
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 香港鐵路有限公司 (the 'Company'), you should at once hand this document and the accompanying form of proxy, and the Annual Report and Accounts 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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MTR CORPORATION LIMITED
香港鐵路有限公司

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

**PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at Rotunda 3 (6/F), Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Thursday, 9th May, 2013 at 11:30 a.m. is set out in this document.

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, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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.

Please note that tea and coffee will be served after the completion of the Annual General Meeting.

You are reminded not to take items such as large bags, cameras, audio recording equipment or video recorders to the Annual General Meeting. In order to provide you with a comfortable and a safe environment, you may have your bags searched and will be requested to leave all such items at the entrance of the Annual General Meeting venue before entering.

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

9th April, 2013



MTR CORPORATION LIMITED
香港鐵路有限公司

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

Board of Directors:

Dr. Raymond Ch'ien Kuo-fung (*Chairman*)**
Jay Herbert Walder (*Chief Executive Officer*)
Vincent Cheng Hoi-chuen*
Christine Fang Meng-sang*
Edward Ho Sing-tin*
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)**
Commissioner for Transport (Ingrid Yeung Ho Poi-yan)**

Registered Office:

MTR Headquarters Building,
Telford Plaza,
Kowloon Bay,
Kowloon,
Hong Kong

* *independent non-executive Director ('INED')*

** *non-executive Director ('NED')*

9th April, 2013

To: the shareholders of the Company and
the option holders under the New Joiners Share Option Scheme and the 2007 Share Option Scheme of
the Company (for information only)

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND NOTICE OF ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held on Thursday, 9th May, 2013 (the '**AGM**'). Notice of the AGM (the '**Notice**') is set out in this document, and a proxy form and, the Annual Report and Accounts of the Company for the year ended 31st December, 2012, accompany this document. Details of the resolutions to be proposed at the AGM are set out in the Notice.

GENERAL MANDATES TO ISSUE AND PURCHASE SHARES

At the annual general meeting of the Company held on 3rd May, 2012, the then shareholders of the Company passed resolutions granting general mandates to the Board of Directors of the Company (the '**Directors**' or the '**Board**') to issue and purchase shares in the Company ('**Shares**'). These general mandates will lapse at the conclusion of the AGM. Resolutions will therefore be proposed at the AGM 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, not exceeding ten per cent. of the Company's

LETTER FROM THE CHAIRMAN

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 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 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 resolutions is set out in the Notice 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.

RE-ELECTION OF DIRECTORS

Three Directors will retire from office at the AGM and all of them will offer themselves for re-election. Mr. Vincent Cheng Hoi-chuen, Ms. Christine Fang Meng-sang and Mr. Edward Ho Sing-tin will retire from office by rotation at the AGM pursuant to Articles 87 and 88 of the articles of association of the Company (the **'Articles'**), and all of them will offer themselves for re-election.

The details of the above three Directors are as follows. As Ms. Fang and Mr. Ho are INEDs and have been serving on the Board for more than 9 years, the reasons for the Board believing that they are still independent and should be re-elected are set out below.

Vincent Cheng Hoi-chuen, aged 64, is an INED and has been a Member of the Board since July 2009. He is also a member of the Remuneration Committee and the Corporate Responsibility Committee of the Company.

Mr. Cheng is an independent non-executive director of CLP Holdings Limited, Great Eagle Holdings Limited, Hui Xian Asset Management Limited, China Minsheng Banking Corp., Ltd., and Shanghai Industrial Holdings Limited.

He was an executive director of HSBC Holdings plc and the Advisor to its Group Chief Executive, and a non-executive director of Swire Properties Limited.

In public service, Mr. Cheng is vice chairman of the China Banking Association, chairman of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the Government of the Hong Kong Special Administrative Region, and a member of the Advisory Committee on Post-service Employment of Civil Servants. He was a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority. In 2008, Mr. Cheng was appointed a member of the National Committee of the 11th Chinese People's Political Consultative Conference (the **'CPPCC'**) and a senior adviser to the 11th Beijing Municipal Committee of the CPPCC.

In 2005, Mr. Cheng was conferred the degree of Doctor of Social Science, *honoris causa*, by The Chinese University of Hong Kong and the degree of Doctor of Business Administration, *honoris causa*, by The Open University. He was also awarded the Gold Bauhinia Star medal in 2005. Mr. Cheng holds a Bachelor of Social Science degree in Economics from The Chinese University of Hong Kong and a Master of Philosophy degree in Economics from The University of Auckland.

At the 2010 Annual General Meeting, over 99.9% of the votes were in favour of Mr. Cheng's election as a Member of the Board.

The Company has continued to receive written confirmation from Mr. Cheng annually on his independence in accordance with the Listing Rules.

Accordingly, the Board has resolved that Mr. Cheng continues to be independent and should be re-elected as a Director at the AGM. The re-appointment of Mr. Cheng at the AGM will be in accordance with the relevant Corporate Governance Code requirements in Appendix 14 of the Listing Rules (the **'CG Code'**).

LETTER FROM THE CHAIRMAN

As at 26th March, 2013 (the '**Latest Practicable Date**'), being the latest practicable date before the printing of this document, Mr. Cheng owned 3,350 Shares. Save as disclosed above, Mr. Cheng 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 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 Issuers (the '**Model Code**').

Mr. Cheng has entered into a service contract with the Company, under which the current term of his office as an INED will last up to the earlier of (i) the date on which he will retire again by rotation under the Articles (being 9th May, 2013) and (ii) 26th May, 2013. If Mr. Cheng is re-elected as a Director at the AGM, the Company intends to enter into a new service contract with Mr. Cheng, under which the term of his office as an INED will last up to the earlier of (i) the date on which he will retire again by rotation under the Articles and (ii) 8th May, 2016. The emoluments of Mr. Cheng are set out in his service contract and determined by the Board. The details of his emoluments are disclosed in the Notes to Accounts (page 176) of the Company's Annual Report 2012.

Christine Fang Meng-sang, aged 54, is an INED and has been a Member of the Board since January 2004. She has therefore served the Board for more than nine years. Ms. Fang is also a member of the Nominations Committee and the Corporate Responsibility Committee of the Company.

Ms. Fang has been the chief executive of the Hong Kong Council of Social Service since 2001. By training, Ms. Fang is a social worker and has a strong background in community service. She sits on various government advisory committees, including the Steering Committee on Population Policy (from 1st December, 2012), the Hong Kong Housing Authority, the Charities Sub-committee of The Law Reform Commission of Hong Kong, and the Independent Police Complaints Council. Ms. Fang was a member of the Sustainable Development Council, the Commission on Strategic Development, the Digital 21 Strategy Advisory Committee (until 30th September, 2012), and the Steering Committee on the Community Care Fund (until 31st December, 2012).

As an INED with a strong background in community service, Ms. Fang brings her valuable experience to the Board, the Nominations Committee and the Corporate Responsibility Committee for promoting the best interests of the Company and its shareholders. Alongside the other INEDs, Ms. Fang contributes to ensuring that the interests of all shareholders of the Company are taken into account and that relevant issues are subject to objective and dispassionate consideration by the Board. At each of the 2004, 2007 and 2010 Annual General Meetings, over 99.9% of the votes were in favour of Ms. Fang's re-election as a Member of the Board.

The Company has continued to receive written confirmation from Ms. Fang annually on her independence in accordance with the Listing Rules.

Accordingly, the Board has resolved that Ms. Fang continues to be independent and should be re-elected as a Director at the AGM. The re-appointment of Ms. Fang at the AGM will be in accordance with the CG Code which requires, among other things, the approval of a separate resolution on such re-appointment by the shareholders.

As at the Latest Practicable Date, Ms. Fang owned 1,712 Shares. Save as disclosed above, Ms. Fang 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.

Ms. Fang has entered into a service contract with the Company, under which the current term of her office as an INED will last up to the earlier of (i) the date on which she will retire again by rotation under the Articles (being 9th May, 2013) and (ii) 26th May, 2013. If Ms. Fang is re-elected as a Director at the AGM, the Company intends to enter into a new service contract with Ms. Fang, under which the term of her office as an INED will last up to the earlier of (i) the date on which she will retire again by rotation under the Articles and (ii) 8th May, 2016. The emoluments of Ms. Fang are set out in her service contract and determined by the Board. The details of her emoluments are disclosed in the Notes to Accounts (page 176) of the Company's Annual Report 2012.

LETTER FROM THE CHAIRMAN

As at the Latest Practicable Date, Ms. Fang has not held any directorship in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Edward Ho Sing-tin, aged 74, is an INED and has been a Member of the Board since 1991. Mr. Ho is also the chairman of both the Nominations Committee and the Remuneration Committee of the Company.

Mr. Ho is an architect and the Group Chairman of Wong Tung Group of companies. He was an elected member of the Legislative Council of Hong Kong from 1991 to 2000, representing the architectural, surveying and planning functional constituency. Mr. Ho was also president of the Hong Kong Institute of Architects, and chairman of the Hong Kong Industrial Estates Corporation, the Antiquities Advisory Board, and the Hong Kong Philharmonic Society. He was also a member of the Hong Kong Housing Authority, the Town Planning Board, and the Hospital Authority respectively.

At each of the 2005, 2008 and 2011 Annual General Meetings, over 99.5% of the votes were in favour of Mr. Ho's re-election as a Member of the Board.

Mr. Ho joined the Board of the Mass Transit Railway Corporation in 1991. He is the only current INED on the Board since the Company's listing in 2000 (hence, has served the Board for more than 9 years as contemplated in the CG Code.) As an INED with a diverse business and professional background, Mr. Ho brings his valuable experience to the Board for promoting the best interests of the Company and its shareholders. Under his leadership as the chairman of the Independent Board Committee (which was established in connection with the Rail Merger between the Company and the Kowloon-Canton Railway Corporation), the Rail Merger was successfully implemented in 2007. His active contribution to the Company is also reflected by his chairing both the Remuneration Committee and the Nominations Committee since 2003 and 2008 respectively. Alongside the other INEDs, Mr. Ho contributes to ensuring that the interests of all shareholders of the Company are taken into account and that relevant issues are subject to objective and dispassionate consideration by the Board.

The Company has continued to receive written confirmation from Mr. Ho annually on his independence in accordance with the Listing Rules.

Accordingly, the Board has resolved that Mr. Ho continues to be independent and should be re-elected as a Director at the AGM. The re-appointment of Mr. Ho at the AGM will be in accordance with the CG Code which requires, among other things, the approval of a separate resolution on such re-appointment by the shareholders.

As at the Latest Practicable Date, Mr. Ho 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. Ho has entered into a service contract with the Company, under which the current term of his office as an INED will last up to the earlier of (i) the date on which he will retire again by rotation under the Articles (being 9th May, 2013) and (ii) 5th May, 2014. If Mr. Ho is re-elected as a Director at the AGM, the Company intends to enter into a new service contract with Mr. Ho, under which the term of his office as an INED will last up to the earlier of (i) the date on which he will retire again by rotation under the Articles and (ii) 8th May, 2016. The emoluments of Mr. Ho are set out in his service contract and determined by the Board. The details of his emoluments are disclosed in the Notes to Accounts (page 176) of the Company's Annual Report 2012.

As at the Latest Practicable Date, Mr. Ho has not held any directorship in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, none of the above Directors is related to any other Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above and in relation to the re-election of the above Directors, there is no information which is discloseable pursuant to any of the requirements of the provisions of rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the holders of securities of the Company.

LETTER FROM THE CHAIRMAN

VOTING BY POLL

As required under rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Chairman of the Company will exercise his right as Chairman of the AGM under Article 67 of the Articles to demand a poll on each of the resolutions to be proposed at the AGM.

RECOMMENDATION

The Directors consider that the proposed resolutions set out in the Notice, 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 of the Company 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 香港鐵路有限公司 (the '**Company**') in connection with 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 9th May, 2013. 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 ten per cent. of the shares in the Company (the '**Shares**') in issue as at the date of passing the relevant resolution (the '**Resolution**'). As at 26th March, 2013 (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 5,795,724,650 representing a paid-up share capital of HK\$5,795,724,650. On the basis of the 5,795,724,650 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 579,572,465 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, 2012) 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 and gearing level of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

Disclosure of Interests

None of the Directors nor 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.

APPENDIX — SHARE REPURCHASE MANDATE: EXPLANATORY STATEMENT

Undertaking

The Directors and 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.

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\$)
2012		
March	28.00	26.95
April	27.65	26.70
May	28.00	24.90
June	26.80	24.60
July	27.30	25.80
August	28.30	26.70
September	29.70	27.70
October	30.30	29.05
November	31.00	29.05
December	31.35	30.05
2013		
January	32.10	30.55
February	32.70	31.05
March*	32.90	30.30

* 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 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.



MTR CORPORATION LIMITED
香港鐵路有限公司

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of MTR Corporation Limited 香港鐵路有限公司 (the 'Company') will be held at Rotunda 3 (6/F), Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Thursday, 9th May, 2013 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, 2012.
- (2) To declare a final dividend for the year ended 31st December, 2012.
- (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 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,

NOTICE OF ANNUAL GENERAL MEETING

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.'

(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

NOTICE OF ANNUAL GENERAL MEETING

- (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.'

By Order of the Board
Gillian Elizabeth Meller
Company Secretary

Hong Kong, 9th April, 2013

Members of the Board: Dr. Raymond Ch'ien Kuo-fung (*Chairman*)**, Jay Herbert Walder (*Chief Executive Officer*), Vincent Cheng Hoi-chuen*, Christine Fang Meng-sang*, Edward Ho Sing-tin*, 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, 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.

NOTICE OF ANNUAL GENERAL MEETING

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 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 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 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 31st December, 2012 (the '**Final Dividend**') of HK\$0.54 per share and, if such dividend is declared by the shareholders by passing Resolution 2, it is expected to be paid in cash only on or about 5th June, 2013, to those shareholders whose names appeared on the Company's register of members on 21st May, 2013.
4. The register of members of the Company will be closed from Wednesday, 15th May, 2013 to Tuesday, 21st May, 2013 (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, 14th May, 2013.
5. In relation to Resolution 3, three Directors namely Mr. Vincent Cheng Hoi-chuen, Ms. Christine Fang Meng-sang and Mr. Edward Ho Sing-tin will retire from office by rotation at the meeting pursuant to Articles 87 and 88 of the articles of association of the Company, and will 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 shareholders, as a general mandate in compliance with section 57B of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) 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 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 the Rules of the Company's 2007 Share Option Scheme or New Joiners Share Option Scheme.
8. Shareholders should note that the auditors are entitled under Hong Kong law, 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.