premiums or transport planning, could materially

impact our operations. We are also subject to evolving Government policies and legislation, including environmental regulations, which could increase our operating and construction costs. Under the New Operating Agreement, the Government has agreed to consult us before introducing new regulations under the Mass Transit Railway Ordinance, but we cannot rule out any future changes that may adversely affect our business.

E. Capital requirements and exposure to interest rate and foreign currency risks

We incur substantial capital expenditures each year to maintain, renew, and replace our operating assets and infrastructure, and we invest heavily in new railway projects in Hong Kong, Chinese Mainland, and overseas. These expenditures are primarily funded through our operating cash flows and external financing. If we are unable to secure sufficient funding, we may need to scale back our investments, which could limit our growth and affect the quality of our services. Additionally, we borrow significantly at floating interest rates and in foreign currencies. While we hedge part of such exposure through interest rate and currency swaps, these instruments do not eliminate all risks. Rising interest rates or currency fluctuations could increase our borrowing costs or reduce access to hedging tools, potentially impacting our financial position and funding capacity.

F. Property market in Hong Kong and Chinese Mainland affecting rental and related income

Our property business has contributed significantly to our net profit and is expected to remain a key driver, with most of our investment properties located in Hong Kong and some in Chinese Mainland. However, the property market is cyclical and influenced by factors such as government land supply, economic conditions, and geopolitical developments. We face risks common to other property developers, including construction delays, regulatory changes, and market fluctuations that may affect sales or leasing. In Chinese Mainland, government policies and market controls also impact our operations. Additionally, our investment properties in Hong Kong are subject to short lease terms and frequent rent reviews, making rental income more volatile. We are also exposed to risks such as tenant defaults, inflation, and changing consumer behaviour. For example, during the COVID-19 pandemic, we granted rental concessions to support tenants, which in turn affected our rental income. These factors could materially impact the performance and value of our property portfolio.

G. Macroeconomic factors

Patronage and our businesses in general will hinge on macro-economic factors, such as population, employment growth and tourists arrival growth and distribution and changes in demographics and economic conditions. Furthermore, due to certain inherent capacity limitations and structural inflexibilities of the MTR railway, we may not be able to respond quickly to increases in demand. For example, we cannot quickly change our routes to cater for new passenger demand in areas in which our routes do not operate.

H. Accidents, natural disasters and security incidents

Our operations could be disrupted by accidents, natural disasters, or security incidents that result in major equipment or power failures, collisions, or derailments. Such events could lead to reduced revenue, increased costs, prolonged service interruptions, reduced operational flexibility, greater liabilities, and pressure for tighter regulation. In cases where we fail to comply with the Mass Transit

Railway Ordinance or the New Operating Agreement, we may also face financial penalties. While we believe our insurance coverage is adequate and consistent with industry standards, we cannot guarantee that it will fully cover all potential losses or remain available on the same terms in the future.

3. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statement of profit or loss with line items in absolute amounts and as percentages of our revenues for the years or periods indicated:

	For the year ended 31st December						For the six months ended 30th June			
	2023		2024		2025		2025		2026	
	HK$ million	%	HK$ million	%	HK$ million	%	HK$ million	%	HK$ million	%
Total revenue	**56,982**	**100.0**	**60,011**	**100.0**	**55,465**	**100.0**	**27,360**	**100.0**	**26,231**	**100.0**
Operating expenses before depreciation, amortisation and variable annual payment	(41,672)	(73.1)	(42,107)	(70.2)	(37,755)	(68.1)	(18,522)	(67.7)	(17,278)	(65.9)
Operating profit before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment	15,310	26.9	17,904	29.8	17,710	31.9	8,838	32.3	8,953	34.1
Operating profit before depreciation, amortisation and variable annual payment	19,025	33.4	28,386	47.3	28,862	52.0	14,208	51.9	23,753	90.6
Profit before interest, finance charges and taxation	10,802	19.0	20,557	34.3	19,923	35.9	10,176	37.2	19,444	74.1
Interest and finance charges	(1,139)	(2.0)	(1,032)	(1.7)	(1,006)	(1.8)	(620)	(2.3)	112	0.4
Profit before taxation	9,663	17.0	19,525	32.5	18,917	34.1	9,556	34.9	19,556	74.6
Income tax	(1,575)	(2.8)	(3,458)	(5.8)	(3,359)	(6.1)	(1,734)	(6.3)	(2,937)	(11.2)
Profit for the year/period	8,088	14.2	16,067	26.8	15,558	28.1	7,822	28.6	16,619	63.3

4. DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Our operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to our most senior executive management for the purposes of allocating resources to, and assessing the performance of, our various lines of businesses and operations in different geographical locations.

A. Revenue

We generate revenue from six reportable segments: (i) Hong Kong transport operations, (ii) Hong Kong station commercial businesses, (iii) Hong Kong property rental and management businesses, (iv) Chinese Mainland and international railway, property rental and management subsidiaries, (v) Chinese Mainland property development and (vi) other businesses. The following table sets forth segment revenues both in absolute amounts and as percentages of our revenues for the years or periods presented.

	For the year ended 31st December						For the six months ended 30th June			
	2023		2024		2025		2025		2026	
	HK$ million	%	HK$ million	%	HK$ million	%	HK$ million	%	HK$ million	%
Revenue from Hong Kong transport operations	20,131	35.3	23,013	38.3	23,595	42.5	11,509	42.1	11,850	45.2
Revenue from Hong Kong station commercial businesses	5,117	9.0	5,343	8.9	5,345	9.6	2,621	9.6	2,615	10.0
Revenue from Hong Kong property rental and management businesses	5,079	8.9	5,379	9.0	5,067	9.1	2,657	9.7	2,593	9.9
Revenue from Chinese Mainland and international railway, property rental and management subsidiaries	25,955	45.5	25,467	42.4	20,686	37.3	10,183	37.2	8,845	33.7
Revenue from Chinese Mainland property development	-	-	-	-	14	0.0	14	0.1	-	-
Revenue from other businesses	700	1.2	809	1.3	758	1.4	376	1.4	328	1.3
Total revenue	56,982	100.0	60,011	100.0	55,465	100.0	27,360	100.0	26,231	100.0

i. Revenue from Hong Kong transport operations

Our Hong Kong transport operations primarily comprise the provision of passenger operation and related services on the domestic mass transit railway system in Hong Kong, the Airport Express serving both the Hong Kong International Airport and the AsiaWorld-Expo at Chek Lap Kok, cross-boundary railway connection with the Chinese Mainland at Lo Wu and Lok Ma Chau, the HSR (as defined below), light rail and bus feeder with railway system in the north-west New Territories and intercity railway transport in Chinese Mainland.

Revenue from Hong Kong transport operations comprises:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Domestic Service	13,995	14,507	14,681	7,241	7,252
Cross-boundary Service	2,206	3,562	3,796	1,810	1,930
High Speed Rail and Intercity Service	2,503	3,338	3,461	1,656	1,830
Airport Express	664	803	854	402	428
Light Rail and Bus	658	698	712	355	357
Others	105	105	91	45	53
	20,131	23,013	23,595	11,509	11,850

ii. Revenue from Hong Kong station commercial businesses

Our Hong Kong station commercial businesses primarily comprise commercial activities including the letting of advertising, retail and car parking spaces at railway stations, the provision of telecommunication, bandwidth and data centre services in railway and other premises, and other commercial activities within the Hong Kong transport operations network.

Revenue from Hong Kong station commercial businesses comprises:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Station retail rental revenue	3,429	3,616	3,664	1,834	1,828
Advertising revenue	981	1,021	1,000	451	452
Telecommunication income	603	582	546	272	268
Other station commercial income	104	124	135	64	67
	5,117	5,343	5,345	2,621	2,615

iii. Revenue from Hong Kong property rental and management businesses

Our Hong Kong property rental and management businesses primarily comprise the letting of retail, office and car parking spaces and the provision of property management services in Hong Kong.

Revenue from Hong Kong property rental and management businesses comprises:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Property rental	4,795	5,076	4,736	2,500	2,426
Property management	284	303	331	157	167
	5,079	5,379	5,067	2,657	2,593

iv. Revenue from Chinese Mainland and international subsidiaries

The businesses of our Chinese Mainland and international subsidiaries primarily comprise the construction, operation and maintenance of mass transit railway systems including station commercial activities outside of Hong Kong, the letting of retail spaces and provision of property management services in Chinese Mainland, and the property development activities in Chinese Mainland.

The following table sets out the revenue from external customers of the Group's Chinese Mainland and international subsidiaries by geographical location of customers, based on the location at which the services were provided or goods were delivered:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Australia	15,972	15,822	14,630	6,785	8,024
Chinese Mainland and Macao	2,027	2,592	1,966	530	713
Sweden	4,809	3,730	2,715	1,492	35
United Kingdom	3,212	3,336	1,396	1,396	21
Total	26,020	25,480	20,707	10,203	8,793

v. Revenue from other businesses

Our other businesses primarily comprise businesses not directly relating to transport services or properties such as Ngong Ping 360, which comprises cable car operation in Tung Chung and related businesses at the Ngong Ping Village, railway consultancy business, investment in Octopus Holdings Limited and the provision of project management services to the Government.

Revenue from other businesses comprises income from:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Ngong Ping 360	378	489	483	241	246
Consultancy and miscellaneous businesses	322	320	275	135	82
	700	809	758	376	328

B. Expenses

The following table sets forth segment expenses both in absolute amounts and as percentages of our revenues for the years or periods presented.

	For the year ended 31st December						For the six months ended 30th June			
	2023		2024		2025		2025		2026	
	HK$ million	%	HK$ million	%	HK$ million	%	HK$ million	%	HK$ million	%
Expenses relating to Hong Kong transport operations										
- Staff costs and related expenses	(6,917)	(12.1)	(7,636)	(12.7)	(8,077)	(14.6)	(4,053)	(14.8)	(4,086)	(15.6)
- Maintenance and related works	(2,387)	(4.2)	(2,436)	(4.1)	(2,573)	(4.6)	(1,273)	(4.7)	(1,293)	(4.9)
- Energy and utilities	(2,427)	(4.3)	(2,289)	(3.8)	(2,296)	(4.1)	(1,094)	(4.0)	(1,118)	(4.3)
- General and administration expenses	(940)	(1.7)	(1,039)	(1.7)	(955)	(1.7)	(398)	(1.5)	(412)	(1.6)
- Stores and spares consumed	(605)	(1.1)	(729)	(1.2)	(689)	(1.2)	(300)	(1.1)	(295)	(1.1)
- Railway support services	(375)	(0.7)	(488)	(0.8)	(534)	(1.0)	(255)	(0.9)	(295)	(1.1)
- Government rent and rates	(155)	(0.3)	(192)	(0.3)	(247)	(0.4)	(116)	(0.4)	(130)	(0.5)
- Other expenses	(371)	(0.7)	(510)	(0.8)	(320)	(0.6)	(54)	(0.2)	(165)	(0.6)
Expenses relating to Hong Kong station commercial businesses	(560)	(1.0)	(685)	(1.1)	(761)	(1.4)	(377)	(1.4)	(373)	(1.4)
Expenses relating to Hong Kong property rental and management businesses	(1,063)	(1.9)	(1,184)	(2.0)	(1,212)	(2.2)	(556)	(2.0)	(567)	(2.2)
Expenses relating to Chinese Mainland and international railway, property rental and management subsidiaries	(24,883)	(43.7)	(23,811)	(39.7)	(18,952)	(34.2)	(9,507)	(34.7)	(8,074)	(30.8)
Expenses relating to other businesses	(579)	(1.0)	(702)	(1.2)	(682)	(1.2)	(302)	(1.1)	(285)	(1.1)
Project study and business development expenses	(397)	(0.7)	(403)	(0.7)	(452)	(0.8)	(227)	(0.8)	(184)	(0.7)
Expenses relating to Chinese Mainland property development	(13)	(0.0)	(3)	(0.0)	(5)	(0.0)	(10)	(0.0)	(1)	(0.0)

i. Expenses relating to Hong Kong transport operations

Our expenses relating to Hong Kong transport operations primarily consist of (i) staff costs and related expenses, (ii) maintenance and related works, (iii) energy and utilities, and (iv) expenses for railway support services.

ii. Expenses relating to Hong Kong station commercial businesses

Our expenses relating to Hong Kong station commercial businesses primarily consist of (i) staff costs and related expenses, (ii) government rent and rates, and (iii) advertising expenses.

iii. Expenses relating to Hong Kong property rental and management businesses

Our expenses relating to Hong Kong property rental and management businesses primarily consist of (i) staff costs and related expenses, (ii) government rent and rates, and (iii) promotion expenses.

iv. Expenses relating to Chinese Mainland and international railway, property rental and management subsidiaries

Our expenses relating to Chinese Mainland and international railway, property rental and management subsidiaries primarily consist of (i) staff costs and related expenses, (ii) expenses for maintenance and related works, (iii) energy and utilities, and (iv) expenses for railway support services.

v. Expenses relating to other businesses

Our expenses relating to other businesses primarily consist of (i) operating costs of Ngong Ping 360, (ii) staff costs and related expenses, and (iii) other miscellaneous expenses.

vi. Project study and business development expenses

Our project study and business development expenses primarily consist of (i) staff costs, (ii) bidding costs, and (iii) other miscellaneous expenses.

vii. Expenses relating to Chinese Mainland property development

Our expenses relating to Chinese Mainland property development primarily consist of (i) staff costs, (ii) selling expenses, and (iii) other miscellaneous expenses.

C. Operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment

The following table sets forth our operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment, in absolute amounts and as a percentage of our revenues for the years or periods indicated:

	For the year ended 31st December						For the six months ended 30th June			
	2023		2024		2025		2025		2026	
	HK$ million	%	HK$ million	%	HK$ million	%	HK$ million	%	HK$ million	%
Operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment										
Arising from recurrent businesses	15,323	26.9	17,907	29.8	17,701	31.9	8,834	32.3	8,954	34.1
Arising from Chinese Mainland property development	(13)	(0.0)	(3)	(0.0)	9	0.0	4	0.0	(1)	(0.0)
	15,310	**26.9**	**17,904**	**29.8**	**17,710**	**31.9**	**8,838**	**32.3**	**8,953**	**34.1**
Hong Kong property development profit from share of surplus, income and interest in unsold properties	2,329	4.1	12,185	20.3	13,212	23.8	6,594	24.1	14,595	55.6
Gain/(loss) from fair value measurement of investment properties	1,386	2.4	(1,703)	(2.8)	(2,060)	(3.7)	(1,224)	(4.5)	205	0.8
Operating profit before depreciation, amortisation and variable annual payment	**19,025**	**33.4**	**28,386**	**47.3**	**28,862**	**52.0**	**14,208**	**51.9**	**23,753**	**90.6**
Depreciation and amortisation	(6,105)	(10.7)	(6,144)	(10.2)	(6,396)	(11.5)	(3,099)	(11.3)	(3,374)	(12.9)
Provisions for onerous contracts and impairment loss	(1,022)	(1.8)	-	-	-	-	-	-	-	-
Variable annual payment	(2,355)	(4.1)	(3,025)	(5.0)	(3,330)	(6.0)	(1,534)	(5.6)	(1,706)	(6.5)
Share of profit of associates and joint ventures	1,259	2.2	1,340	2.2	787	1.4	601	2.2	771	2.9
Profit before interest, finance charges and taxation	10,802	19.0	20,557	34.3	19,923	35.9	10,176	37.2	19,444	74.1

D. Hong Kong Property Development Profit from Share of Surplus, Income and Interest in Unsold Properties

The following table sets forth our Hong Kong property development profit (post-tax) from share of surplus, income and interest in unsold properties for the years or periods indicated:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong property development profit (post-tax)	2,035	10,235	11,066	5,530	12,223

Hong Kong property development profit from share of surplus, income and interest in unsold properties comprises: (i) share of surplus, income and interest in unsold properties from property development, (ii) agency fee and other income from West Rail property development and (iii) overheads and miscellaneous studies.

E. (Loss)/gain from Fair Value Measurement of Investment Properties

The following table sets forth our (loss)/gain from fair value measurement of investment properties for the years or periods indicated:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
(Loss)/gain from fair value measurement of investment properties	1,386	(1,703)	(2,060)	(1,224)	205

(Loss)/gain from fair value measurement of investment properties comprises: (i) (loss)/gain from fair value remeasurement on investment properties and (ii) gain from fair value measurement of investment properties on recognition from property development.

F. Depreciation and Amortisation

Depreciation charges relate to (i) owned property, plant and equipment and (ii) right-of-use assets, while amortisation charges relate to service concession assets and other intangible assets.

In 2023, 2024, 2025, the six months ended 30th June 2025 and the six months ended 30th June 2026, the depreciation and amortisation charges amounted to HK$6,105 million, HK$6,144 million, HK$6,396 million, HK$3,099 million and HK$3,374 million, respectively.

G. Provisions for onerous contracts and impairment loss

The following table sets forth provisions for onerous contracts and impairment loss for the years or periods indicated:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Provisions for onerous contracts and impairment loss	1,022	-	-	-	-

Please refer to page 128 for further information relating to the above provisions for onerous contracts and impairment loss.

H. Variable annual payment

The variable annual payments (being payments by us to KCRC) are calculated in the same manner prescribed under the Existing Service Concession Agreement whereby the Company pays to KCRC, for each financial year, a certain percentage of the revenue generated from the KCRC system (being 35% for revenues generated from the KCRC system that are beyond the first HK$7.5 billion). For the purposes of calculating the variable annual payments, the revenue generated from the KCRC system shall also include the actual revenue from the High Speed Rail fares received or retained by us and revenue derived from businesses related to the High Speed Rail which may include, without limitation, advertising, telecommunications, duty free and kiosk rental.

I. Share of profit of associates and joint ventures

The relevant associates and joint ventures are Octopus Holdings Limited (with its profit mainly derived from the operation of a contactless smartcard common payment system in Hong Kong and consultancy services), and our Chinese Mainland and international affiliates (with their profit mainly derived from their Chinese Mainland and international railway, property rental and management businesses).

J. Interest and finance charges

Our interest and finance charges primarily consist of (i) interest expenses, (ii) finance charges, (iii) exchange loss/gain, (iv) income/(loss) derived from derivative financial instruments, (v) interest expenses capitalised, and (vi) interest income.

K. Income tax

Income tax in the consolidated statement of profit or loss represents current tax and deferred tax. Current tax includes Hong Kong Profits Tax and tax outside Hong Kong. Deferred tax includes origination and reversal of temporary differences on (i) tax losses, (ii) depreciation allowances in excess of related depreciation, (iii) revaluation of properties, (iv) provisions and others, (v) right-of-use assets and (vi) lease liabilities.

The following table sets forth income tax in the consolidated statement of profit or loss for the years or periods indicated:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Current tax					
- Hong Kong Profits Tax	610	2,086	2,016	1,484	2,690
- Tax outside Hong Kong	377	389	374	174	166
	987	2,475	2,390	1,658	2,856
Deferred tax					
- Origination and reversal of temporary differences on:					
- tax losses	68	7	8	1	3
- depreciation allowances in excess of related depreciation	638	1,018	960	46	146
- revaluation of properties	(34)	-	-	-	-
- provisions and others	(102)	(44)	(1)	27	(68)
- right-of-use assets	4	(12)	2	(1)	(7)
- lease liabilities	14	14	-	3	7
	588	983	969	76	81
Income tax	1,575	3,458	3,359	1,734	2,937

L. Net profit for the year/ period

The following table sets forth our net profit in absolute amounts and as a percentage of our revenues for the years or periods indicated:

	For the year ended 31st December						For the six months ended 30th June			
	2023		2024		2025		2025		2026	
	HK$ million	%	HK$ million	%	HK$ million	%	HK$ million	%	HK$ million	%
Net profit for the year/ period	8,088	14.2	16,067	26.8	15,558	28.0	7,822	28.6	16,619	63.3

5. MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Certain accounting policies are critical to the preparation of our consolidated financial statements. The determination and application of such accounting policies require us to make estimates and assumptions about inherently uncertain matters which may significantly affect our financial position and results of operations. Set forth below, as extracted from our audited consolidated financial statements for the year ended 31st December 2025 (and, where applicable, our unaudited interim financial report for the six months ended 30th June 2026) and updated, where applicable, to reflect material subsequent developments, are discussions of the accounting policies that we believe are of critical importance to us. Other significant accounting policies, estimates and assumptions, which are

important for understanding our financial condition and results of operations, are set forth in detail in the Notes to our audited consolidated financial statements for the years ended 31st December 2024 and 2025 (and, where applicable, our unaudited interim financial report for the six months ended 30th June 2026).

A. Revenue Recognition

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts. Further details of the Group's revenue and other income recognition policies are as follows:

(i) Fare revenue is recognised when the journey is provided.

(ii) Rental income from investment properties, station kiosks and other railway premises under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased assets. Lease incentives granted are recognised in the consolidated statement of profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(iii) Contract revenue is recognised when the outcome of a consultancy, construction or service contract can be estimated reliably. Contract revenue is recognised progressively over-time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs. When the outcome of a consultancy, construction or service contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

(iv) Income from other railway and station commercial businesses, property management, railway franchises and service concessions are recognised when the services are provided.

B. Construction Costs of Railway Construction Projects

Costs incurred by the Group in respect of proposed railway related construction projects (including consultancy fees, in-house staff costs and overheads) are dealt with as follows:

(i) where the proposed projects are at a preliminary review stage and are not yet considered probable of materialising, the costs concerned are charged to the consolidated statement of profit or loss; and

(ii) where the proposed projects are at a detailed study stage and/or at construction stage, having been supported by a feasible financial plan, the costs concerned are recorded as deferred expenditure

until such time as a project agreement is reached and the Group is obligated to operate the related railway, whereupon the costs are transferred to railway construction in progress which is stated at cost less impairment losses. In the event the project agreement cannot be reached and the costs concerned are not considered recoverable, the costs concerned are charged to the consolidated statement of profit or loss immediately.

After entering into a project agreement and the Group is obligated to operate the related railway, all costs (including construction costs, consultancy fees, in-house staff costs and overhead) incurred in the construction of the railway are dealt with as railway construction in progress which is stated at cost less impairment losses. Upon commissioning of the railway line, the relevant costs are transferred to fixed assets.

C. Property Development

Property development in progress comprise costs incurred by the Group in respect of site preparation, land costs, acquisition of development rights, aggregate cost of development, borrowing costs capitalised, provisions and other direct expenses, and are stated initially at their cost and subsequently carried at the lower of cost and net realisable value. Net realisable value represents the estimated selling price as determined by reference to management estimates based on prevailing market conditions less estimated costs of completion and costs to be incurred in selling the property.

Payments or distributions of the assets received from developers in respect of Hong Kong property developments under joint operations arrangement are offset against the amounts in property development in progress attributable to that development. Payments or distributions of the assets received from developers in excess of the balance in property development in progress are transferred to deferred income which is included in the consolidated statement of financial position under "Creditors, other payables and provisions". In these cases, further costs subsequently incurred by the Group in respect of that development are charged against deferred income.

Profits arising from the development of properties in Hong Kong undertaken under joint operations arrangement are recognised in the consolidated statement of profit or loss as follows:

(i) where the Group receives payments from developers in excess of the balance in property development in progress (i.e. resulting in deferred income), profits arising from such payments are recognised when the foundation and site enabling works are complete and acceptable for development, and after taking into account the outstanding risks and obligations, if any, retained by the Group in connection with the development;

(ii) where the Group receives distributions of the assets of the developments in excess of the balance in property development in progress (i.e. resulting in deferred income), profit is recognised based on the fair value of such assets at the time of receipt, and after taking into account the outstanding risks and obligations, if any, retained by the Group in connection with the development; and

(iii) where the Group receives a right to a share of the net surplus from the development, the Group's share of the profit is initially recognised once the amounts of revenue (including the fair value of

any unsold properties) and costs for the development as a whole can be estimated reliably. The Group's interest in any unsold properties is subsequently remeasured on a basis consistent with the policy set out in Note 2L to the Group's audited consolidated financial statements for the year ended 31st December 2025 and included within properties held for sale.

Upon recognition of profit, property development in progress relating to that development is charged to the consolidated statement of profit or loss, if any. Deferred income arising from the outstanding risks and obligations retained by the Group in connection with the development is included in the consolidated statement of financial position under "Creditors, other payables and provisions". The outstanding risks and obligations retained by the Group in connection with the development will be reassessed at the end of each reporting period. Any reduction in the amount of outstanding risks and obligations will be accounted for as a decrease in deferred income and a corresponding profit in that reporting period.

Revenue arising from sales of properties not under joint operations arrangement is recognised when the legal assignment is completed, which is the point in time when the purchaser has the ability to direct the use of the properties and obtain substantially all of the remaining benefits of the properties. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under "Creditors, other payables and provisions".

Where costs are incurred for the construction and/or the related fitting out costs for the properties under construction to be received from a development, those costs are initially capitalised in deferred expenditure before the receipt of such properties, and subsequently recognised as the respective assets upon receipt.

D. Associates and Joint Ventures

An associate is an entity over which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements of the Group using the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the investees' net assets and any impairment loss relating to the investment. At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. The Group's share of the post-acquisition post-tax results of the investees and any impairment losses for the year is recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses equals or exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest in the investee is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture (after applying the expected credit losses ("ECL") model to such other long-term interests where applicable.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the consolidated statement of profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in the consolidated statement of profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses.

E. Investment Properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include properties that are being constructed or developed for future use as investment properties.

Investment properties are stated at fair value as measured semi-annually by independent professionally qualified valuers. Gains or losses arising from changes in the fair value are recognised in the consolidated statement of profit or loss in the period in which they arise.

F. Other Property, Plant and Equipment

Leasehold land registered and located in Hong Kong is stated at cost less accumulated depreciation and impairment losses (Notes 2H and 2G(ii) to the Group's audited consolidated financial statements for the year ended 31st December 2025). Self-occupied leasehold buildings where the Group is the registered owner of the property interest are stated at their fair value at the date of revaluation less any subsequent accumulated depreciation (Note 2H to the Group's audited consolidated financial statements for the year ended 31st December 2025). Revaluations are performed by independent

professionally qualified valuers semi-annually, with changes in the fair value arising on revaluations recorded as movements in the fixed assets revaluation reserve, except:

(i) where the balance of the fixed assets revaluation reserve relating to a self-occupied leasehold building is insufficient to cover a revaluation deficit of that property, the excess of the deficit is charged to the consolidated statement of profit or loss; and

(ii) where a revaluation deficit had previously been charged to the consolidated statement of profit or loss and a revaluation surplus subsequently arises, this surplus is firstly credited to the consolidated statement of profit or loss to the extent of the deficit previously charged to the consolidated statement of profit or loss, and thereafter taken to the fixed assets revaluation reserve.

Civil works and plant and equipment, including right-of-use assets arising from freehold or leasehold properties where the Group is not the registered owner of the property interest, and right-of-use assets arising from leases of underlying plant and equipment are stated at cost less accumulated depreciation and impairment losses (Notes 2H and 2G(ii) to the Group's audited consolidated financial statements for the year ended 31st December 2025).

Assets under construction include capital works on operating railway and are stated at cost less impairment losses (Note 2G(ii) to the Group's audited consolidated financial statements for the year ended 31st December 2025). Cost comprises direct costs of construction, such as materials, staff costs and overheads, together with interest expense capitalised during the period of construction or installation and testing. The cost of abnormal amounts of wasted material, labour, or other resources incurred is not included in the costs of the asset and charged as an expense in the consolidated statement of profit or loss when incurred. Capitalisation of these costs ceases and the asset concerned is transferred to the appropriate fixed assets category when substantially all the activities necessary to prepare the asset for its intended use are completed.

In the event any assets under construction are no longer held for use and it is not probable that future economic benefits associated with these assets will flow to the Group, the associated cost capitalised by then will be charged to profit or loss in the reporting period when such conditions met.

G. Service Concession Assets

Where the Group enters into service concession arrangements under which the Group acquires the right to access, use and operate certain assets for the provision of public services, upfront payments and expenditure directly attributable to the acquisition of the service concession up to inception of the service concession are capitalised as service concession assets and amortised on a straight-line basis over the period of the service concession. Annual payments over the period of the service concession with the amounts fixed at inception are capitalised at their present value, calculated using the incremental long term borrowing rate determined at inception as the discount rate, as service concession assets and amortised on a straight-line basis over the period of the service concession, with a corresponding liability recognised as obligations under service concession. Annual payments for the service concession which are not fixed or determinable at inception and are contingent on future revenue are charged to the consolidated statement of profit or loss in the period when incurred.

Where the Group enters into service concession arrangements under which the Group constructs, uses and operates certain assets for the provision of public services, construction revenue and costs are recognised in the consolidated statement of profit or loss by reference to the stage of completion at the end of the reporting period while the fair value of construction service is capitalised initially as service concession assets in the consolidated statement of financial position and amortised on a straight-line basis over the shorter of the assets' useful lives and the period in which the service concession assets are expected to be available for use by the Group.

Expenditure for assets subject to service concession is capitalised and amortised on a straight-line basis at rates sufficient to write off their cost less their estimated residual value, if any, over the shorter of the assets' useful lives and the remaining period in which the service concession assets are expected to be available for use by the Group.

Service concession assets are carried at cost less accumulated amortisation and impairment losses, if any (Notes 2H and 2G(ii) to the Group's audited consolidated financial statements for the year ended 31st December 2025).

H. Subsequent Expenditure and Gains or Losses on Retirement or Disposal

Subsequent expenditure relating to the replacement and/or upgrade of certain parts of an existing asset is recognised in the carrying amount of the asset if it is probable that future economic benefit will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised, with any gain or loss arising therefrom being dealt with in the consolidated statement of profit or loss.

Expenditure on repairs or maintenance of an existing asset to restore or maintain the originally assessed standard of performance of that asset is charged as an expense in the consolidated statement of profit or loss when incurred.

Gains or losses arising from the retirement or disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset. Such gains or losses are recognised as income or expense in the consolidated statement of profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the fixed assets revaluation reserve to retained profits and is not re-classified to consolidated statement of profit or loss.

I. Depreciation and Amortisation

(i) Investment properties are not depreciated.

(ii) Fixed assets other than investment properties, assets under construction and service concession assets which are amortised over the entire or remaining period of the service concession are depreciated or amortised on a straight-line basis at rates sufficient to write off their cost or valuation, less their estimated residual value, if any, over their estimated useful lives. Where parts of an item of property, plant and equipment have different useful lives, each part is depreciated or amortised separately. The useful lives of the various categories of fixed assets are reviewed annually in the light of actual asset condition, usage experience and the current asset replacement programme.

(iii) No depreciation or amortisation is provided on assets under construction until the construction is completed and the assets are ready for their intended use.

J. Contingent Liabilities and Legal Proceedings

The Company has not received notification of any legal or arbitration proceedings in relation to the construction of either the HSR project or the SCL project. On 2nd October 2026, the Company and the Government, without admission of any liability by either party, entered into settlement deeds in relation to the HSR project and the SCL project. Please refer to the relevant disclosures on pages 147 and 151 for further information regarding the HSR Settlement Deed and the SCL Settlement Deed (each term as defined below) respectively.

The Company has objected to the notices of profits tax assessments/additional profits tax assessments for years of assessment from 2009/2010 to 2019/2020 which disallowed deduction of certain payments relating to the Rail Merger.

A collective action was launched against several train operators in the United Kingdom, including First MTR South Western Trains Limited, an associate of the Group. The action alleged that the train operators breached the competition law by abusing their dominant positions. Specifically, the plaintiff claimed that the operators failed to make sufficiently available a specific type of tickets offering "boundary fares" to Travelcard holders, resulting in double-charging the affected passengers for part of their journeys. In October 2025, the Competition Appeal Tribunal issued a judgement in favour of the train operators and dismissed the plaintiff's claim. The plaintiff did not file any appeal within the statutory appeal period.

Other than the above, whilst the Company may be involved in legal proceedings in the ordinary course of business from time to time, neither the Company nor any of its directors were involved in any litigation, arbitration or administrative proceedings, which in a material way impact on the Company's business, financial condition or operations. As of the date of the Group's unaudited interim financial report for the six months ended 30th June 2026, the Company is not aware of any pending or threatened litigation, arbitration or administrative proceedings against the Company or its directors, which would have a material and adverse impact on the Company's business, financial condition, or operations.

K. Estimated Useful Life and Depreciation and Amortisation of Property, Plant and Equipment and Service Concession Assets

The Group estimates the useful lives of the various categories of property, plant and equipment and service concession assets on the basis of their design lives, planned asset maintenance programme and actual usage experience. Depreciation and amortisation are calculated using the straight-line method at rates sufficient to write off their cost or valuation over their estimated useful lives.

L. Impairment of Long-lived Assets

The Group reviews its long-lived assets for indications of impairment at the end of each reporting period according to accounting policies set out in Note 2G(ii) to the Group's audited consolidated

financial statements for the year ended 31st December 2025. Long-lived assets (including service concession assets of SZL4 (Note 21B to the Group's audited consolidated financial statements for the year ended 31st December 2025)) are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount of an asset is the greater of the fair value less costs of disposal and value in use. In estimating the value in use, the Group uses projections of future cash flows from the assets and the management's assignment of a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

M. Pension Costs

The Group employs independent valuation professionals to conduct annual assessment of the actuarial position of the MTR Retirement Scheme. The determination of the Group's obligation and expense for the defined benefit element of the scheme is dependent on certain assumptions and factors provided by the Group, which are disclosed in Notes 46A(i) and 47F to the Group's audited consolidated financial statements for the year ended 31st December 2025.

N. Profit Recognition on Hong Kong Property Development

Recognition of profits from Hong Kong property development (including fair value measurement of investment properties on initial recognition) requires management's estimation of the final project costs upon completion, assessment of outstanding transactions and market values of unsold units and, in the case of sharing-in-kind properties, the properties' fair value upon recognition. The Group takes into account independent qualified surveyors' reports, past experience on sales and marketing costs when estimating final project costs on completion and makes reference to professionally qualified valuers' reports in determining the estimated fair value of sharing-in-kind properties.

O. Properties Held for Sale

The Group values unsold interests in properties at the lower of their costs and net realisable values at the end of each reporting period. In ascertaining the properties' net realisable values, which are represented by the estimated selling prices less costs to be incurred in relation to the sales, the Group engages independent qualified surveyors to assess the properties' estimated selling prices and makes estimations on further selling and property holding costs to be incurred based on past experience and with reference to general market practice.

P. Valuation of Investment Properties

The valuation of investment properties requires management's input of various assumptions and factors relevant to the valuation. The Group conducts semi-annual fair value measurement of its investment properties by independent qualified surveyors based on these assumptions agreed with the valuers prior to adoption.

Q. Franchise in Hong Kong

The current franchise under which the Group is operating in Hong Kong allows the Group to run the mass transit railway system in Hong Kong until 1st December 2057, except for HSR and SCL (the concession periods of which are detailed in Note 3 to the Group's audited consolidated financial

statements for the year ended 31st December 2025). Pursuant to the terms of the OA and the MTR Ordinance, the Company may apply for extensions of the franchise and the Secretary for Transport and Logistics shall, subject to certain provisions, recommend to the Chief Executive in Council that the franchise should be extended for a further period of 50 years (from a date relating to certain capital expenditure requirements) if the Company has satisfied such capital expenditure requirements, at no additional payment for any such extension. If the franchise is not extended, it will expire on 1st December 2057. Following such expiry, the Government has the right to take possession of railway property (and, where the Government has taken possession of any such property which is not concession property, the Company may require the Government to take possession of any other property which the Government was entitled to take possession of, but did not take possession of), but must compensate the Company: (i) in the case of such property which is not concession property, at the higher of fair value and depreciated book value, and (ii) in the case of such property which is concession property and to the extent that the capital expenditure exceeds an agreed threshold ("Capex Threshold"), in an amount equal to any above-threshold expenditure at the end of the Concession Period with such reimbursement to be on the basis of depreciated book value. The Group's depreciation policies for such property which is not concession property with assets' lives which extend beyond 2057 reflect the above.

R. Income Tax

Certain treatments adopted by the Group in its Hong Kong Profits Tax returns in the past years are yet to be finalised with the Hong Kong Inland Revenue Department. In assessing the Group's income tax and deferred taxation in the consolidated financial statements, the Company has predominantly followed the tax treatments it has adopted in these tax returns, which may be different from the final outcome in due course.

As detailed in Note 8B to the Group's unaudited interim financial report for the six months ended 30th June 2026, there are tax queries from the IRD with the Company on tax deductibility of the Sums for which the ultimate tax determination is uncertain up to the date of such financial report. The Group recognises tax provision for these tax matters based on estimates of whether additional taxes will eventually be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax expenses in the period when such determination is made.

S. Project Provisions

The Group establishes project provisions for the settlement of estimated claims that may arise due to time delays, additional costs or other unforeseen circumstances common to major construction contracts. The claims provisions are estimated based on an assessment of the Group's liabilities under each contract by professionally qualified personnel, which may differ from the actual claims settlement.

T. Fair Value of Derivatives and Other Financial Instruments

In determining the fair value of financial instruments, the Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market condition, business nature, stage of

development, business and financial performance of the investees as well as the availability of information and recent financing at the end of each reporting period.

U. Obligations under Service Concession

In determining the present value of the obligations under service concession, the discount rate adopted was the relevant Group company's estimated long-term incremental cost of borrowing at inception after due consideration of the relevant Group company's existing fixed rate borrowing cost, future interest rate and inflation trends.

V. Provisions and Contingent Liabilities

The Group recognises provisions when the Group has a legal or constructive obligation arising as a result of a past event (including in relation to those under entrustment arrangements (Note 22 to the Group's audited consolidated financial statements for the year ended 31st December 2025), and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability. Other than as set out in Notes 22 and 49E to the Group's audited consolidated financial statements for the year ended 31st December 2025, as at 31st December 2025, the Group considered that it had no disclosable contingent liabilities as there were neither pending litigations nor events with potential obligation which were probable to result in material outflow of economic benefits from the Group.

6. PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

A. Six months ended 30th June 2026 compared to six months ended 30th June 2025

i. Revenue

Our revenue decreased by 4.1% from HK$27,360 million for the six months ended 30th June 2025 to HK$26,231 million for the six months ended 30th June 2026, mainly due to decreased revenue from our Chinese Mainland and international railway, property rental and management subsidiaries following the end of the services contracts of the UK Elizabeth Line in May 2025 and the Stockholm Metro in November 2025, partly offset by increased revenue from our Hong Kong transport operations, driven by growth in cross-boundary and HSR patronage.

(I) Revenue from Hong Kong transport operations

Our revenue from Hong Kong transport operations increased by 3.0% from HK$11,509 million for the six months ended 30th June 2025 to HK$11,850 million for the six months ended 30th June 2026, driven by growth in cross-boundary and HSR patronage.

(II) Revenue from Hong Kong station commercial businesses

Our revenue from Hong Kong station commercial businesses decreased by 0.2% from HK$2,621 million for the six months ended 30th June 2025 to HK$2,615 million for the six months ended 30th June 2026, mainly due to a decline in station retail rental revenue and telecommunication income, partly offset by the increase in the other station commercial income.

(III) Revenue from Hong Kong property rental and management businesses

Our revenue from Hong Kong property rental and management businesses decreased by 2.4% from HK$2,657 million for the six months ended 30th June 2025 to HK$2,593 million for the six months ended 30th June 2026, mainly due to changing consumer behaviour under retail new normal and continued outbound consumption.

(IV) Revenue from Chinese Mainland and international railway, property rental and management subsidiaries

Our revenue from Chinese Mainland and international railway, property rental and management subsidiaries decreased by 13.1% from HK$10,183 million for the six months ended 30th June 2025 to HK$8,845 million for the six months ended 30th June 2026, mainly due to the end of the services contracts of the UK Elizabeth Line in May 2025 and Stockholm Metro in November 2025, partly offset by higher revenue from our Melbourne operations.

(V) Revenue from other businesses

Our revenue from other businesses decreased by 12.8% from HK$376 million for the six months ended 30th June 2025 to HK$328 million for the six months ended 30th June 2026, due to the decrease in revenue from consultancy projects.

ii. Expenses

(I) Expenses relating to Hong Kong transport operations

Our expenses relating to Hong Kong transport operations increased by 3.3% from HK$7,543 million for the six months ended 30th June 2025 to HK$7,794 million for the six months ended 30th June 2026, mainly due to higher staff costs, inflation, and railway support and maintenance expenses.

(II) Expenses relating to Hong Kong station commercial businesses

Our expenses relating to Hong Kong station commercial businesses decreased by 1.1% from HK$377 million for the six months ended 30th June 2025 to HK$373 million for the six months ended 30th June 2026.

(III) Expenses relating to Hong Kong property rental and management businesses

Our expenses relating to Hong Kong property rental and management businesses increased by 2.0% from HK$556 million for the six months ended 30th June 2025 to HK$567 million for the six months ended 30th June 2026.

(IV) Expenses relating to Chinese Mainland and international railway, property rental and management subsidiaries

Our expenses relating to Chinese Mainland and international railway, property rental and management subsidiaries decreased by 15.1% from HK$9,507 million for the six months ended 30th June 2025 to HK$8,074 million for the six months ended 30th June 2026, mainly due to the end of the services contracts of the UK Elizabeth Line and the Stockholm Metro.

(V) Expenses relating to other businesses

Our expenses relating to other businesses decreased by 5.6% from HK$302 million for the six months ended 30th June 2025 to HK$285 million for the six months ended 30th June 2026, due to the decrease in costs incurred by consultancy projects.

(VI) Project study and business development expenses

Our project study and business development expenses decreased by 18.9% from HK$227 million for the six months ended 30th June 2025 to HK$184 million for the six months ended 30th June 2026, mainly due to the decrease in railway project study costs.

(VII) Expenses relating to Chinese Mainland property development

Our expenses relating to Chinese Mainland property development decreased by 90.0% from HK$10 million for the six months ended 30th June 2025 to HK$1 million for the six months ended 30th June 2026, mainly due to no residential units being handed over during the first half of 2026 (compared with one during the first half of 2025).

iii. Operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment

As a result of the foregoing, our operating profit (before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment) for the six months ended 30th June 2026 was HK$8,953 million, compared to operating profit of HK$8,838 million for the six months ended 30th June 2025.

The following table sets forth our operating profit, in absolute amounts and as a percentage of our revenues, by segment for the six months ended 30th June 2025 and for the six months ended 30th June 2026:

	For the six months ended 30th June			
	2025		2026	
	HK$ million	%	HK$ million	%
Operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment				
Arising from recurrent businesses	8,834	32.3	8,954	34.1
Arising from Chinese Mainland property development	4	0.0	(1)	(0.0)
	8,838	32.3	8,953	34.1

Our operating profit arising from recurrent businesses increased by 1.4% from HK$8,834 million for the six months ended 30th June 2025 to HK$8,954 million for the six months ended 30th June 2026, mainly due to higher revenue from our Hong Kong transport operations and lower expenses relating to our Chinese Mainland and international railway, property rental and management subsidiaries.

In respect of our Chinese Mainland property development, we recorded an operating loss of HK$1 million for the six months ended 30th June 2026, compared to an operating profit of HK$4 million for the six months ended 30th June 2025, primarily due to no residential units being handed over during the first half of 2026 (compared with one during the first half of 2025).

iv. Hong Kong Property Development Profit

The following table sets forth Hong Kong property development profit by type for the six months ended 30th June 2025 and for the six months ended 30th June 2026:

	For the six months ended 30th June	
	2025	**2026**
	HK$ million	**HK$ million**
Share of surplus, income and interest in unsold properties from property development	6,592	14,565
Agency fee and other income from West Rail property development	5	32
Overheads	(3)	(2)
Hong Kong property development profit (pre-tax)	6,594	14,595
Hong Kong property development profit (post-tax)	**5,530**	**12,223**

Hong Kong property development profit (post-tax) increased by 121.0% from HK$5,530 million for the six months ended 30th June 2025 to HK$12,223 million for the six months ended 30th June 2026, mainly due to profit recognition from Tai Wai Station and THE SOUTHSIDE Package 5.

v. Gain/(Loss) from Fair Value Measurement of Investment Properties

In respect of fair value measurement of investment properties, compared to a loss of HK$1,224 million for the six months ended 30th June 2025, we recorded a gain of HK$205 million for the six months ended 30th June 2026.

vi. Variable annual payment

Variable annual payment increased by 11.2% from HK$1,534 million for the six months ended 30th June 2025 to HK$1,706 million for the six months ended 30th June 2026.

vii. Share of profit of associates and joint ventures

Share of profit of associates and joint ventures increased by 28.3% from HK$601 million for the six months ended 30th June 2025 to HK$771 million for the six months ended 30th June 2026, mainly due to improved performance of our railway businesses in Hangzhou.

viii. Interest and finance charges

The following table sets forth interest and finance charges by type for the six months ended 30th June 2025 and for the six months ended 30th June 2026:

	For the six months ended 30th June			
	2025		2026	
	HK$ million		HK$ million	
Interest expenses in respect of:				
- Bank loans, overdrafts and capital market instruments	1,600		1,899	
- Obligations under service concession	336		336	
- Lease liabilities	8		16	
Finance charges	67		43	
Net exchange loss/(gain)	501		(22)	
		2,512		2,272
Derivative financial instruments:				
- Fair value hedges	61		10	
- Cash flow hedges:				
- transferred from hedging reserve to interest expenses	(121)		(92)	
- transferred from hedging reserve to offset exchange loss	(460)		(164)	
- hedge ineffectiveness	40		(125)	
- transferred from hedging reserve upon discontinuation of cash flow hedge	-		(2)	
- Transferred from costs of hedging reserve	-		(3)	
- Derivatives not adopting hedge accounting	-		1	
		(480)		(375)
Interest expenses capitalised		(610)		(793)
		1,422		1,104
Interest income in respect of:				
- Deposits with banks	(726)		(1,132)	
- Others	(76)		(84)	
		(802)		(1,216)
		620		(112)

Total interest expenses, finance charges and net exchange loss/(gain) decreased by 9.6% from HK$2,512 million for the six months ended 30th June 2025 to HK$2,272 million for the six months ended 30th June 2026. Interest expenses after capitalisation decreased by 22.4% from HK$1,422 million for the six months ended 30th June 2025 to HK$1,104 million for the six months ended 30th June 2026. Interest income increased by 51.6% from HK$802 million for the six months ended 30th June 2025 to HK$1,216 million for the six months ended 30th June 2026.

ix. Net profit for the period

As a result of the foregoing, we had a net profit of HK$16,619 million for the six months ended 30th June 2026, compared to a net profit of HK$7,822 million for the six months ended 30th June 2025, representing an increase of 112.5% driven principally by the Hong Kong property development profit of HK$12,233 million.

B. Year ended 31st December 2025 compared to year ended 31st December 2024

i. Revenue

Our revenue decreased by 7.6% from HK$60,011 million in 2024 to HK$55,465 million in 2025, mainly due to (i) the end of the service contract of the UK Elizabeth Line in May 2025, (ii) reduced project revenue from our Melbourne operations and (iii) decreased revenue from Sweden following the early termination of the Stockholms pendeltåg and Mälartåg concessions in 2024.

(I) Revenue from Hong Kong transport operations

Our revenue from Hong Kong transport operations increased by 2.5% from HK$23,013 million in 2024 to HK$23,595 million in 2025, mainly due to higher patronage in cross-boundary and HSR services.

(II) Revenue from Hong Kong station commercial businesses

Our revenue from Hong Kong station commercial businesses was essentially unchanged, increasing from HK$5,343 million in 2024 to HK$5,345 million in 2025. Higher Duty Free shop and kiosk rental revenue was substantially offset by lower advertising and telecommunication income.

(III) Revenue from Hong Kong property rental and management businesses

Our revenue from Hong Kong property rental and management businesses decreased by 5.8% from HK$5,379 million in 2024 to HK$5,067 million in 2025, mainly due to the negative impact of shifting customer consumption patterns on rental reversions and the one-off write-down of the unamortised amount of rental concessions previously provided to cinemas in view of the challenges faced by the industry.

(IV) Revenue from Chinese Mainland and international railway, property rental and management subsidiaries

Our revenue from Chinese Mainland and international railway, property rental and management subsidiaries decreased by 18.8% from HK$25,467 million in 2024 to HK$20,686 million in 2025, primarily due to the end of the services contracts of the UK Elizabeth Line in May 2025 and the Stockholm Metro in November 2025, as well as reduced project revenue from our Melbourne operations.

(V) Revenue from other businesses

Our revenue from other businesses decreased by 6.3% from HK$809 million in 2024 to HK$758 million in 2025, primarily as a result of the decrease in revenue from consultancy projects.

ii. Expenses

(I) Expenses relating to Hong Kong transport operations

Our expenses relating to Hong Kong transport operations increased by 2.4% from HK$15,319 million in 2024 to HK$15,691 million in 2025, primarily due to higher staff costs, maintenance expenses and railway support services.

(II) Expenses relating to Hong Kong station commercial businesses

Our expenses relating to Hong Kong station commercial businesses increased by 11.1% from HK$685 million in 2024 to HK$761 million in 2025, primarily due to the refund of Government rent in 2024 not being repeated in 2025.

(III) Expenses relating to Hong Kong property rental and management businesses

Our expenses relating to Hong Kong property rental and management businesses increased by 2.4% from HK$1,184 million in 2024 to HK$1,212 million in 2025.

(IV) Expenses relating to Chinese Mainland and international railway, property rental and management subsidiaries

Our expenses relating to Chinese Mainland and international railway, property rental and management subsidiaries decreased by 20.4% from HK$23,811 million in 2024 to HK$18,952 million in 2025, primarily due to the handover of the UK Elizabeth Line and Stockholm Metro operations.

(V) Expenses relating to other businesses

Our expenses relating to other businesses decreased by 2.8% from HK$702 million in 2024 to HK$682 million in 2025.

(VI) Project study and business development expenses

Our project study and business development expenses increased by 12.2% from HK$403 million in 2024 to HK$452 million in 2025, mainly due to the increase in railway project study costs.

(VII) Expenses relating to Chinese Mainland property development

Our expenses relating to Chinese Mainland property development increased by 66.7% from HK$3 million in 2024 to HK$5 million in 2025, primarily due to the handover of a residential unit during 2025 (none during 2024).

iii. Operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment

As a result of the foregoing, our operating profit (before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment) in 2025 was HK$17,710 million, compared to operating profit of HK$17,904 million in 2024.

The following table sets forth our operating profit/(loss), in absolute amounts and as a percentage of our revenues, by segment in 2024 and 2025:

	For the year ended 31st December			
	2024		2025	
	HK$ million	%	HK$ million	%
Operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment				
Arising from recurrent businesses	17,907	29.8	17,701	31.9
Arising from Chinese Mainland property development	(3)	(0.0)	9	0.0
	17,904	29.8	17,710	31.9

Our operating profit arising from recurrent businesses decreased by 1.2% from HK$17,907 million in 2024 to HK$17,701 million in 2025, mainly due to (i) a decrease in share of profit of associates and joint ventures and (ii) higher depreciation with increased capital expenditure, partly offset by higher revenue from Hong Kong transport operations.

Our operating profit arising from Chinese Mainland property development was HK$9 million in 2025, compared to an operating loss of HK$3 million in 2024, primarily due to the handover of a residential unit during 2025 (none during 2024).

iv. Hong Kong Property Development Profit

The following table sets forth Hong Kong property development profit by type for 2024 and 2025:

	For the year ended 31st December	
	2024	2025
	HK$ million	HK$ million
Share of surplus, income and interest in unsold properties from property development	12,132	13,202
Agency fee and other income from West Rail property development	60	15
Overheads	(7)	(5)
Hong Kong property development profit (pre-tax)	12,185	13,212
Hong Kong property development profit (post-tax)	10,235	11,066

Hong Kong property development profit (post-tax) increased by 8.1% from HK$10,235 million in 2024 to HK$11,066 million in 2025, primarily due to profit recognition from LOHAS Park Package 12, Ho Man Tin Station packages 1 and 2 and THE SOUTHSIDE packages 3 and 5.

v. Loss from Fair Value Measurement of Investment Properties

Loss from fair value measurement of investment properties increased from HK$1,703 million in 2024 to HK$2,060 million in 2025. This comprised a loss from fair value remeasurement of

HK$3,538 million in 2025 (compared to HK$3,821 million in 2024), partly offset by gains from fair value measurement on initial recognition from property development of HK$1,478 million in 2025 (compared to HK$2,118 million in 2024).

vi. Depreciation and amortisation

The following table sets forth depreciation and amortisation charges by type for 2024 and 2025:

	For the year ended 31st December	
	2024	**2025**
	HK$ million	**HK$ million**
Depreciation charge relating to:		
- Owned property, plant and equipment	3,574	3,713
- Right-of-use assets	357	324
	3,931	4,037
Amortisation charges:		
- Amortisation charge relating to service concession assets and other intangible assets	2,213	2,359
	6,144	6,396

vii. Variable annual payment

Variable annual payment increased by 10.1% from HK$3,025 million in 2024 to HK$3,330 million in 2025. The increase was mainly due to the higher variable annual payment to KCRC in line with the increased revenue generated from the KCRC system.

viii. Share of profit of associates and joint ventures

Share of profit of associates and joint ventures decreased by 41.3% from HK$1,340 million in 2024 to HK$787 million in 2025, mainly due to the share of impairment loss relating to the Hangzhou Metro Line 1 railway assets and softer performance from Hangzhou Metro Line 5.

ix. Interest and finance charges

The following table sets forth interest and finance charges by type for 2024 and 2025:

	For the year ended 31st December			
	2024		2025	
	HK$ million		HK$ million	
Interest expenses in respect of:				
- Bank loans, overdrafts and capital market instruments	2,611		2,861	
- Obligations under service concession	676		671	
- Lease liabilities	21		44	
- Others	20		-	
Finance charges	56		106	
Exchange (gain)/loss	(389)		439	
		2,995		4,121
Derivative financial instruments:				
- Fair value hedges	(105)		111	
- Cash flow hedges:				
- transferred from hedging reserve to interest expenses	(127)		(60)	
- transferred from hedging reserve to offset exchange gain/(loss)	476		(169)	
- hedge ineffectiveness	-		35	
- transferred from hedging reserve upon discontinuation of cash flow hedge	(4)		-	
- Transferred from costs of hedging reserve	-		132	
- Derivatives not adopting hedge accounting	2		1	
		242		50
Interest expenses capitalised		(964)		(1,306)
		2,273		2,865
Interest income in respect of:				
- Deposits with banks	(1,105)		(1,709)	
- Others	(136)		(150)	
		(1,241)		(1,859)
		1,032		1,006

Total interest expenses, finance charges and exchange (gain)/loss increased by 37.6% from HK$2,995 million in 2024 to HK$4,121 million in 2025. Interest expenses after capitalisation increased by 26.0% from HK$2,273 million in 2024 to HK$2,865 million in 2025. Interest income increased by 49.8% from HK$1,241 million in 2024 to HK$1,859 million in 2025.

x. Net profit for the year

As a result of the foregoing, we had a net profit of HK$15,558 million in 2025, compared to a net profit of HK$16,067 million in 2024.

C. Year ended 31st December 2024 compared to year ended 31st December 2023

i. Revenue

Our revenue increased by 5.3% from HK$56,982 million in 2023 to HK$60,011 million in 2024. The increase was mainly attributable to (i) increased revenue in our Hong Kong transport operations, which was driven by continued recovery in patronage, particularly on the Cross-boundary, AEL and HSR services, (ii) contributions from The Wai and THE SOUTHSIDE, our two newly opened malls in the second half of 2023, and (iii) higher rental revenue from our Hong Kong station commercial businesses. These favourable factors were partly offset by (i) decreased revenue from Sweden following the early termination of the Stockholms pendeltåg concession in March 2024, and (ii) reduced project revenue from our Melbourne operations.

(I) Revenue from Hong Kong transport operations

Our revenue from Hong Kong transport operations increased by 14.3% from HK$20,131 million in 2023 to HK$23,013 million in 2024, largely due to the contributions from both Domestic Service and Cross-boundary Service (the latter of which enjoyed a full year of operations in 2024, unlike in 2023 when the service only began resuming gradually in January and February), as well as the continued strong performance in respect of the HSR.

(II) Revenue from Hong Kong station commercial businesses

Our revenue from Hong Kong station commercial businesses increased by 4.4% from HK$5,117 million in 2023 to HK$5,343 million in 2024, primarily due to improved rental revenue from the station retail business.

(III) Revenue from Hong Kong property rental and management businesses

Our revenue from Hong Kong property rental and management businesses increased by 5.9% from HK$5,079 million in 2023 to HK$5,379 million in 2024. In particular, our property rental revenue increased by 5.9% year on year to HK$5,076 million. This was mainly due to additional contributions from our two new shopping malls, The Wai and THE SOUTHSIDE, which commenced operation in the second half of 2023. In 2024, our property management revenue in Hong Kong increased by 6.7% to HK$303 million year on year. As at 31st December 2024, we managed more than 122,000 residential units and over 920,000 square metres of office and commercial space in Hong Kong.

(IV) Revenue from Chinese Mainland and international railway, property rental and management subsidiaries

Our revenue from Chinese Mainland and international railway, property rental and management subsidiaries decreased by 1.9% from HK$25,955 million in 2023 to HK$25,467 million in 2024, primarily due to the early termination of the concession for Stockholm Commuter Rail ("Stockholms pendeltåg") in March 2024 and reduced project revenue from our Melbourne operations, partly offset by the higher construction revenue from SZL13.

(V) Revenue from other businesses

Our revenue from other businesses increased by 15.6% from HK$700 million in 2023 to HK$809 million in 2024, primarily due to the increase in revenue from Ngong Ping 360 as a result of the continued recovery of tourism and the traffic generated from marketing promotions.

ii. Expenses

(I) Expenses relating to Hong Kong transport operations

Our expenses relating to Hong Kong transport operations increased by 8.1% from HK$14,177 million in 2023 to HK$15,319 million in 2024, primarily due to increased operating expenses from higher staff costs, inflation, and railway support and maintenance expenses.

(II) Expenses relating to Hong Kong station commercial businesses

Our expenses relating to Hong Kong station commercial businesses increased by 22.3% from HK$560 million in 2023 to HK$685 million in 2024, primarily due to increased operating expenses resulting from inflation.

(III) Expenses relating to Hong Kong property rental and management businesses

Our expenses relating to Hong Kong property rental and management businesses increased by 11.4% from HK$1,063 million in 2023 to HK$1,184 million in 2024, primarily due to additional expenses relating to our two new shopping malls, The Wai and THE SOUTHSIDE, which commenced operation in the second half of 2023.

(IV) Expenses relating to Chinese Mainland and international railway, property rental and management subsidiaries

Our expenses relating to Chinese Mainland and international railway, property rental and management subsidiaries decreased by 4.3% from HK$24,883 million in 2023 to HK$23,811 million in 2024, primarily due to the early termination of the concession for the Stockholms pendeltåg in March 2024 and the lower level of project activities in our Melbourne operations, partly offset by higher construction costs in SZL13.

(V) Expenses relating to other businesses

Our expenses relating to other businesses increased by 21.2% from HK$579 million in 2023 to HK$702 million in 2024, primarily driven by the increased operating costs in Ngong Ping 360 and consultancy business.

(VI) Project study and business development expenses

Our project study and business development expenses increased by 1.5% from HK$397 million in 2023 to HK$403 million in 2024, mainly due to the higher expenses incurred in bidding activities.

(VII) Expenses relating to Chinese Mainland property development

Our expenses relating to Chinese Mainland property development decreased by 76.9% from HK$13 million in 2023 to HK$3 million in 2024, primarily due to the decrease in profit sharing with relevant stakeholder in 2024.

iii. Operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment

As a result of the foregoing, our operating profit (before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment) in 2024 was HK$17,904 million, compared to operating profit of HK$15,310 million in 2023.

The following table sets forth our operating profit (loss), in absolute amounts and as a percentage of our revenues, by segment in 2023 and 2024:

	For the year ended 31st December			
	2023		2024	
	HK$ million	%	HK$ million	%
Operating profit/(loss) before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment				
Arising from recurrent businesses	15,323	26.9	17,907	29.8
Arising from Chinese Mainland property development	(13)	(0.0)	(3)	(0.0)
	15,310	26.9	17,904	29.8

Our operating profit arising from recurrent businesses increased by 16.9% from HK$15,323 million in 2023 to HK$17,907 million in 2024, primarily due to the increase in operating profit relating to Hong Kong transport operations.

Our operating loss arising from Chinese Mainland property development decreased by 76.9% from HK$13 million in 2023 to HK$3 million in 2024, primarily due to lower operating costs incurred in 2024.

iv. Hong Kong Property Development Profit

The following table sets forth Hong Kong property development profit by type for 2023 and 2024:

	For the year ended 31st December	
	2023	2024
	HK$ million	HK$ million
Share of surplus, income and interest in unsold properties from property development	2,335	12,132
Agency fee and other income from West Rail property development	8	60
Overheads	(14)	(7)
Hong Kong property development profit (pre-tax)	2,329	12,185
Hong Kong property development profit (post-tax)	2,035	10,235

Hong Kong property development profit (post-tax) increased by 403% from HK$2,035 million in 2023 to HK$10,235 million in 2024, primarily due to the increase in profit relating to the share of surplus, income and interest in unsold properties mainly derived from LOHAS Park Package 11, Ho Man Tin Station Package 1, and THE SOUTHSIDE packages 1, 2, 4 and 5.

v. Gain/(Loss) from Fair Value Measurement of Investment Properties

Fair value measurement of investment properties changed from a gain of HK$1,386 million in 2023 to a loss of HK$1,703 million in 2024, which represents a loss of HK$3,821 million from fair value remeasurement on investment properties (compared to a gain of HK$26 million in 2023), net of a recognition of HK$2,118 million valuation gain arising from the reduction in outstanding risks and obligations for our sharing-in-kind investment property received in 2023 (i.e. THE SOUTHSIDE shopping mall).

vi. Depreciation and amortisation

The following table sets forth depreciation and amortisation charges by type for 2023 and 2024:

	For the year ended 31st December	
	2023	**2024**
	HK$ million	**HK$ million**
Depreciation charge relating to:		
- Owned property, plant and equipment	3,727	3,574
- Right-of-use assets	350	357
	4,077	3,931
Amortisation charges:		
- Amortisation charge relating to service concession assets and other intangible assets	2,028	2,213
	6,105	6,144

vii. Provisions for onerous contracts

Provisions for onerous contracts decreased from HK$1,022 million in 2023, which were made for Stockholms pendeltåg and Mälartåg regional traffic, to HK$nil in 2024.

viii. Variable annual payment

Variable annual payment increased by 28.5% from HK$2,355 million in 2023 to HK$3,025 million in 2024.

ix. Share of profit of associates and joint ventures

Share of profit of associates and joint ventures increased by 6.4%, from HK$1,259 million in 2023 to HK$1,340 million in 2024. Our share of profits from our Chinese Mainland business associates and joint ventures increased mainly because of improved patronage. Our share of profits from our international business associates and joint ventures increased mainly due to improved contributions from our Australia businesses.

x. Interest and finance charges

The following table sets forth interest and finance charges by type for 2023 and 2024:

	For the year ended 31st December			
	2023		2024	
	HK$ million		HK$ million	
Interest expenses in respect of:				
- Bank loans, overdrafts and capital market instruments	1,816		2,611	
- Obligations under service concession	681		676	
- Lease liabilities	40		21	
- Others	28		20	
Finance charges	42		56	
Exchange loss/(gain)	82		(389)	
		2,689		2,995
Derivative financial instruments:				
- Fair value hedges	9		(105)	
- Cash flow hedges:				
- transferred from hedging reserve to interest expenses	(57)		(127)	
- transferred from hedging reserve to offset exchange (loss)/gain	(75)		476	
- transferred from hedging reserve upon discontinuation of cash flow hedge	-		(4)	
- Derivatives not qualified for hedge accounting	17		2	
		(106)		242
Interest expenses capitalised		(667)		(964)
		1,916		2,273
Interest income in respect of:				
- Deposits with banks	(669)		(1,105)	
- Others	(108)		(136)	
		(777)		(1,241)
		1,139		1,032

Total interest expenses, finance charges and exchange loss/(gain) increased by 11.4% from HK$2,689 million in 2023 to HK$2,995 million in 2024. Interest expenses after capitalisation increased by 18.6% from HK$1,916 million in 2023 to HK$2,273 million in 2024. Interest income increased by 59.7% from HK$777 million in 2023 to HK$1,241 million in 2024.

xi. Net profit for the year

As a result of the foregoing, we had a net profit of HK$16,067 million in 2024, compared to a net profit of HK$8,088 million in 2023.

7. LIQUIDITY AND CAPITAL RESOURCES

A. Cash flows

Our demand for cash was principally funded by cash generated from operations and proceeds from loans and capital market instruments. As of 30th June 2026, we held cash, bank balances and deposits of HK$113,997 million.

The following table sets forth our cash flows for the years or periods indicated:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Net cash generated from operating activities	11,197	18,491	11,874	6,481	7,862
Net cash used in investing activities	(6,817)	(21,017)	(16,988)	(6,918)	(14,186)
Net cash generated from financing activities	1,873	8,503	20,911	28,844	75,740
Cash, bank balances and deposits at the end of the year/period	22,375	27,886	44,242	56,796	113,997

i. Operating activities

Net cash generated from operating activities represents the cash generated from operations netted against the purchase of tax reserve certificates and the current tax paid.

Net cash generated from operating activities increased from HK$6,481 million for the six months ended 30th June 2025 to HK$7,682 million for the six months ended 30th June 2026, which was primarily attributable to changes in working capital.

Net cash generated from operating activities dropped from HK$18,491 million for the year ended 31st December 2024 to HK$11,874 million for the year ended 31st December 2025, which was mainly attributable to (i) the increase in tax paid in 2025 for our Hong Kong property development profit booked in 2024 and (ii) the payments to creditors following the handover of operations for the UK Elizabeth Line in 2025.

Net cash generated from operating activities increased from HK$11,197 million for the year ended 31st December 2023 to HK$18,491 million for the year ended 31st December 2024, which was resulting mainly from the higher recurrent business profit due to continued recovery.

ii. Investing activities

For the six months ended 30th June 2026, net cash used in investing activities was HK$14,186 million, which was primarily attributable to (i) the capital expenditure for (x) asset enhancements such as station renovation, new trains and signalling systems for existing Hong Kong railways and (y) Hong Kong railway extension projects and (ii) the net purchase of investments in securities.

For the year ended 31st December 2025, net cash used in investing activities was HK$16,988 million, which was primarily attributable to (i) purchase of assets for Hong Kong transport and related operations and (ii) Hong Kong railway extension projects.

For the year ended 31st December 2024, net cash used in investing activities was HK$21,017 million, which was primarily attributable to purchase of assets for Hong Kong transport and related operations.

For the year ended 31st December 2023, net cash used in investing activities was HK$6,817 million, which was primarily attributable to purchase of assets for Hong Kong transport and related operations.

iii. Financing activities

For the six months ended 30th June 2026, net cash generated from financing activities was HK$75,740 million, which was primarily attributable to proceeds from loans and capital market instruments.

For the year ended 31st December 2025, net cash generated from financing activities was HK$20,911 million, which was primarily attributable to proceeds from loans, capital market instruments and perpetual capital securities.

For the year ended 31st December 2024, net cash generated from financing activities was HK$8,503 million, which was primarily attributable to the net drawdown of debts.

For the year ended 31st December 2023, net cash generated from financing activities was HK$1,873 million, which was primarily attributable to proceeds from loans and capital market instruments.

B. Debtors and other receivables

The following table sets forth our debtors and other receivables as at the dates indicated:

	As at 31st December			As at 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Debtors and other receivables	13,756	15,780	13,562	11,506	15,524

Debtors and other receivables increased by HK$1,962 million from HK$13,562 million as at 31st December 2025 to HK$15,524 million as at 30th June 2026, mainly due to increase in property development receivables upon recognition of the property development profits.

Debtors and other receivables decreased by HK$2,218 million from HK$15,780 million as at 31st December 2024 to HK$13,562 million as at 31st December 2025, which is mainly due to settlements in relation to property development receivables.

Debtors and other receivables increased by HK$2,024 million from HK$13,756 million as at 31st December 2023 to HK$15,780 million as at 31st December 2024, which is mainly due to increase in property development receivables upon recognition of the property development profits.

C. Creditors, other payables and provisions

The following table sets forth our creditors, other payables and provisions as at the dates indicated:

	As at 31st December			As at 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Creditors, other payables and provisions	76,682	69,417	58,824	64,265	57,217

Creditors, other payables and provisions decreased by HK$1,607 million from HK$58,824 million as at 31st December 2025 to HK$57,217 million as at 30th June 2026, mainly due to the decrease in payables relating to property development projects as the related income was recognised in the consolidated profit or loss for the six months ended 30th June 2026.

Creditors, other payables and provisions decreased by HK$10,593 million from HK$69,417 million as at 31st December 2024 to HK$58,824 million as at 31st December 2025, mainly due to the decrease in deferred income from various property development projects as the related income was recognised in the consolidated profit or loss in 2025.

Creditors, other payables and provisions decreased by HK$7,265 million from HK$76,682 million as at 31st December 2023 to HK$69,417 million as at 31st December 2024, mainly due to (i) the decrease in deferred income from various property development projects as the related income was recognised in the consolidated profit or loss in 2024, (ii) the utilisation of provisions for onerous contracts for Stockholms pendeltåg and Mälartåg, and (iii) the utilisation of government grant for the Oyster Bay project.

8. INDEBTEDNESS

Our total loans and other obligations amounted to HK$59,491 million, HK$77,568 million, HK$88,923 million and HK$170,355 million as at 31st December 2023, 2024 and 2025 and 30th June 2026, respectively.

The total repayable amount of our capital market instruments amounted to HK$55,463 million, HK$71,750 million, HK$82,520 million and HK$135,692 million as at 31st December 2023, 2024 and 2025 and 30th June 2026, respectively.

The following table sets forth our material indebtedness as at the dates indicated:

	As at 31st December			As at 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Short-Term Debt, including current portion of long-term debt					
Loans in Hong Kong dollars, current portion	1,200	3,600	-	-	-
Loans in other currencies, current portion[1]	324	395	270	161	318
Debt Issuance Programme Notes due in 12 months	7,154	14,519	13,740	8,504	15,314
Total short-term debt[2][5]	8,678	18,514	14,010	8,665	15,632
Long-Term Debt, less current portion					
Loans in Hong Kong dollars	-	-	-	-	30,000
Loans in other currencies[1]	2,266	2,401	3,434	2,945	3,523
Debt Issuance Programme Notes due over 12 months	48,308	57,231	68,781	78,922	120,378
Total long-term debt[2][5]	50,574	59,632	72,215	81,867	153,901
Sub-total	59,252	78,146	86,225	90,532	169,533
Unamortised discount/premium/ finance charges outstanding	(229)	(220)	(408)	(423)	(875)
Adjustment due to fair value change of financial instruments[6]	(855)	(1,424)	1,760	955	443
Total carrying amount of debt	58,168	76,502	87,577	91,063	169,101
Lease obligations	1,323	1,066	1,346	1,110	1,255
Total debt and other obligations	59,491	77,568	88,923	92,173	170,355

Notes:

(1) Major foreign currency debts were translated at the corresponding exchange rates for the foreign exchange contracts or currency swaps entered into by MTRCL, or the spot rates prevailing on the relevant dates.

(2) All short-term and long-term debts of MTRCL are unsecured. All borrowings by MTR Cayman are subject to an unconditional and irrevocable guarantee by MTRCL.

(3) The consolidated capitalisation and indebtedness table of the Group does not include the capital of an associate, Octopus Holdings Limited and its subsidiaries ("OHL Group"), as MTRCL does not have effective control over the boards of the OHL Group.

(4) There has been no material change to contingent liabilities or guarantees outstanding as at 30th June 2026 compared with 31st December 2025.

(5) During the period between 1st July 2026 and 30th September 2026, the Group made a net loan repayment of approximately HK$3,030 million.

(6) Being the change in fair value of derivative financial instruments recognised in accordance with the Hong Kong Financial Reporting Standard 9, "Financial Instruments".

The following table sets out the outstanding debt securities of MTRCL and MTR Cayman (all of which are unlisted except for the Notes that are marked with an asterisk* below, which are listed on the Hong Kong Stock Exchange) as at the date of this Offering Circular together with their respective coupon amount, year of maturity and frequency of interest payment.

Issuer	Description and principal amount of debt	Coupon amount	Year of maturity	Frequency of Interest payment
MTR Cayman . .	HKD500,000,000 Notes	3.25% per annum	2043	Quarterly in arrear
MTR Cayman . .	HKD200,000,000 Notes	3.25% per annum	2043	Quarterly in arrear
MTRCL	USD90,000,000 Notes*	3.65% per annum	2043	Semi-Annually in arrear
MTR Cayman . .	AUD50,000,000 Notes	5.5% per annum	2028	Semi-Annually in arrear
MTRCL	JPY5,000,000,000 Notes	1.36% per annum	2028	Semi-Annually in arrear
MTR Cayman . .	JPY5,000,000,000 Notes	1.2875% per annum	2028	Semi-Annually in arrear
MTR Cayman . .	JPY5,000,000,000 Notes	1.255% per annum	2028	Semi-Annually in arrear
MTR Cayman . .	AUD50,000,000 Notes*	5.7% per annum	2029	Semi-Annually in arrear
MTR Cayman . .	HKD500,000,000 Notes	3.15% per annum	2055	Quarterly in arrear
MTR Cayman . .	HKD300,000,000 Notes	3% per annum	2045	Quarterly in arrear
MTR Cayman . .	AUD30,000,000 Notes	4.3% per annum	2030	Annually in arrear
MTR Cayman . .	AUD20,000,000 Notes	4.3% per annum	2030	Annually in arrear
MTR Cayman . .	HKD600,000,000 Notes	3% per annum	2046	Quarterly in arrear
MTR Cayman . .	HKD400,000,000 Notes	2.95% per annum	2041	Quarterly in arrear
MTR Cayman . .	HKD700,000,000 Notes	3% per annum	2051	Quarterly in arrear
MTR Cayman . .	HKD200,000,000 Notes	3% per annum	2051	Quarterly in arrear
MTR Cayman . .	HKD150,000,000 Notes	2.1% per annum	2031	Quarterly in arrear
MTR Cayman . .	USD50,000,000 Notes*	3.375% per annum	2046	Annually in arrear
MTRCL	USD40,000,000 Notes*	3.375% per annum	2046	Annually in arrear
MTR Cayman . .	USD30,000,000 Notes*	3.375% per annum	2046	Annually in arrear
MTRCL	USD30,000,000 Notes*	2.875% per annum	2046	Annually in arrear
MTR Cayman . .	USD600,000,000 Notes*	2.5% per annum	2026	Semi-Annually in arrear
MTR Cayman . .	HKD400,000,000 Notes	3% per annum	2037	Quarterly in arrear
MTR Cayman . .	HKD575,000,000 Notes	3.125% per annum	2042	Quarterly in arrear
MTR Cayman . .	HKD625,000,000 Notes	2.95% per annum	2047	Annually in arrear
MTR Cayman . .	AUD30,000,000 Notes*	3.85% per annum	2032	Annually in arrear
MTRCL	USD90,000,000 Notes*	3.375% per annum	2047	Annually in arrear
MTR Cayman . .	AUD115,000,000 Notes	3.3% per annum	2027	Annually in arrear
MTR Cayman . .	AUD56,000,000 Notes	3.3% per annum	2027	Annually in arrear
MTRCL	HKD338,000,000 Notes*	2.98% per annum	2047	Annually in arrear
MTR Cayman . .	HKD315,000,000 Notes	2.83% per annum	2047	Annually in arrear
MTRCL	USD100,000,000 Notes*	3.375% per annum	2047	Semi-Annually in arrear
MTR Cayman . .	HKD722,000,000 Notes	2.46% per annum	2032	Annually in arrear
MTR Cayman . .	HKD230,000,000 Notes	3.15% per annum	2048	Quarterly in arrear
MTRCL	HKD500,000,000 Notes	2.55% per annum	2055	Quarterly in arrear
MTRCL	USD1,200,000,000 Notes*	1.625% per annum	2030	Semi-Annually in arrear
MTRCL	CNY150,000,000 Notes	2.9% per annum	2027	Annually in arrear
MTRCL	CNY300,000,000 Notes	2.85% per annum	2028	Annually in arrear
MTRCL	CNY600,000,000 Notes*	3% per annum	2028	Annually in arrear
MTRCL	USD100,000,000 Notes	5.12% per annum	2026	Annually in arrear
MTRCL	USD50,000,000 Notes	4.95% per annum	2026	Annually in arrear
MTRCL	HKD700,000,000 Notes*	3.88% per annum	2034	Quarterly in arrear
MTRCL	HKD300,000,000 Notes	3.87% per annum	2027	Annually in arrear

Issuer	Description and principal amount of debt	Coupon amount	Year of maturity	Frequency of Interest payment
MTRCL	HKD350,000,000 Notes	3.85% per annum	2027	Annually in arrear
MTRCL	HKD1,000,000,000 Notes	3.965% per annum	2027	Annually in arrear
MTRCL	HKD300,000,000 Notes	3.93% per annum	2029	Annually in arrear
MTRCL	HKD250,000,000 Notes	4.1% per annum	2029	Annually in arrear
MTRCL	USD43,000,000 Notes	4.59% per annum	2027	Annually in arrear
MTRCL	HKD1,000,000,000 Notes*	4.2% per annum	2034	Annually in arrear
MTRCL	HKD300,000,000 Notes	4% per annum	2029	Annually in arrear
MTRCL	HKD1,000,000,000 Notes	4.283% per annum	2027	Annually in arrear
MTRCL	HKD300,000,000 Notes	4.2% per annum	2034	Annually in arrear
MTRCL	HKD260,000,000 Notes	4.3% per annum	2027	Annually in arrear
MTRCL	HKD400,000,000 Notes	4.2% per annum	2031	Annually in arrear
MTRCL	USD60,000,000 Notes	5% per annum	2031	Annually in arrear
MTRCL	USD50,000,000 Notes	5.17% per annum	2031	Annually in arrear
MTRCL	USD50,000,000 Notes	5.16% per annum	2031	Annually in arrear
MTRCL	USD56,000,000 Notes	5.03% per annum	2031	Annually in arrear
MTRCL	CNY700,000,000 Notes	3.05% per annum	2029	Annually in arrear
MTRCL	HKD380,000,000 Notes	4.25% per annum	2027	Annually in arrear
MTRCL	HKD500,000,000 Notes	4.1% per annum	2029	Annually in arrear
MTRCL	CNY855,000,000 Notes	3.25% per annum	2054	Annually in arrear
MTRCL	CNY300,000,000 Notes	3.25% per annum	2054	Annually in arrear
MTRCL	HKD500,000,000 Notes	3.3% per annum	2027	Annually in arrear
MTRCL	HKD500,000,000 Notes	3.345% per annum	2027	Annually in arrear
MTRCL	CNY3,000,000,000 Notes*	2.75% per annum	2034	Semi-Annually in arrear
MTRCL	CNY1,500,000,000 Notes*	3.05% per annum	2054	Semi-Annually in arrear
MTRCL	HKD500,000,000 Notes	3.07% per annum	2027	Annually in arrear
MTRCL	HKD350,000,000 Notes	3% per annum	2029	Annually in arrear
MTRCL	HKD500,000,000 Notes	3.5% per annum	2027	Annually in arrear
MTRCL	HKD500,000,000 Notes	3.375% per annum	2027	Annually in arrear
MTRCL	AUD50,000,000 Notes	4.87% per annum	2032	Annually in arrear
MTRCL	HKD500,000,000 Notes	3.61% per annum	2026	Annually in arrear
MTRCL	HKD200,000,000 Notes	3.7% per annum	2027	Annually in arrear
MTRCL	HKD200,000,000 Notes	3.7% per annum	2027	Annually in arrear
MTRCL	HKD630,000,000 Notes	3.73% per annum	2028	Annually in arrear
MTRCL	USD25,000,000 Notes	4.315% per annum	2027	Annually in arrear
MTRCL	HKD210,000,000 Notes	3.65% per annum	2028	Annually in arrear
MTRCL	USD54,000,000 Notes	4.45% per annum	2028	Annually in arrear
MTRCL	USD500,000,000 Notes*	4.375% per annum	2030	Semi-Annually in arrear
MTRCL	USD1,000,000,000 Notes*	4.875% per annum	2035	Semi-Annually in arrear
MTRCL	USD1,500,000,000 Notes*	5.25% per annum	2055	Semi-Annually in arrear
MTR Cayman . .	USD1,500,000,000 Subordinated Perpetual Capital Securities*	4.875% per annum (subject to reset and step-up)	Not Applicable	Semi-Annually in arrear

Issuer	Description and principal amount of debt	Coupon amount	Year of maturity	Frequency of Interest payment
MTR Cayman ..	USD1,500,000,000 Subordinated Perpetual Capital Securities*	5.625% per annum (subject to reset and step-up)	Not Applicable	Semi-Annually in arrear
MTRCL	HKD8,388,000,000 Notes*	2.88% per annum	2031	Semi-Annually in arrear
MTRCL	HKD7,500,000,000 Notes*	3.30% per annum	2036	Semi-Annually in arrear
MTRCL	HKD3,000,000,000 Notes*	4.00% per annum	2056	Semi-Annually in arrear
MTRCL	EUR1,000,000,000 Notes*	3.25% per annum	2034	Annually in arrear
MTRCL	EUR1,000,000,000 Notes*	3.625% per annum	2038	Annually in arrear
MTRCL	EUR1,000,000,000 Notes*	4.125% per annum	2046	Annually in arrear

9. CAPITAL EXPENDITURE AND INVESTMENT

The following table sets forth our capital expenditures and investments for the years or periods indicated:

	For the year ended 31st December			For the six months ended 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Purchase of assets for Hong Kong transport and related operations	8,463	11,486	10,115	4,560	5,360
Hong Kong railway extension projects ...	2,309	5,817	8,191	3,838	4,695
Investment property projects and fitting out work	1,250	666	341	127	167
Chinese Mainland and overseas subsidiaries	554	1,447	947	107	274
Total	12,576	19,416	19,594	8,632	10,496

Capital expenditure on Hong Kong railway projects will continue to constitute a significant portion of capital expenditure in 2026-2028, following the signing of project agreements for the Oyster Bay project, Tung Chung Line Extension, Tuen Mun South Extension, Kwu Tung Station, Hung Shui Kiu Station and Northern Link Project – Part 1. The capital expenditure and funding arrangements for other projects will be determined upon execution of relevant agreements with the Government.

Taking into account its cash and deposit balance of HK$114.0 billion, investment balance of HK$16.7 billion, and undrawn committed facilities of over HK$19.0 billion as at 30th June 2026 and its ready access to both the loan and debt capital markets, the Group believes that it possesses sufficient financial resources to support its capital expenditure requirements and investment programme.

10. CAPITAL COMMITMENTS

The following table sets forth our outstanding capital commitments as at the dates indicated not provided for in the consolidated financial statements:

	As at 31st December			As at 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Hong Kong transport operations, station commercial and other businesses	50,965	54,320	51,804	54,335	59,197
Hong Kong railway extension projects	55,952	56,578	47,913	52,313	43,449
Hong Kong property rental and development	14,063	13,366	11,137	12,023	10,467
Chinese Mainland and overseas operations	3,157	2,045	1,247	1,944	1,396
Total	124,137	126,309	112,101	120,615	114,509

Our capital commitments not provided for in the consolidated financial statements under Hong Kong transport operations, station commercial and other businesses comprise the following:

	As at 31st December			As at 30th June	
	2023	2024	2025	2025	2026
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Improvement, enhancement and replacement works	39,295	41,278	37,695	40,331	37,500
Acquisition of property, plant and equipment	4,542	5,318	4,887	5,029	12,006
Additional concession property	7,128	7,724	9,222	8,975	9,691
Total	50,965	54,320	51,804	54,335	59,197

11. OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Save as disclosed above, as of 30th June 2026, we did not have other material off-balance sheet commitments or arrangements.

12. FINANCIAL RISKS DISCLOSURE

The Group's operating activities and financing activities expose it to four main types of financial risks, namely liquidity risk, interest rate risk, foreign exchange risk and credit risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of these financial risks on the Group's financial performance.

The Board of Directors provides principles for overall risk management and approves policies covering specific areas, such as liquidity risk, interest rate risk, foreign exchange risk, credit risk, concentration risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Group's Preferred Financing Model (the "Model") for the Company is an integral part of its risk management policies. The Model specifies, amongst other things, the preferred mix of fixed and floating rate debts, the permitted level of foreign currency debts and an adequate length of financing horizon for coverage of forward funding requirements, against which the Company's financing related liquidity, interest rate and currency risk exposures are measured, monitored and controlled. The Board regularly reviews its risk management policies and authorises changes if necessary based on operating and market conditions and other relevant factors. The Board also reviews on an annual basis as part of the budgeting process and authorises changes if necessary to the Model in accordance with changes in market conditions and practical requirements.

The use of derivative financial instruments to control and hedge against interest rate and foreign exchange risk exposures is an integral part of the Group's risk management strategy. These instruments shall only be used for controlling or hedging risk exposures, and cannot be used for speculation purposes. All of the derivative instruments used by the Company are over-the-counter derivatives comprising principally interest rate swaps, cross currency swaps and foreign exchange forward contracts.

A. Liquidity risk

Liquidity risk refers to the risk that funds are not available to meet liabilities as they fall due, and it may result from timing and amount mismatches of cash inflow and outflow.

The Group employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required, including working capital, debt repayments, dividend payments, capital expenditures and new investments, and by maintaining sufficient cash balance and/or undrawn committed banking facilities to ensure these requirements are met. It adopts a prudent approach and will maintain sufficient cash balance and committed banking facilities to provide forward coverage of a target of 9 months (but not less than 6 months) of projected cash requirements at the parent company level as specified in the Model. The Company also conducts stress testing of its projected cash flow to analyse liquidity risk, and would arrange additional banking facilities or debt issuance or otherwise take appropriate actions if such stress tests reveal significant risk of material cash flow shortfall.

As at 30th June 2026, the Group had undrawn committed banking facility of over HK$19.0 billion (31st December 2025: HK$51.1 billion; 31st December 2024: HK$20.9 billion; 31st December 2023: HK$18.3 billion).

The following table details the remaining contractual maturities at the end of the reporting period of the Group's loans and other obligations other than lease liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	For the year ended 31st December											
	2023				2024				2025			
	HK$ million				HK$ million				HK$ million			
	Capital market instruments	Bank loans	Others	Total	Capital market instruments	Bank loans	Others	Total	Capital market instruments	Bank loans	Others	Total
Loans and other obligations												
Amounts repayable beyond 5 years	25,633	1,599	-	27,232	40,419	1,746	-	42,165	62,114	2,825	-	64,939
Amounts repayable within a period of between 2 and 5 years	14,670	790	-	15,460	15,159	832	-	15,991	25,219	882	-	26,101
Amounts repayable within a period of between 1 and 2 years	15,918	481	-	16,399	15,411	256	-	15,667	10,277	543	-	10,820
Amounts repayable within 1 year	8,791	1,618	620	11,029	16,696	4,076	-	20,772	16,689	373	-	17,062
	65,012	4,488	620	70,120	87,685	6,910	-	94,595	114,299	4,623	-	118,922

Others represent obligations under lease out/lease back transaction.

The Group's exposure to liquidity risks in respect of "derivative financial liabilities", "lease liabilities", "creditors, other payables and provisions", "amounts due to related parties", "obligations under service concession", and "loans from holders of non-controlling interests" are disclosed in the respective notes to the relevant consolidated financial statements.

B. Interest rate risk

The Group's interest rate risk arises principally from its borrowing activities at the parent company level (including its financing vehicles). Borrowings based on fixed and floating rates expose the Group to fair value and cash flow interest rate risks respectively due to fluctuations in market interest rates. The Group manages and controls its interest rate risk exposure at the parent company level by maintaining a level of fixed rate debt between 45% and 80% (same in 2023 to 2025) of total debt outstanding as specified by the Model. Should the actual fixed rate debt level deviate substantially from the Model, derivative financial instruments such as interest rate swaps would be procured to align the fixed and floating mix with the Model. As at 31st December 2025, 81% (2024: 72%; 2023: 67%) of the Company's (including financing vehicles) total debt outstanding was denominated either in or

converted to fixed interest rate after taking into account outstanding cross currency and interest rate swaps. Interest rate risk at subsidiary, associate and joint venture companies are managed separately based on their own borrowing requirement, circumstances and market practice.

As at 31st December 2025, it is estimated that a 100 basis points increase/100 basis points decrease in interest rates, with all other variables held constant, would increase/decrease the Group's profit after tax and increase/decrease the Group's retained profits by approximately HK$278 million/ HK$242 million. Other components of consolidated equity would increase/decrease by approximately HK$1,241 million/HK$1,375 million.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the year ended 31st December 2025 and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The interest rate assumptions represent management's assessment of a reasonably possible change in interest rates over the period until the next annual financial period.

In 2024, a similar analysis was performed based on the assumption of a 100 basis points increase/100 basis points decrease in interest rates, with all other variables held constant, which would decrease/ increase the Group's profit after tax and decrease/increase the Group's retained profits by approximately HK$130 million/HK$125 million. Other components of consolidated equity would increase/decrease by approximately HK$1,174 million/HK$1,278 million.

C. Foreign exchange risk

Foreign exchange risk arises when recognised assets and liabilities are denominated in a currency other than the functional currency of the Group's companies to which they relate. For the Group, it arises principally from its borrowing as well as investment and procurement activities outside Hong Kong.

The Group manages and controls its foreign exchange risk exposure by maintaining a modest level of unhedged non-Hong Kong dollar debt at the parent company level as specified by the Model, and minimal foreign exchange open positions created by its investments and procurements outside Hong Kong. Where the currency of a borrowing is not matched with that of the expected cash flows for servicing the debt, the Company would convert its foreign currency exposure resulting from the borrowing to Hong Kong dollar exposure through cross currency swaps. For investment and procurement in foreign currencies, the Group would purchase the foreign currencies in advance or enter into foreign exchange forward contracts to secure the necessary foreign currencies at pre-determined exchange rates for settlement.

As most of the Group's receivables and payables are denominated in the respective Group companies' functional currencies (Hong Kong dollars, Renminbi, Australian dollars, British Pound or Swedish Krona) or United States dollars (with which Hong Kong dollars are pegged) and most of its payment commitments denominated in foreign currencies are covered by foreign exchange forward contracts, management does not expect that there will be any significant currency risk associated with them.

D. Credit risk

Credit risk refers to the risk that a counterparty will be unable to pay amounts in full when due. For the Group, this arises mainly from the deposits it maintains and the derivative financial instruments that it has entered into with various banks and counterparties as well as from the Defeasance Securities it procured under the lease out/lease back transaction. The Group limits its exposure to credit risk by placing deposits and transacting derivative financial instruments only with financial institutions with acceptable investment grade credit ratings or guarantee, and diversifying its exposure to various counterparties.

All derivative financial instruments are subject to a maximum counterparty limit based on the respective counterparty's credit ratings in accordance with policy approved by the Board. Credit exposure in terms of estimated fair market value of and largest potential loss arising from these instruments based on the "value-at-risk" concept is measured, monitored and controlled against their respective counterparty limits. To further reduce counterparty risk exposure, the Group also applies set-off and netting arrangements across all derivative financial instruments and other financial transactions with the same counterparty.

All deposits and investments are similarly subject to a separate maximum counterparty/issuer limit based on the respective counterparty/issuer's credit ratings and/or status as Hong Kong's note-issuing banks. There is also a limit on the length of time that the Group can maintain a deposit with a counterparty or investment from an issuer based upon the counterparty/issuer's credit ratings. Deposit/investment outstanding and maturity profile are monitored regularly to ensure they are within the limits established for the counterparties/issuers. In addition, the Group actively monitors the credit default swap levels of counterparties/issuers and their daily changes, and may on the basis of the observed levels and other considerations adjust its exposure and/or maximum counterparty/issuer limit to the relevant counterparty.

As at 31st December 2025, the maximum exposure to credit risk of the Group with respect to derivative financial assets and bank deposits is represented respectively by the carrying amount of the derivative financial assets and the aggregate amount of deposits on its consolidated statement of financial position. As at 31st December 2025, there was no significant concentration risk to a single counterparty.

In addition, the Group also manages and controls its exposure to credit risk in respect of receivables as stated in "Debtors and other receivables" above.

MTR Corporation Limited

MTRCL was incorporated in Hong Kong on 26th April 2000 under the predecessor Companies Ordinance (Cap. 32 of the Laws of Hong Kong).

By virtue of the Mass Transit Railway Ordinance (which came into effect on 30th June 2000 (the "Appointed Day")), with effect from the Appointed Day, the Company replaced MTRC as the Issuer under the Programme, assuming all the legal rights and obligations of the Issuer.

The Company was partially privatised on 5th October 2000 by way of an offer for sale of 1,000,000,000 ordinary shares of HK$1 each in the capital of the Company by The Financial Secretary Incorporated ("FSI") on behalf of the Government. The shares are listed on the Hong Kong Stock Exchange and dealings in the shares on the Hong Kong Stock Exchange commenced on 5th October 2000. On 1st November 2000 the FSI completed the sale of an additional 150,000,000 shares pursuant to an over-allotment option granted to the underwriters of the original share offer.

As at 30th June 2026, the Government's shareholding in the Company was approximately 74.45%.

For as long as the Government is the beneficial owner of the majority of the voting power of the Company, it will be able to appoint persons to the Board of Directors of the Company. In addition, no other shareholder or shareholders together will be able to appoint persons to the Board of Directors unless the Government fails to vote its shares against the appointment of such persons.

In February 2004, the Government invited the Company and KCRC to commence discussions relating to a possible merger of the MTR railway and the KCR railway and related businesses. On 11th April 2006, the Company and the Government entered into a memorandum of understanding (the "Memorandum of Understanding") with respect to the Rail Merger. The Legislative Council of Hong Kong approved the Rail Merger Ordinance on 8th June 2007 and on 9th August 2007, the principal Rail Merger transaction agreements (the "Merger Agreements") for the implementation of the Rail Merger were executed.

The Company obtained approval for the Rail Merger from its independent shareholders at an extraordinary general meeting of the Company held on 9th October 2007 and the Rail Merger became effective on the Merger Date. Further details of the Rail Merger are contained in the section headed "The Integrated MTR System" below.

The Integrated MTR System

With effect from the Merger Date, the MTR System and the previous KCR System (as at the Merger Date) have operated as a single combined system (the "Integrated MTR System", as described below).

The MTR System

The Company has a 50-year exclusive franchise which commenced on 30th June 2000 (and which may be extended in accordance with the Mass Transit Railway Ordinance and an Operating Agreement

entered into by the Company and the Government on 30th June 2000 in respect of the operations of the MTR railway (the "Operating Agreement")) to operate the MTR railway system (the "MTR System"). Under the terms of the Rail Merger, the Company's 50-year franchise was re-granted with effect from 2nd December 2007.

The MTR System comprises eight inter-connecting lines: the Kwun Tong Line, the Tsuen Wan Line, the Island Line, the Tseung Kwan O Line, the Tung Chung Line, the Disneyland Resort Line and the South Island Line (which seven lines together comprise the "MTR Lines") and the Airport Express.

The Kwun Tong Line, which commenced operations in 1979, currently runs from Whampoa in mid-Kowloon to east Kowloon at Tiu Keng Leng. The Kwun Tong Line is 18.3 route kilometres in length, of which 15 route kilometres are tunnel section. It has 17 stations, including the interchange stations, and a depot at Kowloon Bay.

The Tsuen Wan Line, which commenced operations in 1982, runs from Central on Hong Kong Island to Tsim Sha Tsui in Kowloon and along the major commercial and residential Nathan Road corridor to Tsuen Wan in the New Territories. It is 16.9 route kilometres in length, of which 13.6 route kilometres are tunnel section. It has 16 stations, including the interchange stations, and a depot at Tsuen Wan.

The Island Line, which commenced operations in 1985, currently runs from Kennedy Town in western Hong Kong Island through Central to the commercial and residential areas of eastern Hong Kong Island ending at Chai Wan. The Island Line is currently 16.0 route kilometres in length, of which 13.9 route kilometres are tunnel section. It currently has 17 stations, including the interchange stations, and a depot at Chai Wan.

The Tung Chung Line, which commenced operations in 1998, runs from Central to Tung Chung on Lantau Island. The Tung Chung Line is 31.1 route kilometres in length, of which 9.0 route kilometres are tunnel section. It has eight stations, including the interchange stations, and a depot at Siu Ho Wan (which is shared with the Airport Express and the Disneyland Resort Line). It was constructed in conjunction with the infrastructure projects associated with the new Hong Kong International Airport and, for most of its length, it either shares its track with, or runs parallel to, the Airport Express.

The Airport Express commenced operations in 1998 as a purpose-built railway serving the new Hong Kong International Airport. It connects the Airport with the Hong Kong, Kowloon, Tsing Yi and AsiaWorld-Expo Stations and is 35.2 route kilometres in length. The Airport Express has five stations, including the interchange stations, and a depot at Siu Ho Wan (which is shared with the Tung Chung Line and the Disneyland Resort Line).

The Tseung Kwan O Line commenced operations in 2002 and runs from North Point on Hong Kong Island through the Eastern Harbour Crossing to Po Lam in Tseung Kwan O new town with a branch to the Tseung Kwan O depot and the adjacent LOHAS Park Station, which was opened to the public on 26th July 2009. This line is 13.8 kilometres in route length and supports the development of the Tseung Kwan O new town and of the Yau Tong area in Kowloon and provides railway access to the commercial and residential districts on Hong Kong Island and in Kowloon.

The Disneyland Resort Line commenced operations on 1st August 2005 to provide a rail-shuttle service between the Tung Chung Line at Sunny Bay and the Hong Kong Disneyland Theme Park which opened in September 2005. The Disneyland Resort Line is 3.5 route kilometres in length.

The South Island Line, which commenced operations on 28th December 2016, is about 7 kilometres in length running between Admiralty and South Horizons with three intermediate stations at Ocean Park, Wong Chuk Hang and Lei Tung. The South Island Line runs from Admiralty in tunnel to Nam Fung Road, then on viaduct to Ocean Park and Wong Chuk Hang, crossing the Aberdeen Channel to Ap Lei Chau.

The KCR System

The KCR System comprises the KCR railway and its bus services. The first section of the KCR railway opened in 1910. KCRC was established as a statutory corporation pursuant to the Kowloon-Canton Railway Corporation Ordinance (Cap. 372 of the Laws of Hong Kong) on 24th December 1982 for an unlimited duration to operate the Hong Kong section of the KCR railway. KCRC owns three domestic passenger rail lines: East Rail (including the Lok Ma Chau Spur Line (the "LMCSL")), the Tuen Ma Line and Light Rail.

The East Rail Line is approximately 45.8 route kilometres in length with 16 stations, including the LMCSL. The LMCSL opened for passenger operations on 15th August 2007 and is about 7.3 kilometres in length. It branches off the East Rail alignment north of Sheung Shui Station, runs at grade into tunnels from Sheung Shui to Chau Tau, and then rises gradually onto viaducts until it reaches Lok Ma Chau Station. In addition, the LMCSL Terminus is linked to Futian Checkpoint station of the Shenzhen Metro Longhua Line by a double-deck passenger bridge. The East Rail Line is connected to Tuen Ma Line at Hung Hom and Tai Wai Stations. Moreover, the cross-harbour extension of the East Rail Line commenced service on 15th May 2022, connecting the old terminal at Hung Hom Station to the new terminal at Admiralty Station, via the Exhibition Centre Station. The full East Rail Line is Hong Kong's fourth cross-harbour railway line, offering interchange connections to five existing railway lines.

Local and cross-boundary passenger services from Admiralty to Lo Wu and Lok Ma Chau are also operated on the East Rail Line.

The West Rail Line was a mass transit commuter rail line linking suburban areas along the Kowloon urban area to the north-western corridor of the New Territories, including the Kowloon Southern Link. It was designed to resolve the long-standing transport problems for residents in the north-western New Territories by linking West Kowloon with Tuen Mun in the western New Territories. The West Rail Line had 12 stations and was 35.4 route kilometres in length. The West Rail Line, which was officially inaugurated on 20th December 2003, previously ran from Hung Hom to Tuen Mun. The Tuen Ma Line Phase 1, which commenced operations on 14th February 2020, was 17.4 route kilometres in length running from Wu Kai Sha to Kai Tak. On 21st June 2021, the Company, the Government and KCRC entered into agreements and arrangements which integrated the Tuen Ma Line Phase 1 with West Rail into a single railway line that is known as the Tuen Ma Line. The Tuen Ma Line commenced passenger

service on 27th June 2021, marking the opening of the longest railway line in Hong Kong. The Tuen Ma Line is 56.5 route kilometres in length and serves 27 stations throughout the eastern and western New Territories and east Kowloon, connecting passengers with the East Rail Line, Kwun Tong Line, Tung Chung Line and Tsuen Wan Line via six interchange stations. It also extends the Company's railway network to areas of To Kwa Wan, Kowloon City and the new Kai Tak Development Site.

The Light Rail system (which is also known as the North-west Railway) commenced operations in September 1988, comprising 36.2 route kilometres of double track with 68 stops. The Light Rail system operates within the areas of Yuen Long, Tin Shui Wai and Tuen Mun in the north-western New Territories. It is a regional mass-transit system utilising vehicles, which are similar to trams on tracks that run parallel to public roads.

KCRC established bus operations in 1986 to provide efficient feeder bus services to the Light Rail system and East Rail. As of 30th June 2026, there were 22 MTR Bus (Transit Service Area Bus) routes and four MTR Feeder Bus (East Rail feeder bus) routes in operation. KCRC entered into a commercial agreement with The Kowloon Motor Bus (1933) Limited in May 1999 to run East Rail feeder bus routes in Tai Po areas.

The "Guangzhou – Shenzhen – Hong Kong" High Speed Rail (Hong Kong Section) ("HSR")

The "Guangzhou – Shenzhen – Hong Kong" High Speed Rail (Hong Kong Section) ("HSR"), which commenced operations on 23rd September 2018, is a 25.7-kilometre rail that connects Hong Kong to Shenzhen, Guangzhou and the high speed rail network in Chinese Mainland, reaching 44 Chinese Mainland stations directly without interchanging at the time of opening. The Company is the operator of the HSR for an initial concession period of 10 years. In July 2026, the number of Chinese Mainland destinations served by the HSR was expanded to 113 to meet rising demand from cross-boundary travellers.

(a) Entrustment Agreements

The Government and the Company entered into an entrustment agreement for the design of and site investigation and procurement activities in relation to the HSR in 2008 (the "HSR Preliminary Entrustment Agreement") and another entrustment agreement for the construction, and commissioning of the HSR in 2010 (the "HSR Entrustment Agreement") (together, the "Entrustment Agreements").

Pursuant to the HSR Preliminary Entrustment Agreement, the Government is obligated to pay the Company the Company's in-house design costs and certain on-costs, preliminary costs and staff costs.

Pursuant to the HSR Entrustment Agreement, the Company is responsible for carrying out or procuring the carrying out of the agreed activities for the planning, design, construction, testing and commissioning of the HSR and the Government, as owner of HSR, is responsible for bearing and financing the full amount of the total cost of such activities (the "Entrustment Cost") and for paying to the Company a fee in accordance with an agreed payment schedule (the "HSR Project Management Fee") (subsequent amendments to these arrangements are described below).

The Government has the right to claim against the Company if the Company breaches the HSR Entrustment Agreement (including, if the Company breaches the warranties it gave in respect of its project management services) and, under the HSR Entrustment Agreement, to be indemnified by the Company in relation to losses suffered by the Government as a result of any negligence of the Company in performing its obligations under the HSR Entrustment Agreement or any breach of the HSR Entrustment Agreement by the Company. Under the HSR Entrustment Agreement, the Company's total aggregate liability to the Government arising out of or in connection with the Entrustment Agreements (other than for death or personal injury) is subject to a cap equal to the total of HSR Project Management Fee and any other fees that the Company receives under the HSR Entrustment Agreement and certain fees received by the Company under the HSR Preliminary Entrustment Agreement (the "Liability Cap"). In accordance with general principles of law, such Liability Cap could not be relied upon if the Company were found to be liable for the fraudulent or other dishonest conduct of its employees or agents, to the extent that the relevant loss had been caused by such fraudulent or other dishonest conduct.

(b) HSR Agreement

In 2015, as a result of the HSR programme being extended to the third quarter of 2018 and the Company and the Government reaching agreement for revising the estimate project cost to HK$84.42 billion (the "Revised Cost Estimate"), the Government and the Company entered into an agreement (the "HSR Agreement") relating to the further funding and completion of the HSR (and which made certain changes to the HSR Entrustment Agreement) which was subsequently approved by the Company's independent shareholders at an extraordinary general meeting, and the Legislative Council approved the Government's additional funding obligations, during 2016. Pursuant to the HSR Agreement:

(i) The Government will bear and finance the project cost up to HK$84.42 billion, which includes an increase in the project cost by the amount of HK$19.42 billion being the "Current Cost Overrun";

(ii) The Company will, if the project cost exceeds HK$84.42 billion, bear and finance the portion of the project cost which exceeds that sum (if any) (the "Further Cost Overrun") except for certain agreed excluded costs (namely, additional costs arising from changes in law, force majeure events or any suspension of construction contracts specified in the HSR Agreement);

(iii) The Company would pay a special dividend in cash of HK$4.40 in aggregate per share in two tranches in 2016 and 2017;

(iv) The HSR Project Management Fee increases from HK$4.59 billion to HK$6.34 billion. Consequently, the Liability Cap increases from up to HK$4.94 billion to up to HK$6.69 billion; and

(v) The Government reserves the right to refer to arbitration the question of the Company's liability for the Current Cost Overrun (if any) under the Entrustment Agreements (including any question

the Government may have regarding the validity of the Liability Cap). The Entrustment Agreements contain dispute resolution mechanisms which include the right to refer a dispute to arbitration. If the arbitrator does not determine that the Liability Cap is invalid and determines that, but for the Liability Cap, the Company's liability under the Entrustment Agreements for the Current Cost Overrun would exceed the Liability Cap, the Company shall:

- bear such amount as is awarded to the Government up to the Liability Cap;

- seek the approval of its independent shareholders, at another General Meeting (at which the FSI, the Government and their Close Associates and Associates and the Exchange Fund will be required to abstain from voting), for the Company to bear the excess liability; and

- if the approval of the independent shareholders (referred to immediately above) is obtained, pay the excess liability to the Government. If such approval is not obtained, the Company will not make such payment to the Government.

On 2nd October 2026, the Company and the Government, without admission of any liability by either party, entered into a settlement deed in relation to the HSR project (the "HSR Settlement Deed"). Pursuant to the HSR Settlement Deed, the Company shall pay to the Government HK$2.25 billion (the "HSR Settlement Sum") in full and final settlement of all claims and potential claims arising out of or in connection with the Entrustment Agreements, the HSR Agreement and the related deed in 2020, subject to limited exceptions. The Company expects to recognise the HSR Settlement Sum as an expense in the consolidated statement of profit or loss of the Company for the year ending 31st December 2026. Further details of the financial effect of the HSR Settlement Deed will be disclosed in the Company's subsequent financial reporting as appropriate.

Shatin to Central Link Project

The ten-station 17-kilometre SCL connects existing railway lines to form an East West Corridor ("Tai Wai to Hung Hom Section") and a North South Corridor ("Hung Hom to Admiralty Section") with five interchange stations, creating vital new links across Hong Kong. The operating period with respect to the SCL is for an initial period of 10 years from 15th May 2022, being the date of commissioning and commercial operation of the Hung Hom to Admiralty Section, which forms the second part of the SCL.

(a) SCL Agreements

The Company and the Government entered into the SCL Preliminary Entrustment Agreement ("SCL EA1") in 2008, the SCL Advance Works Entrustment Agreement ("SCL EA2") in 2011, and the SCL Entrustment Agreement ("SCL EA3") in 2012 (together, the "SCL Agreements"), in relation to the SCL.

Pursuant to the SCL EA1, the Company is responsible for carrying out or procuring the carrying out of the design, site investigation and procurement activities while the Government is responsible for funding directly the total cost of such activities.

Pursuant to the SCL EA2, the Company is responsible for carrying out or procuring the carrying out of the agreed works while the Government is responsible for bearing and paying to the Company all the work costs ("EA2 Advance Works Costs"). The EA2 Advance Works Costs and the Interface Works Costs (as described below) are reimbursable by the Government to the Company. During the six months ended 30th June 2026, HK$10 million of such costs were incurred by the Company, which are payable by the Government. As at 30th June 2026, the amount of such costs which remained outstanding from the Government was HK$91 million.

The SCL EA3 was entered into in 2012 for the construction and commissioning of the SCL. The Government is responsible for bearing all the work costs specified in the SCL EA3 including costs to contractors and costs to the Company ("Interface Works Costs") (which the Company would pay upfront and recover from the Government) except for certain costs of modification, upgrade or expansions of certain assets (including rolling stock, signalling, radio and main control systems) for which the Company is responsible under the existing service concession agreement with KCRC. The Company will contribute an amount in respect of the costs relating to such modifications, upgrades or expansions. This will predominantly be covered by the reduction in future maintenance capital expenditure which the Company would have otherwise incurred. The total sum entrusted to the Company by the Government for the main construction works under the SCL EA3, including project management fee, was HK$70,827 million ("Original Entrusted Amount").

The Company is responsible for carrying out or procuring the carrying out of the works specified in the SCL Agreements for a project management fee of HK$7,893 million (the "Original PMC") which has been fully received by the Company and recognised in the consolidated statement of profit or loss in previous years.

(b) SCL EA3 Cost Overrun

(i) Cost to Complete

The Company has previously announced that, due to the continuing challenges posed by external factors, including issues such as delays due to the discovery of archaeological relics, the Government's requests for additional scope and late or incomplete handover of construction sites, the Original Entrusted Amount under SCL EA3 would not be sufficient to cover the total estimated cost to complete ("CTC") and would need to be revised upwards significantly. After carrying out detailed reviews of the estimated CTC for the main construction works, on 10th February 2020, the Company submitted a revised estimated total CTC of HK$82,999 million ("2020 CTC Estimate"), including additional project management fee payable to the Company of HK$1,371 million ("Additional PMC"), being the additional cost to the Company of carrying out

its remaining project management responsibilities under the SCL EA3, as detailed in paragraph (b)(ii) below but excluding the Hung Hom Incidents Related Costs in respect of which the Company had already recognised a provision of HK$2 billion in its consolidated statement of profit or loss for the year ended 31st December 2019 (as detailed in paragraph (c)(ii) below). The 2020 CTC Estimate represents an increase of HK$12,172 million from the Original Entrusted Amount of HK$70,827 million.

The Government obtained the approval from the Legislative Council on 12th June 2020 for additional funding required for the SCL project amounting to HK$10,801 million ("Additional Funding") so that the SCL can be completed.

(ii) Provision for Additional PMC

As detailed in paragraph (b)(i) above and as previously disclosed by the Company, the programme for the delivery of the SCL project has been significantly impacted by certain key external events. Not only do these matters increase the cost of works, they also increase the cost to the Company of carrying out its project management responsibilities under the relevant SCL entrustment agreement, which is estimated to be around HK$1,371 million.

The Additional Funding approved by the Legislative Council did not include any Additional PMC for the Company which the Company had previously sought from the Government. Therefore, the cost to the Company of continuing to comply with its project management obligations under the SCL EA3 (which the Company has continued and will continue to comply with) has been met by the Company on an interim and without prejudice basis (to allow the SCL project to progress in accordance with the latest programme) and the Company reserves its position as to the ultimate liability for such costs and as to its right to pursue the courses of action and remedies available under the SCL EA3.

After taking into account the matters described above, and in particular, the Company meeting, on an interim and without prejudice basis (on the basis outlined above), the cost to the Company of continuing to comply with its project management obligations, the Group recognised a provision of HK$1,371 million in its consolidated statement of profit or loss for the year ended 31st December 2020, for the estimated additional cost to the Company of continuing to comply with its project management responsibilities. During the six months ended 30th June 2026, the provision utilised amounted to HK$15 million and no provision was written back. As at 30th June 2026, the provision of HK$122 million, net of amount utilised, is included in "Creditors, other payables and provisions" in the consolidated statement of financial position.

This amount does not take into account any potential payment to the Company of any Additional PMC (whether as a result of an award, settlement or otherwise). Accordingly, if any such potential payment becomes virtually certain, the amount of any such payment will be recognised and credited to the Company's consolidated statement of profit or loss in that financial period.

(c) Hung Hom Incidents

As stated in the Company's announcement dated 18th July 2019, there were allegations in 2018 concerning workmanship in relation to the Hung Hom Station extension ("First Hung Hom Incident"). The Company took immediate steps to investigate the issues, report the Company's findings to the Government and reserve the Company's position against relevant contractors.

In late 2018 and early 2019, the Company advised the Government of an insufficiency of construction records and certain construction issues at the Hung Hom North Approach Tunnel ("NAT"), the South Approach Tunnel ("SAT") and the Hung Hom Stabling Sidings ("HHS"), forming an addition to the First Hung Hom Incident ("Second Hung Hom Incident").

(i) Commission of Inquiry ("COI")

On 10th July 2018, the COI was set up by the Chief Executive in Council pursuant to the Commissions of Inquiry Ordinance (Cap. 86 of the Laws of Hong Kong). On 29th January 2019, the Government made its closing submission to the first phase of the COI in which it stated its view that the Company ought to have provided the required skills and care reasonably expected of a professional and competent project manager but that the Company had failed to do so.

On 26th March 2019, the Government published the redacted interim report of the COI in which the COI found that although the Hung Hom Station extension diaphragm wall and platform slab construction works are safe, they were not executed in accordance with the relevant contract in material aspects.

On 18th July 2019, the Company submitted to the Government two separate final reports, one in respect of the First Hung Hom Incident and one in respect of the Second Hung Hom Incident, containing, inter alia, proposals for suitable measures required at certain locations to achieve code compliance. These suitable measures have been implemented.

On 22nd January 2020, the Government reiterated, in its closing submissions to the COI, that there was failure on the part of both the Company and the contractor Leighton Contractors Asia Limited to perform the obligations which the two parties undertook for the SCL project and that the Company, which was entrusted by the Government as the project manager of the SCL project, ought to have provided the requisite degree of skill and care reasonably expected of a professional and competent project manager.

On 12th May 2020, the Government published the final report of the COI in which the COI determined that it is fully satisfied that, with the suitable measures in place, the station box, NAT, SAT and HHS structures will be safe and also fit for purpose. The suitable measures for these structures were completed in 2020. The COI also made a number of comments on the construction process (including regarding failures in respect thereof such as unacceptable incidents of poor

workmanship compounded by lax supervision and that in a number of respects also, management of the construction endeavour fell below the standards of reasonable competence) and made recommendations to the Company for the future.

(ii) Provision for the Hung Hom Incidents Related Costs

In order to progress the SCL project and to facilitate the phased opening of the Tuen Ma Line in the first quarter of 2020, the Company announced in July 2019 that it would fund, on an interim and without prejudice basis, certain costs arising from the Hung Hom Incidents and certain costs associated with the phased opening (being costs for alteration works, trial operations and other costs associated with the preparation activities for the phased opening) ("Hung Hom Incidents Related Costs"), whilst reserving the Company's position as to the ultimate liability for such costs.

After taking into account the matters described above, and in particular, the Company's decision to fund, on an interim and without prejudice basis, the Hung Hom Incidents Related Costs, the Company recognised a provision of HK$2 billion in its consolidated statement of profit or loss for the year ended 31st December 2019. During the six months ended 30th June 2026, the provision utilised amounted to HK$3 million and no provision was written back. As at 30th June 2026, the provision of HK$718 million, net of amount utilised, is included in "Creditors, other payables and provisions" in the consolidated statement of financial position.

This amount does not take into account any potential recovery from any other party (whether in the circumstances that no overall settlement is reached and / or as a result of an award, settlement or otherwise). Accordingly, if any such potential recovery becomes virtually certain, the amount of any such recovery will be recognised and credited to the Company's consolidated statement of profit or loss in that financial period.

On 2nd October 2026, the Company and the Government, without admission of any liability by either party, entered into a settlement deed in relation to the SCL project (the "SCL Settlement Deed"). Pursuant to the SCL Settlement Deed, there is a full and final settlement of all claims and potential claims arising out of or in connection with, among other things, the SCL Agreements, subject to limited exceptions, and neither the Company nor the Government shall pay any settlement sum or other financial compensation to the other. The Company has previously recognised a provision of HK$2 billion in relation to the Hung Hom Incidents Related Costs. As no settlement sum is payable by either the Company or the Government under the SCL Settlement Deed and if no significant additional costs for the SCL project in relation to the preserved obligations referred to above are incurred, the Company expects that the remaining amount of this provision of approximately HK$0.6 billion will, at the appropriate time, be written back to the consolidated statement of profit or loss of the Company. Further details of the financial effect of the SCL Settlement Deed will be disclosed in the Company's subsequent financial reporting as appropriate.

The Integrated MTR System

The MTR railway and the KCR railway (the "Integrated Railway"), Light Rail and HSR are subject to a single regulatory regime and its operations are regulated by the Mass Transit Railway Ordinance, the Mass Transit Railway Regulations (Cap. 556A of the Laws of Hong Kong), the New Operating Agreement and the Amendment Agreement. Passengers travelling on the Integrated Railway (other than on Light Rail) are subject to the Mass Transit Railway By-Laws (Cap. 556B of the Laws of Hong Kong). Passengers travelling on Light Rail are subject to the terms of the Mass Transit Railway (North-West Railway) By-Law (Cap. 556H of the Laws of Hong Kong). The total route length of the Integrated Railway, HSR and Light Rail is approximately 271 kilometres.

There are 99 stations in the Integrated MTR System (excluding Light Rail).

The Rail Merger

The Merger Agreements (as defined on page 142), together with the Rail Merger Ordinance, provide the legal framework and specific terms and conditions for the implementation of the Rail Merger and the continued operation of the MTR and KCR railways.

The Rail Merger was principally structured as a service concession (the "Service Concession"). The Service Concession, which was granted by KCRC to the Company under the Service Concession Agreement dated 9th August 2007 ("Existing Service Concession Agreement"), provides the necessary legal framework to enable the Company to access, use and operate the assets required to run the KCR railway. The assets which are the subject of the Service Concession include assets such as railway infrastructure, rolling stock, railway systems, station equipment, office facilities and other railway and non-railway related assets.

Together with the grant of the Service Concession, the Company purchased certain other assets from KCRC which were needed to operate KCRC's business after the Rail Merger. These assets included certain properties, shares, business plant and machinery, tools and equipment, business stocks, stores and spares and intellectual property rights. The Company also acquired the economic benefit of the majority of KCRC's property-related interests.

The payments made, or to be made by the Company to KCRC in relation to the Rail Merger were, or are as follows:

- *Initial payments:* (i) HK$4.25 billion being the upfront fee for the right to operate the Service Concession and the consideration for the purchase of certain assets; and (ii) HK$7.79 billion payable in consideration for the execution of the Property Package Agreements and the sale of the shares in certain of KCRC's subsidiaries under the Sale and Purchase Agreement, in each case, paid on the Merger Date;

- *Fixed annual payments:* HK$750 million for the Service Concession, payable in arrear on the day immediately preceding each anniversary of the Merger Date; and

- *Variable annual payments:* for the Service Concession on a tiered basis by reference to the amount of revenue from the KCR railway (as determined in accordance with the service concession agreement) for each financial year of the Company. The applicable percentage will vary according to the amount of revenue from the KCR railway for the relevant financial year of the Company.

These variable annual payments will be payable in arrear within 60 days after the end of the relevant financial year of the Company. No variable annual payment was payable in respect of the first 36 months following the Merger Date.

Patronage

The number of passengers carried for each of the years 2021 to 2025 and for the first six months of 2026 is set out in the following table. For the first half of 2026, total patronage for all of the Company's rail and bus passenger services (that is, the Integrated MTR System) increased to 975.4 million or by 1.2% as compared to total patronage on the Integrated MTR System during the same period in the previous year.

The Company's domestic service, which includes the MTR Lines and the KCR Lines (comprising the East Rail (excluding the cross-boundary service) and Tuen Ma Line) recorded total patronage of 789.6 million for the first half of 2026. This represents an increase of 0.5% when compared to the same period in 2025.

For the cross-boundary service at Lo Wu and Lok Ma Chau, patronage was 55.4 million for the first half of 2026, compared with 51.2 million during the same period in 2025.

For the first six months of 2026, patronage on the Airport Express increased by 0.6% as compared to the same period last year.

Total patronage on the HSR in the first half of 2026 was 16.6 million, representing an increase of 12.8%.

Driven by network capacity and destination expansion, the more frequent two-way flow of travellers between Hong Kong and Chinese Mainland has continued to boost patronage, especially for cross-boundary services and HSR.

Passengers per year

	Integrated MTR System[2]
	(in millions)
2026 (first six months)[1]	975.4
2025	1,958.5
2024	1,953.5
2023	1,896.8
2022	1,518.1
2021	1,616.3

Notes:

(1) The total number of passengers for the first six months ended 30th June 2026.

(2) Total patronage from all rail and bus passenger services (including Intercity Service).

Fares and the Fare Adjustment Mechanism

One of the parameters set by the Government in February 2004 in relation to the Rail Merger was the adoption of an objective and transparent fare adjustment mechanism. The Government set this parameter to address (a) the public concern that the process for adjustment of transport fares should be more objective and transparent, and should allow for reductions as well as increases in fares; (b) the concern of public transport operators that once fares are reduced, public pressure will render fare increases difficult, if not impossible, to implement (even when the economy is improving); and (c) the common concern of public transport operators and the Government that fare adjustments should not be politicised as they are not conducive to efficiency and social harmony.

The Company and the Government agreed upon the FAM for determining future fare adjustments to replace fare autonomy after the Rail Merger. The FAM was incorporated into the new operating agreement dated 9th August 2007 ("New Operating Agreement"), which replaced the previous Operating Agreement on the Merger Date. The FAM became effective on the Merger Date and was applied for the first time in 2009.

The FAM provides that any adjustment to specified fares should be linked to changes in the Composite Consumer Price Index and changes in the Nominal Wage Index (Transportation Section), both published by the Census & Statistics Department of the Government, and takes into account a productivity factor.

The FAM is subject to review every five years. The Company and the Government began the first review exercise in 2012 and this was completed in April 2013. In April 2016, the Company agreed to an early joint review of the FAM as requested by the Government, thereby advancing the next scheduled review by one year. Following completion of the review exercise in March 2017, the Company and the Government agreed to maintain the FAM formula and the direct-drive nature of the FAM formula, save for (a) certain consequential changes as a result of the Early Review having been advanced by one year and (b) certain fare concessions and promotions. The Company and the Government agreed that the scheduled review of the FAM originally due in 2017/18 will not be undertaken. On 21st March 2023, the Company announced that the joint review of the FAM by the Company and Government in accordance with the New Operating Agreement, scheduled to be undertaken in 2022/23, has been completed and the outcome of the review is set out below.

The FAM, prior to the 2022/23 joint review of the FAM, requires the Company to adjust fares according to a pre-determined formula based on changes in the composite consumer price index and wage index, and a productivity factor. The FAM formula, as amended pursuant to the review of the FAM in 2013 and 2017, works as follows:

"Overall weighted fare adjustment rate = 0.5 * Δ CCPI + 0.5 * Δ wage index – t"

where:

"Overall weighted fare adjustment rate" is calculated based on the basket of specified "fares" on the Integrated Railway;

"Δ CCPI" means the yearly percentage change in the Government Composite Consumer Prices Index;

"Δ wage index" means the yearly percentage change in the Nominal Wage Index (Transportation Section) (the "Transport Wage Index"); and

"t" shall have the value:

(a) zero up to the implementation of the FAM in 2012; and

(b) thereafter, the greater of:

(1) 0.5 x CAGR in Productivity in the Reference Period expressed as a percentage and rounded to the nearest one tenth of a percentage; and

(2) zero,

where:

"CAGR" means compound annual growth rate;

"Productivity" is revenue from the Company's Hong Kong transport operations divided by the Company's expenses relating to Hong Kong transport operations, as set out in the Company's audited financial statements for the first and last financial years of the Reference Period (but subject to adjustments due to changes in accounting standards and segmental reporting between the two relevant financial years); and

"Reference Period" (a) in respect of each of the calendar years 2013 to 2017, is the financial years 2008 to 2012; and (b) in respect of each of the calendar years 2018 to 2022, is the financial years 2012 to 2017. Thereafter, for each successive five calendar years, in respect of each calendar year in such five-year period, the Reference Period is the six financial years immediately preceding that five-year period.

As a consequence of the Early Review having been advanced by one year, the Company and the Government have agreed to amend the FAM such that the "Reference Period" in respect of each of the calendar years 2013 to 2016, is the financial years 2008 to 2012, in respect of each of the calendar years 2017 to 2022, is the financial years 2012 to 2016 and, in respect of each of the calendar years 2023 to 2027, is the financial years 2016 to 2022.

For reference, the value of "t" (the productivity factor) in respect of each of the calendar years 2017 to 2022 with reference to the Reference Period, as amended, will be zero.

As a result of the 2022/23 joint review of the FAM, the Company and Government have agreed to amend an element of the FAM such that, going forward and unless further amended, the value of "t" (the productivity factor) shall be calculated by reference to the Company's post-tax property development profit in Hong Kong rather than by reference to the financial performance of the Company's Hong Kong transport operations. Accordingly, the value of "t" (the productivity factor) shall be calculated in each calendar year by reference to the profit for the preceding calendar year attributable to the shareholders of the Company arising from property development in Hong Kong (or as maybe renamed to such other equivalent item from time to time and subject to adjustments due to changes in accounting standards and segmental reporting), as set out in the consolidated statement of profit or loss in the audited consolidated financial statements of the Company ("Property Development Profit") for that preceding calendar year (or such number calculated on the same basis as the Property Development Profit was calculated for the preceding calendar year provided that, where there is discrepancy between the number so calculated and the audited figure which subsequently becomes available, Government and the Company shall discuss in good faith and agree on a method of handling the discrepancy), as follows:

Profit for preceding year attributable to shareholders of the Company arising from property development in Hong Kong (or such other equivalent item from time to time)	**Value of "t" (of a percentage point)**
Less than HK$5,000,000,000	0.6
Equal to or greater than HK$5,000,000,000 up to but less than HK$10,000,000,000	0.7
Equal to or greater than HK$10,000,000,000	0.8

The FAM, prior to the 2022/23 joint review of the FAM, limits the Company from adjusting any individual specified fares within the fare basket by a percentage greater than the FAM rate plus or minus 5 percentage points (inclusive). As a result of the 2022/23 joint review, the Company and Government have agreed to extend this permitted range to plus or minus 8 percentage points (inclusive) in limited circumstances where the Board reasonably believes such greater percentage adjustment is necessary to prevent the occurrence, or minimise the extent, of certain fare anomalies whereby some fares applicable to a journey on the same railway line may be higher for a shorter journey than for a longer journey.

All other aspects of the FAM as disclosed in the Company's announcements dated 16th April 2013 and 21st March 2017 (in relation to the review of the FAM in 2013 and 2017) remain unchanged (subject to the fare concessions and promotions and special applications described below).

If, in a given year, the overall fare adjustment rate under the FAM is within the range of +/-1.5%, there shall be no fare adjustment and the unadjusted percentage shall be rolled over to the next annual fare review.

The FAM applies to specified fares on all existing and new railway lines on the Integrated Railway, on the Light Rail and on Transit Service Area Buses (other than the Airport Express Line (unless the fare is an Airport workers' fare), Ngong Ping 360, the intercity trains and certain other new lines which are not intended for use by daily commuters for domestic travel). The weighted average adjustment of these specified fares should be equal to the calculated "overall fare adjustment rate" from the above formula. For adjustments to fares of the Airport Express, the Company shall be subject to consultation requirements which are substantially the same as those set out in the New Operating Agreement.

The Company will introduce, or continue to make available, a number of fare concessions, in the form of promotions. These include the elderly, children, eligible students, persons with disabilities, as well as the City Saver and HK$0.5 interchange discount with Green Minibus, whilst extending the Monthly Passes and Early Bird Discount for another year.

In March 2026, the Company announced that fares for 2026/2027 will remain unchanged based on the "Affordability Cap" arrangement, which stipulates that the calculated fare adjustment rate (+2.85%) cannot exceed the corresponding year-on-year change in median monthly household income (zero). The +2.85% fare adjustment rate will instead be recouped over the subsequent two years, of which +1.43% will be recouped in 2027/2028 and +1.42% will be recouped in 2028/2029. Additionally, the total rate of +1.96% to be recouped in 2026/2027 will also be carried forward to 2027/28 for recoupment in accordance with the FAM.

In accordance with the provisions of the New Operating Agreement, the next scheduled review of the FAM is expected to take place in 2027/28.

Future Extensions/Projects

Potential Future Extensions

On 17th September 2014, the Government issued its RDS 2014 (as defined on page 19). The RDS 2014 proposed the following seven new railway projects in Hong Kong:

- The Tung Chung Line Extension will extend the existing Tung Chung Line by 1.5 kilometres to a new station in Tung Chung West. This new station will provide railway access to existing residents in the Yat Tung Estate and other potential developments nearby. Another new station at Tung Chung East will also be added to serve the new developments on the Tung Chung New Town Extension (East) reclamation. On 28th February 2023, the Company entered into a project agreement with Government for the financing, design, construction, operation, and maintenance of the Tung Chung Line Extension. Please see "Projects in Progress" below for further details.

- The Tuen Mun South Extension will extend the (former) West Rail Line by 2.4 kilometres to connect Tuen Mun Station to the new Tuen Mun South Station, with an intermediate station at Area 16 to further enhance rail catchment. This will improve connectivity for residents in Tuen Mun South who presently have to travel to Tuen Mun Station in order to access the railway

system. On 5th September 2023, the Company entered into a project agreement with Government for the financing, design, construction, completion, pre-operation, operation and maintenance of the Tuen Mun South Extension. Please see "Projects in Progress" below for further details.

- The Northern Link and Kwu Tung Station will be a new 10.7 kilometre railway line formed by linking the Kam Sheung Road Station on the (former) West Rail Line to a new station at Kwu Tung on the Lok Ma Chau Spur Line. The 6.2 kilometre Northern Link Spur Line connects the Northern Link to Huanggang Port in Shenzhen via an interchange station. The Northern Link will improve the east-west connectivity in the northern New Territories, divert passenger flow from the East Rail Line, help connect new development areas in the northern New Territories and enhance cross-boundary movements. On 5th September 2023, the Company entered into a project agreement with Government for the financing, design, construction, completion, pre-operation, operation and maintenance of the Kwu Tung Station. Further, on 8th July 2025, the Company entered into a project agreement with Government for the financing and construction of parts of the Northern Link Main Line ("NOL Main Line") and commencement of detailed planning and design for the Northern Link Spur Line ("NOL Spur Line"). Please see "Projects in Progress" below for further details.

- The Hung Shui Kiu Station will be a new station on the (former) West Rail Line located between Tin Shui Wai Station and Siu Hong Station. It will provide railway service for the Hung Shui Kiu New Development Area. On 19th September 2024, the Company entered into a project agreement with Government for the financing, design, construction, completion, pre-operation, operation and maintenance of the Hung Shui Kiu Station. Please see "Projects in Progress" below for further details.

- A new East Kowloon Line will aim to connect Diamond Hill Station on the existing Kwun Tong Line (and the SCL) and Po Lam Station on the existing Tseung Kwan O Line. This 7.8 kilometre line will run along the north Kwun Tong area and will help serve the densely populated areas in Choi Wan, Shun Tin, Sau Mau Ping and Po Tat.

- The South Island Line (West) will be a 7.4 kilometre line that connects the South Island Line with the Island Line, serving the western and southern parts of the Hong Kong Island. It will extend railway coverage to new catchment areas in Aberdeen, Wah Fu, Cyberport and Pok Fu Lam. This new railway line will address the growing transport demand in the western part of the Southern District, improving the overall accessibility and transport capacity as well as relieving pressure on the road network in the Pok Fu Lam area.

- The North Island Line will span approximately 5 kilometres along the northern shore of Hong Kong Island. It will be an extension of the Tung Chung Line and the Tseung Kwan O Line, with stations at Tamar, Exhibition Centre and Causeway Bay North. This new railway line will alleviate the passenger flow on the Island Line and improve east-west rail connectivity, and will help serve the harbourfront areas from Central to Causeway Bay.

Project proposals for the East Kowloon Line, North Island Line and South Island Line (West) were also submitted. In December 2025, the Chief Executive in Council approved the invitation to the Company to proceed with the detailed planning and design of the South Island Line (West), which will adopt a smart and green mass transit system to connect the existing South Island Line and Island Line for enhanced rail service in the southern and western districts of Hong Kong Island. As mentioned in the 2023 Blueprint, the Government anticipates that, up to 2046, there is no imminent need to take forward the North Island Line. The Company continues to work with the Government on challenges pertaining to this line. Also mentioned in the 2023 Blueprint, the Government will introduce a smart & green mass transit system in East Kowloon as an alternative to the underground heavy rail system.

During the Policy Address in October 2021, the Chief Executive announced plans for the Northern Metropolis Development Strategy, an initiative designed to foster the city's future urban and economic development through enhanced railway networks and more extensive connectivity with the Greater Bay Area. Railway projects include:

- Constructing the Hong Kong-Shenzhen Western Rail Link to connect the Hung Shui Kiu/Ha Tsuen New Development Area and Qianhai in Shenzhen;

- Extending the Northern Link northwards to connect to the new Huanggang Port in Shenzhen via the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop, a project that will be known as the NOL Spur Line;

- Extending the East Rail Line to Luohu in Shenzhen;

- Extending the Northern Link eastwards from Kwu Tung Station to connect with Lo Wu, Man Kam To and Heung Yuen Wai as well as further southwards to Fanling; and

- Examining the feasibility of constructing an automated people-mover system from Tsim Bei Tsui to Pak Nai.

Among these five projects, the Company has already commenced a study on the NOL Spur Line after receiving an invitation from the Government in early 2021. On 8th July 2025, the Company entered into a project agreement with Government for commencement of detailed planning and design for the NOL Spur Line. The railway scheme for the NOL Spur Line was gazetted under the Railways Ordinance in June 2026.

In September 2025, the Government invited the Company to submit an expression of interest in the Hong Kong – Shenzhen Western Rail Link.

During the Policy Address in October 2022, the Chief Executive proposed further extension of Hong Kong's railway network as well as plans for long-term land development. In particular, Government

intends to take forward the three strategic railway projects recommended in the Strategic Studies on Railways and Major Roads Beyond 2030 ("RMR2030+") Study:

- the Tseung Kwan O Line Southern Extension;
- the Central Rail Link connecting Kam Tin in Yuen Long with Kowloon Tong via Kwai Chung; and
- the Hong Kong – Shenzhen Western Rail Link project linking Hung Shui Kiu and Qianhai in Shenzhen.

During the Policy Address in October 2023 by the Chief Executive and the publication of the 2023 Blueprint, the Government proposed an enhanced "Three Railways" proposal which includes:

- the Central Rail Link with provision of three intermediate stations located in Northeast Tsuen Wan, Northeast Kwai Chung and the Tsuen King Circuit to enable transit to the Tsuen Wan Line;
- the Tseung Kwan O Line Southern Extension; and
- the Hong Kong – Shenzhen Western Rail Link linking Hung Shui Kiu with Qianhai in Shenzhen.

There are also two new railways mentioned in the 2023 Blueprint, namely the "Northern Link Eastern Extension" and "Northeast New Territories Line" connecting Heung Yuen Wai to Fanling Station on the East Rail Line.

In February 2026, the Government announced the 2026 Blueprint, which further advanced plans for railway development in Hong Kong, including the "Eight Vertical and Eight Horizontal Corridors" layout.

The Company remains committed to supporting the Government in advancing other railway initiatives. Approval was given by the Chief Executive in Council for the Government to invite the Company to commence detailed planning and design for Pak Shek Kok Station on the East Rail Line in July 2026 as well as South Island Line (West) in December 2025. The Company also continues to provide support to the Government on the Tseung Kwan O Line Southern Extension, Central Rail Link, Northern Link Eastern Extension and Northeast New Territories Line as required. Elsewhere, the Company is closely monitoring developments for the Hong Kong–Shenzhen Western Rail Link as well as smart and green mass transit system initiatives in areas such as East Kowloon, Kai Tak, Hung Shui Kiu/Ha Tsuen and the Yuen Long South New Development Areas. The tender for the smart and green mass transit system in Kai Tak was submitted on 14 August 2026, and the Government commenced the invitation to tender for the East Kowloon project in July 2026. We will consider investing in these and other initiatives if returns are commercially justified.

As at 30th June 2026, included in deferred expenditure in the consolidated statement of financial position are costs of HK$98 million mainly incurred for certain railway projects which the project agreements are yet to be reached with the Government or the Group is yet to be obligated to operate the related railway. The future development of the respective projects is expected to bring future economic benefits to the Group. In the event that in a future period it is no longer considered probable that the corresponding project agreements can be reached, and the costs concerned are no longer considered as recoverable, the costs concerned will be charged to the consolidated statement of profit or loss in that reporting period.

As at 30th June 2026, capital commitments of Hong Kong railway extension project included costs of HK$43.4 billion in respect of which the project agreements have been signed.

Projects in Progress

The 2020 Policy Address announced the development of the site of the Company's existing depot at Siu Ho Wan which is expected to provide a total of about 20,000 public and private residential units in the medium to long term. In order to proceed with the proposed development of the site of the Company's existing depot at Siu Ho Wan, the Company applied for a land exchange for the depot conversion and, on 23rd September 2022, the Company accepted the Government's land exchange offer in the Government's offer letter dated 24th August 2022. To cater for the transportation needs of the new community, the Company will construct a new railway station (Oyster Bay Station) at Siu Ho Wan along the existing Tung Chung Line. The scheme for Oyster Bay Station was gazetted under the Railways Ordinance in June 2021 and authorised under the Railways Ordinance in August 2021. On 23rd September 2022, the Company entered into a project agreement with the Government for the financing, design, construction, pre-operation, operation and maintenance of the Oyster Bay Station which will be owned, operated and maintained by the Company. Construction of Oyster Bay Station commenced in December 2023. In the first half of 2026, the Company commenced site formation for bifurcation while piling works continued.

The Company was invited by the Government in April 2020 to proceed with the detailed planning and design of the Tung Chung Line Extension. The Company awarded the design consultancies for the Tung Chung Line Extension in June 2020, and proceeded with the detailed planning and design, ground investigation and environmental impact assessment work for the Tung Chung Line Extension. The scheme for the Tung Chung Line Extension was gazetted under the Railways Ordinance in December 2021, following which the Company appointed the preliminary design consultant for the Airport Railway Extended Overrun Tunnel in March 2022 and invited tenders for the first of the major civil contracts, the tunnel and station west of the existing Tung Chung Station in May 2022. The scheme for the Tung Chung Line Extension was authorised under the Railways Ordinance in January 2023. On 28th February 2023, the Company entered into a project agreement with Government for the financing, design, construction, operation, and maintenance of the Tung Chung Line Extension. This agreement also covers the construction of the Airport Railway Extended Overrun Tunnel. The Tung Chung Line Extension and Airport Railway Extended Overrun Tunnel will be progressed using the ownership model. In June 2026, the Company's construction team achieved breakthrough on the tunnels in both directions between the existing Tung Chung Station and the future Tung Chung West Station. In

February 2026, the Tung Chung East Station was topped out, and electrical and mechanical works remain in progress. At Tung Chung West Station, the Company completed the concourse-level concrete slab in March 2026, and excavation and construction works are on-going. This project is being funded by financial contributions from the R+P Model and the Company's internal resources. Completion of the Tung Chung Line Extension is targeted for 2029.

The Company was invited by the Government in May 2020 to proceed with the detailed planning and design of the Tuen Mun South Extension. The Company awarded the design consultancies for the Tuen Mun South Extension in October 2020, and proceeded with the detailed planning and design, ground investigation and environmental impact assessment work for the Tuen Mun South Extension. The scheme for the Tuen Mun South Extension was gazetted in January 2022 and authorised under the Railways Ordinance in June 2022. On 5th September 2023, the Company entered into a project agreement with Government for the financing, design, construction, completion, pre-operation, operation and maintenance of the Tuen Mun South Extension, a project that involves extending the Tuen Ma Line southward by approximately 2.4 kilometres from Tuen Mun Station by way of a viaduct as well as building two new stations: an intermediate station at Area 16 and a new terminal station at Tuen Mun South near the Tuen Mun Ferry Terminal. The Tuen Mun South Extension will be progressed using the ownership model and is being funded by financial contributions from the R+P development model and the Company's internal resources. In 2025, the Company completed reprovisioning works for GREEN@TUEN MUN. In February 2026, the Tuen Mun Swimming Pool was also opened to the public following reprovisioning works. Piling and foundation works at A16 and Tuen Mun South stations also continued in 2026. The overall project is expected to be completed in 2030.

The Company was invited by the Government in December 2020 to proceed with the detailed planning and design of the Kwu Tung Station. The Company awarded the detailed planning and design consultancy for Kwu Tung Station in April 2021. The scheme of the Kwu Tung Station was gazetted in April 2022 and authorised under the Railways Ordinance in November 2022. On 5th September 2023, the Company entered into a project agreement with Government for the financing, design, construction, completion, pre-operation, operation and maintenance of the Kwu Tung Station. The Kwu Tung Station will be progressed using the ownership model. In 2025, the Company substantially completed the station structural works as well as installation of all platform screen doors. Electrical and mechanical and building services installation works have commenced and are progressing in full swing. As of 30th June 2026, the Company has now entered the electrical and mechanical phase of this project, and 12 escalator trusses were delivered and positioned during the first half of 2026. The project is expected to be completed in 2027.

The Company was invited by the Government to proceed with the detailed planning and design for Hung Shui Kiu Station project in May 2021. The Company awarded the preliminary design consultancy for the project in October 2021. The scheme for the Hung Shui Kiu Station was gazetted under the Railways Ordinance in February 2023. In March 2024, the Chief Executive in Council authorised the construction of Hung Shui Kiu Station under the Railways Ordinance. On 19th September 2024, the Company entered into a project agreement with Government for the financing, design, construction,

completion, pre-operation, operation and maintenance of the Hung Shui Kiu Station. Detailed design and piling are in progress. Overall construction is expected to be completed by 2030. This new station, located between Tin Shui Wai and Siu Hong stations on the Tuen Ma Line, will become a significant transport facility serving the new population of the Hung Shui Kiu/Ha Tsuen New Development Area.

The Company was invited by the Government in December 2020 to proceed with the detailed planning and design of the Northern Link. For the Northern Link project, the Company awarded the preliminary design consultancy for the main line and associated stations in July 2021. The railway scheme for the NOL Main Line was gazetted under the Railways Ordinance (Cap. 519 of the Laws of Hong Kong) in October 2023. In April 2025, the Chief Executive in Council authorised the railway scheme of the NOL Main Line under the Railways Ordinance. On 8th July 2025, the Company signed the Northern Link (Part 1) Project Agreement with the Government for the financing and construction of parts of the NOL Main Line and the commencement of detailed planning and design for the NOL Spur Line. The inauguration ceremony was held on 3rd October 2025. During the first half of 2026, the Company progressed the construction of launching shafts and other preparation works under the Northern Link (Part 1) Project Agreement. Design, planning and negotiations for the signing of the Northern Link (Part 2) Project Agreement continued during the first half of 2026. Discussions relate primarily to the financing and construction of the remaining works of the NOL Main Line and the NOL Spur Line, as well as the operation and maintenance of both lines. The railway scheme for the NOL Spur Line was gazetted under the Railways Ordinance in June 2026. The Government has announced its intention to proceed with the Company using the ownership approach, and different funding models, including the R+P Model, may be deployed to ensure commercial returns on the Company's investments. Commissioning of both lines is targeted for no later than 2034.

Summary Financial Information

The summary financial information for the six months ended and as at 30th June 2025 and 2026 presented below is prepared based on the unaudited consolidated interim financial statements of the Group for the six months ended 30th June 2026, which is incorporated by reference in this Offering Circular.

The summary financial information for the years ended and as at 31st December 2024 and 2025 presented below is prepared based on the audited consolidated financial statements of the Group for the year ended 31st December 2025, which is incorporated by reference in this Offering Circular.

The information set out below should be read in conjunction with, and is subject to in its entirety by reference to, the relevant consolidated financial statements of the Group, including the notes thereto.

	Six months ended 30th June		Year ended 31st December	
	2026	2025	2025	2024
	HK$ million		HK$ million	
Revenue				
- Hong Kong transport operations	11,850	11,509	23,595	23,013
- Hong Kong station commercial businesses	2,615	2,621	5,345	5,343
- Hong Kong property rental and management businesses	2,593	2,657	5,067	5,379
- Chinese Mainland and international railway, property rental and management subsidiaries	8,845	10,183	20,686	25,467
- Chinese Mainland property development	-	14	14	-
- Other businesses	328	376	758	809
Total revenue	26,231	27,360	55,465	60,011
Operating profit before Hong Kong property development, fair value measurement of investment properties, depreciation, amortisation and variable annual payment	8,953	8,838	17,710	17,904
Hong Kong property development profit from share of surplus, income and interest in unsold properties	14,595	6,594	13,212	12,185
Gain/(loss) from fair value measurement of investment properties	205	(1,224)	(2,060)	(1,703)
Operating profit before depreciation, amortisation and variable annual payment[(1)]	23,753	14,208	28,862	28,386
Profit before interest, finance charges and taxation[(2)]	19,444	10,176	19,923	20,577
Profit before taxation	19,556	9,556	18,917	19,525
Profit for the period/year	16,619	7,822	15,558	16,067
Profit/(loss) for the period attributable to shareholders of MTRCL:				
- Arising from recurrent businesses				
- in Hong Kong	2,917	2,973	4,962	5,981
- outside Hong Kong	517	418	691	1,229
	3,434	3,391	5,653	7,210
- Arising from property development				
- in Hong Kong	12,223	5,530	11,066	10,235
- outside Hong Kong	10	12	18	30
	12,233	5,542	11,084	10,265
- Arising from underlying businesses	15,667	8,933	16,737	17,475
- Arising from fair value measurement of investment properties	205	(1,224)	(2,060)	(1,703)
	15,872	7,709	14,677	15,772

Notes:

(1) Operating profit before depreciation, amortisation, variable annual payment, share of profit of associates and joint ventures, interest, finance charges and taxation.

(2) Profit before interest, finance charges and taxation and after depreciation, amortisation, variable annual payment and share of profit of associates and joint ventures.

Financing

As at 30th June 2026, 69% of the Group's outstanding debt bore interest at fixed rates with the remaining 31% at floating rates. As at 30th June 2026, 100% of the Group's outstanding debt was denominated in or hedged into HK dollars, or naturally hedged by assets or cash flows from overseas businesses.

As at 30th June 2026, the Group had available undrawn committed banking facilities of HK$19,523 million (US$2,490 million equivalent(1)) and uncommitted debt issuance and short-term banking facilities of HK$139,625 million (US$17,805 million equivalent(1)). Outstanding borrowings as at 30th June 2026 were HK$169,533 million (US$21,618 million equivalent(1)).

Notes:

(1) US$ equivalent was translated at a rate of HK$7.8421 = US$1, being the prevailing spot rate at 30th June 2026. (Source: Bloomberg)

The projections for repayment of loans outstanding as at 30th June 2026 are shown in the following table in millions of HK$ and the US$ equivalent.

	As at 30th June 2026	
Borrowings	**HK$ million**	**US$ million equivalent**
Repayable within one year	15,632	1,993
Repayable between one and two years	4,389	560
Repayable between two and five years	35,337	4,506
Repayable beyond five years	114,175	14,559
Total	169,533	21,618

Notes:

(1) The ageing schedule analysis is based on the outstanding principal amounts.

(2) The HK$ amounts were translated into US$ amounts at a rate of HK$7.8421 = US$1, being the prevailing spot rates at 30th June 2026. (Source: Bloomberg)

Property Development and Management

General

Property development and management is a significant part of the Company's business, providing an important source of income that has supported the cost of construction of railway projects as well as contributing to future rail patronage from the immediate catchment areas created by property developments. The Company has become one of the largest property management companies in Hong Kong, with over 132,000 residential units and over 920,000 square metres of office and commercial space under its management as at 30th June 2026.

In conjunction with its railway construction activities, the Company has been involved in the development of residential and commercial properties above and adjacent to MTR stations and depots

under agreements with various property developers. Profits that the Company has received from these development ventures have been used by the Company to supplement associated railway returns, thereby contributing to an improved rate of return on the investment of constructing new railway lines.

The Company has an established track record for the planning, designing and project management of railway property developments. The Company's formula for property development is based on minimising direct risk in the development of the properties, thereby reducing the Company's exposure to the property market and its related risks.

The Government had previously granted the Company the development right over the land used for property developments based on a land premium assessed at full market value without regard to the presence of the railway on the sites being valued. Pursuant to the updated New Operating Agreement entered into in 2023, for property development rights in relation to a new project to be undertaken by the Company, the Government agrees that, for so long as its current land policy is maintained, land premium payable by the Company for such new project will be assessed on a "full market value" basis taking full account of the presence of the railway, subject to an amount being deducted either: (i) as deductible costs in order to arrive at the land premium; or (ii) after the assessment of the aforesaid land premium has been completed in order to arrive at the amount actually payable by the Company, having regard to the acknowledgements in the New Operating Agreement that the Company will require an appropriate commercial rate of return when undertaking new projects and/or operating new railways, unless both parties agree to adopt another method to arrive at the land premium payable by the Company. The Company's practice in property development has been to arrange for various third-party developers to carry out the actual development works according to the Company's specifications and as agreed with the developers. Typically, the developers are responsible for all development costs (including Government land premium, construction and enabling work costs, marketing and sales expenses, professional fees, finance charges and other expenses), and have to bear all development risks. The Company derives benefit from property developments through the sharing of profits with developers in agreed proportions from the sale or lease of the properties after deducting the development costs, the sharing of assets in kind, or through lump sum payments from the developers.

Property Business in Chinese Mainland

In August 2011, the Company's wholly-owned subsidiaries, MTR Corporation (Shenzhen) Limited and MTR Property (Shenzhen) Company Limited, secured the land use right of the Shenzhen Metro Longhua Line Depot Site Lot 1 in Shenzhen. The project company, MTR Property Development (Shenzhen) Company Limited, completed the property development of the site in 2017. As at 30th June 2026, 1,697 out of a total of 1,698 residential units have been sold. TIA Mall which is the retail portion of the development held its official opening in August 2019.

On 23rd March 2017, MTR Property (Tianjin) No.1 Company Limited ("MTR TJ No.1") entered into a Framework Agreement comprising, inter alia, a Share Transfer Agreement, with Tianjin Xingtai Jihong Real Estate Co., Ltd. ("TJXJRE"), a wholly-owned subsidiary of Beijing Capital Land Ltd., for the disposal of MTR TJ No.1's 49% equity interest in Tianjin TJ – Metro MTR Construction Company Limited at a consideration of RMB1.3 billion; and MTR TJ No.1's future acquisition of a shopping

mall to be developed on the same site at a consideration of RMB1.3 billion. The disposal of equity interest was completed on 10th July 2017 and consequently a prepayment is recognised on the Group's consolidated statement of financial position. The construction of this shopping mall was completed and handed over to the Group during the year ended 31st December 2024. Consequently, the prepayment was reclassified to investment property. Preparation works remain underway for a targeted 2027 opening. As previously reported, the Group continues to study possible strategic options for this mall in light of challenging retail property market conditions. The Group will continue to evaluate the appropriate options for this mall.

In March 2021, the Company and its partners secured the land use right for a site south of the Hangzhou West Station for property development. This project is a mixed-use property development comprising serviced apartment, office, retail and hotel, with a total developable GFA of approximately 688,210 square metres. Construction of this project is in progress.

The Company is also providing TOD consultancy services for the Shenzhen Xili Station Comprehensive Transportation Hub and the Guangzhou Xilang Depot respectively.

For investment properties in Chinese Mainland, the average occupancy rate was 51.7% for the TIA Mall in Shenzhen during the first half of 2026. In February 2026 and August 2026, the tenders for TIA Mall in Shenzhen were not successful.

The Company continues to study possible strategic options for all its malls on the Chinese Mainland due to challenging conditions in the retail and property markets. The Company will continue to evaluate appropriate options for TIA Mall in Shenzhen, as well as for the shopping mall at Tianjin Beiyunhe Station as mentioned above.

Other Activities in Hong Kong

Octopus Holdings Limited

Octopus Holdings Limited is a non-controlled subsidiary of the Company and is the holding company of various Octopus group companies. On 24th January 2022, the Company has acquired a total of approximately 6.6% additional shares of Octopus Holdings Limited from Citybus Limited and New World First Bus Services Limited (subsidiaries of Bravo Transport Services Limited). After the acquisition, the Company's shareholding in Octopus Holdings Limited increased from 57.4% to 64.02%. The Company currently owns 64.02% of the issued share capital of Octopus Holdings Limited, which in turn owns 100% of the issued share capital of Octopus Cards Limited, with the remaining 35.98% of the issued share capital of Octopus Holdings Limited owned by KCRC, KMB Public Bus Services Holdings Limited and Sun Ferry Services Company Limited. Although the Company holds about 64% of the issued shares of Octopus Holdings Limited, it cannot control Octopus Holdings Limited's activity unilaterally with its voting rights at board meetings of Octopus Holdings Limited, and none of the shareholders of Octopus Holdings Limited is able to control the board of directors of Octopus Holdings Limited unilaterally.

Octopus Cards Limited

Octopus Cards Limited is a non-controlled, indirect subsidiary of the Company. On 20th April 2000, Octopus Cards Limited was authorised by the HKMA as a deposit-taking company to issue contactless multi-purpose stored value cards called "Octopus cards".

On 21st October 2005, the Company and the other shareholders of Octopus Cards Limited entered into a number of agreements to adjust the arrangements relating to Octopus Cards Limited (the "Adjustments"), in order to spin off the non-payment businesses of Octopus Cards Limited into new, separate subsidiaries independent of the payment business of Octopus Cards Limited that is regulated by the HKMA.

To effect the Adjustments, a new holding company, Octopus Holdings Limited, was interposed between Octopus Cards Limited and its former shareholders to hold the entire issued share capital of each of the new companies set up in connection with the non-payment businesses of Octopus Cards Limited as well as Octopus Cards Limited. The economic substance of the relationship between the former shareholders of Octopus Cards Limited has not changed as a result of the Adjustments, other than the fact that their interests in Octopus Cards Limited have become indirect instead of direct.

Since 13th November 2016, Octopus Cards Limited is a Stored Value Facility ("SVF") Licensee under the Payment Systems and Stored Value Facilities Ordinance ("PSSVFO") (Cap. 584 of the Laws of Hong Kong) and regulated by the HKMA. The regime aims to foster the development of SVF in Hong Kong and maintain the status of Hong Kong as an international financial centre and FinTech hub by providing a level playing field for market participants.

Other Activities

The Company derives revenue from advertising space in its stations and trains, from the provision of tunnel and station space to support the telecommunication network of fixed and mobile operators, from the leasing of retail space in its stations alongside merchandising sales driven through integrated online and offline retail channels, car parking and electric vehicle (EV) charging facilities at certain MTR stations and from the wholesaling of managed fibre, bandwidth, data center and related services.

MTR Lab

MTR Lab was launched as an integral part of the Company's strategic "New Growth Engine" business pillar. This new venture seeks to invest in innovative technologies that support MTR's long-term growth as well as the communities the Company serves. In the first half of 2026, MTR Lab completed its two investments in advanced technology startups in Singapore and on the Chinese mainland, focused on AI infrastructure services and large language models. It also established investment partnerships with Beijing Zhongguancun Science City Innovation Development Co., Ltd. and East Japan Railway Company's TAKANAWA GATEWAY Link Scholars' Hub, further expanding its technology investment ecosystem and strengthening its global deal-sourcing across AI, robotics, smart mobility and related sectors while supporting the growth of its portfolio companies.

Chinese Mainland & International Business

Chinese Mainland Projects

Shenzhen

On 18th March 2009, MTR Corporation (Shenzhen) Limited ("MTR Shenzhen"), a wholly-owned subsidiary of the Company, signed a Concession Agreement with the Shenzhen Municipal People's Government ("Shenzhen Government") under which MTR Shenzhen has the right to construct Phase 2 of Line 4 of the Shenzhen metro system, as well as to lease the facilities of Phase 1 of Line 4 so as to operate the whole of Line 4 for a term of 30 years. Line 4 (Phases 1 and 2) is a 19.9 kilometre double-track urban railway with 15 stations, and connects Futian Checkpoint, at the boundary between Hong Kong and Shenzhen, with Longhua New Town in Shenzhen. MTR Shenzhen took over the operation of Phase 1 on 1st July 2010 and Phase 2 of Line 4 commenced service on 16th June 2011. The entire Line 4 of the Shenzhen metro system is currently operated by MTR Shenzhen for a term of 30 years from 16th June 2011, after which the lease of Phase 1 of Line 4 will terminate and ownership of Phase 2 of Line 4 will revert to the Shenzhen Government. In July 2020, the Shenzhen Government announced that a fare adjustment framework for the Shenzhen metro network would come into effect on 1st January 2021. The framework was expected to enable the establishment of a mechanism for fare-setting and the implementation procedures for fare adjustments. As it is anticipated that the mechanism and procedures for fare adjustments will take time to implement and patronage will remain at a lower level for longer than expected, an impairment provision of HK$962 million was recognised for the Shenzhen Metro Line 4 service concession assets in the first half of 2022. Up to 30th June 2026, there has been no increase in Line 4's fares. If patronage remains at a lower level for a further period of time and a suitable fare increase and adjustment mechanism are not implemented soon, the long-term financial viability of this line will be impacted.

In January 2014, the Company signed a Strategic Cooperation Framework Agreement with the Longhua New District Administration Commission for the North Extension of Shenzhen Metro Longhua Line. Under the framework agreement, MTR will offer advice and technical support for the construction of the North Extension. The project feasibility study report was completed in the first half of 2015. Later on 26th August 2016, MTR Consulting (Shenzhen) Limited was entrusted by Shenzhen Railway Development Office as project manager for Line 4 North Extension. The Company signed the operations and maintenance ("O&M") agreement for the Line 4 North Extension in 2020, and the extension formally opened on 28th October 2020.

The Company announced on 3rd August 2020 that the consortium led by the Company's wholly-owned subsidiary was awarded the tender for Shenzhen Metro Line 13 ("SZL13") Phase 1 Public-Private-Partnership ("PPP") project. The project includes the investment in, construction of, and operations and maintenance of SZL13 Phase 1 for 30 years after completion. The contract was formally signed in October 2020.

The PPP project will be undertaken by a joint venture company in which the Company's wholly-owned subsidiary will have an effective interest of 83%. The PPP project covers track laying, rolling stock

and electrical and mechanical systems, including the signalling system and the automated fare collection system, with a total capital cost of approximately RMB4.91 billion to be financed by both debt and equity. The 22.4-kilometre SZL13 Phase 1 includes 16 stations. The initial section of SZL13 Phase 1 commenced passenger service in December 2024. The northern section of SZL13 Phase 1 commenced passenger service on 28 December 2025, completing the full-line service of Phase 1 from Shenzhen Bay Checkpoint Station to Shangwu Station (except for Xili High Speed Railway Station). SZL13 Phase 2, for which the Company is providing project management consultancy services, comprises a northern extension and a southern extension. The operations and maintenance contract for SZL13 Phase 2 Northern Extension was awarded in June 2026. The Northern Extension of SZL13 Phase 2 comprises 11 stations with a route length of approximately 19 kilometres and commenced operation in June 2026.

Beijing

On 16th January 2006, MTR Beijing Line 4 Investment Company Limited ("MTR Beijing"), a wholly-owned subsidiary of the Company, along with two partners, Beijing Infrastructure Investment Co. Ltd. ("BIIC"), an entity wholly-owned by the Beijing Municipal People's Government ("Beijing Government"), and Beijing Capital Group ("BCG"), an entity controlled by the Beijing Government, formed a co-operative joint venture for a Public-Private Partnership for the construction and operation of the Beijing Metro Line 4, a 28-kilometre underground metro line which is the main north-south traffic line of Beijing City. On 12th April 2006, the joint venture company, Beijing MTR Corporation Limited ("BJMTR"), signed the Concession Agreement for the Beijing Metro Line 4 with the Beijing Government. The Beijing Metro Line 4 commenced its services to the public on 28th September 2009.

The Concession Agreement has a term of 30 years, after which ownership of the Beijing Metro Line 4 will revert to the Beijing Government. The Company, through MTR Beijing, and BCG each owns 49% of BJMTR, with BIIC holding the remaining 2%.

On 30th December 2009, BJMTR signed the O&M Concession Agreement with Beijing Metro Daxing Line Investment Company Limited, a wholly-owned subsidiary of the Beijing Government for the operation and maintenance of the Daxing Line of the Beijing Metro Network. The concession covers a period of 10 years and is renewable for further terms of 10 years each until the expiry of the concession period for the Beijing Metro Line 4. Before the expiry of the first O&M agreement, the Beijing Government inclined to turn the current O&M mode into PPP mode. To facilitate the commercial negotiation, the O&M agreement was extended for another 2 years to end of 2022. In June 2022, the Beijing Government decided that the Daxing Line should keep on with O&M mode and proposed to align the expiry date of the second O&M agreement with the Concession Agreement for the Beijing Metro Line 4, being 27th September 2039. The O&M extension agreement has been signed on 8th September 2022. The 22-kilometre, 11-station Daxing Line is an extension of the Beijing Metro Line 4 from Gongyixiqiao Station, extending southward to Tiangongyuan Station. The line commenced service on 30th December 2010.

The civil construction of the Beijing Metro Line 14 ("BJL14"), which started in 2010, is being undertaken by the Beijing Infrastructure Investment Corporation Limited. Under a PPP arrangement,

BJMTR is responsible for the electrical and mechanical systems as well as the rolling stock, etc. This part takes up about 30% of the project's capital cost and amounts to about RMB15 billion. As part of the Concession Agreement, BJMTR will operate the line for a term of 30 years.

In May 2013, the 12-kilometre Phase 1 of BJL14 opened. The 15-kilometre Phase 2 of BJL14 opened in December 2014. The 17-kilometre Phase 3 of BJL14 opened in December 2015. The final section of BJL14 opened on 31st December 2021. The full line of BJL14 is now in service.

On 28th November 2015, Beijing MTR Line 16 Corporation Limited ("BJMTR Line 16"), which is an entity wholly-owned by BJMTR, entered into a Concession Agreement for the construction and operation of Beijing Metro Line 16 ("BJL16"). The line runs 48.9 kilometres from Beianhe Station to Wanpingcheng Station, encompassing 30 stations. Under the PPP project arrangement, BJMTR Line 16 would be responsible for the provision of electrical and mechanical ("E&M") systems as well as rolling stock, which takes up about 30% or approximately RMB14.5 billion of the project's capital cost. BJMTR Line 16 would also undertake the operations and maintenance of BJL16 for a term of 30 years. Operation of the first phase, the 20-kilometre-Northern Section, began on 31st December 2016. The Middle Section of BJL16 opened on 31st December 2020 and the Southern Section of BJL16 opened on 31st December 2022. BJL16 Erligou Station opened in March 2023, and the remaining section opened on 30th December 2023. Together, these openings marked the commencement of the full-line service of the BJL16.

In December 2019, the Company's associate (BJMTR) was awarded the 48.9-kilometre Beijing Metro Line 17 ("BJL17") O&M concession. BJL17 will have 21 stations and serve the east of Beijing. BJL17 will be opened in phases. After the opening of the southern section of BJL17 in December 2021, the 24.9-kilometre, nine-station new northern section of BJL17 opened on 30th December 2023, connecting Beijing Future Science and Technology City with several large residential areas and commercial districts. The middle, final section of BJL17 commenced passenger service on 27th December 2025, linking with the existing southern and northern sections to create another major railway artery for the capital city. BJMTR leases the rolling stock over a 20-year period, with lease payments payable in instalments after the opening of each phase.

Hangzhou

On 4th March 2010, MTR Hangzhou Line 1 Investment Company Limited, a wholly-owned subsidiary of the Company, together with a subsidiary of Hangzhou Metro Group Company Limited, entered into a Concession Agreement with the Hangzhou Municipal Government for a PPP for the investment, construction and operations of the HZL1 for a term of 25 years. The Concession Agreement was approved by the relevant authorities in Chinese Mainland in August 2012.

The original 48-kilometre HZL1 consisted of a 41-kilometre underground section and 7 kilometres of at-grade and elevated sections, with a total of 31 stations running from the south to the north of Hangzhou city and to Xiasha, Linping and Jiangnan. HZL1 is the first metro line of Hangzhou city. The line commenced service in November 2012. In November 2015, a 5.6-kilometre 3 station extension of HZL1 commenced passenger service. The HZL1 Phase 3 (Airport Extension) formally opened at the

end of December 2020. Both the extension and Phase 3 are under an O&M agreement ending with HZL1 Concession. In order for Hangzhou Metro Line 9 (north section, south section and Linping Section) to operate as a whole line under Hangzhou Metro Group (HZMG), the O&M of Linping Section is entrusted to HZMG by Hangzhou MTR Corporation Limited (HZMTR). Since 10th July 2021, Linping Section of HZL1 (Coach Center Station – Linping Station) has been detached from HZL1 and become a part of the Hangzhou Metro Line 9. The transfer of the facilities in Linping Section has been completed by HZMG and HZMTR according to the O&M agreement. The Memorandum for the Linping Section transfer was signed on 9th July 2021 with HZMG. The HZL1 full line is 52.4 kilometres long with 33 stations.

HZL1 has been loss-making in recent years due to slow patronage growth and the pandemic. Because there is no patronage protection mechanism under the Concession Agreement, the line's long-term financial viability will be impacted if patronage remains at a lower level over a further period of time, especially when compounded by the lower average fare resulting from the expanded network. The Company anticipates that patronage and average fare will remain at a lower level for longer than expected, and had therefore recognised a share of impairment provision of HK$380 million for the HZL1 railway assets in the consolidated statement of profit or loss for the year ended 31 December 2025. Based on the review performed by the Group as at 30 June 2026, no further impairment was recognised as at 30 June 2026.

The Concession Agreement for Hangzhou Metro Line 5 ("HZL5"), another PPP project, was signed by the Company with the Hangzhou Municipal Government and Hangzhou Metro Group on 26th June 2017. The Company's 60% joint venture company's responsibilities under the PPP contract relate to the provision of trains and E&M systems (including signalling and other systems), architectural finishes, as well as subsequent operations, assets maintenance and renewals. The civil works, such as construction of stations and tunnels, were undertaken by Hangzhou Metro Group. The HZL5 is an underground metro line running from Gunianqiao Station in Xiaoshan District to Lvting Road Station in Yuhang District, with a total of 38 stations. The HZL5 West Extension, which is out of the PPP scope and is under an O&M agreement with HZMG, includes Jinxing Station and LaoYuhang station. The Company will operate HZL5 for a term of 25 years. Currently, the HZL5 and HZL5 West Extension are 56.2 kilometres long with 40 stations in operation.

In June 2019, the initial section of the line went into service and received a positive response from passengers. The HZL5 achieved full line opening in April 2020. The latter section of HZL5 added 27 new stations to the 12 stations in the initial section of HZL5 that opened in June 2019. HZL5's Baoshanqiao Station opened on 1st April 2022. East Nanhu Station opened on 1st January 2025 and full line of HZL5 commenced operations.

Chinese Mainland Station Commercial and Other Businesses

Chengdu

A joint-venture company with Chengdu Rail Transit Group was set up on 28th June 2020 for exploring and developing station commercial and related businesses in Chengdu.

Zhengzhou
Shareholders agreement was signed with Zhengzhou Metro Group on 10th July 2024 to set up a joint venture for exploring and developing station commercial and related businesses in Zhengzhou. The joint venture was established in October 2024.

Xi'an
Shareholders agreement was signed with Xi'an Metro Resources Development Company on 15th May 2025 to set up a joint venture for exploring and developing station commercial and related businesses in Xi'an. The joint venture was established in September 2025.

Guangzhou
An LOI was signed with Guangzhou Metro on the cooperation station commercial, railway, TOD, logistics, talent training and technology innovation in Guangzhou on 18th June 2024. The joint venture with Guangzhou Metro Group to run station commercial business in Guangzhou was set up in December 2025.

Qingdao, Chongqing and Hangzhou
An LOI was signed with Chongqing Transportation Development & Investment Group on the cooperation station commercial and TOD on 11 September 2024.

An LOI was signed with Qingdao Metro Group on the cooperation station commercial, TOD and technology innovation on 18 September 2025.

An LOI was signed with Hangzhou Metro Resources Management Company on the cooperation station commercial on 6 February 2026.

Others
On 10th July 2025, the Company's wholly-owned subsidiary, MTR (Beijing) Investment Co., Ltd., entered into an agreement with the existing shareholders to invest in CRRC Guangdong Co., Ltd., marking the Company's first investment in the railway equipment industry in the Guangdong Province.

The Company is also exploring opportunities to develop station commercial and related business in other cities in Chinese Mainland.

International Projects

United Kingdom
The Company completed the handover of operations for the Elizabeth line and South Western Railway to the next operators in May 2025.

Sweden
The Group completed the handover of operations for the Stockholm Metro to the next operator in November 2025.

Australia

On 31st August 2009, Metro Trains Melbourne Pty Ltd ("MTM") was awarded the franchise to operate and maintain the Melbourne train system for an initial period of eight years starting on 30th November 2009. From 9th December 2016 onwards, MTM is wholly-owned by Metro Trains Australia Pty Ltd ("MTA"), a joint venture company which is 60% owned by MTR Australia Investment Holdings (Hong Kong) Limited, 20% owned by UGL Rail Services and 20% owned by John Holland. The Government of the State of Victoria renewed the franchise for another seven years from November 2017 (with options to extend for a maximum of three years), which has been subsequently extended by 18 months to mid-2026. The concession for this service has been further extended to November 2027. The Melbourne metropolitan train network spans 16 lines with a total of 227 stations and a total track length of 1,044 kilometres. In the first half of 2026, fully integrated the new Metro Tunnel, which opened in November 2025, into the network. MTM also continued to support the Victoria State Government on various network improvement initiatives. In April 2026, the Company's submission for the new operations and maintenance contract for Melbourne's train network was shortlisted, and the tendering process followed. The result is expected to be announced in 2027.

On 16th September 2014, the New South Wales Government in Australia formally awarded to the Northwest Rapid Transit ("NRT") consortium the Operations, Trains and Systems contract for the Sydney Metro Northwest ("SMNW"). The SMNW project is a PPP contract that includes design, construction, financing, operation and maintenance of a new 36-kilometre high capacity rapid transit rail line between Chatswood and Tallawong. MTRCL's equity contribution to the SMNW project was approximately AU$90.5 million. The Company's partners in the consortium include CDPQ, Marubeni Corporation, CIMIC Group and Plenary Group. Operated under Metro Trains Sydney Pty Ltd ("MTS"), a 60% owned subsidiary of the Company, the 36-kilometre SMNW line includes eight new metro stations and five existing stations upgraded to metro standards. SMNW opened to public for passenger service on 26th May 2019, marking a new era in passenger rail travel in Australia.

In November 2019, the NRT consortium reached an agreement with the New South Wales Government to conclude the contract for the extension to the existing NRT PPP with Sydney Metro. The NRT PPP contract package includes new metro trains and core rail systems as well as the operations and maintenance component for NRT to operate the combined Metro North West and City and Southwest lines until 2034. The Company would invest in the project and take the lead in the NRT PPP project works and railway operations and maintenance of both the City and Southwest Line and the Metro North West Line as a combined single line from 2024. An AU$2.7 billion financing package was closed in November 2019 for the SMNW project and Sydney Metro City and Southwest ("SMCSW") project. The 15.5-kilometre Sydney Metro extension line across Sydney Harbour commenced service in August 2024. Combined with the Metro North West Line, the total length of the network has increased to 51.5-kilometre with an expanded network of 21 stations. Simultaneously, the full line has been renamed as the "Sydney Metro M1 Metro North West & Bankstown Line". Conversion works for the line's southwest section are ongoing in preparation for opening in the second half of 2026. Upon completion, the entire line will reach a total length of 66-kilometre with 31 stations.

In December 2025, Metro Trains West Consortium, the Company's consortium with a subsidiary of CRRC Corporation Limited, was awarded the Trains, Systems, Maintenance and Operations contract

for the Sydney Metro West project. Under the contract, the consortium will provide next-generation metro trains and associated systems and will commission and operate the line connecting Parramatta and the city centre. The 24-kilometre underground metro railway line will include nine new stations and is targeted to commence service in 2032, with an operations and maintenance period of 15 years after the line opens.

In September 2026, the Riverside Link Consortium, comprising MTR Corporation (Australia) Pty Ltd and two Gamuda subsidiaries, was awarded the Sydney Parramatta Integrated Station Development contract. The project comprises the design and construction of the future Parramatta metro station, together with the development of buildings above and adjacent to the station.

Consultancy

Since 1998, the Company has been involved in consultancy contracts in Hong Kong as well as in various Chinese Mainland cities. For example, in Hong Kong, the Airport Authority has contracted the Company to maintain the automated people mover at the Hong Kong International Airport since 2002. The maintenance service was extended for a further seven-year period ending in 2028. The Company also provides Transit-Oriented Development consultancy services for the Shenzhen Xili Station Comprehensive Transportation Hub and the Guangzhou Xilang Depot respectively.

Board and Management

The management of the Company's business is vested in the Board. The Board has delegated the day-to-day management of the Company's business to the Executive Committee but the Board has reserved certain powers to itself. The members of the Executive Committee are senior full-time employees of the Company.

The present members of the Board and the present members of the Executive Committee are as follows:

Members of the Board

Dr Jacob Kam Chak-pui (non-executive Chairman)

Jeny Yeung Mei-chun (executive Director and Chief Executive Officer)

Andrew Clifford Winawer Brandler (independent non-executive Director)

Dr Bunny Chan Chung-bun (independent non-executive Director)

Cheng Yan-kee (independent non-executive Director)

Mary Huen Wai-yi (independent non-executive Director)

Hui Siu-wai (independent non-executive Director)

Ayesha Macpherson Lau (independent non-executive Director)

Professor Sunny Lee Wai-kwong (independent non-executive Director)

Jimmy Ng Wing-ka (independent non-executive Director)

Susanna Shen Shuk-ching (independent non-executive Director)

Sandy Wong Hang-yee (independent non-executive Director)

Adrian Wong Koon-man (independent non-executive Director)

Professor Anna Wong Wai-kwan (independent non-executive Director)

Michael Wong Yick-kam (independent non-executive Director)

Christopher Hui Ching-yu, Secretary for Financial Services and the Treasury, Government (non-executive Director)

Secretary for Transport and Logistics, Government (being Mable Chan) (non-executive Director)

Permanent Secretary for Development (Works), Government (being Ricky Lau Chun-kit) (non-executive Director)

Commissioner for Transport, Government (being Winnie Tse Wing-yee) (non-executive Director)

Pursuant to Section 8 of the Mass Transit Railway Ordinance, the Chief Executive of Hong Kong has the power to appoint up to three persons as "additional directors" of the Company. The offices of the Secretary for Transport and Logistics (currently held by Mable Chan), the Permanent Secretary for Development (Works) (currently held by Ricky Lau Chun-kit) and the Commissioner for Transport (currently held by Winnie Tse Wing-yee) have been appointed as "additional directors".

Members of the Executive Committee

The Executive Committee comprises all members of the Executive Directorate:

Jeny Yeung Mei-chun, Chief Executive Officer

David Tang Chi-fai, Managing Director – Property and International Business

Margaret Cheng Wai-ching, Human Resources Director

Linda Choy Siu-min, Corporate Affairs and Branding Director

Carl Michael Devlin, Capital Works Director

Michael George Fitzgerald, Finance Director

Wilson Kwong Wing-tsuen, Hong Kong Transport Services Director

Gillian Elizabeth Meller, Legal and Governance Director

Sammy Wong Kwan-wai, Chinese Mainland Business Director

Sylvia Ng Yuen-hung, Deputy Director – Corporate Development(1)

Note:

(1) Ms Sylvia Ng Yuen-hung is a Member of the Executive Committee but not a Member of the Executive Directorate.

MTR Corporation (C.I.) Limited

General Information

MTR Cayman is an exempted company with limited liability organised under the laws of the Cayman Islands and incorporated pursuant to the Companies Act of the Cayman Islands on 30th October 2000 for an unlimited period and is a wholly-owned subsidiary of MTRCL. MTR Cayman is a special purpose financing vehicle whose sole purpose and activity is the issuing of debt securities, the net proceeds of which are on-lent to MTRCL. MTR Cayman does not sell any products or provide any services.

Board and Management

The management of MTR Cayman is vested in its Board of Directors ("MTR Cayman Board"), which comprises:

Michael George Fitzgerald, Director, Joint Chief Executive Officer, Finance Director and Chief Financial Officer

Gillian Elizabeth Meller, Director, Joint Chief Executive Officer and Secretary

Dr Lee Guo Chun, Director, Financial Controller and Treasurer

None of the members of the MTR Cayman Board has any shares, options or other beneficial interests in the shares of MTR Cayman.

Both Ms Gillian Elizabeth Meller and Mr Michael George Fitzgerald are members of the Executive Committee of MTRCL. Dr Lee Guo Chun is Treasurer of MTRCL. The business address of each of the members of the MTR Cayman Board and the Secretary of MTR Cayman is MTR Headquarters Building, Telford Plaza, Kowloon Bay, Kowloon, Hong Kong.

Capitalisation and Indebtedness

MTR Cayman has an authorised share capital of US$50,000, comprising 50,000 shares of US$1 par value each. Its issued share capital as at 31st December 2025 was US$1,000, consisting of 1,000 shares of US$1 each. MTR Cayman had carrying amount of outstanding borrowings of HK$37,400 million as at 31st December 2025. All the borrowings were the subject of an unconditional and irrevocable guarantee by MTRCL and were unsecured. As at 31st December 2025 there were no contingent liabilities and guarantees. MTR Cayman has not issued any notes or securities and has made repayment of notes with an aggregate amount of HK$208 million for the period between 1st January 2026 and 30th September 2026.

Save as mentioned above, MTR Cayman has undertaken no business activities since the date of its incorporation, other than those incidental to its incorporation and establishment as a subsidiary of MTRCL. Save as mentioned above, there has been no material change to the capitalisation and indebtedness or contingent liabilities and guarantees of MTR Cayman since 31st December 2025.

Cayman Islands Data Protection

The Issuer has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "DPA") based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Notes and the associated interactions with the Issuer and its affiliates and/or delegates, or by virtue of providing the Issuer with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Issuer and its affiliates and/or delegates with certain personal information which constitutes personal data within the meaning of the DPA. The Issuer shall act as a data controller in respect of this personal data and its affiliates and/or delegates may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Notes, the Noteholders shall be deemed to acknowledge that they have read in detail and understood the Privacy Notice set out below and that such Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Notes. The Notes in most cases will be held in global form in the clearing system and the Noteholders in such cases would be the nominee of the common depositary.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Issuer could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Privacy Notice

Introduction

The purpose of this notice is to provide Noteholders with information on the Issuer's use of their personal data in accordance with the DPA.

In the following discussion, "Issuer" refers to MTR Cayman and its affiliates and/or delegates, except where the context requires otherwise.

Investor Data

By virtue of making an investment in the Issuer and a Noteholder's associated interactions with the Issuer (including any subscription (whether past, present of future), including the recording of electronic communications or phone calls where applicable) or by virtue of a Noteholder otherwise providing the Issuer with personal information on individuals connected with the Noteholder as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), the Noteholder will provide the Issuer with certain personal information which constitutes personal data within the meaning of the DPA ("Investor Data"). The Issuer may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to a Noteholder and/or any individuals connected with a Noteholder as

an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the Noteholder's investment activity.

In the Issuer's use of Investor Data, the Issuer will be characterised as a "data controller" for the purposes of the DPA. The Issuer's affiliates and delegates may act as "data processors" for the purposes of the DPA.

Who this Affects

If a Noteholder is a natural person, this will affect such Noteholder directly. If a Noteholder is a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides the Issuer with Investor Data on individuals connected to such Noteholder for any reason in relation to such Noteholder's investment with the Issuer, this will be relevant for those individuals and such Noteholder should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How the Issuer May Use a Noteholder's Personal Data

The Issuer, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

(i) where this is necessary for the performance of the Issuer's rights and obligations under any subscription agreements or purchase agreements;

(ii) where this is necessary for compliance with a legal and regulatory obligation to which the Issuer is subject (such as compliance with anti-money laundering, beneficial ownership transparency and FATCA/CRS requirements); and/or

(iii) where this is necessary for the purposes of the Issuer's legitimate interests and such interests are not overridden by the Noteholder's interests, fundamental rights or freedoms.

Should the Issuer wish to use Investor Data for other specific purposes (including, if applicable, any purpose that requires a Noteholder's consent), the Issuer will contact the applicable Noteholders.

Why the Issuer May Transfer a Noteholder's Personal Data

In certain circumstances the Issuer and/or its authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to a Noteholder's interest in the Issuer with the relevant regulatory authorities such as the Cayman Islands Monetary Authority, the competent authority for purposes of the Beneficial Ownership Transparency Act (As Revised) or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

The Issuer anticipates disclosing Investor Data to others who provide services to the Issuer and their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area), who will process a Noteholder's personal data on the Issuer's behalf.

The Data Protection Measures the Issuer Takes

Any transfer of Investor Data by the Issuer or its duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

The Issuer and its duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

The Issuer shall notify a Noteholder of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such Noteholder or those data subjects to whom the relevant Investor Data relates.

Capitalisation and Indebtedness

MTR Corporation Limited

The following table shows the consolidated capitalisation and indebtedness of the "Group" derived from the unaudited interim consolidated financial statements as at 30th June 2026:

	As at 30th June 2026 (HK$ million)
Short-Term Debt, including current portion of long-term debt	
Loans in Hong Kong dollars, current portion	-
Loans in other currencies, current portion[1]	318
Debt Issuance Programme Notes due in 12 months	15,314
Total short-term debt[2][5]	15,632
Long-Term Debt, less current portion	
Loans in Hong Kong dollars	30,000
Loans in other currencies[1]	3,523
Debt Issuance Programme Notes due over 12 months	120,378
Total long-term debt[2][5]	153,901
Sub-total	169,533
Unamortised discount/premium/finance charges outstanding	(875)
Adjustment due to fair value change of financial instruments[6]	443
Total carrying amount of debt	169,101
Lease obligations	1,255
Total debt and other obligations	170,355
Equity	
Share Capital 6,224,823,171 ordinary shares issued and fully paid[7][8]	61,287
Shares Held for Executive Share Incentive Scheme	(335)
Fixed Assets Revaluation Reserve	3,645
Hedging Reserve	(576)
Employee Share-based Capital Reserve	137
Exchange Reserve	(477)
Retained Profits[8]	140,593
Total equity attributable to shareholders of MTRCL	204,274
Perpetual capital securities	23,496
Non-controlling interests	688
Total Equity	228,458
Total Capitalisation and Indebtedness[9]	398,813

Notes:

(1) Major foreign currency debts were translated at the corresponding exchange rates for the foreign exchange contracts or currency swaps entered into by MTRCL, or the spot rates prevailing on 30th June 2026. The weighted averages of the foreign exchange contracts and currency swaps and the spot rates prevailing on 30th June 2026 were: HK$7.7960 = US$1; HK$5.4321 = AU$1; HK$9.0970 = EUR1; HK$1.1103 = RMB1; and HK$0.0791 = JPY1.

(2) All short-term and long-term debts of MTRCL are unsecured. All borrowings by MTR Cayman are subject to an unconditional and irrevocable guarantee by MTRCL.

(3) The consolidated capitalisation and indebtedness table of the Group does not include the capital of an associate, Octopus Holdings Limited and its subsidiaries ("OHL Group"), as MTRCL does not have effective control over the boards of the OHL Group.

(4) There has been no material change to contingent liabilities or guarantees outstanding as at 30th June 2026 compared with 31st December 2025.

(5) During the period between 1st July 2026 and 30th September 2026, the Group made a net loan repayment of approximately HK$3,030 million.

(6) Being the change in fair value of derivative financial instruments recognised in accordance with the Hong Kong Financial Reporting Standard 9, "Financial Instruments".

(7) The 2025 final ordinary dividend of HK$0.89 per share proposed and approved before 30th June 2026 was paid on 22nd June 2026.

(8) The 2026 interim ordinary dividend of HK$0.42 per share declared after 30th June 2026 has not been recognised as liabilities as at 30th June 2026 and was paid on 15th September 2026.

(9) Save as disclosed in paragraphs (5), (7) and (8) above, there has been no material change to the capitalisation and indebtedness of the Group since 30th June 2026.

Form of Pricing Supplement

Set out below is the Form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK")) ("Professional Investors") only.

Notice to Hong Kong investors: The Issuer [and the Guarantor] confirm(s) that the Notes (each term as defined below) are intended for purchase by Professional Investors only and will be listed on the SEHK on that basis. Accordingly, the Issuer [and the Guarantor] confirm(s) that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The SEHK has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the SEHK is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer [, the Guarantor] or the Group (as defined below) or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document, together with the offering circular dated [●] in relation to the Programme (the "Offering Circular") [and the supplemental offering circular dated [●] in relation to the [Programme/ Notes] (the "Supplemental Offering Circular")], includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, [the Guarantor,] and the [Issuer/Guarantor] and its subsidiaries (the "Group"). The Issuer [and the Guarantor] accept(s) full responsibility for the accuracy of the information contained in this document and confirm(s), having made all reasonable enquiries, that to the best of [its] [their] knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]*

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation").

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

[**MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]**

[**UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]***

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "SFA")** – [To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products]".]****

[Investors should be aware that as CNY Disruption Event (as defined in Condition 7(d) of the Terms and Conditions of the Notes) is specified in this Pricing Supplement and, if by reason of any CNY Disruption Event, the Issuer determines that it is not reasonably practicable to make such payment in Renminbi, the Issuer has the right to postpone the due date of such payment and, if the CNY Disruption Event continues to exist for 14 consecutive calendar days from the original due date, to make the payment in US dollars instead of Renminbi. (Please refer to Condition 7(d) of the Terms and Conditions of the Notes.) There is therefore no assurance that Noteholders will receive each amount payable in Renminbi on the original due date or in Renminbi and that there are various other risks relating to the Notes, the Issuer and its subsidiaries, their business and their jurisdictions of operations which investors should familiarise themselves with before making an investment in the Notes. See "Risk Factors" beginning on page 18 of the Offering Circular.]*****

[MTR CORPORATION LIMITED 香港鐵路有限公司 /MTR CORPORATION (C.I.) LIMITED
(as Issuer)]

*[(a company with limited liability organised under the laws of the Cayman Islands on 30th October 2000)]******

[unconditionally and irrevocably guaranteed by MTR Corporation Limited 香港鐵路有限公司
(as Guarantor)]

US$25,000,000,000 Debt Issuance Programme (the "Programme")

SERIES NO: [ ]
TRANCHE NO: [ ]

[Brief Description and Principal Amount of Notes] (the "Notes")

Issue Price: [ ] per cent.

[Dealer(s)]

The date of the Pricing Supplement is [ ]

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* Applicable for Notes to be listed on the SEHK only.

** Legend for issuances involving one or more MiFID manufacturers.

*** Legend for issuances involving one or more UK MiFIR manufacturers.

**** Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA. If there is a change as to product classification for the relevant drawdown, from the upfront classification embedded in the programme documentation, then the legend is to be completed and used (if no change as to product classification, then the legend may be deleted in its entirety).

***** Legend for issuances of Notes for which the terms about CNY Disruption Event are indicated as applicable in the relevant Pricing Supplement.

****** Applicable only if MTR Corporation (C.I.) Limited is the Issuer.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular [and the Supplemental Offering Circular]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular [as so supplemented].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the offering circular dated [original date [●]] in relation to the Programme [and the Supplemental Offering Circular] which are incorporated by reference in the Offering Circular. This Pricing Supplement constitutes the final terms of the Notes described herein and must be read in conjunction with the Offering Circular, save in respect of the Conditions which are extracted from the offering circular dated [original date] in relation to the Programme and are attached hereto.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.]

1.	Issuer:	[MTR Corporation Limited 香港鐵路有限公司 /MTR Corporation (C.I.) Limited] (Legal Entity Identifier: [254900IH4U9NHH9AQM97/254900SEVE6JAZLGDW04])
2.	[Guarantor:	MTR Corporation Limited 香港鐵路有限公司 (Legal Entity Identifier: [254900IH4U9NHH9AQM97])]
3.	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).	
4.	(i) Specified Currency or Currencies:	[●]
	(ii) CNY Disruption Event:	[Applicable/Not Applicable]
5.	Aggregate Nominal Amount:	[●]
	(i) Series:	[●]
	[(ii) Tranche:	[●]]
6.	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date] (in the case of fungible issues only, if applicable)*]

7.	(a) Specified Denominations: *(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*	[●] *(N.B. For Bearer Notes with a Specified Denomination and higher integral multiples above the minimum denomination, consider including language substantially to the following effect (however, appropriate amendments shall be made for different currencies):* *"[US$200,000] and integral multiples of [US$1,000] in excess thereof, up to and including [US$399,000]. No definitive notes will be issued with a denomination above [US$399,000]."*) *(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area regulated market; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Regulation the [US$200,000] minimum denomination is not required.)*
	(b) Calculation Amount:[1] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: These must be a common factor in the case of two or more Specified Denominations.)*	[●]
8.	(i) Issue Date: (ii) Interest Commencement Date:	[●] *[Specify/Issue Date/Not Applicable]*
9.	Maturity Date:	*[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*[2]
10.	Interest Basis:	[[●]per cent. Fixed Rate] [*[Specify reference rate]* +/- [●] per cent. Floating Rate] [Zero Coupon] [Index-Linked Interest] [Other *(specify)*] (further particulars specified below)
11.	Redemption/Payment Basis:	[Redemption at par] [Index-Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other *(specify)*]
12.	Change of Interest or Redemption/Payment Basis:	*[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*

[1] Note that for Notes which are lodged in CMU, the Calculation Amount will be based on the Specified Denomination. For Notes which are not lodged in CMU, the Calculation Amount will be based on the Aggregate Nominal Amount.

[2] Note that for Hong Kong dollar and Renminbi denominated Fixed Rate Notes where the Fixed Interest Dates are subject to modification it will be necessary to use the second option here.

13.	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified below)]
14.	(i)	Status of the Notes:	Senior
	(ii)	[Status of the Guarantee:	Senior]
	[(iii)]	[Date of Board approval for issuance of Notes obtained:	[●] [and [●], respectively]] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
15.	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Fixed Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Fixed Interest Date(s):	[●] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable relevant* Financial Centre(s) for the definition of "Business Day"]/not adjusted][3]
	(iii)	Fixed Coupon Amount [(s)]: (Applicable to Notes in Definitive Form)	[●] per Calculation Amount[4]
	(iv)	Broken Amount(s): (Applicable to Notes in Definitive Form)	*[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]* per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●] [Not Applicable]
	(v)	Day Count Fraction *(if different from that specified in Condition 5(a))*:	[●] *(Day count fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in US dollars or Hong Kong dollars, unless otherwise requested)*
	(vi)	Determination Dates:	[●] in each year
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]

3. (i) Note that for certain Hong Kong dollar and Renminbi denominated Fixed Rate Notes the Fixed Interest Dates are subject to modification and the following words should be added: "provided that if any Fixed Interest Date falls on a day which is not a Business Day, the Fixed Interest Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Fixed Interest Date shall be brought forward to the immediately preceding Business Day. For these purposes, "Business Day" means a day on which commercial banks are open for business and foreign exchange markets settle payments in Hong Kong and [●][on which commercial banks in Hong Kong are open for business and settlement of Renminbi payments]."

(ii) Note that for US dollar denominated Fixed Rate Notes, the Modified Following Business Day Convention is not applicable and Condition 7(c) of the Terms and Conditions will apply.

4 For Hong Kong dollar and Renminbi denominated Fixed Rate Notes where the Fixed Interest Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Specified Denomination by the Day Count Fraction and rounding the resultant figure to the nearest [[HK$0.01, HK$0.005 being rounded upwards]/[RMB0.01, RMB0.005 being rounded upwards]]. For the purposes of this paragraph and the Day Count Fraction referred to herein, "Calculation Date" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Fixed Interest Date and each successive period beginning on (and including) a Fixed Interest Date and ending on (but excluding) the next succeeding Fixed Interest Date."

17.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Interest Period(s):	[●]
(ii)	Interest Payment Dates:	[●]
(iii)	First Interest Payment Date:	[●]
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (give details)]
(v)	Relevant Financial Centre(s) (Condition 5(b)(i)(B)):	*[●] (insert New York City for U.S. dollar denominated Notes to be held through DTC and for non-U.S. dollar denominated Notes where exchange into U.S. dollars is contemplated for DTC participants holding through Euroclear and Clearstream)*
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Page/other *(give details)*]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[●]
(viii)	Screen Determination (Condition 5(b)(iv)):	
	– Relevant Time:	[●]
	– Interest Determination Date:	[●]
	– Primary Source for Floating Rate:	[●]
	– Reference Banks (if Primary Source is "Reference Banks"):	[●]
	– Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark – *specify if not London*]
	– Benchmark:	[EURIBOR, HIBOR, CNH HIBOR or other benchmark]
	– Representative Amount:	*[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified nominal amount]*
	– Effective Date:	*[Specify if quotations are not to be obtained with effect from the commencement of the Interest Accrual Period]*
	– Specified Duration:	*[Specify period for quotation if not duration of Interest Accrual Period]*
(ix)	ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
(x)	Margin(s):	[+/-][●] per cent. per annum
(xi)	Minimum Rate of Interest:	[●] per cent. per annum
(xii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiii)	Day Count Fraction (if different from that specified in Condition 5(b)(vi)):	[●]
(xiv)	Rate Multiplier:	[●]
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]

18.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Accrual Yield (Condition 6(e)(iii)):	[●] per cent. per annum
(ii)	Reference Price (Condition 6(e)(iii)):	[●]
(iii)	Day Count Fraction:	[●]
(iv)	Any other formula/basis of determining amount payable:	[●]
19.	**Index-Linked Interest Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Index/Formula/other variable:	[give or annex details]
(ii)	Calculation Agent responsible for calculating the interest due:	[●]
(iii)	Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[●]
(iv)	Determination Date(s):	[●]
(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[●]
(vi)	Interest Period(s):	[●]
(vii)	Interest Payment Dates:	[●]
(viii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other *(give details)*]
(ix)	Relevant Financial Centre(s):	[●]
(x)	Minimum Rate of Interest:	[●] per cent. per annum
(xi)	Maximum Rate of Interest:	[●] per cent. per annum
(xii)	Day Count Fraction:	[●]
20.	**Dual Currency Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Rate of Exchange/Method of calculating Rate of Exchange:	*[give details]*
(ii)	Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[●]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
(iv)	Person at whose option Currency(ies) is/are payable:	[●]
(v)	Day Count Fraction:	[●]

PROVISIONS RELATING TO REDEMPTION

21. Call Option		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
(iv)	Notice period (If other than as set out in the Conditions):[5]	[●]
22. Put Option		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
(iii)	Option Exercise Date(s):	[●]
(iv)	Description of any other Noteholders' option:	[●]
(v)	Notice period:[5]	[●]
23. Final Redemption Amount of each Note	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:	[●] per Calculation Amount/[●]
(i)	Index/Formula/variable:	*[give or annex details]*
(ii)	Calculation Agent responsible for calculating the Final Redemption Amount:	[●]
(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[●]
(iv)	Determination Date(s):	[●]

[5] (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or the Trustee.)

(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[●]
(vi)	Minimum Final Redemption Amount:	[●]
(vii)	Maximum Final Redemption Amount:	[●]

24. Early Redemption Amount

(i)	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●] per Calculation Amount/[●]
(ii)	Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 6(b)):	[Yes/No]
(iii)	Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 7(b)):	[Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:	[Bearer Notes/Exchangeable Bearer Notes/Registered Notes] *[Delete as appropriate]* [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/in the limited circumstances specified in the Permanent Global Note] [[Unrestricted/Restricted] Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the Global Certificate] N.B. If the Specified Denomination of the Notes in paragraph 7 includes language substantially to the following effect: "[US$200,000] and integral multiples of [US$1,000] in excess thereof up to and including [US$399,000]", the exchange upon notice option should not be expressed to be applicable.

26.	Business Day Jurisdiction(s) (Condition 7(c) or other special provisions relating to Payment Business Day):	[Not Applicable/*give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii), 17(v) and 19(ix) relate] (insert New York City for U.S. dollar denominated Notes to be held through DTC)* [For the purposes of the Notes, "Payment Business Day" means [●].]
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*]
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*give details*]
	(i) Instalment Amount(s):	[●]
	(ii) Instalment Date(s):	[●]
	(iii) Minimum Instalment Amount:	[●]
	(iv) Maximum Instalment Amount:	[●]
30.	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition [●]] apply]
31.	Consolidation provisions:	[Not Applicable/The provisions [in Condition [●]] apply]
32.	Use of proceeds:	[As per Offering Circular/[●]]
33.	Other terms and conditions:[6]	[Not Applicable/*give details*]

DISTRIBUTION

34.	(i)	If syndicated, names and addresses of Managers and underwriting commitments:	[Not Applicable/*give names, addresses and underwriting commitments]* (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)
	(ii)	Date of Subscription Agreement:	[●]
	(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/give name]
35.		If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
36.		Total commission and concession:	[●] per cent. of the Aggregate Nominal Amount

[6] If full terms and conditions are to be used, please add the following here: The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary. The first set of bracketed words is to be deleted where there is a permanent global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the final terms of the Notes.

37.	U.S. Selling Restrictions:	[Reg S. Category [2]];[7] (*In the case of Bearer Notes*) – [C Rules/D Rules/TEFRA not applicable][8] (*In the case of Registered Notes*) – [Not] 144A Eligible
38.	Additional selling restrictions:	[●]
39.	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable]

GENERAL AND OPERATIONAL INFORMATION

40.	Listing:	[The Stock Exchange of Hong Kong Limited/*specify other*/ None]
41.	Rating:	[●]
42.	ISIN Code:	[●]
43.	Common Code:	[●]
44.	CUSIP:	[●]
45.	CMU Instrument No.:	[●] [If using CMU insert the following: CMU acts as a central custodian and clearing agent for Hong Kong dollar denominated debt instruments. The [Global Notes/Global Certificates] will be lodged with CMU and deposited with The Hongkong and Shanghai Banking Corporation Limited as sub-custodian for CMU (or any other sub-custodian for CMU) upon settlement. Thereafter transfers of interests in the Notes are made by computer book entry without the need for physical delivery of definitive [notes/certificates]. Euroclear and Clearstream both maintain accounts with CMU, and members of these clearing systems can hold interests in instruments lodged with CMU through this mechanism. Transfers of interests in the [Global Notes/ Global Certificates] will be made in accordance with CMU Rules. Investors should be aware that transfers of interests between members of Euroclear or Clearstream on the one hand, and CMU on the other hand, may be subject to a one day delay for clearance.] [Specify whether CMU DvP facility will be utilised.]
46.	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, S.A., The Depository Trust Company and the Central Moneymarkets Unit Service and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s) and address(es)*]

[7] Bearer Notes must be issued under Reg S.

[8] "TEFRA not applicable" may only be used for Registered Notes, or Bearer Notes with a maturity of 365 days or less (taking into account any unilateral rights to extend or rollover). Bearer Notes with a maturity of more than 365 days (taking into account unilateral rights to extend or rollover) that are held through the CMU Service must be issued in compliance with the C Rules, unless at the time of issuance the CMU Service and the CMU Lodging Agent have procedures in place so as to enable compliance with the certification requirements under the D Rules.

47.	Delivery:	Delivery [against/free of] payment
48.	Names and addresses of additional Paying Agent(s) (if any):	[●]
49.	Other Terms:	[●]
50.	Net Proceeds:	[●]
51.	Hong Kong SFC Code of Conduct:	
	(i) Rebates:	[Not Applicable/A rebate of [●] basis points is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the capital market intermediaries otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]
	(ii) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[Not Applicable*/include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent — Overall Coordinators to provide*]
	(iii) Marketing and Investor Targeting Strategy:	[As set out in the Offering Circular/*describe if different from the Offering Circular*]

LISTING APPLICATION *[Only include for listed notes]*

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the US$25,000,000,000 Debt Issuance Programme of MTR Corporation Limited and MTR Corporation (C.I.) Limited.

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:
By:
Duly authorised
[Signed on behalf of the Guarantor:
By:
Duly authorised]

RMB Currency Controls

The following is a general description of certain currency controls in Chinese Mainland and is based on the law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in Chinese Mainland relating to the Notes. Prospective holders of Notes who are in any doubt as to RMB currency controls are advised to consult their own professional advisers.

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside Chinese Mainland is subject to controls imposed under laws in Chinese Mainland.

Current Account Items

Under foreign exchange control regulations in Chinese Mainland, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside Chinese Mainland.

Since July 2009, the Central People's Government has commenced a scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in Chinese Mainland including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macao. On 17th June 2010, the Central People's Government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program of Renminbi Settlement of Cross-Border Trades (Yin Fa (2010) No. 186) (關於擴大跨境貿易人民幣結算試點有關問題的通知), pursuant to which (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover 20 provinces including Beijing and Tianjin, (iii) the restriction on designated offshore districts was lifted, and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods, provided that the relevant provincial government has submitted to PBOC and five other authorities (the "Six Authorities") a list of key enterprises subject to supervision and the Six Authorities have verified and signed off such list (the "Supervision List"). On 12th June 2012, the PBOC issued a notice stating that the Six Authorities had jointly verified and announced a Supervision List and as a result any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports.

On 5th July 2013, the PBOC promulgated the "Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures" (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the "2013 PBOC Circular") to improve the efficiency of cross-border Renminbi settlement and facilitate the use of RMB for the settlement of cross-border transactions under current accounts or capital accounts. In particular, the 2013 PBOC Circular simplifies the procedures for cross-border Renminbi trade settlement under current account items. For example, banks in Chinese Mainland may conduct settlement for enterprises in Chinese Mainland upon such enterprises presenting the payment instruction, with certain exceptions. Banks in Chinese Mainland may also allow enterprises in Chinese Mainland to make/receive payments under current account items prior to the relevant verification of

underlying transactions by the banks in Chinese Mainland (noting that verification of underlying transactions is usually a precondition for cross-border remittance).

On 1st November 2014, the PBOC promulgated the "Circular on Matters concerning Centralized Cross-Border Renminbi Fund Operation Conducted by Multinational Enterprise Groups" (關於跨國企業集團開展跨境人民幣資金集中運營業務有關事宜的通知) (the "2014 PBOC Circular"). The 2014 PBOC Circular introduces a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group.

On 5th September 2015, the PBOC promulgated the "Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups" (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the "2015 PBOC Circular") which, among others, lowers the eligibility requirements for multinational enterprise groups and increases the cap for net cash inflow. The 2015 PBOC Circular also provides that enterprises in the Free Trade Pilot Zone ("FTZ") may establish an additional cash pool in the local scheme in the FTZ, but each onshore company within the group may only elect to participate in one cash pool.

The regulations referred to above will be subject to interpretation and application by the relevant Authorities in Chinese Mainland. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

Further, if any new regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such rules.

Capital Account Items

Under foreign exchange control regulations in Chinese Mainland, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities in Chinese Mainland on a case-by-case basis and are subject to a strict monitoring system.

Prior to October 2011, capital account items of foreign invested entities were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) were generally required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or any other relevant parties in Chinese Mainland were also generally required to make capital item payments, including proceeds from liquidation, transfer of shares, and reduction of capital in a foreign currency. That said, the relevant authorities in Chinese Mainland might approve a foreign entity to make a capital contribution or a shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained

by it outside Chinese Mainland and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside Chinese Mainland in Renminbi on a trial basis. The foreign invested enterprise might also be required to complete registration and verification processes with the relevant authorities in Chinese Mainland before such Renminbi remittances.

On 25th February 2011, the Ministry of Commerce of the PRC ("MOFCOM") promulgated the Notice of MOFCOM in relation to administration on foreign investment (商務部關於外商投資管理工作有關問題的通知) (the "MOFCOM Notice"). The MOFCOM Notice states that if a foreign investor intends to make investments in Chinese Mainland with Renminbi that it has generated from cross-border trade settlement or that it has lawfully obtained outside Chinese Mainland, MOFCOM's prior written consent is required.

On 7th April 2011, State Administration of Foreign Exchange of the PRC ("SAFE") promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (國家外匯管理局綜合司關於規範跨境人民幣資本項目業務操作有關問題的通知) (the "SAFE Circular") which became effective on 1st May 2011. According to the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of the non-residents of Chinese Mainland) to make equity and debt contribution to an onshore enterprise or make payment for the transfer of equity interest of an onshore enterprise by a resident of Chinese Mainland, such onshore enterprise shall be required to submit the prior written consent from MOFCOM to the relevant local branches of SAFE of such onshore enterprise and register for foreign invested enterprise status. Further, foreign debts in cross-border Renminbi sustained by onshore institutions (including financial institutions) shall still be subject to the current laws and regulation in Chinese Mainland on foreign debts supervision.

On 3rd June 2011, PBOC issued the Notice on Clarifying Issues Relating to Cross-border RMB Transactions (中國人民銀行關於明確跨境人民幣業務相關問題的通知) ("PBOC Notice") which provides that the pilot programme of foreign direct investment in RMB will be launched on a case by case basis, and approval by the PBOC is required for foreign direct investment in RMB. For industries under restrictions or strictly regulated by the governments in Chinese Mainland, foreign direct investment in RMB is prohibited.

On 13th October 2011, PBOC issued the Measures on Administration of the RMB Settlement in relation to Foreign Direct Investment (外商直接投資人民幣結算業務管理辦法) (the "PBOC RMB FDI Measures"), pursuant to which, PBOC special approval for RMB foreign direct investment ("RMB FDI") and shareholder loans, which is required by the PBOC Notice, is no longer necessary. The PBOC RMB FDI Measures provide that, among others, foreign invested enterprises are required to conduct registrations with the local branch of PBOC within ten working days after obtaining the business licences for the purpose of RMB settlement, a foreign investor is allowed to open a RMB expense account to reimburse some expenses before the establishment of a foreign invested enterprise and the balance in such an account can be transferred to the RMB capital account of such foreign invested enterprise when it is established, commercial banks can remit a foreign investor's RMB proceeds from distribution by its subsidiaries in Chinese Mainland out of Chinese Mainland after

reviewing certain documents, if a foreign investor intends to use its RMB proceeds from distribution by its subsidiaries in Chinese Mainland, the foreign investor may open a RMB re-investment account to pool the RMB proceeds, and the parties in Chinese Mainland selling stake in domestic enterprises to foreign investors can open RMB accounts and receive the purchase price in RMB paid by foreign investors. The PBOC RMB FDI Measures also state that the foreign debt quota of a foreign invested enterprise constitutes its RMB debt and foreign currency debt from its offshore shareholders, offshore affiliates and offshore financial institutions, and a foreign invested enterprise may open a RMB account to receive its RMB proceeds borrowed offshore by submitting the RMB loan contract to the commercial bank and make repayments of principal of and interest on such debt in RMB by submitting certain documents as required to the commercial bank.

On 14th June 2012, the PBOC promulgated the "Notice on Implementation Rules of Renminbi settlement in Relation to Foreign Direct Investment" (中國人民銀行關於明確外商直接投資人民幣結算業務操作細則的通知) which stipulated detailed provisions on the PBOC FDI Measures.

On 19th November 2012, the SAFE promulgated the Circular on Further Improving and Adjusting the Foreign Exchange Administration Policies on Direct Investment (國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知) (the "SAFE Circular on DI"), which became effective on 17th December 2012. According to the SAFE Circular on DI, the SAFE removes or adjusts certain administrative licensing items with regard to foreign exchange administration over direct investments to promote investment, including the abrogation of SAFE approval for opening of and payment into foreign exchange accounts under direct investment accounts, the abrogation of SAFE approval for reinvestment with legal income generated within Chinese Mainland of foreign investors, the simplification of the administration of foreign exchange reinvestments by foreign investment companies, and the abrogation of SAFE approval for purchase and external payment of foreign exchange under direct investment accounts.

On 3rd December 2013, MOFCOM issued the Circular on Relevant Issues with regard to Cross-border, RMB Direct Investment (商務部關於跨境人民幣直接投資有關問題的公告) (the "MOFCOM RMB FDI Circular"), which became effective on 1st January 2014, which replaced the Notice on Issues in relation to Cross-border Renminbi Foreign Direct Investment (商務部關於跨境人民幣直接投資有關問題的通知) promulgated by MOFCOM on 12th October 2011 (the "2011 MOFCOM Circular"). Pursuant to the MOFCOM RMB FDI Circular, the preliminary approval by the provincial counterpart of MOFCOM and the consent of MOFCOM for exceptional cases of foreign direct investments made in RMB under the 2011 MOFCOM Circular are no longer required. The MOFCOM RMB FDI Circular also removed the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to RMB. The MOFCOM RMB FDI Circular also prohibits the investment, either direct or indirect, of the proceeds of RMB FDI cannot in securities or financial derivatives (except for the strategic investment in Chinese Mainland domestic listed companies) and entrusted loans in Chinese Mainland.

According to the 2015 PBOC Circular, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities

within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives or non-self-use real estates, or to purchase wealth management products or extend loans to enterprises outside the group. Enterprises within the Shanghai FTZ may establish another cash pool under the Shanghai FTZ rules to extend inter-company loans, although Renminbi funds obtained from financing activities may not be pooled under this arrangement. Enterprises within the Shanghai FTZ can borrow Renminbi from offshore lenders under a pilot account-based settlement scheme within the prescribed macro prudential management limit. In addition, non-financial enterprises in the Shanghai FTZ are allowed to convert the foreign debt proceeds into Renminbi on a voluntary basis, provided that the proceeds should not be used beyond their business scope or in violation of relevant laws and regulations. Pilot schemes relating to cross-border Renminbi loans, bonds or equity investments have also been launched for, among others, enterprises in Shenzhen Qianhai, Jiangsu Kunshan and Jiangsu Suzhou Industrial Park.

On 26th January 2017, SAFE issued the Notice on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知) to further advance the reform of foreign exchange administration, such as:

- settlement of domestic foreign exchange loans is allowed for export trade in goods. A domestic institution shall repay loans with the foreign exchange funds received from export trade in goods, rather than, in principle, purchased foreign exchange;

- a debtor may directly or indirectly repatriate the funds under guarantee and use them domestically by, among others, granting loans and making equity investment domestically. Where a bank performs its guarantee obligation under overseas loans with a domestic guarantee, the relevant foreign exchange settlement and sale shall be managed as the bank's own foreign exchange settlement and sale;

- the deposits absorbed by a domestic bank through its principal international foreign exchange account and allowed to be used domestically shall be no more than 100% of the average daily deposit balance in the previous six months as opposed to the former 50%; and the funds used domestically shall not be included in the bank's outstanding short-term external debt quota;

- allowing foreign exchange settlement in the domestic foreign exchange accounts of overseas institutions within pilot free trade zones: where funds are repatriated and used domestically after settlement, a domestic bank shall, under the relevant provisions on cross-border transactions, handle such funds by examining the valid commercial documents and vouchers of domestic institutions and domestic individuals; and

- where a domestic institution grants overseas loans, the total of the balance of overseas loans granted in domestic currency and the balance of overseas loans granted in foreign currency shall not exceed 30% of owner's equity in the audited financial statements of the previous year.

The measures and circulars referred to above will be subject to interpretation and application by the relevant authorities in Chinese Mainland. Further, if any new regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

Taxation

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction are advised to consult their own professional advisers.

Hong Kong Taxation

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) (the "IRO")) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong; or

(iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Bearer Notes will be subject to profits tax.

Sums derived from the sale, disposal or redemption of Bearer Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted.

Sums received by or accrued to a corporation carrying on a trade, profession or business in Hong Kong by way of gains or profits arising in or derived from Hong Kong from the sale, disposal or redemption of Bearer Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong.

Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or redemption of Bearer Notes will be subject to Hong Kong profits tax. Similarly, such sums in respect of Registered Notes received by or accrued to either the aforementioned person and/or a corporation will be subject to Hong Kong profits tax if such sums have a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed.

In addition, with effect from 1st January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the "FSIE Amendments"), certain specified foreign-sourced income (including interest, dividend, disposal gain and intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

Stamp duty may be payable on the issue of Bearer Notes if they are issued in Hong Kong. Stamp duty will not be payable on the issue of Bearer Notes provided either:

(i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong) (the "SDO")).

If stamp duty is payable it is payable by the relevant Issuer on issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes provided either:

(i) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) the Registered Notes constitute loan capital (as defined in the SDO).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the value of the consideration. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

United States Federal Income Taxation

The following is a general discussion of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of the Notes by U.S. Holders (as defined below) that purchase the Notes in an offering of Notes in their initial offering at their initial offering price and hold the Notes as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). This discussion does not address all of the U.S. federal income tax considerations that may be relevant to specific U.S. Holders in light of their particular circumstances (including U.S. Holders that are directly or indirectly related to us and accrual method U.S. Holders that have an "applicable financial statement") or to U.S. Holders subject to special treatment under U.S. federal income tax law (such as banks, insurance companies, dealers in securities or other U.S. Holders that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, certain former citizens or residents of the United States, United States citizens or long-term permanent residents living outside the United States, U.S. Holders that hold Notes in connection with a trade or business conducted outside the United States, U.S. Holders that hold a Note as part of a straddle, hedge, conversion or other integrated transaction or U.S. Holders that have a "functional currency" other than the U.S. dollar). This discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate, gift or alternative minimum tax considerations. Although this discussion generally addresses only U.S. Holders, differences in tax treatment of U.S. Holders resulting from further issuances of Notes (as described below under "Further Issues of Notes") that affect the market value of Notes would affect all holders, not just U.S. Holders.

This discussion is based on the Code, the U.S. Treasury Regulations promulgated or proposed thereunder and administrative and judicial pronouncements, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect or to differing interpretations. This discussion does not describe the U.S. federal income tax consequences of all forms of Notes that may be issued under the Programme. In particular, this discussion does not describe the U.S. federal income tax considerations relating to the purchase, ownership or disposition of a Note that is a Dual Currency Note, an Index-Linked Note, a Partly Paid Note, or otherwise treated as a "contingent payment debt instrument" (under applicable U.S. Treasury Regulations); a Note that is one of certain categories of "variable rate debt instrument" (as described below under *"Interest on the Notes and Original Issue Discount*"); a Note that has no fixed maturity or has a maturity exceeding thirty years, or a Bearer Note. A U.S. Holder who owns a Bearer Note may be subject to limitations under U.S. income tax laws including limitations provided in Sections 165(j) and 1287(a) of the Code. A general discussion of any materially different U.S. federal income tax considerations relating to any such Note will be included in the applicable Pricing Supplement or Supplemental Offering Circular if such Note is offered to U.S. investors.

As used in this discussion, the term "U.S. Holder" means a beneficial owner of a Note that, for U.S. federal income tax purposes, is (a) an individual who is a citizen or resident of the United States, (b) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organised in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (d) a trust (i) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (ii) that has in effect a valid election under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes invests in a Note, the U.S. federal income tax considerations relating to such investment will depend in part upon the status and activities of such entity and the particular partner. Any such entity should consult its own tax adviser regarding the U.S. federal income tax considerations applicable to it and its partners relating to the purchase, ownership and disposition of a Note.

The determination of whether a particular Series of Notes should be classified as indebtedness or equity for U.S. federal income tax purposes depends on the terms of such Notes. Unless otherwise specified in the applicable Pricing Supplement, we intend that the Notes should be classified as indebtedness for U.S. federal income tax purposes, and by acquiring an interest in a Note each beneficial owner of a Note agrees to treat such Notes as indebtedness for U.S. federal income tax purposes. It is possible, however, that the U.S. Internal Revenue Service (the "IRS") could attempt to treat a particular Series of Notes as equity for such purposes. If any Notes were so treated as equity, the U.S. federal income tax considerations relating to the purchase, ownership and disposition of such Notes could differ from those described below. The remainder of this discussion assumes the Notes will be treated as indebtedness for U.S. federal income tax purposes.

EACH PERSON CONSIDERING AN INVESTMENT IN THE NOTES SHOULD CONSULT ITS OWN TAX ADVISER REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. INCOME, ESTATE AND OTHER TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES.

Interest on the Notes and Original Issue Discount

Each U.S. Holder of a Note generally must include "qualified stated interest" (as described below) in respect of such Note when paid or accrued in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes as ordinary interest income. However, to the extent that a portion of a U.S. Holder's purchase price for a Note is allocable to interest accrued prior to the issuance of the Note (any such accrued interest, "pre-issuance interest"), a portion of the first stated interest payment equal to the amount of such accrued interest will be treated as a nontaxable return of such accrued interest to the U.S. Holder, and receipt of such amount will reduce the U.S. Holder's adjusted tax basis in the Note by a corresponding amount. Pre-issuance interest not included in income should not be included in purchase price for purposes of determining any acquisition premium, bond premium or market discount (as described below under "Acquisition Premium and Premium" and "Market Discount"). This discussion does not otherwise address the treatment of pre-issuance interest, and U.S. Holders should consult their tax advisers concerning the U.S. federal income tax treatment of pre-issuance interest, including in the case of Foreign Currency Notes, the potential recognition of exchange gain or loss on the receipt of amounts otherwise treated as a nontaxable return of pre-issuance interest.

In general, if the issue price of a Note, determined by the first price (excluding amounts allocable to pre-issuance interest) at which a substantial amount of the Notes of a Series is sold (ignoring sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers), is less than the "stated redemption price at maturity" (as described below) of such Note by an amount that is equal to or more than a *de minimis* amount, a U.S. Holder will be considered to have purchased such Note with original issue discount ("OID"). In general, the *de minimis* amount is equal to ¼ of 1% of the stated redemption price at maturity of a Note multiplied by the number of complete years to maturity (or, in the case of a Note providing for the payment of any amount other than qualified stated interest prior to maturity, multiplied by the "weighted average maturity" of the Note). If a U.S. Holder acquires a Note with OID, then regardless of such U.S. Holder's method of accounting for U.S. federal income tax purposes, such U.S. Holder generally will be required to accrue its *pro rata* share of OID on such Note on a constant-yield basis and include such accruals in gross income, whether or not such U.S. Holder will have received any cash payment on such Note, except as discussed under "Acquisition Premium and Premium" below. Any amount not treated as OID because it is *de minimis* generally must be included in income (generally as gain from the sale of a Note) as principal payments are received in the proportion that each such payment bears to the original principal amount of the Note. Special rules apply to Notes with a fixed maturity of one year or less. See "*Short-Term Notes*" below.

"Stated redemption price at maturity" generally means the sum of all payments to be made on a Note other than payments of "qualified stated interest". "Qualified stated interest" generally means stated interest that is unconditionally payable during the entire term of the Note at least annually at a single fixed rate, or in the case of a variable rate debt instrument (as defined below), at a single qualified floating rate or single objective rate (each as defined below). If a Note is a variable rate debt instrument but interest is payable at a rate other than a single qualified floating rate or a single objective rate, the special rules that apply to such Note will be described in the applicable Pricing Supplement.

In general, the following rules apply if (a) a Note provides for one or more alternative payment schedules applicable upon the occurrence of a contingency or contingencies and the timing and amounts of the payments that comprise each payment schedule are known as of the issue date and

(b) either a single payment schedule is significantly more likely than not to occur or the Note provides us or a Noteholder with an unconditional option or options exercisable on one or more dates during the term of the Note that, if exercised, require payments to be made on the Notes under an alternative payment schedule or schedules. If based on all the facts and circumstances as of the issue date a single payment schedule for a Note, including the stated payment schedule, is significantly more likely than not to occur, then, in general, the yield and maturity of the Note are computed based on this payment schedule. If the Issuer or a Noteholder has an unconditional option or options that, if exercised, would require payments to be made on the Note under an alternative payment schedule or schedules, then (i) in the case of an option or options exercisable by us, we will be deemed to exercise or not exercise an option or combination of options in the manner that minimises the yield on the Note and (ii) in the case of an option or options exercisable by the Noteholder, the Noteholder will be deemed to exercise or not exercise an option or combination of options in the manner that maximises the yield on the Note. Notes subject to the above rules will not be treated as contingent payment debt instruments as a result of the contingencies described above. If a contingency (including the exercise of an option) actually occurs or does not occur contrary to an assumption made according to the above rules (a "Change in Circumstances"), then, except to the extent that a portion of the Note is repaid as a result of a Change in Circumstances and solely for purposes of the accrual of OID, the Note is treated as retired and then reissued on the date of the Change in Circumstances for an amount equal to the Note's adjusted issue price on that date. The "adjusted issue price" of a Note issued with original issue discount (any such Note, an "OID Note") is generally the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period (without regard to any acquisition premium or amortizable bond premium) and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

A U.S. Holder may elect to treat all interest on any Note as OID and calculate the amount includible in gross income under the constant yield method. For purposes of this election, interest includes stated interest, acquisition discount, OID, *de minimis* OID and unstated interest, as adjusted by any acquisition premium or amortisable bond premium (as described below in "*Acquisition Premium and Premium")*. The election must be made for the taxable year in which a U.S. Holder acquires the Note, and may not be revoked without the consent of the IRS.

Variable Rate Debt Instruments

A "variable rate debt instrument" is a debt instrument that (a) has an issue price that does not exceed the total noncontingent principal payments by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of such total noncontingent principal payments and the number of complete years to maturity of the instrument (or, in the case of a Note providing for the payment of any amount other than qualified stated interest prior to maturity, multiplied by the "weighted average maturity" of the Note) or (ii) 15% of the total noncontingent principal payments, (b) provides for stated interest (compounded or paid at least annually) at the current value of (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) does not provide for any principal payments that are contingent. The current value of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A "qualified floating rate" is generally a floating rate under which variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which a debt instrument is denominated. A multiple of a qualified floating rate is not a qualified floating rate unless the relevant multiplier is (a) fixed at a number that is greater than 0.65 but not more than 1.35 or (b) fixed at a number that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate. A variable rate is not considered a qualified floating rate if the variable rate is subject to a cap, floor, governor (i.e., a restriction on the amount of increase or decrease in the stated interest rate) or similar restriction that is reasonably expected as of the issue date to cause the yield on the Note to be significantly more (in the case of a floor, governor or similar restriction) or less (in the case of a cap, governor or similar restriction) than the expected yield determined without the restriction (other than a cap, floor, governor or similar restriction that is fixed throughout the term of the Note).

An "objective rate" is a rate (other than a qualified floating rate) that is determined using a single fixed formula and that is based on objective financial or economic information. However, an objective rate does not include a rate based on information that is within the control of the issuer (or certain related parties of the issuer) or that is unique to the circumstances of the issuer (or certain related parties of the issuer), such as dividends, profits or the value of the issuer's stock. A "qualified inverse floating rate" is an objective rate (a) that is equal to a fixed rate minus a qualified floating rate and (b) the variations in which can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate). Notwithstanding the first sentence of this paragraph, a rate is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note's term. The IRS may designate rates other than those described above that will be treated as objective rates. As of the date of this Offering Circular, no other rates have been designated.

If interest on a Note is stated at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period, and the value of the variable rate on the issue date is intended to approximate the fixed rate, the fixed rate and the variable rate together constitute a single qualified floating rate or objective rate, as the case may be. A fixed rate and a variable rate will be conclusively presumed to meet the requirements of the preceding sentence if the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 0.25 percentage points (25 basis points). Similar rules apply to Notes that convert from one floating rate to another if the floating rates are reasonably expected to have the same value during the term of the Notes.

In the case of a Note that is a variable rate debt instrument that provides for interest at a single variable rate that is unconditionally payable at least annually, the amount of qualified stated interest and the amount of OID, if any, that accrues during an accrual period is generally determined by assuming that the variable rate is a fixed rate equal to (a) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate or (b) in the case of an objective rate other than a qualified inverse floating rate, a fixed rate that reflects the yield that is reasonably expected for the debt instrument. The qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual

period exceeds (or is less than) the interest assumed to be paid during the accrual period pursuant to clause (a) or (b), as applicable.

In general, any other variable interest rate note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the variable interest rate note. Such a variable interest rate note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the variable interest rate note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the variable rate note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the variable interest rate note is converted into a fixed rate that reflects the yield that is reasonably expected for the variable interest rate note. In the case of a variable interest rate note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the variable interest rate note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the variable interest rate note as of the variable interest rate note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the variable interest rate note is converted into an "equivalent" fixed rate debt instrument in the manner described above. Once the variable interest rate note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the variable interest rate note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the variable interest rate note during the accrual period.

If a Floating Rate Note does not qualify as a variable rate debt instrument or otherwise provides for contingent payments, or if a Fixed Rate Note provides for contingent payments, such Note may constitute a "contingent payment debt instrument". Interest payable on a contingent payment debt instrument is not treated as qualified stated interest. If such a Note is offered to U.S. Holders, special rules applicable to contingent payment debt instruments will be described in the applicable Pricing Supplement or Supplemental Offering Circular.

Acquisition Premium and Premium

A U.S. Holder that purchases a Note that has OID for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess, "acquisition premium") and that does not

make the election to treat all interest as OID, reduces the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

If the amount paid by a U.S. Holder for a Note exceeds the stated redemption price at maturity of such Note and the U.S. Holder does not elect to treat all interest on the Note as OID, such U.S. Holder generally will be considered to have purchased such Note at a premium ("bond premium") equal to such excess. In this event, such U.S. Holder will not be required to include any OID in respect of such Note in income. In addition, such U.S. Holder may elect to amortise such bond premium, based generally on a constant-yield basis, as an offset to interest income over the remaining term of such Note. In the case of a Note that may be redeemed prior to maturity, the premium amortisation and redemption date are calculated assuming that Issuer will exercise or not exercise redemption rights in a manner that maximises the U.S. Holder's yield. It is unclear how premium amortisation is calculated when the redemption date or the amount of any redemption premium is uncertain. The election to amortise bond premium, once made, will apply to all debt obligations held or subsequently acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Market Discount

A Note, other than a Short-Term Note (as discussed below under "Short Term Notes") generally will be treated as purchased at a market discount (any such Note, a "Market Discount Note") if the Note's stated redemption price at maturity or, in the case of an OID Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete remaining years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments. Additionally, for this purpose the "stated redemption price at maturity" (as defined above) is decreased by any payments previously made on the Note that were not qualified stated interest.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the

U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant yield basis. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable without the consent of the IRS.

Short-Term Notes

Notes that have a fixed maturity of one year or less ("Short-Term Notes") will be treated as issued with OID. For purposes of determining the amount of OID, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. In general, an individual or other U.S. Holder that uses the cash method of accounting is not required to accrue such OID unless such U.S. Holder elects to do so. If such an election is not made, any gain recognised by such U.S. Holder on the sale, exchange, retirement or other disposition of a Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis, or ,if elected, under the constant yield method (based on daily compounding), through the date of sale, exchange, retirement or other disposition, and a portion of the deduction otherwise allowable to such U.S. Holder for interest on borrowings allocable to the Short-Term Note will be deferred until a corresponding amount of income on such Note is realised. U.S. Holders who report income for U.S. federal income tax purposes under the accrual method of accounting and certain other holders are required to accrue OID related to a Short-Term Note as ordinary income on a straight-line basis unless an election is made to accrue the OID under a constant yield method (based on daily compounding).

Sale, Exchange, Retirement or Other Disposition of Notes

In general, a U.S. Holder of a Note will have a tax basis in such Note equal to the cost of such Note to such U.S. Holder, increased by any amount includible in income by such U.S. Holder as OID and reduced by any amortised premium and any payments received with respect to the Note other than payments of qualified stated interest. Upon a sale, exchange, retirement or other disposition of a Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the amount realised on the sale, exchange, retirement or other disposition (less any amount that is attributable to accrued but unpaid qualified stated interest, which will constitute ordinary interest income if not previously included in income) and such U.S. Holder's tax basis in such Note. Subject to the rules described below under "*Foreign Currency Notes*", such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if such U.S. Holder has held such Note for more than one year at the time of disposition. Certain non-corporate U.S. Holders are entitled to preferential treatment for net long-term capital gains. The ability of a U.S. Holder to offset capital losses against ordinary income is limited. Such gain or loss generally will be from sources within the United States.

Foreign Currency Notes

The following discussion generally describes special rules that apply, in addition to the rules described above, to Notes that are denominated in, or provide for payments determined by reference to, a currency other than the U.S. dollar ("Foreign Currency Notes"). The amount of qualified stated interest paid with respect to a Foreign Currency Note that is includible in income by a U.S. Holder that uses the

cash method of accounting for U.S. federal income tax purposes is the U.S. dollar value of the amount paid, as determined on the date of actual or constructive receipt by such U.S. Holder, using the spot rate of exchange on such date regardless of whether the payment is in fact converted into U.S. dollars at the time. In the case of qualified stated interest on a Foreign Currency Note held by a U.S. Holder that uses the accrual method of accounting, and in the case of OID (other than OID on a Short-Term Note that is not required to be accrued) for every U.S. Holder, such U.S. Holder is required to include the U.S. dollar value of the amount of such interest income or OID (which is determined in the non-U.S. currency) that accrued during the accrual period. The U.S. dollar value of such accrued interest income or OID generally is determined by translating such income at the average rate of exchange for the accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate of exchange for the partial period within the taxable year). Alternatively, such U.S. Holder may elect to translate such income at the spot rate of exchange on the last day of the accrual period (or, with respect to a partial accrual period, at the spot rate of exchange in effect on the last day of the taxable year for the partial period). If the last day of the accrual period is within five business days of the date of receipt of the accrued interest, a U.S. Holder that has made such election may translate accrued interest using the spot rate of exchange in effect on the date of receipt. The above election will apply to all debt obligations held by such U.S. Holder and may not be changed without the consent of the IRS. A U.S. Holder will recognise, as ordinary income or loss, foreign currency exchange gain or loss with respect to such accrued interest income or OID on the date the interest or OID is actually or constructively received, reflecting fluctuations in currency exchange rates between the rate of exchange used to determine the accrued interest income or OID for the relevant accrual period and the spot rate of exchange on the date such interest or OID is actually or constructively received.

A U.S. Holder will calculate the amortisation of bond premium for a Foreign Currency Note in the applicable non-U.S. currency. Amortisation deductions attributable to a period will reduce interest income in respect of that period, and therefore are translated into U.S. dollars at the spot rate of exchange used for such interest income. Foreign currency exchange gain or loss will be realised with respect to amortised premium on a Foreign Currency Note based on the difference between the rate of exchange at which the amortisation deductions were translated into U.S. dollars and the spot rate of exchange on the date such U.S. Holder acquired the Foreign Currency Note.

The amount realised with respect to a sale, exchange, retirement or other disposition of a Foreign Currency Note generally will be the U.S. dollar value of the payment received (less any amount that is attributable to accrued but unpaid qualified stated interest, which will constitute ordinary interest income if not previously included in income), determined on the date of disposition of such Foreign Currency Note using the spot rate of exchange on such date. However, with respect to Foreign Currency Notes that are treated as traded on an established securities market, a U.S. Holder's tax basis, and the amount realised will be determined using the spot rate of exchange on the settlement date in the case of (a) a U.S. Holder that is a cash method taxpayer or (b) a U.S. Holder that is an accrual method taxpayer that elects such treatment. This election may not be changed without the consent of the IRS. Gain or loss that is recognised generally will be ordinary income or loss to the extent it is attributable to fluctuations in currency exchange rates between the date of purchase of the Foreign Currency Note and the date of sale, exchange, retirement or other disposition. Such foreign currency gain (or loss), together with any foreign currency gain (or loss) realised on such disposition in respect

of accrued interest or OID, generally will be recognised only to the extent of the total gain (or loss) realised by such U.S. Holder on the sale, exchange, retirement or other disposition of the Foreign Currency Note. Any gain (or loss) realised by a U.S. Holder not treated as foreign currency gain (or loss) generally will be capital gain or loss from sources within the United States (subject to the discussion above regarding Short-Term Notes).

A U.S. Holder that determines its amount realised in connection with the sale, exchange, retirement or other disposition of a Foreign Currency Note by reference to the spot rate of exchange on the date of such sale, exchange, retirement or other disposition (rather than on the settlement date) may recognise additional foreign currency gain or loss upon receipt of non-U.S. currency from such sale, exchange, retirement or other disposition. Any gain or loss on a subsequent conversion or other disposition of such non-U.S. currency by such U.S. Holder generally will be treated as ordinary income or loss from sources within the United States.

A U.S. Holder will recognise an amount of foreign currency gain or loss on a sale or other disposition of any non-U.S. currency equal to the difference between (a) the amount of U.S. dollars, or the fair market value in U.S. dollars of any other property, received in such sale or other disposition and (b) the tax basis of such non-U.S. currency. A U.S. Holder generally will have a tax basis in non-U.S. currency received from a sale, exchange, retirement or other disposition of a Foreign Currency Note equal to the U.S. dollar value of such non-U.S. currency on the date of receipt.

A Note that provides for payments in more than one currency, such as a Dual Currency Note, generally will be treated as a "contingent payment debt instrument", and the special rules applicable to such instruments will be described in the applicable Pricing Supplement or Supplemental Offering Circular.

Further Issues of Notes

We may, from time to time, without the consent of the Noteholders of a Series, create and issue further notes having the same terms and conditions as the Notes of such Series so as to be consolidated and form a single Series with such Notes. Even if such additional notes are treated for non-tax purposes as part of the same Series as such Notes, such additional notes may in some cases be treated as a separate Series for U.S. federal income tax purposes. In such case, such additional notes may be considered to have been issued with OID even if such Notes were not issued with more than a *de minimis* discount, or such additional notes may have a different amount of OID than such Notes for U.S. federal income tax purposes. These differences may affect the market value of the Notes if such additional notes are not otherwise distinguishable from such Notes.

Substitution

A substitution of Notes or a modification of the terms of Notes described in 13 of the Terms and Conditions may be treated for U.S. federal income tax purposes as a disposition of such Notes in exchange for new Notes. As a result, a U.S. Holder could be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new Notes (as determined for U.S. federal income tax purposes) and the U.S. Holder's tax basis in the relevant Series of Notes and could be required to determine if the new Notes have OID. U.S. Holders of Foreign Currency Notes may have foreign currency gain or loss as described above. U.S. Holders should consult their own tax advisers regarding the U.S. federal income tax consequences to them of a substitution or modification of the relevant Series of Notes.

Medicare Tax

In addition to regular U.S. federal income tax, certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of their interest income (including accrued OID) on a Note and gain from the sale, exchange, retirement or other disposition of a Note.

Information Reporting and Backup Withholding

Under certain circumstances, information reporting and/or backup withholding may apply to a U.S. Holder with respect to payments of interest (and accruals of OID) on, and proceeds from the sale, exchange, retirement or other disposition of, a Note, unless an applicable exemption is satisfied. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a credit or a refund against a U.S. Holder's U.S. federal income tax liability if the required information is furnished by such U.S. Holder on a timely basis to the IRS.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from or in connection with the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations (U.S. $50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of U.S. $10,000 in the case of a natural person and U.S. $50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

Disclosure Requirements for Specified Foreign Financial Assets

Individual U.S. Holders (and certain U.S. entities specified in U.S. Treasury Regulations) who, during any taxable year, hold any interest in any "specified foreign financial asset" generally will be required to file with their U.S. federal income tax returns certain information on IRS Form 8938 if the aggregate value of all such assets exceeds certain specified amounts. "Specified foreign financial asset" generally includes any financial account maintained with a non-U.S. financial institution and may also include the Notes if they are not held in an account maintained with a financial institution. Substantial penalties may be imposed, and the period of limitations on assessment and collection of U.S. federal income taxes may be extended, in the event of a failure to comply. U.S. Holders should consult their own tax advisers as to the possible application to them of this filing requirement.

Cayman Islands Taxation

The Cayman Islands currently has no exchange control restrictions and no income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax applicable to the relevant Issuer, (where MTR Cayman is the relevant Issuer) the Guarantor or any holder of Notes. Accordingly, payment of principal of (including any premium) and interest on, and any transfer or conversion of the securities will not be subject to taxation in the Cayman Islands, no Cayman Islands withholding tax will be required on such payments to any holder of a security and gains derived from the sale of

securities will not be subject to Cayman Islands capital gains tax. The Cayman Islands is not party to a double taxation treaty with any country that is applicable to any payments made to or by MTR Cayman.

MTR Cayman has received an undertaking dated 28th September 2020 from the Cabinet Office of the Cayman Islands pursuant to the Tax Concessions Act (As Revised) of the Cayman Islands, that for a period of 20 years from the date of the undertaking, no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to MTR Cayman or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of MTR Cayman or (ii) by way of the withholding in whole or in part of any relevant payment as defined in the Tax Concessions Act (As Revised) of the Cayman Islands.

No stamp duties or similar taxes or charges are payable under the laws of the Cayman Islands in respect of the execution and issue of the Notes unless they are executed in or brought (for example, for the purposes of enforcement) into the jurisdiction of the Cayman Islands, in which case stamp duty of 0.25% of the face amount thereof is payable on each Note (up to a maximum of C.I.$250 (approximately US$305)) unless stamp duty of C.I.$500 (approximately US$610) has been paid in respect of the entire issue of each Tranche. An instrument of transfer in respect of a Note if executed in or brought within the jurisdiction of the Cayman Islands will attract a Cayman Islands stamp duty of C.I.$100 (approximately US$122).

Subscription and Sale

Subject to the terms and conditions contained in the Amended and Restated Programme Agreement dated 31st October 2025 (as supplemented by a First Supplemental Programme Agreement dated 30th October 2026 and as further amended, supplemented, novated or restated from time to time) (the "Programme Agreement") between MTRCL, MTR Cayman and Agricultural Bank of China Limited Hong Kong Branch, ABCI Capital Limited, Australia and New Zealand Banking Group Limited, Bank of China (Hong Kong) Limited, Bank of Communications Co., Ltd. Hong Kong Branch, Barclays Bank PLC, BNP PARIBAS, BOCI Asia Limited, China Construction Bank (Asia) Corporation Limited, China International Capital Corporation Hong Kong Securities Limited, Citigroup Global Markets Limited, CLSA Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited, J.P. Morgan Securities (Asia Pacific) Limited, Merrill Lynch (Asia Pacific) Limited, Mizuho Securities Asia Limited, Morgan Stanley & Co. International plc, MUFG Securities EMEA plc, SMBC Nikko Securities (Hong Kong) Limited, Standard Chartered Bank (Hong Kong) Limited, UBS AG Hong Kong Branch and United Overseas Bank Limited (together with any further financial institution appointed as a dealer under the Programme Agreement, the "Dealers"), the Issuers may agree to issue and the Dealers may agree to purchase or procure purchasers for Notes. The Programme Agreement also provides for Notes to be issued in Tranches which are jointly and severally underwritten by two or more Dealers or such purchasers.

The relevant Issuer failing whom the Guarantor (if applicable) will pay a Dealer a commission in respect of Notes subscribed by it. The Issuers and the Guarantor have agreed, pursuant to the Programme Agreement, to reimburse the Dealers for certain expenses.

Each of the Issuers and the Guarantor has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement may be terminated in relation to all the Dealers or any of them by the Issuers or, in relation to itself and the Issuers only, by any Dealer, at any time on giving not less than ten business days' notice.

The Dealers and certain of their affiliates may have performed certain investment banking and advisory services for the Company and/or its respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Company and/or its respective affiliates in the ordinary course of their business. In the ordinary course of their various business activities, the Arranger, Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes.

The Dealers and certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution. Such persons do not

intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks): This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the relevant Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the relevant Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the relevant Issuer, the Guarantor or any CMI (including its group companies) and inform the Dealers participating in the relevant CMI Offering ("Relevant Dealers") accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for each relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the relevant Issuer and the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated in this Offering Circular and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Relevant Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose the relevant underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Managers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the relevant Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor

information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The Relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the Relevant Dealers with such evidence within the timeline requested.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act, or in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph and the following two paragraphs have the meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, the Programme Agreement provides that the Dealers may directly or through their respective affiliates arrange for a placing of Notes in registered form in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act ("Rule 144A"). Prospective investors are hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it has not offered, sold or delivered and will not offer, sell or deliver Notes of any Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Dealer, by the Agent or, in the case of a syndicated issue, the lead manager of such issue, within the United States or to, or for the account or benefit of, U.S. persons, and at or prior to confirmation of sale of the Notes it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period (other than pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

In addition to and independent of the above described Securities Act restrictions, Notes in bearer form are subject to U.S. tax law restrictions and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each issuance of Index-Linked Notes shall be subject to such additional U.S. selling restrictions as the relevant Dealer(s) shall agree with the relevant Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Dealer agrees, and each further Dealer appointed under the Programme will be required to agree, that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

The relevant Issuer may agree with one or more Dealers for such Dealer(s) to arrange for the sale of Notes under procedures and restrictions designed to allow such sales to be exempt from the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is either one (or both) of the following:

  (i) not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

Other Regulatory Restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) with respect to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the relevant Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Notes to be issued by an Issuer under the Programme, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "Securities and Futures Ordinance") other than (a) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

For the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Notes to be listed on the Hong Kong Stock Exchange will only be offered to Professional Investors. The Dealers reserve the right to withdraw, cancel or modify such offer without notice and to reject any order in whole or in part.

Cayman Islands

Each Dealer has represented and agreed that no invitation may be made by or on behalf of MTR Cayman to the public in the Cayman Islands to subscribe any Notes.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "FIEA"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any person resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), including any corporation or other entity organised under the laws of Japan, or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any person resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any applicable laws, regulations and governmental guidelines of Japan.

Singapore

Each of the Dealers has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore.

Unless the Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time including by any subsidiary legislation as may be applicable at the relevant time (together, the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to, and in accordance with the conditions specified in, Section 275 of the SFA.

If the Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined under Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

Each Dealer has acknowledged that no representation is made by the Issuers or any Dealer that any action has been or will be taken in any country or jurisdiction by the Issuers or any Dealer that would permit a public offering of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable laws and regulations in each country or jurisdiction in which it subscribes, purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular or any other offering material or any Pricing Supplement, in all cases at its own expense.

These selling restrictions may be modified by the agreement of the Issuers and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Dealer or any affiliate of such Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or such affiliate on behalf of the Issuers in such jurisdiction.

Save as specified in "General Information", no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Certain ERISA Considerations

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes requirements on employee benefit plans (as defined in Section 3(3) of ERISA) subject to Title I of ERISA and on entities, such as collective investment funds and separate accounts whose underlying assets include the assets of such employee benefit plans (all of which are hereinafter referred to as "ERISA Plans"), and on persons who are fiduciaries (as defined in Section 3(21) of ERISA) with respect to such ERISA Plans. The Code also imposes certain requirements on plans (as defined in Section 4975(e)(1) of the Code) and on other retirement plans and arrangements, including individual retirement accounts and Keogh plans (such ERISA Plans and other plans and arrangements are hereinafter referred to as "Plans"). Certain employee benefit plans, including governmental plans (as defined in Section 3(32) of ERISA), church plans (as defined in Section 3(33) of ERISA), if no election has been made under Section 410(d) of the Code, and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the prohibited transaction rules of Section 406 of ERISA or Section 4975 of the Code but may be subject to similar rules under other applicable laws or regulations. Accordingly, assets of such plans may be invested in the Notes without regard to the prohibited transaction considerations under Section 406 of ERISA and Section 4975 of the Code described below, subject to the provisions of other applicable federal, state, local or non-U.S. law or regulation that is substantially similar to Section 406 of ERISA or Section 4975 of the Code ("Similar Law").

Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification, requirements respecting delegation of investment authority and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. Each ERISA Plan fiduciary, before deciding to invest in the Notes, must be satisfied that investment in the Notes is a prudent investment for the ERISA Plan, that the investments of the ERISA Plan, including the investment in the Notes, are diversified so as to minimise the risk of large losses and that an investment in the Notes complies with the ERISA Plan and related trust documents.

Section 406 of ERISA and Section 4975 of the Code prohibit Plans from engaging in certain transactions with persons that are "parties in interest" under Section 3(14) of ERISA or "disqualified persons" under Section 4975 of the Code with respect to such Plans (collectively, "Parties in Interest"). The types of transactions between Plans and Parties in Interest that are prohibited include: (a) sales, exchanges or leases of property; (b) loans or other extensions of credit; and (c) the furnishing of goods and services. Certain Parties in Interest that participate in a non-exempt prohibited transaction may be subject to an excise tax and other penalties under ERISA or the Code. In addition, the persons involved in the prohibited transaction may have to rescind the transaction and pay an amount to the Plan for any losses realised by the Plan or profits realised by such persons and certain other liabilities could result that have a significant adverse effect on such persons. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may apply depending in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and

Section 4975(d)(20) of the Code (relating to certain transactions between a Plan and a non-fiduciary service provider, provided that neither the service provider nor its affiliate has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction, and provided, further, that the Plan pays no more than, and receives no less than, "adequate consideration" in connection with the transaction), Prohibited Transaction Class Exemption ("PTCE") 95-60 (relating to investments by insurance company general accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by an "in-house asset manager"). There can be no assurance that any of these class exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Accordingly, each purchaser and subsequent transferee of any Note (or any interest therein) will be deemed by such purchase or acquisition of any Note (or any interest therein) to have represented and warranted, on each day from the date on which the purchaser or transferee acquires the Note (or any interest therein) through and including the date on which the purchaser or transferee disposes of such Note (or any interest therein), that, either (i) it is not, is not using the assets of, and shall not at any time hold such Note (or any interest therein) for, or on behalf of, a Plan or a governmental, church or non-U.S. plan subject to any Similar Law or (ii) its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any Similar Law. Any purported purchase or transfer of such Note (or any interest therein) that does not comply with the foregoing shall be null and void.

In addition, by its acquisition and holding of the Notes, each holder of the Notes or any interest therein that is a Plan, including any fiduciary purchasing such Notes on behalf of a Plan ("Plan Fiduciary"), will be deemed to represent and warrant that (i) none of the relevant Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents or any of their respective affiliates or any other party to the transactions contemplated by this Offering Circular or any of their respective affiliated entities has provided any investment advice within the meaning of Section 3(21) of ERISA to the Plan or the Plan Fiduciary with respect to the acquisition of the Notes by the Plan and (ii) the Plan Fiduciary is exercising its own independent judgement in evaluating the investment in the Notes.

Any Plan Fiduciary that proposes to cause a Plan to purchase any Notes or any interest therein should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and confirm that such investment will not constitute or result in a prohibited transaction or any other violation of an applicable requirement of ERISA or the Code. Similarly, fiduciaries of any governmental, church or non-U.S. plans should consult with their counsel before purchasing any Notes or any interest therein.

The foregoing discussion is general in nature and does not address every form of Note that may be issued under the Programme. The treatment of a Note for purposes of the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the "Plan Asset

Regulation"), will depend on its terms and the circumstances of the relevant Issuer and Series; in particular, the purchase, ownership or disposition of a Note that is a Dual Currency Note, an Index-Linked Note, or otherwise treated as a "contingent payment debt instrument" (under applicable U.S. Treasury Regulations); a Note that is one of certain categories of "variable rate debt instrument" (as described below under "Interest on the Notes and Original Issue Discount"); a Note that has a maturity exceeding thirty years, or a Bearer Note may require separate analysis. If appropriate to address the risk that an Issuer's underlying assets would be treated as plan assets, the applicable Pricing Supplement or Supplemental Offering Circular may set out additional or different limitations on purchases by Plans and restrictions on transfers to or for the account of such Plans (including, where appropriate, a prohibition on such purchases and transfers), together with any related representations, certifications and transfer procedures. Prospective purchasers and subsequent transferees should review the documents applicable to the relevant Series; the representations described above do not themselves impose a Series-specific prohibition or establish that any exception from the Plan Asset Regulation is available.

Transfer Restrictions

As the following restrictions will apply to the Notes, investors should consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

The Notes and, if applicable, the Guarantee of the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only:

- within the United States to "qualified institutional buyers" in compliance with Rule 144A; and

- outside the United States in offshore transactions to non-U.S. persons in reliance upon Regulation S.

Rule 144A Notes
Each purchaser of Restricted Notes pursuant to Rule 144A, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a qualified institutional buyer within the meaning of Rule 144A (a "QIB"), (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.

2. It understands and acknowledges that the Notes of the relevant series are being offered only in a transaction not involving any public offering in the United States, within the meaning of the Securities Act, and that such Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and (a) may not be offered, sold, pledged or otherwise transferred except (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any state of the United States; (b) the purchaser will, and each subsequent purchaser is required to, notify any subsequent purchaser of such Notes from it of the resale restrictions referred to in (a) above; and (c) no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of the Notes of the relevant series.

3. It understands that such Notes, unless otherwise agreed between the Issuers and the Agent in accordance with applicable law, will bear a legend to the following effect:

   "THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE

"SECURITIES ACT") OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUERS THAT THE NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALE OF THIS NOTE."

4. It understands that the Notes of the relevant series offered in reliance on Rule 144A will be represented by the relevant Restricted Global Certificate. Before any interest in any Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the corresponding Unrestricted Global Certificate, it will be required to provide the relevant Registrar with a written certification (in the form provided in the Terms and Conditions of the Notes) as to compliance with applicable securities laws.

5. The Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and, if any such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Notes of any series are no longer accurate, it agrees to promptly notify us. If it is acquiring any Notes of any series for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

6. By purchasing and holding the Notes, each purchaser and subsequent transferee of the Notes will be deemed to have represented that (x) either (i) no portion of the assets used by such purchaser or transferee to acquire, hold or dispose of the Notes, or any interest therein, constitutes assets of (A) an "employee benefit plan" subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (B) a plan, individual retirement account or other arrangement subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (C) a plan or arrangement subject to any U.S. or non-U.S. federal, state, local or other

law or regulation substantially similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code ("Similar Laws"), or (D) an entity whose underlying assets are treated as including the assets of any such plan, account or arrangement under ERISA, the Code or applicable Similar Laws (each of (A) through (D), a "Plan"), or (ii) its acquisition, holding and disposition of the Notes, or any interest therein, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of applicable Similar Laws; and (y) if it is using assets of a Plan to acquire, hold or dispose of the Notes, or any interest therein, (i) none of the relevant Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents or their respective affiliates (each, a "Transaction Party") is acting as a fiduciary to such Plan in connection with the Plan's decision to acquire, hold or dispose of the Notes, or any interest therein, and (ii) it is not relying on any Transaction Party for impartial investment advice or advice in a fiduciary capacity in connection with that decision.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of Bearer Notes or Unrestricted Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Offering Circular and the Notes of the relevant series, will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time such Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuers or a person acting on behalf of such an affiliate.

2. It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except (a) other than in the case of Bearer Notes, in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

3. It understands that such Notes, unless otherwise agreed between the Issuers and the Agent in accordance with applicable law, will bear a legend to the following effect.

   "THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD, PLEDGED OR OTHERWISE TRANSFERRED PRIOR TO THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE

COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE (THE "DISTRIBUTION COMPLIANCE PERIOD"), EXCEPT (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUERS THAT THE NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT."

4. It understands that the Notes offered in reliance on Regulation S will be represented by the Unrestricted Global Certificate. Prior to the expiration of the distribution compliance period, before any interest in the Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Restricted Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

The Issuers, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and, if any such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Notes of the relevant series are no longer accurate, it agrees to promptly notify us.

General Information

Listing

Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Separate application will be made for the listing of, and permission to deal in, the Notes to be issued under the Programme on the Hong Kong Stock Exchange. The issue price of Notes listed on the Hong Kong Stock Exchange will be expressed as a percentage of their principal amount. It is expected that Notes which are to be listed on any relevant stock exchange will be listed separately as and when issued.

Transactions of Notes

Transactions of Notes will normally be effected for settlement in the relevant currency and for delivery by the end of the second trading day after the date of the transaction.

Authorisations

The establishment of the Programme and the issue of Notes under the Programme were duly authorised by a resolution of the Board of Directors of MTRC on 2nd July 1993.

The accession of MTR Cayman as an issuer under the Programme was duly authorised by a resolution of the Board of Directors of MTR Cayman on 2nd April 2001. The accession of MTR Cayman as an issuer under, and the irrevocable and unconditional guarantee by MTRCL of any Notes issued by MTR Cayman pursuant to, the Programme was duly authorised by resolutions of the Board of Directors of MTRCL on 2nd November 2000.

The annual update of the Programme was authorised by a resolution of the Board of Directors of MTRCL on 6th October 2026 and by a resolution of the Board of Directors of MTR Cayman on 6th October 2026.

Auditors and Financial Statements

KPMG, Certified Public Accountants registered in Hong Kong and independent auditors of MTRCL, have audited the consolidated annual financial statements of MTRCL and its subsidiaries for the years ended 31st December 2025 and 31st December 2024 without qualification in accordance with HKFRSs. KPMG have audited the annual financial statements of MTR Cayman for the years ended 31st December 2025 and 31st December 2024 without qualification in accordance with HKFRSs.

Euroclear, Clearstream and CMU

The Notes have been accepted for clearance through the Euroclear and Clearstream systems (which are the entities in charge of keeping the records). The common code and ISIN for each Note allocated by Euroclear and Clearstream will be contained in the applicable Pricing Supplement. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction. The Issuers may also apply to have Notes accepted for clearance through the CMU. Where Notes are to be lodged in CMU, the relevant CMU instrument number allocated by CMU will be contained in the applicable Pricing Supplement.

Legal Entity Identifier

The legal entity identifier code of MTR Corporation Limited is 254900IH4U9NHH9AQM97 and the legal entity identifier code of MTR Corporation (C.I.) Limited is 254900SEVE6JAZLGDW04.

Legend on Notes in Bearer Form

Notes in bearer form, including the Global Notes and Definitive Notes, having a maturity of more than one year, and any Receipt, Coupon and Talon related thereto, will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Litigation and Governmental Proceedings

(i) MTRCL has lodged objections and appeals relating to the Rates and Government rent assessments made by the Commissioner of Rating and Valuation in respect of the operational system and advertising, commercial telecommunications tenements and various development sites, which are pending.

(ii) Since the Rail Merger in 2007, MTRCL has claimed annual Hong Kong profits tax deductions in respect of the amortisation of upfront payment and cut-over liabilities, and fixed annual payments and variable annual payments relating to the Rail Merger (collectively the "Sums"). The total tax amount in respect of the Sums for the years of tax assessment from 2007/2008 to the first six months of 2026/2027 amounted to HK$6.8 billion (31st December 2025: for the years of tax assessment from 2007/2008 to 2025/2026 amounted to HK$6.5 billion).

(a) As of 30th June 2026, the Inland Revenue Department of Hong Kong (the "IRD") issued notices of profits tax assessments/additional profits tax assessments for the years of assessment from 2009/2010 to 2019/2020 (31st December 2025: for the years of assessment from 2009/2010 to 2018/2019) disallowing deduction of the Sums in the computation of MTRCL's assessable profits. Based on the strength of advice from the external legal counsel and its tax advisor, MTRCL has lodged objections against these tax assessments (regarding the deductibility of the Sums) and has applied to hold over the additional tax demanded. The IRD has agreed to the holdover of the additional tax demanded subject to the purchases of tax reserve certificates ("TRCs") amounting to HK$3.3 billion (31st December 2025: HK$2.8 billion). MTRCL has purchased the required TRCs and the additional tax demanded has been held over by IRD. The purchases of TRCs do not prejudice the Company's tax position and the purchased TRCs were included in "Debtors and other receivables" in the Group's consolidated statement of financial position.

(b) On 20th May 2022, the Commissioner of Inland Revenue issued a determination to MTRCL disagreeing with the objections lodged by MTRCL and confirming profits tax assessment/ additional profits tax assessments in respect of the Sums in dispute for the years of assessment from 2011/2012 to 2017/2018 (i.e. holding that the Sums are not deductible in

the computation of MTRCL's assessable profits for those years of assessment). MTRCL re-affirmed the case with the external legal counsel who advised MTRCL previously and its tax advisor, and obtained further advice from another external legal counsel. Based on the advice from the external legal counsel and its tax advisor, the Directors of MTRCL believe that MTRCL has strong legal grounds and have determined to contest and appeal against the assessments for the years of assessment from 2011/2012 to 2017/2018. Accordingly, MTRCL lodged a notice of appeal to the Inland Revenue Board of Review on 16th June 2022.

(c) After discussing with the external legal counsel and its tax advisor on the approach to the appeal, the Company decided not to pursue its deduction claims in respect of the amortisation of upfront payment and cut-over liabilities during the opening submission before Board of Review. As the Company had already made the related tax provision for the amortisation of upfront payment and cut-over liabilities in the past years taking into account the uncertainty in their tax deductibility, no additional tax provision is required.

The hearing of appeal was held before the Board of Review in early 2024. On 6th August 2024, the Board of Review has issued the Board of Review Decision and has disagreed with the deduction claims of the fixed annual payments and variable annual payments for the years of assessment from 2011/2012 to 2017/2018. It confirmed the relevant profits tax assessment/ additional profits tax assessments in respect of the fixed annual payments and variable annual payments being non-tax deductible. The Company, external legal counsel and its tax advisor have completed their review of the Board of Review Decision and the advice obtained continues to be that the Company has strong legal grounds to support its position. Based on the strength of advice from external legal counsel and its tax advisor, on 4th September 2024, the Company lodged an application to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region for leave to appeal against the Board of Review Decision. The hearing for the application of leave to appeal was held before the Court of First Instance in late February 2025. On 27th May 2025, the Court of First Instance handed down its decision and granted leave for the Company to appeal against the Board of Review Decision. The Company has conferred with external legal counsel and its tax advisor and the advice obtained is that the Company continues to have strong legal grounds to support its position. As such, the Company has proceeded with its appeal against the Board of Review Decision and no additional tax provision has been made. The hearing of the appeal before the Court of First Instance is scheduled to be held in early 2027.

As mentioned above, the total tax amount in respect of the Sums for the years of assessment from 2007/2008 to the first six months of 2026/2027 amounted to HK$6.8 billion (31st December 2025: for the years of assessment from 2007/2008 to 2025/2026 amounted to HK$6.5 billion). As at 30th June 2026, the related tax provision made for the amortisation of upfront payment and cut-over liabilities amounted to HK$0.2 billion (as of 31st December 2025: HK$0.2 billion) and HK$14 million was utilised during the six months ended 30th June 2026 (2025: HK$14 million) for the settlement of the related additional profits tax assessment.

(iii) A collective action was launched against several train operators in the United Kingdom, including First MTR South Western Trains Limited, an associate of the Group. The action alleged that the train operators breached the competition law by abusing their dominant positions. Specifically, the plaintiff claimed that the operators failed to make sufficiently available a specific type of tickets offering "boundary fares" to Travelcard holders, resulting in double-charging the affected passengers for part of their journeys. In October 2025, the Competition Appeal Tribunal issued a judgement in favour of the train operators and dismissed the plaintiff's claim. The plaintiff did not file any appeal within the statutory appeal period.

(iv) Other than as disclosed in (i), (ii) and (iii) above and in the sub-sections headed The "Guangzhou – Shenzhen – Hong Kong" High Speed Rail (Hong Kong Section)" and "Shatin to Central Link Project" in the section headed "MTR Corporation Limited" of this Offering Circular, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which MTRCL or any of its subsidiaries (including MTR Cayman) is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on MTRCL's or its subsidiaries' (including MTR Cayman's) financial position or profitability.

Significant or Material Adverse Change

Save as disclosed in this Offering Circular, there has been no significant or material adverse change in the financial or trading position of MTRCL and its subsidiaries as a whole, or in the financial or trading position of MTR Cayman, since 31st December 2025.

Documents available for Collection and Inspection

From the date hereof and for the length of the Programme, copies of the following documents will be available for collection and inspection during normal business hours from the principal office of the Agent in London, England, and the principal office of each of MTRCL and the Paying Agent in Hong Kong (as set out below):

(1) this Offering Circular and any future prospectus, supplements and any supplementary prospectuses;

(2) each Pricing Supplement (save that the Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Agent as to its holding of Notes and identity); and

(3) the consolidated annual report and audited financial statements of MTRCL and its subsidiaries for the years ended 31st December 2024 and 31st December 2025 and the most recent unaudited consolidated interim report.

MTRCL has also established the Sustainable Finance Framework (the "Framework"), which, together with MTRCL's latest Sustainability Report and Sustainable Finance Report, are available on MTRCL's website at www.mtr.com.hk. For the avoidance of doubt, the contents of MTRCL's website (www.mtr.com.hk), the Framework and MTRCL's latest Sustainability Report and Sustainable Finance Report do not form part of this Offering Circular and are not incorporated in this Offering Circular by reference.

From the date hereof and for the length of the Programme, copies of the following documents will be available for inspection at the principal office of the Agent in London, England, and the principal office of each of MTRCL and the Paying Agent in Hong Kong (as set out below):

(1) the articles of association of MTRCL;

(2) the memorandum and articles of association of MTR Cayman;

(3) the Mass Transit Railway Ordinance (Cap. 556 of the Laws of Hong Kong);

(4) the Amended and Restated Trust Deed dated 31st October 2025;

(5) the Amended and Restated Programme Agreement dated 31st October 2025;

(6) the First Supplemental Programme Agreement dated 30th October 2026;

(7) the Amended and Restated Agency Agreement dated 31st October 2025 and incorporating the forms of the Global and Definitive Notes and the Global and Definitive Certificates;

(8) the First Supplemental Agency Agreement dated 30th October 2026; and

(9) the Amended and Restated Deed of Covenant made by MTRCL (in its capacity as an Issuer and the Guarantor) and MTR Cayman on 31st October 2025.

ISSUER AND GUARANTOR
Registered Office
MTR Corporation Limited
香港鐵路有限公司
MTR Headquarters Building, Telford Plaza
Kowloon Bay
Kowloon
Hong Kong
Telephone: (852) 2881 8888

ISSUER
Registered Office
MTR Corporation (C.I.) Limited
PO Box 309, Ugland House
Grand Cayman, KY1 – 1104
Cayman Islands

ARRANGER
The Hongkong and Shanghai Banking Corporation Limited
Level 17, HSBC Main Building
1 Queen's Road Central
Hong Kong

DEALERS

Agricultural Bank of China Limited Hong Kong Branch
25/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

ABCI Capital Limited
11/F., 50 Connaught Road Central
Hong Kong

Australia and New Zealand Banking Group Limited
22/F, Three Exchange Square
8 Connaught Place Central
Hong Kong

Bank of China (Hong Kong) Limited
34/F, Bank of China Tower
1 Garden Road
Hong Kong

Bank of Communications Co., Ltd.
Hong Kong Branch
3/F, 20 Pedder Street
Central
Hong Kong

Barclays Bank PLC
1 Churchill Place
London E14 5HP
United Kingdom

BNP PARIBAS
63/F, Two International
Finance Centre
8 Finance Street Central
Hong Kong

BOCI Asia Limited
20/F Bank of China Tower
1 Garden Road
Central
Hong Kong

China Construction Bank (Asia) Corporation Limited
28/F, CCB Tower
3 Connaught Road Central
Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Crédit Agricole Corporate and Investment Bank
30th Floor
Two Pacific Place
88 Queensway
Hong Kong

Deutsche Bank AG, Hong Kong Branch
60/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Goldman Sachs (Asia) L.L.C.
68th Floor
Cheung Kong Center
2 Queen's Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
Level 17, HSBC Main Building
1 Queen's Road Central
Hong Kong

Industrial and Commercial Bank of China Asia Limited
28F, ICBC Tower
3 Garden Road
Hong Kong

J.P. Morgan Securities (Asia Pacific) Limited
28/F, Chater House
8 Connaught Road
Central, Hong Kong

Merrill Lynch (Asia Pacific) Limited
55/F, Cheung Kong Center
2 Queen's Road Central
Central
Hong Kong

Mizuho Securities Asia Limited
14-15/F., K11 Atelier, 18 Salisbury Road
Tsim Sha Tsui, Kowloon
Hong Kong

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

MUFG Securities EMEA plc
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

SMBC Nikko Securities (Hong Kong) Limited
Suites 807-811, 8/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Standard Chartered Bank (Hong Kong) Limited
15/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street Central
Hong Kong

United Overseas Bank Limited
6/F, Lee Garden Two,
28 Yun Ping Road,
Causeway Bay
Hong Kong

TRUSTEE
The Law Debenture Trust Corporation p.l.c.
Eighth Floor, 100 Bishopsgate
London EC2N 4AG
United Kingdom

AUDITORS
KPMG
8th Floor Prince's Building
10 Chater Road, Central
Hong Kong

AGENT
Citibank, N.A.
c/o 1 North Wall Quay
Dublin 1
Ireland

LEGAL ADVISERS

To the Issuers and Guarantor

as to Hong Kong law, English law and U.S. federal law
Slaughter and May
47th Floor
Jardine House
One Connaught Place
Central
Hong Kong

as to Cayman Islands law
Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

To the Dealers
as to Hong Kong law, English law and U.S. federal law
Linklaters
11th Floor
Alexandra House
18 Chater Road
Hong Kong

PAYING AND TRANSFER AGENTS

Citibank, N.A., London
c/o 1 North Wall Quay
Dublin 1
Ireland

Citibank, N.A., Hong Kong
9th Floor
Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong

HK LODGING AGENT
Citibank, N.A., Hong Kong
9th Floor
Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong