

MTR Corporation Limited

Minutes of the 10th Annual General Meeting (the 'Meeting') of MTR Corporation Limited (the 'Company') held at Rotunda 3 (6/F), Hongkong International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Thursday, 27 May 2010 at 11:30 a.m.

Present (Shareholders list had been prepared by Computershare Hong Kong Investor Services Limited)

Apologies Apologies were received from Ms. Eva Cheng and Mr. Joseph Lai Yee-tak

In attendance Mr. Andrew Weir (representative of KPMG – Company Auditors), Mr. James Wong, Ms. Romy Cheng and Mr. P.C. Wong (representatives of Computershare Hong Kong Investor Services Limited – Company Registrar), Mr. Jason Webber and Mr. Simon Chan (representatives of Slaughter & May – Company Solicitors)

Facilitator Mrs. Miranda Leung welcomed everyone to the Meeting. She informed that (i) the Meeting would be conducted in English except that the poll on each resolution would be conducted in Cantonese, and there would be simultaneous translation (i.e. Cantonese, Mandarin and English translation) throughout the Meeting; (ii) Shareholders who would like to ask questions should move to a designated microphone position such that they could be seen and heard; (iii) only Shareholders, representatives of corporate Shareholders and proxies would be invited to ask questions at the Meeting; and (iv) the Chairman would answer questions in the language in which they were

asked, and that translations of both the questions and answers would be provided by the interpreter. She then introduced the Chairman.

Chairman
Opening
Remarks

The Chairman said he had invited the Company's advisers and others to attend the Meeting in accordance with Article 61 of the Company's Articles of Association (the 'Articles'). To facilitate those Shareholders who could not come to the Meeting, he advised that the Meeting would be webcast on the Company's Website within around 24 hours.

Notice

The Chairman proposed and, with permission from the Shareholders present at the Meeting, the notice convening the Meeting, which had been distributed to all Shareholders for the prescribed period, was taken as read.

Chairman's
Statement

The Chairman started the formal business of the AGM by reporting an overall good year for MTR, despite the challenging economic conditions and the threat posed by human swine influenza in 2009.

Putting the 2009 financial results in context, the Chairman said the total revenue which now included those from the two new overseas rail concessions in Stockholm and Melbourne was HK\$18.8 billion with EBITDA at HK\$9.5 billion, and net profit from underlying businesses attributable to equity shareholders was HK\$7.3 billion (excluding the change in fair value of investment properties and the related deferred tax).

The Chairman said the Board of Directors had proposed a final dividend of HK\$0.38 per ordinary share which, when combined with the HK\$0.14 interim dividend per ordinary share, would bring

full year dividend to HK\$0.52 per ordinary share. Going forward and subject to the financial conditions of the Company, the Chairman said the Board intended to follow a progressive dividend policy. He also mentioned that the Government would, in accordance with its undertaking to the Company, continue to take a proportion of its dividend in scrip form such that up to 50% of the total dividend paid by the Company would be paid in cash. This undertaking arrangement would expire after payment of the proposed final dividend.

The Chairman then gave an overview of the Company's business performance including the ridership, train service performance, station commercial and rail related businesses, property development, property rental and management, Ngong Ping Cable Car and associated theme village and Octopus Cards. Early months of operations of rail franchises in Stockholm and Melbourne as well as Beijing Metro Line 4 were reported.

On business development, the Chairman reported the good progress of the five new railway projects in Hong Kong including the construction of the West Island Line (since 2009) and Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (from 2010), and the status of detailed design for the South Island Line (East), the Kwun Tong Line Extension and Shatin to Central Link respectively.

The Chairman then gave a brief account of the growth strategy in the Mainland of China and overseas which was gaining momentum step by step. In addition to the rail franchises in Stockholm, Melbourne, London Overground and Beijing Metro Line 4, he covered the signing of a Concession Agreement for the operation and maintenance of the Daxing Line as an extension

of Beijing Metro Line 4, the expected take over of the operation of the Shenzhen Metro Line 4 Phase 1 in 2010 and full operations (i.e. with Phase 2 together) sometime in 2011, and the signing of a Concession Agreement for Hangzhou Metro Line 1.

The important roles of corporate governance, sustainability, corporate responsibility and community involvement, in the continued success of the Company, were recognised by the Chairman.

Looking ahead, the Chairman said it was expected that patronage in Hong Kong would be benefited from improvements in the economy and the full year impact of the Kowloon Southern Link and the LOHAS Park Station. Apart from being the first full year for operating the Stockholm and Melbourne railway franchises, he said 2010 was also the first time in 13 years that MTR fares would be adjusted according to the Fare Adjustment Mechanism. Regarding other recurrent businesses, advertising, station retail and property rental businesses were market driven. For property development, the chairman expected to make profit booking of Le Prestige and the small retail shopping mall in Area 56 of Tseung Kwan O, in 2010. As announced, he said Austin Sites C and D were awarded to a consortium about two months before the AGM.

Before closing, the Chairman thanked Mr. Russell Black who retired in January 2010 as the Projects Director. He also welcomed Mr. Vincent Cheng joining the Board as an independent non-executive director and Mr. T. C. Chew succeeding Mr. Black as the Projects Director.

Voting
Procedures

Before considering the resolutions, the Chairman exercised his right as the Chairman of the Meeting

under Article 67 of the Articles to call a poll on each resolution to be proposed at the Meeting.

The Chairman further exercised his right as the Chairman of the Meeting under Article 68 of the Articles to decide that an electronic voting system would be used to conduct the poll on each resolution to be proposed at the Meeting, in order to minimise the time spent on counting the votes.

The Chairman said same as before, Computershare Hong Kong Investor Services Limited ('Computershare') had been appointed as the scrutineers to count and certify the poll results. He advised that as the electronic voting system would be used to count the votes, it was expected that the results of the poll would be displayed on the screen before the end of the Meeting. In addition, the poll results would be published on the websites of the Company and the Stock Exchange of Hong Kong Limited in accordance with the Rules Governing the Listing of Securities on the Exchange.

Mr. James Wong of Computershare then gave a demonstration on how electronic poll voting would work.

Directors'
Report and
audited
Statement of
Accounts

The Directors' Report and the audited Statement of Accounts for the year ended 31 December 2009 were taken as read with permission of all Shareholders present at the Meeting.

Auditors'
Report

Mr. Andrew Weir of KPMG summarised the Auditors' Report to the Meeting.

The Chairman thanked Mr. Weir and asked whether there were any questions about the audited Statement of Accounts and the Reports of

the Directors and the Auditors of the Company for the year ended 31 December 2009.

Having no questions from Shareholders, the Chairman proposed Resolution 1, namely the ordinary resolution to receive and consider the audited Statement of Accounts and the Reports of the Directors and the Auditors of the Company for the year ended 31 December 2009.

The Chairman then conducted the poll on Resolution 1.

As more than 50% of the votes had been cast in favour of Resolution 1, the Chairman declared Resolution 1 carried.

Final Dividend The Chairman invited questions from Shareholders about Resolution 2, namely the ordinary resolution to declare a final dividend for the year ended 31 December 2009 of HK\$0.38 per ordinary share, as recommended by the Board of Directors.

Madam Chan, a Shareholder, had the following comment:

- (1) The proposed dividend for 2009 was still too low;
- (2) Shareholders should be provided with water in bottles [Note: There were water dispensers for the Meeting. Moreover, pre-arrangement had been made for serving Shareholders tea & coffee outside the Meeting hall after the Meeting.] and cakes coupons, and that lunch should also be served; and
- (3) Travel agency offered a 40% discount on Airport Express fare, and this was higher

than the 34% Discount Coupons from the Company to Shareholders.

She also asked the following:

- (1) Reason for Government not sending any representative to attend the Meeting today, and why Government had been given a favourable treatment; and
- (2) Reason for paying higher remuneration to overseas employees, compared to local staff.

Madam Chan thanked the Company for providing the HK\$2 fare promotion on Saturdays, Wednesdays and public holidays for senior citizens. She hoped Mr. Chow, the Chief Executive Officer, would agree to receive slightly less remuneration in order to provide more benefits for the elderly.

The Chairman said he observed that Madam Chan had a diversified viewpoint; sometimes she expressed from a Shareholder perspective and at other times, she provided opinion from the angle of a senior citizen.

He clarified that the Company had treated all Shareholders the same and Mr. Clement Leung who was on the stage, represented the Government. As explained the year before, the Chairman said, like all other Board Members, the Secretary for Transport & Housing and the Secretary for Financial Services and the Treasury had put a lot of good efforts on the Company. Internationally, he said MTR was a key brand name for Hong Kong, and that both the local people and Government were proud of it.

As far as dividend was concerned and from a Shareholder's viewpoint, the Chairman said his earlier Statement had already indicated that the

Board of Directors intended to follow a progressive dividend policy. Going forward, therefore, the Board would use its endeavours to share its good financial performance with Shareholders.

Regarding fares, senior citizens coupons etc, the Chairman said the Company responded to feedback of the society. It was hoped to reach a win-win situation by striking the balance (among its Shareholders, passengers and the public) in handling any matter.

Mr. William Chan, Human Resources Director, said the Company currently had over 10,000 employees outside of Hong Kong including in the Mainland of China (e.g. Beijing, Shenzhen), Melbourne, the United Kingdom and Sweden etc, and they were required to take up responsibilities assigned to them in operating the railways. The Chairman added that all businesses outside of Hong Kong were profitable albeit at a low margin, and this indicated that their operating costs had been covered.

Mr. Hung, another Shareholder, suggested the Company developing property on its own in Hong Kong, and this was in the light of its quality service and goodwill, as well as attractive return from property development.

The Chairman thanked Mr. Hung for his comment. He said acting as an enterprise with integrity was the objective of the Company. The Company would continue to develop property by leveraging through our proven and sustainable 'Rail and Property' model.

Having no further questions from Shareholders, the Chairman proposed and conducted the poll on Resolution 2.

As more than 50% of the votes had been cast in favour of Resolution 2, the Chairman declared Resolution 2 carried.

Directors

In accordance with the Company's Articles, Mr. Vincent Cheng Hoi-chuen, Mr. Chow Chung-kong and Ms. Christine Fang Meng-sang retired individually from the office of Directors and, being eligible, offered themselves for election (for Mr. Cheng) and re-election (for Mr. Chow and Ms Fang). The Chairman invited questions from Shareholders about Resolution 3.

Mr. Fung who identified himself as a Shareholder, referred to page 5 of the Annual General Meeting Circular on Ms. Fang, as follows: 'As an independent non-executive Director with a strong background in community service, Ms. Fang brings her valuable experience to the Board for promoting the best interests of the Company and its shareholders. Alongside the other independent non-executive Directors, Ms Fang contributes to ensuring that the interests of all shareholders of the Company are taken into account and that relevant issues are subjected to objective and dispassionate consideration by the Board. The Company has received written confirmation from Ms. Fang concerning her independence in accordance with the Listing Rules, and believes that Ms. Fang continues to be independent.' He said he would like the Chairman to elaborate these points by examples.

The Chairman said the Company's Nominations Committee had a number of Members of the Board as its members [Note: The Nominations Committee comprises in total 7 members.] All nominations to the Board had gone through a series of discussions and were carefully considered. The principal role of appointees was to be responsible for all Shareholders as a whole.

From his own observation and understanding about Ms Fang's personality, the Chairman said he firmly believed that she continued to be independent. He said Ms Fang had a good understanding about social responsibility and quality service to passengers in Hong Kong. Despite not coming from a banking and finance background, the Chairman said she had considerable understanding about an enterprise's operation, and further provided valuable comments on economic benefits of the Company at the Board level. In her role as an independent non-executive director of the Company, the Chairman said he had full confidence in Ms Fang acting in the interests of all Shareholders as a whole.

Madam Chan, the Shareholder who raised questions a while ago, thanked Ms. Fang, Mr. Cheng and Mr. Chow for their respective contributions. She said she also understood from Mr. Chow's staff that he was a caring boss.

Having no further questions from Shareholders, the Chairman proposed and conducted the poll on Resolution 3(a) that Mr. Vincent Cheng Hoi-chuen be elected as a member of the Board of Directors of the Company.

As more than 50% of the votes had been cast in favour of Resolution 3(a), the Chairman declared Resolution 3(a) carried.

The Chairman then proposed and conducted the poll on Resolution 3(b) that Mr. Chow Chung-kong be re-elected as a member of the Board of Directors of the Company.

As more than 50% of the votes had been cast in favour of Resolution 3(b), the Chairman declared Resolution 3(b) carried.

The Chairman further proposed and conducted the poll on Resolution 3(c) that Ms. Christine Fang Meng-sang be re-elected as a member of the Board of Directors of the Company.

As more than 50% of the votes had been cast in favour of Resolution 3(c), the Chairman declared Resolution 3(c) carried.

Auditors

The Chairman proposed and conducted the poll on Resolution 4, namely the ordinary resolution to re-appoint KPMG as Auditors of the Company and to authorise the Board of Directors to determine their remuneration.

As more than 50% of the votes had been cast in favour of Resolution 4, the Chairman declared Resolution 4 carried.

General Mandate

The Chairman proposed Resolution 5, namely the ordinary resolution to grant a general mandate to the Board of Directors to allot, issue, grant, distribute and otherwise deal with additional shares in the Company, not exceeding ten per cent. of the issued share capital of the Company at the date of this Resolution, details of which were set out in the Notice of the Meeting as follows:

Resolution 5

“THAT:

- (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options warrants and other securities which will or

might require Shares to be allotted, issued, granted, distributed or otherwise dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally APPROVED;

- (B) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, conversion or otherwise) by the Board of Directors pursuant to the approval in paragraph (A) above, otherwise than pursuant to :
- (i) a Rights Issue; or
 - (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the members of the Executive Directorate and/or officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares, including without limitation pursuant to the Rules of the Company's Pre-Global Offering Share Option Scheme, the Rules of the Company's New Joiners Share Option Scheme and also the Rules of the Company's 2007 Share Option Scheme; or
 - (iii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment

of Shares in lieu of the whole or part of a dividend on Shares pursuant to the Articles of Association of the Company from time to time,

shall not exceed the aggregate of:

- (a) ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution 5; and
- (b) (if the Board of Directors is so authorised by a separate resolution of the shareholders of the Company) the aggregate nominal amount of share capital of the Company purchased by the Company subsequent to the passing of this Resolution 5 (up to a maximum equivalent to ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution 5),

and the said approval shall be limited accordingly; and

(C) for the purpose of this Resolution 5:

- (i) 'Relevant Period' means the period from (and including) the date of passing this Resolution 5 until the earlier of:
 - (a) the conclusion of the next Annual General Meeting of the Company;
 - (b) the expiration of the period within which the next Annual General Meeting of the Company is required

by the Articles of Association of the Company or by law to be held; and

- (c) the revocation or variation of the authority given under this Resolution 5 by an ordinary resolution of the shareholders of the Company in general meeting;
- (ii) 'Rights Issue' means an offer of Shares open for a period fixed by the Board of Directors to holders of Shares on the register of members (and, if appropriate, to the holders of warrants and other securities which carry a right to subscribe or purchase shares in the Company on the relevant register) on a fixed record date in proportion to their then holdings of such Shares (and, if appropriate, such warrants and other securities) (subject to such exclusions or other arrangements as the Board of Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory applicable to the Company); and
- (iii) 'Shares' means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company."

Having no questions from Shareholders, the Chairman conducted the poll on Resolution 5.

As more than 50% of the votes had been cast in

favour of Resolution 5, the Chairman declared Resolution 5 carried.

Share
Repurchase
Mandate

The Chairman proposed Resolution 6, namely the ordinary resolution to grant a general mandate to the Board of Directors to purchase shares in the Company, details of which were set out in the Notice of the Meeting as follows:

Resolution 6

“THAT:

- (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (the ‘Stock Exchange’) or any other stock exchange on which the Shares may be listed and which is recognised for this purpose by the Securities and Futures Commission and the Stock Exchange, in accordance with all applicable laws, including the Hong Kong Code on Share Repurchases and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), be and is hereby generally and unconditionally APPROVED;
- (B) the aggregate nominal amount of Shares which may be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (A) above shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution 6, and the said approval shall be limited accordingly; and

- (C) for the purpose of this Resolution 6:
- (i) 'Relevant Period' means the period from (and including) the passing of this Resolution 6 until the earlier of:
 - (a) the conclusion of the next Annual General Meeting of the Company;
 - (b) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or by law to be held; and
 - (c) the revocation or variation of the authority given under this Resolution 6 by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (ii) 'Shares' means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company."

The Chairman then conducted the poll on Resolution 6.

As more than 50% of the votes had been cast in favour of Resolution 6, the Chairman declared Resolution 6 carried.

Addition of the Aggregate Nominal Amount of the Shares Repurchased to	The Chairman proposed Resolution 7, namely the ordinary resolution to authorise the Board of Directors to exercise the powers to allot, issue, grant, distribute and otherwise deal with additional shares in the Company in respect of the aggregate nominal amount of share capital in the Company
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the Aggregate
Nominal
Amount of the
Shares which
may be issued
under the
General
Mandate

purchased by the Company, in the terms set out in the Notice of the Meeting as follows:

Resolution 7

“THAT, conditional on the passing of Resolutions 5 and 6, the exercise by the Board of Directors of the powers referred to in paragraph (A) of Resolution 5 in respect of the share capital of the Company referred to in sub-paragraph (b) of paragraph (B) of Resolution 5, be and is hereby APPROVED AND AUTHORISED.”

The Chairman conducted the poll on Resolution 7.

As more than 50% of the votes had been cast in favour of the Resolution 7, the Chairman declared Resolution 7 carried.

Poll Results

The Chairman advised that the results of the poll would be published on the Company’s website and the Exchange’s website before 9:00 am on 28 May 2010 in accordance with the Listing Rules.

Madam Chan (the Shareholder who expressed her view earlier at the Meeting) would like to be further explained about the general mandate to the Board of Directors to repurchase shares in the Company, as referred to in Resolution 6:

In reply, Mr. Leonard Turk, the Legal Director & Secretary, said the three resolutions (i.e. Resolutions 5, 6 and 7 at this Meeting) were quite commonly found in Hong Kong at annual general meetings. He said Resolution 5 enabled the Company to issue new shares for any business opportunities, or for other reason(s) that the Board of Directors considered it would be for the benefit of Shareholders. The Listing Rules allowed the Company to issue up to 20% of issued share capital, but the Company had agreed to issue at

10% of the issued share capital. [Note: Please note that the Board proposed a 10% issue mandate since the Company's 2006 Annual General Meeting.]

Resolution 6 was to authorize the Board of Directors, if they perceived it to be in the business interest and in the interest of all Shareholders, to purchase shares on the open market and therefore effectively, would cancel them. Again, the cap was at 10%. It was generally used to improve return of Shareholders when there was excess of capital in the Company. The Board of Directors would decide it in the interests of all Shareholders. Resolution 7 was a technical resolution authorizing the Board of Directors to deal with shares purchased by the Company under Resolution 6, in accordance with Resolution 5.

In response to Madam Chan's further question, Mr. Turk said the Company had not exercised any of these powers since the listing in 2000 but it was necessary to seek renewal approval at annual general meeting. The Chairman added that all Shareholders were treated equally by the Company under the Listing Rules.

Conclusion

There being no further business, the Chairman declared the Meeting closed at 12:45 p.m.

(Signed by Dr. Raymond Ch'ien)

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Chairman