
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/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, 3rd May, 2012 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.

29th March, 2012



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 (Eva Cheng)**

Commissioner for Transport (Joseph Lai Yee-tak)**

Registered Office:

MTR Headquarters Building,

Telford Plaza,

Kowloon Bay,

Kowloon,

Hong Kong

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

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

29th March, 2012

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/ELECTION OF DIRECTORS
AND NOTICE OF ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held on Thursday, 3rd May, 2012 (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, 2011, 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 6th May, 2011, 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/ELECTION OF DIRECTORS

Four Directors will retire from office at the AGM and all of them will offer themselves for re-election/election. Dr. Raymond Ch'ien Kuo-fung, Professor Chan Ka-keung, Ceajer and Mr. T. Brian Stevenson 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. Mr. Jay Herbert Walder, who was appointed after the annual general meeting on 6th May, 2011, will retire from office at the AGM pursuant to Article 85 of the Articles, and will offer himself for election.

The details of the above four Directors are as follows. As Mr. Stevenson is an INED and has been serving on the Board for more than 9 years, the reasons for the Board believing that he is still independent and should be re-elected are set out below.

Dr. Raymond Ch'ien Kuo-fung, aged 60, was first appointed as Non-Executive Chairman of the Company in July 2003. He has been a member of the Board since 1998 and is one of the two non-executive Directors on the Board since the Company's listing in 2000. He is also a member of the Nominations Committee and the chairman of the Corporate Responsibility Committee of the Company.

Dr. Ch'ien brings his valuable and wide ranging business experience to the Board for promoting the best interests of the Company and its shareholders. Under his leadership, the Company has achieved a number of important milestones including the successful completion of the Rail Merger with Kowloon-Canton Railway Corporation in December 2007. As the non-executive Chairman, Dr. Ch'ien is responsible for chairing and managing the operations of the Board, as well as monitoring the performance of the Chief Executive Officer and other Members of the Executive Directorate. Apart from making sure that adequate information about the Company's business is provided to the Board on a timely basis, he provides leadership for the Board, and ensures views on all principal and appropriate issues are exchanged by all Directors (including the non-executive Directors) in a timely manner, by encouraging them to make a full and effective contribution to the discussion. Under Dr. Ch'ien's guidance, all decisions have reflected the consensus of the Board.

Dr. Ch'ien is chairman of China.com Inc., and chairman and an independent non-executive director of Hang Seng Bank Limited, and Ascendas China Commercial Fund Management Limited (from 15th September, 2011). He is an independent non-executive director of each of Convenience Retail Asia Limited, The Wharf (Holdings) Limited, Swiss Reinsurance Company Limited, and China Resources Power Holdings Company Limited. Dr. Ch'ien also serves on the boards of The Hongkong and Shanghai Banking Corporation Limited and Hong Kong Mercantile Exchange Limited. He is a member of the Standing Committee of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference. In addition, Dr. Ch'ien is the honorary president and past chairman of the Federation of Hong Kong Industries.

He was a member of the Executive Council of Hong Kong, then under British Administration, from 1992 to 1997, and a member of the Executive Council of the Hong Kong SAR from 1st July, 1997 to June 2002. Dr. Ch'ien was a non-executive director of Inchcape plc. (until 13th May, 2009), a Hong Kong member of APEC

LETTER FROM THE CHAIRMAN

Business Advisory Council (until 31st December, 2009), non-executive chairman of HSBC Private Equity (Asia) Limited (until 29th November, 2010), chairman of the Hong Kong/European Union Business Cooperation Committee (until 31st January, 2012), chairman of CDC Corporation (until 2nd October, 2011) and a director of CDC Software Corporation (until 22nd January, 2012). CDC Corporation is a company incorporated in the Cayman Islands and was formerly listed on the Nasdaq Stock Exchange. Its nature of business is the provision of enterprise software and the development and operation of online games. CDC Corporation filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code on 4th October, 2011 in order to facilitate restructuring and restore its long term financial health.

Dr. Ch'ien was appointed a Justice of the Peace in 1993. He was made a Commander in the Most Excellent Order of the British Empire in 1994 and awarded the Gold Bauhinia Star medal in 1999. In 2008, he was conferred the honour of Chevalier de l'Ordre du Merite Agricole of France. Dr. Ch'ien received a doctoral degree in economics from the University of Pennsylvania in 1978 and became a Trustee of the University in 2006.

At the 2009 Annual General Meeting, over 99.95% of the votes were in favour of Dr. Ch'ien's re-election as a Member of the Board.

As at 20th March, 2012 (the '**Latest Practicable Date**'), being the latest practicable date before the printing of this document, Dr. Ch'ien owned 52,330 Shares. Save as disclosed above, 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 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**').

Dr. Ch'ien has entered into a service contract with the Company, under which the current term of his office as a NED will last up to the earlier of (i) the date on which he will retire again by rotation under the Articles (being 3rd May, 2012) or (ii) 30th November, 2012. The emoluments of Dr. Ch'ien are set out in his service contract and determined by The Financial Secretary Incorporated ('**FSI**') on behalf of the Government of the HKSAR (the '**Government**'). The details of his emoluments are disclosed in the Notes to Accounts (page 168) of the Company's Annual Report 2011.

Professor Chan Ka-keung, Ceajer, aged 55, joined the Board as a NED in July 2007 after his appointment as the Secretary for Financial Services and the Treasury of the Government with effect from 1st July, 2007. He is also a member of the Nominations Committee and the Remuneration Committee of the Company.

Professor Chan brings his valuable business and professional experience to the Board for promoting the best interests of the Company and its shareholders. Professor Chan sits on the boards of several public bodies including the Mandatory Provident Fund Schemes Authority and The Hong Kong Mortgage Corporation Limited and is the Chairman of the Kowloon-Canton Railway Corporation in his official capacity. Before joining the Government, Professor Chan was Dean of Business and Management of the Hong Kong University of Science and Technology from 1st July, 2002. Professor Chan received his Bachelor's degree in economics from Wesleyan University in the US and both his M.B.A. and Ph.D. in finance from the University of Chicago.

At the 2008 Annual General Meeting, over 99.97% of the votes were in favour of Professor Chan's election as a Member of the Board.

As at the Latest Practicable Date, Professor Chan 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.

Professor Chan has entered into a service contract with the Company, under which the current term of his office as a NED will last up to the AGM. The emoluments of Professor Chan 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 168) of the Company's Annual Report 2011.

As at the Latest Practicable Date, Professor Chan 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.

LETTER FROM THE CHAIRMAN

Mr. T. Brian Stevenson, aged 67, is an INED and has been a Member of the Board and the chairman of the Audit Committee since 2002. He has therefore served the Board for more than nine years. Mr. Stevenson is also a member of the Remuneration Committee of the Company.

As a chartered accountant, a non-executive director of The Hongkong and Shanghai Banking Corporation Limited, an Advisor to BT Asia Pacific and Chairman of the Hong Kong Jockey Club, Mr. Stevenson brings his valuable business and professional experience to the Board for promoting the best interests of the Company and its shareholders. Under his leadership as the chairman, the Audit Committee has, over the years, developed a comprehensive and well structured framework ensuring all key business operations relating to the financial, efficiency and control aspects of the Company are reported according to the Terms of Reference, for discussion at the Committee's meetings effectively and in a timely manner.

Mr. Stevenson is a Justice of the Peace, and a law degree holder from both Glasgow and Hong Kong Universities. He was awarded the Silver Bauhinia Star medal in 1998. From 1981 to 1999, he was the Senior partner of Ernst & Young, Hong Kong. He was a member of the Public Service Commission (until 31st January, 2010).

At the 2009 Annual General Meeting, over 99.99% of the votes were in favour of Mr. Stevenson's re-election as a Member of the Board.

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

Accordingly, the Board has resolved that Mr. Stevenson continues to be independent and should be re-elected as a Director at the AGM.

The re-appointment of Mr. Stevenson at the AGM will be in accordance with the relevant new Corporate Governance Code requirements (to take effect on 1st April, 2012) in Appendix 14 of the Listing Rules which require, amongst other things, the approval of a separate resolution on such re-appointment by the shareholders.

As at the Latest Practicable Date, Mr. Stevenson owned 5,153 Shares. Save as disclosed above, Mr. Stevenson 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.

Under the current terms of the service contract between Mr. Stevenson and the Company, his term of 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 3rd May, 2012) or (ii) 3rd June, 2012. The emoluments of Mr. Stevenson 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 168) of the Company's Annual Report 2011.

Mr. Jay Herbert Walder, aged 53, has been appointed as Chief Executive Officer, a Member of the Executive Directorate and a Member of the Board since 1st January, 2012. Mr. Walder worked in the rail industry, both in England and in the United States, for over 20 years. Before joining the Company, he was the Chairman and Chief Executive Officer of the New York Metropolitan Transportation Authority in the United States. Between 2001 and 2007, Mr. Walder was the Managing Director, Finance and Planning, of Transport for London. From 2007 to 2009, he was Partner at McKinsey & Company, London where he was the Global Leader of the Infrastructure Practice for the firm.

Mr. Walder is on the Board of Advisors of the Taubman Center at the Harvard Kennedy School. He was nominated by the President of the Massachusetts Institute of Technology (MIT) to be a member of the Visiting Committee for the Department of Civil and Environmental Engineering with effect from 1st July, 2012. Mr. Walder was on the Executive Committee of the American Public Transit Association (APTA) (until October 2011) and the Executive Board of the International Association of Public Transport (UITP) (until October 2011).

Mr. Walder holds a Bachelor of Science in Economics with Honors from the State University of New York at Binghamton, Harpur College, and a Master in Public Policy from the John F. Kennedy School of Government at Harvard University. He also completed the Executive Programme in Strategic Leadership from Templeton College at the University of Oxford.

LETTER FROM THE CHAIRMAN

As at the Latest Practicable Date, Mr. Walder had a derivative interest in respect of 300,000 Shares within the meaning of Part XV of the SFO. The derivative interest represents Mr. Walder's entitlement to be paid an equivalent value in cash of 300,000 Shares following 30th June, 2014, being the date on which his initial term of office is expected to expire (35 per cent. of which shall be deemed to be earned at 31st October, 2013 subject to certain conditions specified in his employment contract). Save as disclosed above, Mr. Walder 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. Walder has entered into an employment contract with the Company for the position as Chief Executive Officer for thirty months commencing 1st January, 2012. The emoluments of Mr. Walder are set out in his employment contract and determined by the Remuneration Committee with delegated responsibility from the Board. The details of his emoluments are disclosed in the Notes to Accounts (page 170) of the Company's Annual Report 2011.

As at the Latest Practicable Date, Mr. Walder 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/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.

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 FSI 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 3rd May, 2012. 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 20th March, 2012 (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 5,785,462,250 representing a paid-up share capital of HK\$5,785,462,250. On the basis of the 5,785,462,250 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 578,546,225 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, 2011) 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\$)
2011		
March	29.70	27.60
April	29.20	28.20
May	28.60	27.75
June	28.80	26.35
July	28.00	26.20
August	27.05	22.50
September	26.50	23.00
October	25.95	22.45
November	25.90	23.60
December	25.60	24.30
2012		
January	25.90	24.55
February	27.60	25.70
March*	28.00	26.95

* 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, 3rd May, 2012 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, 2011.
- (2) To declare a final dividend for the year ended 31st December, 2011.
- (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 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

NOTICE OF ANNUAL GENERAL MEETING

- (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the Articles of Association of the Company from time to time,

shall not exceed the aggregate of:

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

and the said approval shall be limited accordingly; and

- (C) for the purpose of this Resolution 5:

- (i) 'Relevant Period' means the period from (and including) the date of passing this Resolution 5 until the earlier of:
 - (a) the conclusion of the next Annual General Meeting of the Company;
 - (b) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or by law to be held; and
 - (c) the revocation or variation of the authority given under this Resolution 5 by an ordinary resolution of the shareholders of the Company in general meeting;
- (ii) 'Rights Issue' means an offer of Shares open for a period fixed by the Board of Directors to holders of Shares on the register of members (and, if appropriate, to the holders of warrants and other securities which carry a right to subscribe or purchase shares in the Company on the relevant register) on a fixed record date in proportion to their then holdings of such Shares (and, if appropriate, such warrants and other securities) (subject to such exclusions or other arrangements as the Board of Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory applicable to the Company); and
- (iii) 'Shares' means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company.'

- (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;

NOTICE OF ANNUAL GENERAL MEETING

- (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.'

By Order of the Board
Gillian Elizabeth Meller
Company Secretary

Hong Kong, 29th March, 2012

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 (Eva Cheng)** and Commissioner for Transport (Joseph Lai Yee-tak)**

Members of the Executive Directorate: Jay Herbert Walder, William Chan Fu-keung, Chew Tai Chong, Jacob Kam Chak-pui, Lincoln Leong Kwok-kuen, 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 form of proxy must be delivered to the Company's registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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 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, 2011 (the '**Final Dividend**') of HK\$0.51 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 29th May, 2012, to those shareholders whose names appear on the Company's register of members on 14th May, 2012.
4. The register of members of the Company will be closed from Wednesday, 9th May, 2012 to Monday, 14th May, 2012 (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, 8th May, 2012.
5. In relation to Resolution 3, four Directors will retire from office at the meeting and all of them will offer themselves for re-election/election. Dr. Raymond Ch'ien Kuo-fung, Professor Chan Ka-keung, Ceajer and Mr. T. Brian Stevenson will retire from office by rotation at the meeting pursuant to Articles 87 and 88 of the articles of association of the Company (the '**Articles**'), and will offer themselves for re-election. Mr. Jay Herbert Walder, who was appointed after the annual general meeting on 6th May, 2011, will retire from office at the meeting pursuant to Article 85 of the Articles, and will offer himself 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**') 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.