
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular 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 (the '**Company**'), you should at once hand this circular and the accompanying form of proxy and the Annual 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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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 BUY BACK SHARES,
PROPOSED RE-ELECTION/ELECTION OF RETIRING DIRECTORS,
PROPOSED ELECTION OF A NEW INDEPENDENT NON-EXECUTIVE DIRECTOR
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 Wednesday, 18 May 2016 at 11:30 a.m. is set out in this circular.

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 and in any event by 11:30 a.m. on 16 May 2016 (being at least 48 hours before the time for holding the annual general meeting). Completion and delivery of the proxy form will not preclude you from attending, and voting in person at the annual general meeting or at any adjourned meeting thereof 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 circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

LETTER FROM THE CHAIRMAN



MTR CORPORATION LIMITED 香港鐵路有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 66)

Board of Directors:

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)**

Commissioner for Transport (Ingrid Yeung Ho Poi-yan)**

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

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

Registered Office:

MTR Headquarters Building

Telford Plaza

Kowloon Bay

Kowloon

Hong Kong

14 April 2016

To: the shareholders of the Company (the '**Shareholders**') and
the option holders under the 2007 Share Option Scheme and
the award holders of the 2014 Share Incentive Scheme of the Company (for information only)

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
PROPOSED RE-ELECTION/ELECTION OF RETIRING DIRECTORS,
PROPOSED ELECTION OF A NEW INDEPENDENT NON-EXECUTIVE DIRECTOR,
AND
NOTICE OF ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held on Wednesday, 18 May 2016 (the '**2016 AGM**'). Notice of the 2016 AGM (the '**Notice**') is set out in this circular, and a proxy form and the Annual Report of the Company for the year ended 31 December 2015, accompany this circular. Details of the resolutions to be proposed at the 2016 AGM are set out in the Notice.

LETTER FROM THE CHAIRMAN

PROPOSED GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 20 May 2015, 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 (the **'Shares'**). These general mandates will lapse at the conclusion of the 2016 AGM. Two resolutions will therefore be proposed at the 2016 AGM to renew the grant of the following 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 aggregate number of Shares in issue 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'**); and
- 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 aggregate number of Shares in issue 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 **'Buy-back Mandate'**).

The full text of these resolutions is set out in the Notice in this circular. In addition, and as required under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and 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 Buy-back Mandate is set out in the Appendix to this circular.

PROPOSED RE-ELECTION/ELECTION OF RETIRING DIRECTORS

Four Directors are due to retire from office at the 2016 AGM. Mr Vincent Cheng Hoi-chuen and Mr Edward Ho Sing-tin will retire from office by rotation at the 2016 AGM pursuant to Articles 91 and 92(a) of the Articles of Association of the Company (the **'Articles'**). Mr Vincent Cheng Hoi-chuen will offer himself for re-election at the 2016 AGM, whereas Mr Edward Ho Sing-tin will not stand for re-election. Mr Lau Ping-cheung, Kaizer and Dr Allan Wong Chi-yun, who were appointed after the annual general meeting on 20 May 2015, will retire from office at the 2016 AGM pursuant to Article 89 of the Articles, and will offer themselves for election.

The details of the three retiring Directors who will offer themselves for re-election/election (the **'Directors For Re-election/Election'**) are as follows.

Vincent Cheng Hoi-chuen, aged 67, is an INED and has been a member of the Board since July 2009. He is also a member of the Corporate Responsibility Committee and the Remuneration 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., Shanghai Industrial Holdings Limited, Wing Tai Properties Limited, Hutchison Whampoa Limited, and CK Hutchison 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 was vice chairman of the China Banking Association, and is a member of the Advisory Committee on Post-service Employment of Civil Servants. He was 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 of the People's Republic of China (the **'HKSAR'**), and 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 of Hong Kong. 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.

LETTER FROM THE CHAIRMAN

As an INED with extensive experience in banking industry as well as in public service, Mr Cheng brings his valuable experience to the Board for promoting the best interests of the Company and the Shareholders. Alongside the other INEDs, Mr Cheng contributes to ensuring that the interests of all the Shareholders 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 Cheng concerning 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 2016 AGM. The re-appointment of Mr Cheng at the 2016 AGM will be in accordance with the relevant Corporate Governance Code as contained in Appendix 14 to the Listing Rules (the '**CG Code**').

At each of the Company's 2010 and 2013 annual general meetings, over 99.9% of the votes were in favour of Mr Cheng's election/re-election as a member of the Board.

As at 5 April 2016 (the '**Latest Practicable Date**'), being the latest practicable date before the printing of this circular, Mr Cheng was interested in 3,350 Shares. Save as disclosed above, he 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 (Cap. 571 of the Laws of Hong Kong) (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 entered into a service contract with the Company in 2013, under which the current term of his office as an INED will last up to 8 May 2016. The Company intends to enter into a new service contract with Mr Cheng, under which the term of his office as an INED will commence from 9 May 2016 and last up to (i) 18 May 2016, if Mr Cheng is not re-elected at the 2016 AGM; or (ii) the earlier of the date on which he will retire again by rotation under the Articles and 8 May 2019, if Mr Cheng is re-elected at the 2016 AGM. The emoluments of Mr Cheng are set out in his service contract and determined by the Board. Under his existing service contract, Mr Cheng is entitled to a director fee of HK\$300,000 gross per annum.

Lau Ping-cheung, Kaizer, aged 64, is an INED and has been a member of the Board since 11 August 2015. He is also a member of the Capital Works Committee and the Corporate Responsibility Committee of the Company.

Mr Lau is a chartered surveyor and has substantial experience and involvements in construction, real estate and infrastructure projects both in Hong Kong and Mainland China. He is currently a Project Director at SOCAM Asset Management (HK) Limited of the Shui On group of companies. Mr Lau is an independent non-executive director of Kingboard Laminates Holdings Limited, as well as the chairman of its nomination committee and a member of each of its audit committee and remuneration committee. He is one of the Founders of Hong Kong Coalition of Professional Services and has been the Chairman since June 2012. Mr Lau is a member of the Lantau Development Advisory Committee cum Deputy Chairperson of the Planning and Conservation Subcommittee, a member of the Economic Development Commission cum Convenor of the Working Group on Professional Services and a member of the Council of The Hong Kong Polytechnic University. He is also a member of the Chinese People's Political Consultative Conference of Shanghai and a fellow of The Hong Kong Institute of Surveyors.

Mr Lau was a former president of The Hong Kong Institute of Surveyors, a former chairman of the Royal Institution of Chartered Surveyors (HK Branch) and a former member of the HKSAR Legislative Council. He was also a former member of the Council of the City University of Hong Kong, a former Non-Executive Director of the Urban Renewal Authority and a former member of the Long Term Housing Strategy Steering Committee.

Mr Lau was educated at the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a Higher Diploma in Quantity Surveying and holds a Master degree in Construction Project Management from The University of Hong Kong.

As an INED with extensive experience in the quantity surveying and construction profession, Mr Lau brings his valuable experience to the Board for promoting the best interests of the Company and the Shareholders. Alongside the other INEDs, Mr Lau contributes to ensuring that the interests of all the

LETTER FROM THE CHAIRMAN

Shareholders are taken into account and that relevant issues are subject to objective and dispassionate consideration by the Board. The Company has received written confirmation from Mr Lau concerning his independence in accordance with the Listing Rules.

Accordingly, the Board has resolved that Mr Lau continues to be independent and should be elected as a Director at the 2016 AGM. The appointment of Mr Lau at the 2016 AGM will be in accordance with the CG Code.

As at the Latest Practicable Date, Mr Lau did not have any interest 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 Lau entered into a service contract with the Company on his appointment, under which the current term of his office as an INED will last up to the 2016 AGM (being the first annual general meeting of the Company after his appointment) at which he will retire in accordance with Article 89 of the Articles, and will offer himself for election. Subject to Mr Lau being elected as a Director at the 2016 AGM, the Company will enter into a new service contract with Mr Lau, 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) 17 May 2019. The emoluments of Mr Lau are set out in his service contract and determined by the Board. Under his existing service contract, Mr Lau is entitled to a director fee of HK\$300,000 gross per annum.

Dr Allan Wong Chi-yun, aged 65, is an INED and has been a member of the Board since 11 August 2015. He is also a member of the Audit Committee and the Capital Works Committee of the Company.

Subject to Dr Wong being elected as a Director at the 2016 AGM, he will become the chairman of the Capital Works Committee of the Company effective from the conclusion of the 2016 AGM.

Dr Wong is the chairman and group chief executive officer of VTech Holdings Limited, as well as the chairman of its risk management and sustainability committee and a member of its nomination committee. He is the deputy chairman and an independent non-executive director of The Bank of East Asia, Limited, as well as the chairman of its remuneration committee and a member of each of its audit committee and nomination committee, an independent non-executive director of China-Hongkong Photo Products Holdings Limited, as well as the chairman of its nomination committee and a member of each of its audit committee and remuneration committee, an independent non-executive director of Li & Fung Limited, as well as the chairman of its remuneration committee, and a member of each of its audit committee and risk management and sustainability committee.

Dr Wong was appointed as a Justice of the Peace in 1995, and awarded a member of the Most Excellent Order of the British Empire in 1997. He was awarded the Silver Bauhinia Star medal and the Gold Bauhinia Star medal in 2003 and 2008 respectively.

Dr Wong holds a Bachelor of Science degree in Electrical Engineering from The University of Hong Kong, a Master of Science degree in Electrical and Computer Engineering from the University of Wisconsin and an Honorary Doctorate of Technology from The Hong Kong Polytechnic University.

As an INED with a diverse business and professional background, Dr Wong brings his valuable experience to the Board for promoting the best interests of the Company and the Shareholders. Alongside the other INEDs, Dr Wong contributes to ensuring that the interests of all the Shareholders are taken into account and that relevant issues are subject to objective and dispassionate consideration by the Board. The Company has received written confirmation from Dr Wong concerning his independence in accordance with the Listing Rules.

Accordingly, the Board has resolved that Dr Wong continues to be independent and should be elected as a Director at the 2016 AGM. The appointment of Dr Wong at the 2016 AGM will be in accordance with the CG Code.

As at the Latest Practicable Date, Dr Wong did not have any interest 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.

LETTER FROM THE CHAIRMAN

Dr Wong entered into a service contract with the Company on his appointment, under which the current term of his office as an INED will last up to the 2016 AGM (being the first annual general meeting of the Company after his appointment) at which he will retire in accordance with Article 89 of the Articles, and will offer himself for election. Subject to Dr Wong being elected as a Director at the 2016 AGM, the Company will enter into a new service contract with Dr Wong, 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) 17 May 2019. The emoluments of Dr Wong are set out in his service contract and determined by the Board. Under his existing service contract, Dr Wong is entitled to a director fee of HK\$300,000 gross per annum. Subject to Dr Wong being elected as a Director at the 2016 AGM, his director fee for being an INED and the chairman of the Capital Works Committee of the Company will be increased to HK\$360,000 gross per annum.

Save as disclosed above, none of the Directors For Re-election/Election 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 Directors For Re-election/Election, 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.

PROPOSED ELECTION OF A NEW INDEPENDENT NON-EXECUTIVE DIRECTOR

Pursuant to Article 95(b) of the Articles, the Board recommends Mr Anthony Chow Wing-kin to be appointed as a new Director and a resolution will be proposed at the 2016 AGM to elect Mr Chow as a new Director. Subject to Mr Chow being elected as a new Director at the 2016 AGM, he will be an INED and will also become a member of the Capital Works Committee and the Remuneration Committee of the Company.

Details of Mr Chow are set out below:

Anthony Chow Wing-kin, aged 65, is a solicitor admitted to practise in Hong Kong and England and Wales. He has been a practising solicitor in Hong Kong for over 34 years and is currently the Senior Consultant and Global Chairman of the law firm Messrs. Guantao & Chow Solicitors and Notaries. Mr Chow is a China Appointed Attesting Officer and an arbitrator of the South China International Economic and Trade Arbitration Commission/Shenzhen Court of International Arbitration. He is currently the deputy chairman of the board of stewards of The Hong Kong Jockey Club. Mr Chow is also an independent non-executive director of Fountain Set (Holdings) Limited, and a non-executive director of Kingmaker Footwear Holdings Limited and China City Construction Group Holdings Limited (formerly known as Chun Wo Development Holdings Limited). He was an independent non-executive director of The Link Management Limited (now known as Link Asset Management Limited, as manager of The Link Real Estate Investment Trust (now known as Link Real Estate Investment Trust)) from 22 May 2006 to 22 May 2015. Mr Chow was the president of The Law Society of Hong Kong from 1997 to 2000 and is the former chairman of the Process Review Panel for the Securities and Futures Commission of Hong Kong.

He was appointed a Justice of the Peace in 1998 and awarded the Silver Bauhinia Star medal in 2003.

Subject to Shareholders' approval of his election, Mr Chow will enter into a service contract with the Company for a term of 3 years commencing from the conclusion of the 2016 AGM (i.e. 18 May 2016), subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Articles. He will be entitled to an emolument of HK\$300,000 gross per annum as determined by the Board.

The Company has received written confirmation from Mr Chow concerning his independence as an INED in accordance with the Listing Rules. Accordingly, if Mr Chow is elected as a new Director, he will become an INED.

As at the Latest Practicable Date, Mr Chow did not have any interest 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.

Save as disclosed above, Mr Chow has not held any other directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas, does not hold any other position with the Company or its subsidiaries and is not related to any other Directors, senior management or substantial or controlling Shareholders of the Company.

LETTER FROM THE CHAIRMAN

In respect of Mr Chow's election, 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 relating to his election, other than stated above, that needs to be brought to the attention of the holders of securities of the Company.

The Company believes that, with Mr Chow's extensive experience in both the private and public sectors, he will be a valuable addition to the Board.

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 2016 AGM under Article 71 of the Articles to demand a poll, in accordance with rule 13.39(4) of the Listing Rules, on each of the resolutions to be proposed at the 2016 AGM.

RECOMMENDATION

The Directors consider that the proposed resolutions set out in the Notice, including without limitation in relation to the granting of the Issue Mandate, the Buy-back Mandate, the Directors For Re-election/ Election and the proposed election of a new Director are in the best interests of the Company and the 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 75.64 per cent. of all the voting Shares in issue, has informed the Company that it intends to vote in favour of all of the proposed resolutions.

Yours faithfully,
Professor Frederick Ma Si-hang
Chairman

APPENDIX – EXPLANATORY STATEMENT ON BUY-BACK MANDATE

This is an explanatory statement given to all shareholders of MTR Corporation Limited (the **'Company'**) in connection with the resolution authorising the Company to purchase its own shares (the **'Buy-back 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 18 May 2016. This explanatory statement also constitutes the memorandum required under Section 239 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

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 buy-backs 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 buy-backs or by specific approval in relation to specific transactions.

Any buy-back 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 Buy-back Mandate will authorise the buy-back 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 5 April 2016 (the **'Latest Practicable Date'**), being the latest practicable date for determining such figure before the printing of this circular, the number of Shares in issue was 5,862,850,736. On the basis of the 5,862,850,736 Shares in issue (and assuming no Shares will be issued or bought back after the Latest Practicable Date and up to the date of passing the Resolution), the Company would be authorised under the Buy-back Mandate to buy back a maximum of 586,285,073 Shares during the period in which the Buy-back Mandate remains in force. Any Shares bought-back pursuant to the Buy-back Mandate must be fully paid-up.

Reasons for Buy-backs

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 buy-backs 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 buy-backs 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 for the year ended 31 December 2015) in the event that the Buy-back Mandate is exercised in full. However, the Directors do not propose to exercise the Buy-back 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 close associates has any present intention, in the event that the Buy-back Mandate is approved by shareholders of the Company, to sell Shares to the Company.

No core connected person (as defined in the Listing Rules) has notified the Company that he/she 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 Buy-back Mandate is authorised.

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 Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

APPENDIX – EXPLANATORY STATEMENT ON BUY-BACK MANDATE

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 <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2015		
April	40.00	36.70
May	38.75	37.00
June	37.90	35.20
July	35.90	33.10
August	36.90	33.30
September	36.40	33.10
October	35.90	33.30
November	37.15	34.55
December	38.50	34.90
2016		
January	38.30	34.20
February	37.35	34.45
March	38.85	35.90
April*	38.40	37.50

* *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 Buy-back Mandate would have under the Hong Kong Code on Takeovers and Mergers.

NOTICE OF ANNUAL GENERAL MEETING



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 (the 'Company') will be held at Rotunda 3 (6/F), Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Wednesday, 18 May 2016 at 11:30 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

- (1) To receive and consider the audited Statement of Accounts and the Reports of the Directors and the Auditors of the Company for the year ended 31 December 2015.
- (2) To declare a final dividend for the year ended 31 December 2015.
- (3) To re-elect/elect retiring members of the Board of Directors.
- (4) To elect Mr Anthony Chow Wing-kin as a new member of the Board of Directors.
- (5) 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:

(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 allot, issue, grant, distribute and otherwise deal with additional Shares, to grant rights to subscribe for, or convert any security into, Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) and to make or grant offers, agreements and options which will or might require such powers to be exercised during or after the end of the Relevant Period, be and is hereby generally and unconditionally APPROVED;
- (B) the aggregate number of Shares allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, conversion or otherwise) by the Board of Directors pursuant to the approval in paragraph (A) above, otherwise than pursuant to:
 - (i) a Rights Issue; or
 - (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the members of the Executive Directorate and/or officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares, including without limitation pursuant to the Rules of the Company's 2007 Share Option Scheme; or
 - (iii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the Articles of Association of the Company from time to time,

shall not exceed ten per cent. of the aggregate number of Shares in issue as at the date of passing this Resolution 6 (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) after the passing of this Resolution 6), and the said approval shall be limited accordingly; and

(C) for the purpose of this Resolution 6:

- (i) 'Relevant Period' means the period from (and including) the date of passing 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

NOTICE OF ANNUAL GENERAL MEETING

- 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;
- (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.'
- (7) **THAT:**
- (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (the '**Stock Exchange**') or any other stock exchange on which the Shares may be listed and which is recognised for this purpose by the Securities and Futures Commission and the Stock Exchange, in accordance with all applicable laws, including the Hong Kong Code on Share Buy-backs and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), be and is hereby generally and unconditionally APPROVED;
- (B) the aggregate number of Shares which may be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (A) above shall not exceed ten per cent. of the aggregate number of the Shares in issue as at the date of passing of this Resolution 7 (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) after the passing of this Resolution 7), and the said approval shall be limited accordingly; and
- (C) for the purpose of this Resolution 7:
- (i) 'Relevant Period' means the period from (and including) the passing of this Resolution 7 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 7 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.'

By Order of the Board
Gillian Elizabeth Meller
Company Secretary

Hong Kong, 14 April 2016

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 Kai-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

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 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, as soon as possible and in any event by 11:30 a.m. on 16 May 2016, being at least 48 hours before the time for holding the meeting (or 24 hours before a poll is taken, if the poll is taken more than 48 hours after it is demanded). If a proxy form is signed under a power of attorney, the power of attorney or other authority relied on to sign it (or a copy which has been certified by a notary or an office copy) must be delivered to the Company's registrar with the proxy form, except that a power of attorney which has already been registered with the Company need not be so delivered. Proxy forms sent electronically or by any other data transmission process will not be accepted. **Completion of a form of proxy and its return will not preclude a member from attending in person and voting at the meeting or any adjournment thereof should he so wish.**
3. The Board of Directors of the Company (the '**Board**') has recommended a final dividend for the year ended 31 December 2015 (the '**Final Dividend**') of HK\$0.81 per share and, if such dividend is declared by the shareholders by passing Resolution 2, it is currently expected to be distributed on 13 July 2016, to those shareholders whose names appeared on the Company's register of members as at the close of business on 27 May 2016. In addition, the Company plans to send a circular on or about 2 June 2016 to shareholders whose names appeared on the register of members as at the close of business on 27 May 2016, setting out the terms of the scrip dividend scheme in respect of the Final Dividend pursuant to which the Board proposes to offer shareholders whose names appeared on the register of members as at the close of business on 27 May 2016 (except for shareholders with registered addresses in the United States of America or any of its territories or possessions), subject to the Final Dividend being declared by the shareholders by passing Resolution 2, the right to choose to receive new shares in the Company instead of cash in respect of some or all of their Final Dividend.
4. The register of members of the Company will be closed from Tuesday, 24 May 2016 to Friday, 27 May 2016 (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 no later than 4:30 p.m. on Monday, 23 May 2016.
5. In relation to Resolution 3, three retiring directors will offer themselves for re-election/election. Mr Vincent Cheng Hoi-chuen will retire from office by rotation at the meeting pursuant to Articles 91 and 92(a) of the Articles of Association of the Company ('**Articles**'), and will offer himself for re-election. Mr Lau Ping-cheung, Kaizer and Dr Allan Wong Chi-yun, who were appointed after the annual general meeting on 20 May 2015, will retire from office at the meeting pursuant to Article 89 of the Articles, and will offer themselves for election.
6. In relation to Resolution 4, approval is being sought from shareholders to elect Mr Anthony Chow Wing-kin as a new member of the Board. Details of Mr Chow are set out in the circular containing this notice. The Company has received confirmation from Mr Chow concerning his independence as an independent non-executive director ('**INED**') in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the '**Listing Rules**') and, accordingly, if he is elected as a new member of the Board, he will become an INED.
7. By Resolution 6, approval is being sought from shareholders, as a general mandate in compliance with section 141 of the Companies Ordinance (Cap. 622 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 is given the flexibility and discretion to allot and issue new shares up to ten per cent. of the aggregate number of shares in issue of the Company. The members of the Board wish to state, however, that they have no immediate plans to issue any new shares of the Company, other than pursuant to the Rules of the Company's 2007 Share Option Scheme.
8. In relation to Resolution 7, an explanatory statement (as required by the Listing Rules and the Companies Ordinance) is set out in the Appendix to the circular containing this notice.
9. Shareholders should note that the auditors are entitled under the Companies Ordinance, to attend the annual general meeting and to be heard (including answering questions) on any part of the business of the meeting which concerns them as auditors. The auditors are not responsible for the preparation of the Company's consolidated accounts. The objective of an audit of consolidated accounts is to enable the auditors to express an opinion as to whether the consolidated accounts 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 consolidated accounts, taken as a whole, are free from material misstatement.
10. The registration for attending the annual general meeting will start at 10:30 a.m. on 18 May 2016.