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MTR CORPORATION LIMITED

香港鐵路有限公司

(the 'Company')

(Incorporated in Hong Kong with limited liability)

(Stock Code: 66)

FARE ADJUSTMENT MECHANISM

INSIDE INFORMATION

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company refers to its announcement dated 23 March 2016 regarding its receipt of a letter from Government requesting a joint review between Government and the Company of the Fare Adjustment Mechanism with a view to advancing the next scheduled review by one year. The Board of the Company has considered Government's request and the Company has written to Government confirming its agreement to commence such joint review.

The Company expects the joint review to commence shortly and will make further announcement(s) in due course.

Definitions

- "Fare Adjustment Mechanism"** means the fare adjustment mechanism contained in the Operating Agreement;
- "Government"** means the Government of the Hong Kong Special Administrative Region; and
- "Operating Agreement"** means the Operating Agreement dated 9 August 2007 made between the Company and the Secretary for Transport and Housing for and on behalf of Government (as the same has been amended from time to time).

By Order of the Board
Gillian Elizabeth Meller
Company Secretary

Hong Kong, 20 April 2016

As at the date of this announcement:

Members of the Board: Professor Frederick Ma Si-hang (*Chairman*)**, Lincoln Leong Kwok-kuen (*Chief Executive Officer*), Pamela Chan Wong Shui*, Dr. Dorothy Chan Yuen Tak-fai*, Vincent Cheng Hoi-chuen*, Dr. Eddy Fong Ching*, Edward Ho Sing-tin*, James Kwan Yuk-choi*, Lau Ping-cheung, Kaizer*, Lucia Li Li Ka-lai*, Alasdair George Morrison*, Ng Leung-sing*, Abraham Shek Lai-him*, Benjamin Tang Kwok-bun*, Dr. Allan Wong Chi-yun*, Professor Chan Ka-keung, Ceajer (Secretary for Financial Services and the Treasury)**, Secretary for Transport and Housing (Professor Anthony Cheung Bing-leung)**, Permanent Secretary for Development (Works) (Hon Chi-keung)** and Commissioner for Transport (Ingrid Yeung Ho Poi-yan)**

Members of the Executive Directorate: Lincoln Leong Kwok-kuen, Morris Cheung Siu-wa, Peter Ronald Ewen, Jacob Kam Chak-pui, Stephen Law Cheuk-kin, Gillian Elizabeth Meller, Linda So Ka-pik, David Tang Chi-fai, Philco Wong Nai-keung and Jeny Yeung Mei-chun

* *independent non-executive Director*
** *non-executive Director*

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