
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 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



MTR CORPORATION LIMITED
香港鐵路有限公司

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

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED ELECTION OF NEW DIRECTORS,
PROPOSED GENERAL MANDATES TO ISSUE AND BUY BACK SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The Notice convening the 2017 AGM to be held at Rotunda 3 (6/F), Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Wednesday, 17 May 2017 at 11:30 a.m. is set out in this circular.

Whether or not you are able to attend the 2017 AGM, you are advised to read the Notice and to complete and deliver 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 15 May 2017 (Hong Kong time)(being at least 48 hours before the time for holding the 2017 AGM). Completion and delivery of the proxy form will not preclude you from attending, and voting in person at the 2017 AGM or at any adjourned meeting thereof if you so wish.

Please note that tea and coffee will be served after the completion of the 2017 AGM.

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 2017 AGM venue before entering.

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

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

'2017 AGM'	the annual general meeting of the Company to be held on Wednesday, 17 May 2017
'Articles'	the Articles of Association of the Company
'Buy-back Mandate'	the proposed general and unconditional mandate to exercise all the powers of the Company to buy back Shares as more particularly described in Resolution 8 in the Notice
'CG Code'	the "Corporate Governance Code" as contained in Appendix 14 to the Listing Rules
'Companies Ordinance'	the Companies Ordinance (Cap.622 of the Laws of Hong Kong)
'Company'	MTR Corporation Limited
'Directors For Re-election'	the retiring Directors who will offer themselves for re-election at the 2017 AGM
'Directors' or 'Board'	the board of directors of the Company (and members thereof, as the case may be)
'Executive Directorate'	the Executive Directorate of the Company
'HKSAR Government'	the Government of the Hong Kong Special Administrative Region
'INED'	independent non-executive director
'Issue Mandate'	the proposed general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares as more particularly described in Resolution 7 in the Notice
'Latest Practicable Date'	29 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
'Listing Rules'	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
'Model Code'	the "Model Code for Securities Transactions by Directors of Listed Issuers" as contained in Appendix 10 to the Listing Rules
'NED'	non-executive director
'Notice'	the notice of the 2017 AGM as set out in this circular on pages 11 to 14
'Resolution(s)'	the resolution(s) as set out in the Notice
'SFO'	the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
'Shareholder(s)'	shareholder(s) of the Company
'Shares'	ordinary shares in the capital of the Company
'Stock Exchange'	The Stock Exchange of Hong Kong Limited

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*

Anthony Chow Wing-kin*

Dr Eddy Fong Ching*

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)***

* *INED*

** *NED*

Registered Office:

MTR Headquarters Building

Telford Plaza

Kowloon Bay

Kowloon

Hong Kong

10 April 2017

To: 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 RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED ELECTION OF NEW DIRECTORS,
PROPOSED GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

The Notice convening the 2017 AGM is set out in this circular, and a proxy form and the Annual Report of the Company for the year ended 31 December 2016, accompany this circular. Details of the Resolutions to be proposed at the 2017 AGM are set out in the Notice.

LETTER FROM THE CHAIRMAN

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

At the 2017 AGM, Professor Frederick Ma Si-hang, Mrs Pamela Chan Wong Shui, Dr Dorothy Chan Yuen Tak-fai, Mr Alasdair George Morrison, Mr Ng Leung-sing and Mr Abraham Shek Lai-him will retire from office by rotation pursuant to Articles 91 and 92(a) of the Articles. Save for Mr Ng Leung-sing who will not stand for re-election, the other five retiring Directors will offer themselves for re-election at the 2017 AGM.

In relation to the proposed re-election of Mr Alasdair George Morrison and Mr Abraham Shek Lai-him, it has been agreed that, if re-elected, they will serve for terms of one year and two years (i.e. until the conclusion of the Company's annual general meetings in 2018 and 2019) respectively, having taken into account their respective personal wishes and the need to manage succession planning for the Board.

The details of the Directors For Re-election are set out in Appendix 1 to this circular.

PROPOSED ELECTION OF NEW DIRECTORS

Pursuant to Article 95(b) of the Articles, the Board recommends Mr Andrew Clifford Winawer Brandler and Mr Zhou Yuan (also known as Mr Johannes Zhou) to be appointed as new Directors and two Resolutions to this effect will be proposed at the 2017 AGM. Subject to Mr Brandler and Mr Zhou being elected as new Directors at the 2017 AGM, they will be INEDs and will also each become members of both the Audit Committee and the Risk Committee of the Company.

The details of Mr Brandler and Mr Zhou are set out in Appendix 1 to this circular.

PROPOSED GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 18 May 2016, the then Shareholders passed resolutions granting general mandates to the Board to issue and buy back Shares. These general mandates will lapse at the conclusion of the 2017 AGM. Two Resolutions will therefore be proposed at the 2017 AGM to renew the grant of the general mandates as described below.

The purpose of the Issue Mandate (i.e. Resolution 7) is to provide the Board with a mandate to allot and issue new Shares up to ten per cent. of the aggregate number of Shares in issue as at the date of passing Resolution 7 (subject to adjustment in accordance with Resolution 7), during the Relevant Period (as defined in Resolution 7) (rather than twenty per cent. as allowed by the Listing Rules). In addition, any Shares to be issued under the Issue Mandate shall not be issued at a discount of more than ten per cent. to the "Benchmarked Price" (as described under rule 13.36(5) of the Listing Rules and defined in Resolution 7). Having taken into consideration stakeholders' comments over the years, the aforesaid maximum discount rate has been introduced for the first time, and both the issue limit and the discount limit are below the permitted limits under the Listing Rules.

The purpose of the Buy-back Mandate (i.e. Resolution 8) is to provide the Board with a mandate to buy back an amount of Shares not exceeding ten per cent. of the aggregate number of Shares in issue as at the date of passing Resolution 8 (subject to adjustment in accordance with Resolution 8), during the Relevant Period (as defined in Resolution 8). As required under the Companies Ordinance and the Listing Rules, an explanatory statement providing the requisite information regarding the Buy-back Mandate is set out in Appendix 2 to this circular.

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, at the 2017 AGM, the Chairman of the Company will exercise his right under Article 71 of the Articles to demand a poll on each of the Resolutions to be proposed at the 2017 AGM.

RECOMMENDATION

The Directors consider that the proposed Resolutions set out in the Notice, including without limitation in relation to the Directors For Re-election, the proposed election of new Directors and the granting of the Issue Mandate and the Buy-back Mandate 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 75.08 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 1 – DETAILS OF THE DIRECTORS FOR RE-ELECTION/ELECTION

On an annual basis, the Board reviews the performance of the Directors to ensure they are contributing to the Board in a manner which allows them to perform their responsibilities to the Company and are spending sufficient time doing so. Through this review, the Board is satisfied that each of the Directors For Re-election, in particular, has positively contributed to the Board through their participation in the Company's affairs and the Board's discussions and decisions during the year.

Unless otherwise disclosed below: (1) none of the Directors For Re-election is related to any other Directors, senior management or substantial or controlling Shareholder of the Company; and (2) in relation to the Directors For Re-election, there is no information to be disclosed pursuant to any of the requirements 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.

Professor Frederick Ma Si-hang, 65, was appointed as Non-executive Chairman with effect from 1 January 2016. He joined the Board as an INED in July 2013 and was re-designated as a NED on 30 November 2015 (following his appointment as Non-executive Chairman). Professor Ma is also the chairman of the Corporate Responsibility Committee and a member of the Nominations Committee and the Remuneration Committee of the Company. He is also a director of a member of the Company's group.

Professor Ma has extensive experience in the banking and financial sectors and with the HKSAR Government. He is currently an INED of FWD Group, a director of Husky Energy Inc. and a NED of COFCO Corporation.

Professor Ma was an INED of Agricultural Bank of China Limited (ceased on 13 May 2016), Aluminum Corporation of China Limited (ceased on 29 December 2015) and Hutchison Port Holdings Management Pte. Limited (ceased on 2 December 2015), and a NED of China Mobile Communications Corporation (ceased on 3 February 2016). He was previously the Secretary for Financial Services and the Treasury of the HKSAR Government and a NED of the Company from 2002 to 2007, and was the Secretary of Commerce and Economic Development of the HKSAR Government from 2007 to July 2008.

Professor Ma is a member of the International Advisory Council of China Investment Corporation and the Global Advisory Council of the Bank of America.

Professor Ma holds a Bachelor of Arts (Honours) degree majoring in economics and history from The University of Hong Kong. He was conferred the Honorary Doctor of Social Sciences by Lingnan University in October 2014 and the Honorary Doctor of Social Science by City University of Hong Kong in October 2016. Professor Ma was awarded the Gold Bauhinia Star medal in 2009 and was appointed as a Justice of the Peace in 2010.

The re-appointment of Professor Ma at the 2017 AGM will be made in accordance with the relevant CG Code.

At the Company's 2014 annual general meeting, over 99.8% of the votes were in favour of Professor Ma's election as a Director. Professor Ma attended all the Board and relevant Board Committee meetings and general meetings of the Company held during 2016.

As at the Latest Practicable Date, Professor Ma was interested in 270,000 Shares within the meaning of Part XV of the SFO. Save as otherwise 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 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.

As Non-executive Chairman, Professor Ma has entered into a service contract with the Company for three years which commenced on 1 January 2016 and will end on 31 December 2018 (unless otherwise earlier terminated). The emoluments of Professor Ma are set out in his service contract and determined by The Financial Secretary Incorporated on behalf of the HKSAR Government. Under his existing service contract, Professor Ma is entitled to a fee of HK\$1,730,000 gross per annum.

Pamela Chan Wong Shui, aged 70, has joined the Board as an INED since July 2013. She is also a member of the Nominations Committee and the Corporate Responsibility Committee of the Company.

Mrs Chan is vice-chairman of The Boys' and Girls' Clubs Association of Hong Kong and an independent director of the Travel Industry Council of Hong Kong. She had served on the board of The Community Chest of Hong Kong for many years, and is currently its vice-patron. Mrs Chan is also currently patron of Consumers International.

She was chief executive of the Consumer Council (ceased on 1 April 2007), chairman of Hong Kong Deposit Protection Board (ceased on 1 July 2016), deputy chairman of the Hong Kong Baptist University Council and the Court (ceased on 1 January 2017), chairman of the governing committee of Princess Margaret Hospital

APPENDIX 1 – DETAILS OF THE DIRECTORS FOR RE-ELECTION/ELECTION

(ceased on 1 December 1997), and a member of the Law Reform Commission of Hong Kong (ceased on 1 January 2014), Hospital Authority (ceased on 1 December 1997), The Hong Kong Housing Authority (ceased on 1 April 2010) and Estate Agents Authority (ceased on 1 November 2006).

Mrs Chan is a graduate and an Honorary Fellow of The Chinese University of Hong Kong. She holds a Bachelor of Laws degree from Peking University.

As an INED of the Company with extensive experience in public and community service, Mrs Chan brings her valuable experience to the Board and, alongside the other INEDs of the Company, Mrs Chan contributes to ensuring that the interests of 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 Mrs Chan concerning her independence in accordance with the Listing Rules.

Accordingly, the Board has resolved that Mrs Chan continues to be independent and recommended her to be re-elected as a Director at the 2017 AGM. The re-appointment of Mrs Chan at the 2017 AGM will be made in accordance with the CG Code.

At the Company's 2014 annual general meeting, over 99.9% of the votes were in favour of Mrs Chan's election as a Director. Mrs Chan attended all the Board and relevant Board Committee meetings and general meetings of the Company held during 2016.

As at the Latest Practicable Date, Mrs Chan was interested in 10,677 Shares within the meaning of Part XV of the SFO. Save as otherwise disclosed above, she 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.

Mrs Chan entered into a 3-year service contract with the Company in 2014, under which the current term of her office as an INED will last up to 7 May 2017. The Company intends to enter into a new service contract with Mrs Chan, under which the term of her office as an INED will commence from 8 May 2017 and last up to (i) 17 May 2017, if Mrs Chan is not re-elected at the 2017 AGM; or (ii) the earlier of the date on which she will retire again by rotation under the Articles and 7 May 2020, if Mrs Chan is re-elected at the 2017 AGM. The emoluments of Mrs Chan are set out in her service contract and determined by the Board. Under her existing service contract, Mrs Chan is entitled to a fee of HK\$420,000 gross per annum.

As at the Latest Practicable Date, Mrs 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.

Dr Dorothy Chan Yuen Tak-fai, aged 67, has joined the Board as an INED since July 2013. She is also the chairman of the Remuneration Committee and a member of the Capital Works Committee of the Company. Dr Chan is also a director of a member of the Company's group.

Dr Chan is currently the Deputy Director (Administration and Resources), Head of Centre for Logistics and Transport, and advisor of International College of HKU School of Professional and Continuing Education. She is an INED of AMS Public Transport Holdings Limited, the chairperson of the Sustainable Agricultural Department Fund Advisory Committee, a board member of the Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies Limited, an advisor to the Serco Group (HK) Limited and a member of the Board of Governors of the Hong Kong Institute for Public Administration. Dr Chan is also an Honorary Fellow of the Chartered Institute of Logistics and Transport ('CILT') and CILT's Global Advisor for Women in Logistics and Transport.

Dr Chan was a member of the Social Welfare Advisory Committee (ceased on 1 December 2014) and the Advisory Council on Environment (ceased on 1 January 2015) of the HKSAR Government, and the International President of CILT (ceased on 1 January 2015). She was previously the Deputy Commissioner for Transport of Government from 1995 to 2002. From 2000 to 2002, Dr Chan was the Alternate Director to the office of the Commissioner for Transport, a NED of the Company.

She holds a Bachelor of Social Sciences degree, a Master of Social Sciences degree in Public Administration and a Doctor of Philosophy degree from The University of Hong Kong.

As an INED of the Company with extensive experience in the HKSAR Government, the logistics and transportation sectors, Dr Chan brings her valuable experience to the Board and, alongside the other INEDs of the Company, Dr Chan contributes to ensuring that the interests of 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 Dr Chan concerning her independence in accordance with the Listing Rules.

APPENDIX 1 – DETAILS OF THE DIRECTORS FOR RE-ELECTION/ELECTION

Accordingly, the Board has resolved that Dr Chan continues to be independent and recommended her to be re-elected as a Director at the 2017 AGM. The re-appointment of Dr Chan at the 2017 AGM will be made in accordance with the CG Code.

At the Company's 2014 annual general meeting, over 99.9% of the votes were in favour of Dr Chan's election as a Director. Dr Chan attended 80% of the Board and relevant Board Committee meetings and general meetings of the Company held during 2016.

As at the Latest Practicable Date, Dr Chan 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.

Dr Chan entered into a 3-year service contract with the Company in 2014, under which the current term of her office as an INED will last up to 7 May 2017. The Company intends to enter into a new service contract with Dr Chan, under which the term of her office as an INED will commence from 8 May 2017 and last up to (i) 17 May 2017, if Dr Chan is not re-elected at the 2017 AGM; or (ii) the earlier of the date on which she will retire again by rotation under the Articles and 7 May 2020, if Dr Chan is re-elected at the 2017 AGM. The emoluments of Dr Chan are set out in her service contract and determined by the Board. Under her existing service contract, Dr Chan is entitled to a fee of HK\$500,000 gross per annum.

Alasdair George Morrison, aged 68, has joined the Board as an INED since July 2010. He is also the chairman of the Risk Committee and a member of the Audit Committee of the Company.

Mr Morrison is also an INED of Pacific Basin Shipping Limited and a Senior Advisor to Bain Capital Asia, LLC. He was a Senior Advisor of Citigroup Asia Pacific (ceased on 17 January 2015), a member of the Financial Services Development Council of the HKSAR Government (ceased on 17 January 2015), and a member of the Board of Grosvenor Group Limited in the United Kingdom (ceased on 30 September 2013), the Operations Review Committee of the Independent Commission Against Corruption (ceased on 1 January 2011), and the Hong Kong/European Union Business Cooperation Committee (ceased on 7 February 2012).

From 1971 to 2000, Mr Morrison worked for the Jardine Matheson Group, where he was Group Managing Director from 1994 to 2000. Subsequently, Mr Morrison was Chairman of Morgan Stanley Asia, based in Hong Kong, until April 2007, and he was also a member of Morgan Stanley's Management Committee and Chief Executive Officer of Morgan Stanley Asia.

Mr Morrison graduated from Eton College and holds a Bachelor of Arts (subsequently Master of Arts) from the University of Cambridge. He also attended the Program for Management Development at Harvard Business School.

As an INED of the Company with a diverse business and professional background, Mr Morrison brings his valuable experience to the Board and, alongside the other INEDs of the Company, Mr Morrison contributes to ensuring that the interests of 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 Morrison concerning his independence in accordance with the Listing Rules.

Accordingly, the Board has resolved that Mr Morrison continues to be independent and recommended him to be re-elected as a Director at the 2017 AGM. The re-appointment of Mr Morrison at the 2017 AGM will be made in accordance with the CG Code.

At each of the Company's 2011 and 2014 annual general meetings, over 99.8% of the votes were in favour of Mr Morrison's election/re-election as a Director. Mr Morrison attended all the Board and relevant Board Committee meetings and general meetings of the Company held during 2016.

As at the Latest Practicable Date, Mr Morrison 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 Morrison entered into a 3-year service contract with the Company in 2014, under which the current term of his office as an INED will last up to 5 May 2017. In light of Mr Morrison's personal wishes and the need to manage succession planning for the Board, the Company intends to enter into a new service contract with Mr Morrison, under which the term of his office as an INED will commence from 6 May 2017 and last up to (i) 17 May 2017, if Mr Morrison is not re-elected at the 2017 AGM; or (ii) the conclusion of 2018 annual general meeting of the Company, if Mr Morrison is re-elected at the 2017 AGM. The emoluments of Mr Morrison are

APPENDIX 1 – DETAILS OF THE DIRECTORS FOR RE-ELECTION/ELECTION

set out in his service contract and determined by the Board. Under his existing service contract, Mr Morrison is entitled to a fee of HK\$500,000 gross per annum.

Abraham Shek Lai-him, aged 71, has joined the Board as an INED since December 2007. Mr Shek is also the chairman of the Nominations Committee and a member of the Capital Works Committee of the Company.

Mr Shek is an INED of Midas International Holdings Limited, Paliburg Holdings Limited, Lifestyle International Holdings Limited, Chuang's Consortium International Limited, NWS Holdings Limited, Regal Portfolio Management Limited, Eagle Asset Management (CP) Limited, Country Garden Holdings Company Limited, SJM Holdings Limited, China Resources Cement Holdings Limited, Cosmopolitan International Holdings Limited, Hop Hing Group Holdings Limited, Lai Fung Holdings Limited and Goldin Financial Holdings Limited. Mr Shek is chairman and an INED of Chuang's China Investments Limited, and vice chairman and an INED of ITC Properties Group Limited. He is also a NED of the Mandatory Provident Fund Schemes Authority and a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption.

Mr Shek was an INED of ITC Corporation Limited (ceased on 28 March 2017), TUS International Limited (ceased on 6 January 2017), Dorsett Hospitality International Limited (ceased on 11 March 2016) and Hsin Chong Construction Group Ltd. (ceased on 12 May 2014). He was vice chairman of the Independent Police Complaints Council (ceased on 1 January 2015) and a director of The Hong Kong Mortgage Corporation Limited (ceased on 25 April 2016).

Mr Shek holds a Bachelor of Arts degree and a Diploma in Education from The University of Sydney. He was appointed as a Justice of the Peace in 1995 and was awarded the Gold Bauhinia Star medal in 2013.

As an INED of the Company with a diverse business and professional background, Mr Shek brings his valuable experience to the Board and, alongside the other INEDs of the Company, Mr Shek contributes to ensuring that the interests of 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 Shek concerning his independence in accordance with the Listing Rules. The Nominations Committee (with Mr Shek abstaining from the discussion given his interest) has considered the relevant independence assessment requirements set out in rule 3.13 of the Listing Rules, and formed the view that, notwithstanding the fact that Mr Shek has served on the Board for over 9 years, he remains independent, taking into account, amongst other things, his impartial views and comments expressed during Board and Board Committee meetings. In addition, the unique expertise of Mr Shek gained from his long service as a Legislative Council member of the HKSAR enables him to provide valuable and independent guidance to the Board and the Company in their dealings and engagement with different political parties, the general public and the HKSAR Government.

Accordingly, the Board has resolved that Mr Shek continues to be independent and recommended him to be re-elected as a Director at the 2017 AGM. The re-appointment of Mr Shek at the 2017 AGM will be made in accordance with the CG Code.

At each of the Company's 2008, 2011 and 2014 annual general meetings, over 97.5% of the votes were in favour of Mr Shek's election/re-election as a Director. Mr Shek attended over 80% of the Board and relevant Board Committee meetings and general meetings of the Company held during 2016.

As at the Latest Practicable Date, Mr Shek 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 Shek entered into a 3-year service contract with the Company in 2014, under which the current term of his office as an INED will last up to 5 May 2017. In light of Mr Shek's personal wishes and the need to manage succession planning for the Board, the Company intends to enter into a new service contract with Mr Shek, under which the term of his office as an INED will commence from 6 May 2017 and last up to (i) 17 May 2017, if Mr Shek is not re-elected at the 2017 AGM; or (ii) the conclusion of the 2019 annual general meeting of the Company, if Mr Shek is re-elected at the 2017 AGM. The emoluments of Mr Shek are set out in his service contract and determined by the Board. Under his existing service contract, Mr Shek is entitled to a fee of HK\$500,000 gross per annum.

APPENDIX 1 – DETAILS OF THE DIRECTORS FOR RE-ELECTION/ELECTION

Proposed New Directors

Unless otherwise disclosed below: (1) neither of Mr Andrew Clifford Winawer Brandler or Mr Zhou Yuan (also known as Johannes Zhou) is related to any other Directors, senior management or substantial or controlling Shareholder of the Company; and (2) in relation to Mr Brandler and Mr Zhou, there is no information to be disclosed pursuant to any of the requirements 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.

Andrew Clifford Winawer Brandler, aged 60, is the chairman of Sir Elly Kadoorie & Sons Limited. He was formerly the group managing director and chief executive officer of CLP Holdings Limited from 2000 to 2013, an executive director between October 2013 and April 2014, and currently is a NED of that company. Mr Brandler is also the non-executive deputy chairman of The Hongkong and Shanghai Hotels, Limited, and a NED of Tai Ping Carpets International Limited. Prior to joining CLP Holdings Limited in 2000, he was an investment banker, his last position being Head of Asia Pacific Corporate Finance at Schroders based in Hong Kong. Mr Brandler was the former chairman of the Hong Kong General Chamber of Commerce (ceased in 2010) and a member of the Operations Review Committee of the Independent Commission Against Corruption (ceased in 2014). He is also currently the Chairman of the Board of Governors of the Chinese International School.

Mr Brandler holds a Bachelor of Arts (subsequently Master of Arts) degree in Modern and Medieval Languages from the University of Cambridge, United Kingdom and a Master of Business Administration degree from Harvard Business School, United States of America. He is a member of The Institute of Chartered Accountants in England and Wales.

Subject to Shareholders' approval of his election at the 2017 AGM, it is proposed that Mr Brandler will enter into a 3-year service contract with the Company commencing from the conclusion of the 2017 AGM (i.e. 17 May 2017) and will be 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 a fee of HK\$450,000 gross per annum as determined by the Board.

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

As at the Latest Practicable Date, Mr Brandler 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 otherwise disclosed above, as at the Latest Practicable Date, Mr Brandler 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 and does not hold any other position with the Company or its subsidiaries.

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

Zhou Yuan (also known as Johannes Zhou), aged 61, retired in June 2016 as Chief Strategic Officer of China Investment Corporation ("CIC"). He joined CIC in 2008 and held a variety of portfolios of responsibilities including alternative assets, direct investments, asset allocation, and finance/treasury. Prior to that, Mr Zhou led Asia business development at Chicago Mercantile Exchange. From 2001 to 2005, he worked as a financial researcher and consultant, working on assignments ranging in asset management, private equity, hedge funds, risk models, financial software architecture, and financial market reform, with consulting work done for China Securities Regulatory Commission, Shanghai Futures Exchange, as well as a number of western firms. From 1998 to 2001, Mr Zhou was chief executive officer of HKFE Clearing Corporation Limited and concurrently chief financial officer of Hong Kong Futures Exchange Limited, responsible for the Exchanges's finance, treasury, risk and clearing functions. He was UBS AG's China country head from 1994 to 1998, responsible for the bank's investment banking, commercial banking, asset management and private banking businesses in China. From 1988 to 1994, Mr Zhou worked at State Street Bank in Boston where he founded and managed the research department. Prior to that, Mr Zhou taught at Brandeis University. He was educated at Peking University, the Mainland of China and Brandeis University, the United States of America.

Subject to Shareholders' approval of his election at the 2017 AGM, it is proposed that Mr Zhou will enter into a 3-year service contract with the Company commencing from the conclusion of the 2017 AGM (i.e. 17 May 2017) and will be 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 a fee of HK\$450,000 gross per annum as determined by the Board.

The Company has received written confirmation from Mr Zhou concerning his independence as an INED of

APPENDIX 1 – DETAILS OF THE DIRECTORS FOR RE-ELECTION/ELECTION

the Company in accordance with the Listing Rules. Accordingly, if Mr Zhou is elected as a new Director, he will become an INED of the Company.

As at the Latest Practicable Date, Mr Zhou 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 at the Latest Practicable Date, Mr Zhou 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 and does not hold any other position with the Company or its subsidiaries.

The Company believes that, with Mr Zhou's rich experience in the financial sector in Hong Kong, the Mainland of China and the United States of America, he will be a valuable addition to the Board.

APPENDIX 2 – EXPLANATORY STATEMENT ON BUY-BACK MANDATE

This is an explanatory statement given to all the Shareholders in connection with the Resolution authorising the Company to buy back its own shares proposed to be considered, and if thought fit, passed by the Shareholders at the 2017 AGM. This explanatory statement also constitutes the memorandum required under Section 239 of the Companies Ordinance.

Listing Rules

This explanatory statement contains the information required by the Listing Rules, which provide that all buy-backs of securities by a company with its primary listing on 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 Articles 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 issue as at the date of passing the relevant Resolution. As at the Latest Practicable Date, the number of Shares in issue was 5,906,422,065. On the basis of the 5,906,422,065 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 590,642,206 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 and the Executive Directorate believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to buy back 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 the 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 2016) 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 members of the Board 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 the Shareholders, 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/her 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 2 – 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 (HK\$)	Lowest (HK\$)
2016		
March	36.66 (Adjusted)	33.88 (Adjusted)
April	36.94 (Adjusted)	35.39 (Adjusted)
May	37.25	35.55
June	39.50	36.45
July	44.50	38.75
August	44.15	41.70
September	43.85	41.80
October	43.80	42.00
November	43.70	38.60
December	39.10	37.20
2017		
January	39.60	37.80
February	41.50	39.40
March*	43.65	41.05

* Up to and including the Latest Practicable Date.

No buy-back 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, 17 May 2017 at 11:30 a.m. ('**2017 AGM**') for the purpose of transacting the following business:

ORDINARY BUSINESS

- (1) To receive the audited Statement of Accounts and the Reports of the Directors and the Auditors of the Company for the year ended 31 December 2016.
- (2) To declare a final dividend for the year ended 31 December 2016.
- (3) To re-elect retiring members of the Board of Directors:
 - (a) Professor Frederick Ma Si-hang;
 - (b) Mrs Pamela Chan Wong Shui;
 - (c) Dr Dorothy Chan Yuen Tak-fai;
 - (d) Mr Alasdair George Morrison; and
 - (e) Mr Abraham Shek Lai-him.
- (4) To elect Mr Andrew Clifford Winawer Brandler as a new member of the Board of Directors.
- (5) To elect Mr Zhou Yuan (also known as Mr Johannes Zhou) as a new member of the Board of Directors.
- (6) 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:

- (7) '**THAT:**
 - (A) subject to paragraph (B) below, the exercise by the Board of Directors of the Company (the '**Board**') 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 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,

NOTICE OF ANNUAL GENERAL MEETING

shall not exceed ten per cent. of the aggregate number of Shares in issue as at the date of passing 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;

- (C) any Shares to be allotted and issued (whether wholly or partly for cash or otherwise) pursuant to the approval in paragraph (A) above shall not be issued at a discount of more than ten per cent. to the Benchmarked Price of such Shares; and
- (D) for the purpose of this Resolution 7:
 - (i) 'Relevant Period' means the period from (and including) the date of passing 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;
 - (ii) 'Rights Issue' means an offer of Shares open for a period fixed by the Board 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 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);
 - (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; and
 - (iv) 'Benchmarked Price' means the higher of:
 - (a) the closing price of the Shares as quoted on the The Stock Exchange of Hong Kong Limited (the '**Stock Exchange**') on the date of the agreement involving the proposed issue of the Shares under this Resolution 7; and
 - (b) the average closing price of the Shares as quoted on the Stock Exchange for the 5 trading days immediately prior to the earlier of the date: (1) of announcement of the proposed transaction or arrangement involving the proposed issue of the Shares; (2) of the agreement involving the proposed issue of Shares; and (3) on which the price of the Shares that are proposed to be issued is fixed.'

(8) **THAT:**

- (A) subject to paragraph (B) below, the exercise by the Board during the Relevant Period of all the powers of the Company to buy back Shares on 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 bought back or agreed conditionally or unconditionally to be bought back 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 8 (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 8), and the said approval shall be limited accordingly; and
- (C) for the purpose of this Resolution 8:
 - (i) 'Relevant Period' means the period from (and including) the passing of this Resolution 8 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

NOTICE OF ANNUAL GENERAL MEETING

- (c) the revocation or variation of the authority given under this Resolution 8 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, 10 April 2017

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*, Anthony Chow Wing-kin*, Dr Eddy Fong Ching*, 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, Jacob Kam Chak-pui, Margaret Cheng Wai-ching, Morris Cheung Siu-wa, Peter Ronald Ewen, Herbert Hui Leung-wah, Adi Lau Tin-shing, 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 shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy (or proxies) to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company (the '**Shareholder**').
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 15 May 2017 (Hong Kong time), 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 by an 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 proxy form and its delivery will not preclude a Shareholder from attending in person and voting at the meeting or any adjournment thereof if a Shareholder so wishes, but a proxy's authority to vote on a resolution is to be regarded as revoked if the Shareholder attends the meeting in person and votes on that particular resolution.**
3. **Entitlement to vote and attend the 2017 AGM:** Shareholders who are entitled to attend and vote at the 2017 AGM are those whose names appear on the register of members of the Company ('**Register of Members**') as at the close of business on 10 May 2017. In order to qualify for attending the 2017 AGM, all transfer documents, accompanied by the relevant share certificates, have to be lodged for registration with the Company's registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 10 May 2017 (Hong Kong time).
4. The Board has recommended a final dividend for the year ended 31 December 2016 (the '**Final Dividend**') of HK\$0.82 per share and, if such dividend is declared by the Shareholders by passing Resolution 2, it is currently expected to be distributed on 12 July 2017, to those Shareholders whose names appeared on the Register of Members as at the close of business on 26 May 2017. In addition, the Company plans to send a circular on or about 5 June 2017 to the Shareholders whose names appeared on the Register of Members as at the close of business on 26 May 2017, setting out the terms of the scrip dividend scheme in respect of the Final Dividend pursuant to which the Board proposes to offer the Shareholders whose names appeared on the Register of Members as at the close of business on 26 May 2017 (except for the Shareholders with registered addresses in New Zealand and 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 ('**Shares**') instead of cash in respect of some or all of their Final Dividend.
5. **Entitlement to Final Dividend:** the Register of Members will be closed from Tuesday, 23 May 2017 to Friday, 26 May 2017 (both days inclusive) (Hong Kong time), during which period no transfer of Shares will be effected. In order to qualify for the proposed Final Dividend, all transfer documents, accompanied by the relevant share certificates, have to be lodged for registration with the Company's Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 22 May 2017 (Hong Kong time).
6. In relation to Resolution 3, five retiring directors will offer themselves for re-election. Professor Frederick Ma Si-hang, Mrs Pamela Chan Wong Shui, Dr Dorothy Chan Yuen Tak-fai, Mr Alasdair George Morrison and Mr Abraham Shek Lai-him will retire from office by rotation at the 2017 AGM pursuant to Articles 91 and 92(a) of the Articles of Association of the Company ('**Articles**'), and will offer themselves for re-election. The details of the retiring directors who will offer themselves for re-election are set out in Appendix 1 to the circular containing this notice. The Shareholders should note that the offers for re-election in respect of Mr Alasdair George Morrison and Mr Abraham Shek Lai-him at the 2017 AGM will be for a term until the conclusion of the Company's annual general meeting in 2018 and 2019 respectively.
7. In relation to Resolutions 4 and 5, approvals are being sought from Shareholders to elect Mr Andrew Clifford Winawer Brandler and Mr Zhou Yuan (also known as Mr Johannes Zhou) as new members of the Board. Details of Mr Brandler and Mr Zhou are set out in Appendix 1 to the circular containing this notice. The Company has received confirmation from Mr Brandler and Mr Zhou concerning their 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 they are elected as new members of the Board, they will become INEDs.
8. By Resolution 7, approval is being sought from the 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 a mandate to allot and issue new Shares up to ten per cent. of the aggregate number of the Shares in issue at a discount of not more than ten per cent. to the "Benchmarked Price" as described under the Listing Rules and defined in Resolution 7 (rather than twenty per cent. as allowed by the Listing Rules). The members of the Board wish to state, however, that they have no immediate plans to issue any new Shares, other than pursuant to the Rules of the Company's 2007 Share Option Scheme.
9. In relation to Resolution 8, an explanatory statement (as required by the Listing Rules and the Companies Ordinance) is set out in Appendix 2 to the circular containing this notice.
10. The 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.
11. The registration for attending the 2017 AGM will start at 10:30 a.m. on 17 May 2017.