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MTR CORPORATION LIMITED
香港鐵路有限公司

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of MTR Corporation Limited (the '**Company**') will be held at Rotunda 3 (6/F), Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Thursday, 8 May 2014 at 11:30 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

- (1) 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 2013.
- (2) To declare a final dividend for the year ended 31 December 2013.
- (3) To re-elect/elect retiring members of the Board of Directors.
- (4) To re-appoint KPMG as Auditors of the Company and authorise the Board of Directors to determine their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following ordinary resolutions:

- (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, to grant rights to subscribe for, or convert any security into, Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) and to make or grant offers, agreements and options which will or might require such powers to be exercised during or after the end of the Relevant Period, be and is hereby generally and unconditionally APPROVED;
 - (B) the aggregate number of Shares 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 New Joiners Share Option Scheme and 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 number of Shares in issue as at the date of passing this Resolution 5 (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) after the passing of 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 number of Shares purchased by the Company subsequent to the passing of this Resolution 5 (up to a maximum equivalent to ten per cent. of the aggregate number of Shares in issue as at the date of passing this Resolution 5, subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) after the passing of 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.'

- (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 Buy-backs 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 number 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 number of the Shares in issue as at the date of passing of this Resolution 6 (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) after the 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.’
- (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 number of the Shares referred to in sub-paragraph (b) of paragraph (B) of Resolution 5, be and is hereby APPROVED AND AUTHORISED.’
- (8) **‘THAT**
- (A) subject to paragraph (B) below, the exercise by the Board of Directors of the power contained in Article 131 of the Company’s Articles of Association (or the corresponding Article in the Company’s Articles of Association if Resolution 9 is passed) to offer ordinary shareholders the right to choose to receive new ordinary shares in the capital of the Company, which are credited as fully paid up, instead of the whole or part of their cash dividend, in respect of some or all of the dividends (including, without limitation, any final and/or interim dividends) which may be declared or paid in the period up to and including the annual general meeting of the Company which is held in the fifth year after the date on which this Resolution 8 is passed (including, for the avoidance of doubt, any dividends which may be declared or paid in respect of the financial year ended 31 December 2013), and to take all actions in connection therewith contemplated in such Article, be and is hereby generally and unconditionally AUTHORISED AND APPROVED; and

- (B) such power shall be exercised by the Board of Directors in accordance with Article 131 of the Company's Articles of Association (or the corresponding Article in the Company's Articles of Association if Resolution 9 is passed) such that, amongst other things, a shareholder who accepts an offer to receive new ordinary shares will be entitled to receive ordinary shares the total relevant value of which is as near as possible to the value of the cash dividend he would otherwise have received, but not more than the value of such cash dividend, such relevant value being calculated in accordance with that Article.'

To consider and, if thought fit, to pass with or without modification the following special resolution:

- (9) '**THAT**, the new Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purposes of identification be and is hereby APPROVED AND ADOPTED as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.'

By Order of the Board
Gillian Elizabeth Meller
Company Secretary

Hong Kong, 3 April 2014

Members of the Board: Dr. Raymond Ch'ien Kuo-fung (*Chairman*)**, Jay Herbert Walder (*Chief Executive Officer*), Pamela Chan Wong Shui*, Dr. Dorothy Chan Yuen Tak-fai*, Vincent Cheng Hoi-chuen*, Christine Fang Meng-sang*, Edward Ho Sing-tin*, Professor Frederick Ma Si-hang*, Alasdair George Morrison*, Ng Leung-sing*, Abraham Shek Lai-him*, T. Brian Stevenson*, Professor Chan Ka-keung, Ceajer (Secretary for Financial Services and the Treasury)**, Secretary for Transport and Housing (Professor Anthony Cheung Bing-leung)** and Commissioner for Transport (Ingrid Yeung Ho Poi-yan)**

Members of the Executive Directorate: Jay Herbert Walder, Lincoln Leong Kwok-kuen, Morris Cheung Siu-wa, Chew Tai Chong, Jacob Kam Chak-pui, Stephen Law Cheuk-kin, Gillian Elizabeth Meller, David Tang Chi-fai and Jeny Yeung Mei-chun

* *independent non-executive Director*

** *non-executive Director*

Registered Office: MTR Headquarters Building, Telford Plaza, Kowloon Bay, Kowloon, Hong Kong.

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form must be completed and delivered to the Company's registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at least 48 hours before the time for holding the meeting or adjourned meeting (or 24 hours before the time appointed for the taking of a poll, if the poll is taken more than 48 hours after it was demanded). If a proxy form is signed under a power of attorney, the power of attorney or other authority relied on to sign it (or a copy which has been certified by a notary or an office copy) must be delivered to the Company's registrar with the proxy form, except that a power of attorney which has already been registered with the Company need not be so delivered. Proxy forms sent electronically or by any other data transmission process will not be accepted. **Completion of a form of proxy and its return will not preclude a member from attending in person and voting at the meeting or any adjournment thereof should he so wish.**
3. The Board of Directors has recommended a final dividend for the year ended 31 December 2013 (the '**Final Dividend**') of HK\$0.67 per share and, if such dividend is declared by the shareholders by passing Resolution 2, it is currently expected to be paid on or about 4 July 2014, to those shareholders whose names appeared on the Company's register of members on 19 May 2014. In addition, the

Company plans to send a circular on or about 27 May 2014 to shareholders whose names appeared on the register of members on 19 May 2014, setting out the terms of the scrip dividend scheme in respect of the Final Dividend pursuant to which the Board of Directors proposes to offer shareholders whose names appeared on the register of members on 19 May 2014 (except shareholders with registered addresses in the United States of America or any of its territories or possessions), subject to the Final Dividend being declared by the shareholders by passing Resolution 2, the right to choose to receive new shares in the Company instead of cash in respect of some or all of their Final Dividend.

4. The register of members of the Company will be closed from Wednesday, 14 May 2014 to Monday, 19 May 2014 (both days inclusive), during which no transfer of shares in the Company will be effected. In order to qualify for the proposed Final Dividend, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 13 May 2014.
5. In relation to Resolution 3, six directors will retire from office at the meeting and all of them will offer themselves for re-election/election. Mr. Alasdair George Morrison, Mr. Ng Leung-sing and Mr. Abraham Shek Lai-him will retire from office by rotation at the meeting pursuant to Articles 87 and 88 of the articles of association of the Company ('**Articles**'), and will offer themselves for re-election. Mrs. Pamela Chan Wong Shui, Dr. Dorothy Chan Yuen Tak-fai and Professor Frederick Ma Si-hang, who were appointed after the annual general meeting on 9 May 2013, will retire from office at the meeting pursuant to Article 85 of the Articles, and will offer themselves for election.
6. In relation to Resolution 6, an explanatory statement (as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the ('**Listing Rules**') and the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the '**Companies Ordinance**')) is set out in Appendix I to the circular containing this notice.
7. By Resolutions 5 and 7, approval is being sought from shareholders, as a general mandate in compliance with section 141 of the Companies Ordinance and the Listing Rules, so that in the event it becomes desirable for the Company to issue any new shares, the Board of Directors is given the flexibility and discretion to allot and issue new shares up to ten per cent. of the aggregate number of shares in issue of the Company, together with such number of shares as may be repurchased by the Company, as more particularly described in Resolutions 5, 6 and 7. The members of the Board of Directors (the '**Board**') wish to state, however, that they have no immediate plans to issue any new shares of the Company, other than pursuant to the Rules of the Company's 2007 Share Option Scheme or New Joiners Share Option Scheme.
8. In relation to Resolution 9, approval is being sought from shareholders to amend the Articles to, among other things, (a) reflect or take advantage of the changes introduced by the Companies Ordinance which came into effect on 3 March 2014 and (b) increase the cap on the total fees paid to members of the Board for performing their services as members of the Board from HK\$6,000,000 a year to HK\$10,000,000 a year, as explained in the accompanying circular.
9. The new Articles of Association to be adopted by the Company and delivered to (and registered by) the Registrar of Companies are in the English language. Accordingly, the special resolution set out in the above notice (Resolution 9) will, if passed, be passed in the English language. The translation into the Chinese language of the above notice (including the special resolution) and the summary of the proposed amendments to the Articles (contained in Appendix II of the accompanying circular) are included for information only.
10. Shareholders should note that the auditors are entitled under the Companies Ordinance, to attend the Annual General Meeting and to be heard (including answering questions) on any part of the business of the meeting which concerns them as auditors. The auditors are not responsible for the preparation of the Company's financial statements. The objective of an audit of financial statements is to enable the auditors to express an opinion as to whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework, such as Hong Kong Financial Reporting Standards. The auditors provide reasonable, not absolute, assurance that the Company's financial statements, taken as a whole, are free from material misstatement.

This announcement is made in English and Chinese. In case of any inconsistency, the English version shall prevail.