
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this document or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in MTR Corporation Limited (地鐵有限公司) (the "Company"), you should at once hand this document and the accompanying form of proxy and, if applicable, the Annual Report and Accounts of the Company or the Summary Financial Report of the Company to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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 **地鐵公司**
MTR Corporation
MTR CORPORATION LIMITED
(地鐵有限公司)
(Incorporated in Hong Kong with limited liability)

**PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 3rd June, 2004 at 11:30 a.m. is set out in this document. **Please note that refreshments will not be served at the Annual General Meeting.**

Whether or not you are able to attend the Annual General Meeting, you are advised to read the notice and to complete and return the enclosed proxy form, in accordance with the instructions printed thereon, to the Company's registrar, Computershare Hong Kong Investor Services Limited, Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion of the proxy form and its return will not preclude you from attending, and voting at, the Annual General Meeting if you so wish.

13th April, 2004



MTR CORPORATION LIMITED
(地鐵有限公司)

(Incorporated in Hong Kong with limited liability)

Board of Directors:

Dr. Raymond Ch'ien Kuo Fung (*Chairman*)**
Chow Chung Kong (*Chief Executive Officer*)
Professor Cheung Yau Kai*
David Gordon Eldon*
T. Brian Stevenson*
Edward Ho Sing Tin*
Lo Chung Hing*
Christine Fang Meng Sang*
Frederick Ma Si Hang (*Secretary for Financial Services and the Treasury*)**
Secretary for the Environment, Transport and Works, Dr. Sarah Liao Sau Tung**
Commissioner for Transport, Robert Charles Law Footman**

* *independent non-executive directors*

** *non-executive directors*

Registered Office:

MTR Tower,
Telford Plaza,
Kowloon Bay,
Hong Kong

13th April, 2004

To: *the shareholders of the Company and
the option holders under the Pre-Global Offering Share Option Scheme and the New
Joiners Share Option Scheme of the Company (for information only)*

Dear Sir or Madam,

**ANNUAL GENERAL MEETING, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The fourth annual general meeting of the Company (the "Annual General Meeting") will be held on Thursday, 3rd June, 2004. Notice of the meeting is set out in this document, and a proxy form and, if applicable, the Annual Report and Accounts, or the Summary Financial Report, of the Company for the year ended 31st December, 2003, accompany this document. Details of the resolutions to be proposed at the Annual General Meeting are set out in the notice.

GENERAL MANDATES TO ISSUE AND PURCHASE SHARES

At the annual general meeting of the Company held on 15th May, 2003, the then shareholders in the Company passed resolutions granting general mandates to the Board of Directors (the "Directors") to issue and purchase shares in the Company. These general mandates will lapse at the conclusion of the Annual General Meeting. Resolutions will therefore be proposed at the Annual General Meeting to renew the grant of these general mandates. The relevant resolutions, in summary, are:

- an ordinary resolution to give the Directors a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional shares in the Company, not exceeding twenty per cent. of the Company's issued share capital as at the date of the resolution (as adjusted in accordance with the resolution), for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "Issue Mandate");
- an ordinary resolution to give the Directors a general and unconditional mandate to exercise all the powers of the Company to purchase an amount of shares in the Company not exceeding ten per cent. of the Company's issued share capital as at the date of the resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "Repurchase Mandate"); and
- conditional on the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution to authorise the Directors to exercise the powers to allot, issue, grant, distribute and otherwise deal with additional shares in the Company under the Issue Mandate in respect of the aggregate nominal amount of share capital in the Company purchased by the Company.

The full text of these (and other) resolutions is set out in the notice of Annual General Meeting in this document. In addition, and as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), an explanatory statement providing the requisite information regarding the Repurchase Mandate is set out in the Appendix to this document.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution (Resolution 8, the full text of which is set out in the notice of Annual General Meeting in this document) will be proposed at the Annual General Meeting to amend the articles of association of the Company (the "Articles of Association") to reflect (a) the amendments to Appendix 3 to the Listing Rules which came into effect on 31st March, 2004 (which Appendix stipulates certain provisions as being required to be included in the articles of association of listed companies) and (b) the amendment to section 157B(1) of the Companies Ordinance which came into effect on 13th February, 2004 (under which amended section 157B(1), a company may by ordinary resolution remove a director).

RE-ELECTION OF DIRECTORS

Four Directors will retire from office at the Annual General Meeting and will offer themselves for re-election. Chow Chung Kong and Christine Fang Meng Sang, who were appointed after the annual general meeting on 15th May, 2003, will retire from office at the Annual General Meeting pursuant to Article 85 of the Company's Articles of Association, and will both offer themselves for re-election. Dr. Raymond Ch'ien Kuo Fung and David Gordon Eldon will retire from office by rotation at the Annual General Meeting pursuant to Articles 87 and 88 of the Company's Articles of Association, and will both offer themselves for re-election. The details of those four Directors are as follows:

Chow Chung Kong, aged 53, was appointed Chief Executive Officer of the Company for a term of 3 years with effect from 1st December, 2003. He was also appointed as a Director with effect from the same date.

LETTER FROM THE CHAIRMAN

He was formerly Chief Executive Officer of Brambles Industries PLC. From 1997 to 2001, he was Chief Executive of GKN PLC. Before that, he spent 20 years with the BOC Group PLC and was appointed Chief Executive of its Gases Division in 1993. He was knighted in the United Kingdom in 2000 for contribution to industry. He is also a non-executive director of Standard Chartered PLC.

Mr. Chow is a chartered engineer with a Bachelor of Science degree in chemical engineering from the University of Wisconsin and a Master of Science degree in the same field from the University of California. He holds an MBA degree from the Chinese University of Hong Kong and was a graduate of the Advanced Management Program of Harvard Business School.

As at 29th March, 2004 (being the latest practicable date before the printing of this document, the "**Latest Practicable Date**"), Mr. Chow had a derivative interest in respect of 700,000 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**") as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**"). That derivative interest represents Mr. Chow's entitlement to receive 700,000 shares in the Company (or their equivalent value in cash) on completion of his three year contract (on 30th November, 2006).

Mr. Chow is not related to any Director, senior management or substantial or controlling shareholder of the Company.

Information about Mr. Chow's emoluments is set out in the Annual Report and Accounts and the Summary Financial Report of the Company for the year ended 31st December, 2003.

Dr. Raymond Ch'ien Kuo-fung, aged 52, was appointed Non-Executive Chairman of the Company with effect from 21st July, 2003. He has been a Director since 1998. As a non-executive Director, Dr. Ch'ien is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with Articles 87 and 88 of the Articles of Association.

Dr. Ch'ien is Executive Chairman of chinadotcom corporation. He is also a non-executive director of a number of major international companies including HSBC Holdings plc. In public service, Dr. Ch'ien is Chairman of the Advisory Committee on Corruption of the Independent Commission Against Corruption and the Hong Kong/Japan Business Cooperation Committee.

As at the Latest Practicable Date, Dr. Ch'ien was not interested in and did not hold any short positions in any shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Dr. Ch'ien is not related to any Director, senior management or substantial or controlling shareholder of the Company.

As a non-executive Director, Dr. Ch'ien has not entered into any service contract with the Company.

David Gordon Eldon, aged 58, has been a Director since 1991. As a non-executive Director, Mr. Eldon is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with Articles 87 and 88 of the Articles of Association.

Mr. Eldon is the Chairman of The Hongkong and Shanghai Banking Corporation Limited and a director of HSBC Holdings plc.

As at the Latest Practicable Date, Mr. Eldon was not interested in and did not hold any short positions in any shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Mr. Eldon is not related to any Director, senior management or substantial or controlling shareholder of the Company.

As a non-executive Director, Mr. Eldon has not entered into any service contract with the Company.

Christine Fang Meng Sang, aged 45, was appointed as a Director with effect from 1st January, 2004. As a non-executive Director, Ms. Fang is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with Articles 87 and 88 of the Articles of Association.

Ms. Fang is the Chief Executive of the Hong Kong Council of Social Service. By training, Ms. Fang is a social worker and has a strong background in community service. She is a serving member on various government policy committees, including the Sustainable Development Council, the Manpower Development Committee and the Social Welfare Advisory Committee.

As at the Latest Practicable Date, Ms. Fang was interested in 1,675 shares in the Company within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Ms. Fang is not related to any Director, senior management or substantial or controlling shareholder of the Company.

As a non-executive Director, Ms. Fang has not entered into any service contract with the Company.

PROCEDURE BY WHICH A POLL MAY BE DEMANDED

Under the Articles of Association, at any general meeting, on a show of hands every shareholder present in person shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share he holds. A resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is demanded when, or before, the chairman of the meeting declares the result of the show of hands. A poll may be demanded by:

- the chairman of the meeting;
- at least five shareholders at the meeting (including proxies) who are entitled to vote;
- one or more shareholders at the meeting (including proxies) who are (or represent members who are) entitled to vote and who have between them at least ten per cent. of the total votes of all shareholders (including proxies) who have the right to vote at the meeting; or
- one or more shareholders (including proxies) who have (or represent members who have) shares which allow them to vote at the meeting and on which the total amount which has been paid up on these shares is at least ten per cent. of the total sum paid up on all shares which give the right to vote at the meeting.

RECOMMENDATION

The Directors consider that the proposed resolutions set out in the notice of Annual General Meeting, including the proposed resolutions granting the Issue Mandate and the Repurchase Mandate, are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend shareholders to vote in favour of the proposed resolutions. The Financial Secretary Incorporated which is the Company's majority shareholder and which holds approximately 76 per cent. of the issued share capital in the Company, has informed the Company that it intends to vote in favour of all of the proposed resolutions.

Yours faithfully,
Dr. Raymond Ch'ien Kuo Fung
Chairman

APPENDIX – SHARE REPURCHASE MANDATE: EXPLANATORY STATEMENT

This is an explanatory statement given to all shareholders of MTR Corporation Limited (地鐵有限公司) (the “**Company**”) in connection with the resolution (the “**Resolution**”) authorising the Company to purchase its own shares (the “**Repurchase Mandate**”) proposed to be considered, and if thought fit, passed by shareholders of the Company at the Annual General Meeting of the Company to be held on 3rd June, 2004. This explanatory statement also constitutes the memorandum required under Section 49BA(3) of the Companies Ordinance.

Listing Rules

This explanatory statement contains the information required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), which provide that all repurchases of securities by a company with its primary listing on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) must be approved in advance by an ordinary resolution, either by way of a general mandate to the directors of the Company to make such repurchases or by specific approval in relation to specific transactions.

Any repurchase would be made out of funds which are legally available for the purpose in accordance with the Company’s constitutive documents and the laws of Hong Kong.

It is proposed that the Repurchase Mandate will authorise the repurchase by the Company of up to 10 per cent. of the shares in the Company (the “**Shares**”) in issue as at the date of passing the Resolution. As at 29th March, 2004 (the “**Latest Practicable Date**”), being the latest practicable date for determining such figure before the printing of this document, the authorised share capital of the Company was HK\$6,500,000,000 and the number of Shares in issue was 5,293,530,393, representing a paid-up share capital of HK\$5,293,530,393. On the basis of the 5,293,530,393 Shares in issue (and assuming no Shares will be issued or repurchased after the Latest Practicable Date and up to the date of passing the Resolution), the Company would be authorised under the Repurchase Mandate to repurchase a maximum of 529,353,039 Shares during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchase Mandate must be fully paid-up.

Reasons for Repurchases

The members of the Board of Directors of the Company (the “**Directors**”) and the members of the Executive Directorate of the Company (the “**Executive Directorate**”) believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to purchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings (in each case on a per Share basis) and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company’s Annual Report and Accounts for the year ended 31st December, 2003) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing level which in the opinion of the Directors is from time to time appropriate for the Company.

Disclosure of Interests

None of the Directors nor the members of the Executive Directorate nor, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by shareholders of the Company, to sell Shares to the Company.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to sell any of the Shares held by him to the Company, in the event that the Repurchase Mandate is authorised.

Undertaking

The Directors and members of the Executive Directorate have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

APPENDIX – SHARE REPURCHASE MANDATE: EXPLANATORY STATEMENT

Share Prices

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Highest (HK\$)	Lowest (HK\$)
2003		
March	9.20	8.15
April	8.60	8.05
May	9.20	8.40
June	9.70	8.95
July	10.00	9.00
August	9.90	8.90
September	10.90	9.85
October	10.80	10.00
November	10.65	10.00
December	10.60	10.10
2004		
January	12.90	10.25
February	13.20	11.75
March *	12.55	11.75

* Up to and including the Latest Practicable Date.

No purchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

Effect of the Takeover Code

The Directors and members of the Executive Directorate are not aware of any consequences which the exercise in full of the Repurchase Mandate would have under the Hong Kong Code on Takeovers and Mergers.

NOTICE OF ANNUAL GENERAL MEETING



MTR CORPORATION LIMITED (地鐵有限公司)

(Incorporated in Hong Kong with limited liability)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of MTR Corporation Limited (地鐵有限公司) (the "Company") will be held at Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 3rd June, 2004 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 31st December, 2003.
- (2) To declare a final dividend for the year ended 31st December, 2003.
- (3) To re-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 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 and also the Rules of the Company's New Joiners 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) twenty 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

NOTICE OF ANNUAL GENERAL MEETING

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 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."
- (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."

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

- (8) "THAT the Articles of Association of the Company shall be amended as follows:
- (A) in the table of contents, the words "Power of Removal by Special Resolution" shall be deleted and replaced with the words "Power of Removal by Ordinary Resolution";
 - (B) in Article 2(a), the following shall be added immediately before the definition of "auditors":
"associates shall have the meaning given to it by the Listing Rules";
 - (C) in Article 66, the following shall be added at the end:
"If any shareholder is required under the Listing Rules to abstain from voting on any particular resolution or restricted to vote only for or only against any particular resolution, any vote cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.";
 - (D) in the heading of Article 90, the word "Special" shall be deleted and replaced with the word "Ordinary";
 - (E) in Article 90, the words "a special" shall be deleted and replaced with the words "an ordinary";
 - (F) in Article 91, the words "not less than seven nor more than 28 days before the day of the meeting" shall be deleted and replaced with the following:
"during a period of seven days commencing on and including the day after the despatch of the notice of the meeting";
and
 - (G) Article 100 shall be amended as follows:
 - (i) in paragraph (c), the words "(including any of his associates)" shall be added immediately after the words "interests of a person who is connected with a director";
 - (ii) in sub-paragraph (i) of paragraph (d), the words "any of his associates or" shall be added immediately before the words "any other person";
 - (iii) in paragraph (d), the words "or any of his associates" shall be added:
 - (a) in sub-paragraph (i) immediately after the words "giving him";
 - (b) in sub-paragraph (ii) immediately after the words "if the director";
 - (c) in sub-paragraph (ii) immediately after the words "The director";
 - (d) in sub-paragraph (iii) immediately after the words "if he";
 - (e) in sub-paragraph (v)(a) immediately after the word "he"; and
 - (f) in sub-paragraph (vi) immediately after the words "the director";
 - (iv) in sub-paragraph (iv) of paragraph (d), the words "any "associate" as defined in the Listing Rules" shall be deleted and replaced with the words "any associate";

NOTICE OF ANNUAL GENERAL MEETING

- (v) in sub-paragraph (iv) of paragraph (d), the words "he knows that" shall be deleted;
- (vi) in sub-paragraph (iv)(a) of paragraph (d), the words "or that of any of his associates" shall be added immediately after the words "his interest";
- (vii) in sub-paragraph (v)(b) of paragraph (d), the words ", any of their associates" shall be added immediately before the words "and employees of the Company";
- (viii) in sub-paragraph (v)(b) of paragraph (d), the words "or any of his associates as such" shall be added immediately after the words "only gives him";
- (ix) in sub-paragraph (v)(b) of paragraph (d), the words "the employees" immediately after the words "given to" shall be deleted and replaced with the words "the class of persons"; and
- (x) in sub-paragraph (vi) of paragraph (d), the words "or that of any of his associates" shall be added immediately after the words "by virtue of his interest".

By Order of the Board
Leonard Bryan Turk
Secretary

Hong Kong, 13th April, 2004

Members of the Board: Dr. Raymond Ch'ien Kuo Fung (*Chairman*), Chow Chung Kong (*Chief Executive Officer*), Professor Cheung Yau Kai, David Gordon Eldon, T. Brian Stevenson, Edward Ho Sing Tin, Lo Chung Hing, Christine Fang Meng Sang, Frederick Ma Si Hang (*Secretary for Financial Services and the Treasury*), Secretary for the Environment, Transport and Works (Dr. Sarah Liao Sau Tung) and Commissioner for Transport (Robert Charles Law Footman)

Members of the Executive Directorate: Chow Chung Kong, Russell John Black, William Chan Fu-keung, Philip Gaffney, Thomas Ho Hang-kwong, Lincoln Leong Kwok-kuen and Leonard Bryan Turk

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

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or two 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 form of proxy must be delivered to the Company's registrar, Computershare Hong Kong Investor Services Limited, Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the meeting or adjourned meeting (or 24 hours before a poll is taken, if the poll is not taken on the same day as the meeting or adjourned meeting). 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 and return of a form of proxy will not preclude a member from attending in person and voting at the meeting or any adjournment thereof should he so wish.**
3. The register of members of the Company was closed from Friday, 26th March, 2004 to Friday, 2nd April, 2004 (both days inclusive), during which period no transfer of shares in the Company was effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, had 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, Hong Kong, not later than 4:00 p.m. on Thursday, 25th March, 2004.
4. The Board of Directors has recommended a final dividend for the year ended 31st December, 2003 (the "Final Dividend") of HK\$0.28 per share and, if such dividend is declared by the members passing Resolution 2, it is expected to be paid on or about 30th June, 2004, to those shareholders whose names appeared on the Company's register of members on 2nd April, 2004. In addition, a circular is being sent on or about 13th April, 2004 to shareholders whose names appeared on the register of members on 2nd April, 2004 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 members with Hong Kong addresses, subject to the Final Dividend being declared by the members 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.
5. In relation to Resolution 3, four Directors will retire from office at the meeting and will offer themselves for re-election. Chow Chung Kong and Christine Fang Meng Sang, who were appointed after the annual general meeting on 15th May, 2003, will retire from office at the meeting pursuant to Article 85 of the Company's Articles of Association, and will both offer themselves for re-election. Dr. Raymond Ch'ien Kuo Fung and David Gordon Eldon will retire from office by rotation at the meeting pursuant to Articles 87 and 88 of the Company's Articles of Association, and will both offer themselves for re-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") is set out in the Appendix to the document containing this notice.
7. By Resolutions 5 and 7, approval is being sought from members, as a general mandate in compliance with section 57B of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) (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 twenty per cent. of the issued share capital of the Company, together with such number of shares as may be repurchased by the Company pursuant to the general mandate under Resolution 6, as more particularly described in Resolutions 5, 6 and 7. The members of the Board of Directors wish to state, however, that they have no immediate plans to issue any new shares of the Company, other than pursuant to: (i) the scrip dividend alternative which is proposed to be offered; (ii) the Rules of the Company's New Joiners Share Option Scheme; or (iii) the Rules of the Company's Pre-Global Offering Share Option Scheme.
8. The special resolution set out in the above notice (Resolution 8) will be proposed to amend the Articles of Association of the Company to reflect (a) the amendments to Appendix 3 of the Listing Rules which came into effect on 31st March, 2004 (which Appendix stipulates certain provisions as being required to be included in the articles of association of listed companies) and (b) the amendment to section 157B(1) of the Companies Ordinance which came into effect on 13th February, 2004 (under which amended section 157B(1), a company may by ordinary resolution remove a director).
9. The Articles of Association 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 8) will, if passed, be passed in the English language. The translation into the Chinese language of the above notice (including the special resolution) is included in this document for information only.