

Chairman's Letter



Dear Shareholders and other Stakeholders,

I would like to begin by saying what a privilege it is to have been appointed as Chairman of MTR Corporation Limited. Over the years, I have had the great pleasure of serving MTR in a variety of roles, and I look forward to continuing working closely with the Board and our senior management as we help navigate a challenging but exciting new era in Hong Kong's infrastructural development.

In October 2025, MTR commenced works on the Northern Link, a critical piece of railway infrastructure that will serve as the primary transport artery for the Northern Metropolis,

one of Hong Kong's most strategically important development areas. It will connect the East Rail Line and Tuen Ma Line, bringing different parts of the city much closer together and furthering integration while enhancing convenience for travellers from both sides of the boundary. Over the better part of almost five decades, the Company has worked hard to Keep Cities Moving with safe, efficient, low-carbon mass transit that anyone can access and enjoy. Now, with the signing of new project agreements and construction underway on many major Government initiatives, we are moving at full steam ahead on an exciting new phase of development. This is a significant responsibility that we take very seriously. It also requires considerable investment, which is why we were delighted to announce a trio of successful fundraising efforts in 2025 that significantly bolstered our financial position while demonstrating high confidence from the international and local investment communities in our ability to build Hong Kong's railway infrastructure of the future.

These major achievements, combined with another solid year of business results, illustrate the balance MTR strives to attain between meeting the Company's fiduciary duties and creating social and economic value for its beloved home city. In funding the continuous expansion of the network, we have been very successful to date at securing the funding needed for new lines by employing our "Rail plus Property" business model, through which we generate working capital by building thriving new communities linked to convenient railway hubs. With many new lines being built and more to come, and our HK\$65 billion asset maintenance, upgrade and replacement programme in full swing, raising adequate cash flow is a continuous challenge for the Company.

As a global leader in mass transit, we also aim to stay at the forefront of technology and sustainability in all our projects, investing heavily in research and development to spearhead rapid innovation. During the year, our MTR Lab continued to invest in promising local, Chinese Mainland and international tech ventures. We partnered with Government departments and other organisations on smart railway initiatives in fast-growing fields such as AI and data analytics. We are proudly taking part in Government's "Low-altitude Economy Regulatory Sandbox", studying and testing the use of drones for inspections in hard-to-access areas such as tunnels. We are also establishing "Digital Delivery Centres" to enhance construction management, work efficiency and safety.

The coming years will see a flurry of activity as we build a significantly expanded network of environmentally friendly mass transit that will catalyse economic growth for communities both existing and new. It is a very promising time, and we are excited to do our part to bring the Hong Kong of tomorrow to life. There are many challenges ahead, but we will tackle them with the utmost levels of professionalism, prudence and pragmatism while adhering closely to the principle of "Think Ahead, Stay Ahead". As our accomplishments of the past year indicate, we are well prepared to grasp the many opportunities that lie before us.

BUSINESS PERFORMANCE AND GROWTH

During the year, we made strong progress in our railway network expansion activities while continually improving our existing assets and infrastructure, always striving to "Go Beyond Boundaries" with high-quality design, construction and maintenance. Financially, we supported these efforts via successful fundraising ventures in the bond and securities markets, which included a US\$3 billion in senior unsecured bond in March, US\$3 billion in subordinated perpetual securities in June and the closing of a seven-year, HK\$30 billion syndicated green term loan facility in September as well as an AU\$2 billion senior unsecured green bond in January 2026. Moving forward, we will continue to utilise an innovative and diversified financial strategy while adhering to characteristic prudence as we seek additional ways to provide cash flow for our investment programme and secure sustainable, long-term growth for the Company and Hong Kong.

Our Corporate Strategy has served us well by laying out a clear and comprehensive roadmap for how we should conduct our business, especially in the areas of governance and sustainability. Over the years, we have moved from a centrally coordinated approach to one driven at the business unit level. Today, we have entered a new phase in our evolution, focusing on priority areas identified as critical to driving success and strengthening resilience, including but not limited to managing finances and cashflow, generating recurrent revenue in a constantly changing environment, achieving carbon neutrality, building the "next generation workforce" and more.

In July 2025, we signed the Northern Link (Part 1) Project Agreement with Government, which covers the financing and construction of parts of the Northern Link Main Line ("Main Line"), and commenced detailed planning and design for the Northern Link Spur Line ("Spur Line"). The Main Line will serve as the mass transportation backbone for the Northern Metropolis, while the Spur Line will

provide direct connectivity between Hong Kong and Shenzhen's Huanggang Port Area. We are working closely with Government to ensure that both of these lines are commissioned no later than 2034. Major construction works for various projects also continued in 2025, including the Tung Chung Line Extension, Oyster Bay Station, the Tuen Mun South Extension, Kwu Tung Station on the East Rail Line and Hung Shui Kiu Station on the Tuen Ma Line. We will also provide full support for the "Transport Strategy Blueprint" announced by Government in February 2026, and uphold professionalism and technical excellence to construct sustainable railway projects and maintain world-class railway services.

Our property business delivered another solid year of profits that will help further propel Hong Kong's future railway infrastructure development through the Rail plus Property model. During the year, we awarded the tender for the Tuen Mun A16 Station Package 1 property development, and other projects remain in progress. Meanwhile, pre-sale activities continued in fast-growing areas across the city.

In addition to serving their respective communities, our Chinese Mainland and international businesses form one of our key growth drivers by generating revenue for MTR through diversified activities and geographies outside of Hong Kong. On the Chinese Mainland, we celebrated the full-line openings of Shenzhen Metro Line 13 Phase 1 and Beijing Metro Line 17 in 2025, while in Australia, we participated in the opening of the new Metro Tunnel in Melbourne and the MTR-led consortium won the major Sydney Metro West contract for train supply, operations and maintenance. We also made positive progress in our Chinese Mainland station commercial business, building our network to more than 700 station shops across multiple cities. Meanwhile, we continue to explore opportunities in Belt and Road countries in regions such as the Middle East and Southeast Asia.

FINANCIAL PERFORMANCE

In 2025, profit attributable to equity shareholders from recurrent businesses decreased by 21.6% year on year to HK\$5,653 million. This was mainly due to an increase in depreciation as well as a one-off write-down of certain unamortised rental concession in our Hong Kong businesses, along with lower contributions from our Chinese Mainland businesses. Together with HK\$11,084 million in profit from property development – much of which will be deployed to future network expansion as well as asset maintenance and upgrade programmes – profit from underlying businesses increased to HK\$16,737 million. Including the loss arising from the fair value measurement of investment properties, net profit attributable to shareholders of the Company in 2025 was HK\$14,677 million, equating to earnings per share of HK\$2.36. In accordance with dividend policy, the Board has proposed a final ordinary dividend of HK\$0.89 per share, which together with the interim dividend of HK\$0.42 per share brings the full-year dividend to HK\$1.31 per share (2024: HK\$1.31 per share).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

First, on behalf of everyone at MTR, I would like to extend our deepest sympathies to those who were affected by the tragic fire at Wang Fuk Court in Tai Po. We care about each and every one of our communities across Hong Kong, and we will continue to support the victims and their loved ones during these difficult times.

MTR's environmental, social and governance ("ESG") framework guides the Company's efforts to achieve sustainable, community-centric growth in three key areas: reducing Greenhouse Gas Emissions, promoting Social Inclusion, and fostering Advancement & Opportunities. Every year, we define our key performance indicators ("KPIs") according to 10 focus areas spread across these primary objectives. For 2025, we identified 45 such KPIs

and either met them or were on track to do so. We also strive to ensure that we operate our business to the highest possible standards of governance.

As a global leader in low-carbon transport, we are committed to achieving high environmental performance throughout our operations. Seventeen electric buses had been put into passenger service as at the end of 2025. We also advanced plans to install more solar photovoltaic systems at MTR premises. Throughout 2025, we continued to make progress towards our key strategic priorities of achieving our 2030 science-based carbon reduction targets and carbon neutrality by 2050.

Our long-running “More Time Reaching Community” volunteer programme celebrated its 20th anniversary in 2025 with special volunteering events and an awards presentation ceremony. During the year, 380 volunteering projects were organised, which involved a participating headcount of 5,608 volunteers and helped over 64,000 people. MTR is also dedicated to providing members of the community – especially youth and the disadvantaged – with opportunities to learn and build brighter futures. We continued our “EmpowerZ” youth placement pilot programme, which provides on-the-job training for youths from diverse ethnic backgrounds and/or those with disabilities. In 2025, the MTR “Ride to Success” scholarship programme offered 24 scholarships to undergraduates and MTR Academy students who are interested in the railway sector and exhibit a passion for community service. We also welcomed more than 2,000 secondary school students to the “Train’ for Life’s Journeys 2.0” programme, where participants receive training in valuable future skills.

Strong corporate governance lies at the heart of everything we do at MTR. We maintain a robust governance framework and regularly review our governance practices to ensure that we achieve our ESG goals, deliver on our corporate and fiduciary responsibilities, and operate both ethically and transparently. We also strive to attain high levels of diversity and inclusivity throughout our organisation.

ACKNOWLEDGEMENTS AND APPRECIATION

Being part of the MTR family for so many years has been a gratifying experience, and I am pleased to help guide this next phase of the Company’s development in my new capacity as Chairman of the Board. I would like to bid a fond farewell to my predecessor, Dr Rex Auyeung, who led MTR to new levels of corporate and operational excellence, even in the face of significant social and economic challenges. I would also like to congratulate Ms Jeny Yeung on her appointment as Chief Executive Officer, a role she assumed on 1 January 2026. Ms Yeung has served MTR in a variety of important positions since joining the Company in 1999, and I am confident she will be a success at the helm of our talented executive team. In addition, I welcome the appointment of Ms Susanna Shen as an Independent Non-Executive Director (“INED”) of the Board, effective 21 May 2025, and say farewell to Mr Walter Chan, who retired as an INED on 21 May 2025 after contributing years of valuable leadership.

I would like to emphasise once again how excited we are to be working on this landmark phase of Hong Kong’s infrastructural and economic development. MTR is highly regarded around the world for its operational excellence and financial strength, and we will strive as always to live up to our reputation as a global leader in mass transit – working closely with Government as well as our business partners, shareholders and the public to deliver world-class railway projects that Keep Cities Moving.



Dr Jacob Kam Chak-pui
Chairman

Hong Kong, 12 March 2026