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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**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.

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

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The Notice convening the 2018 AGM to be held at Rotunda 3 (6/F), Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Wednesday, 16 May 2018 at 11:30 a.m. is set out in this circular.

Whether or not you are able to attend the 2018 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 Share 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 14 May 2018 (Hong Kong time) (being at least 48 hours before the time for holding the 2018 AGM). Completion and delivery of the proxy form will not preclude you from attending, and voting in person at the 2018 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 2018 AGM.**

As a token of appreciation, each eligible attendee (irrespective of whether he/she attends in person as a Shareholder and/or proxy/proxy for multiple Shareholders) will be given **one** refreshment pack. You are reminded not to take items such as large bags, cameras, audio recording equipment or video recorders to the AGM. 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 2018 AGM venue before entering.

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

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12 April 2018

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## DEFINITIONS

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

<b>'2017 Annual Report'</b>	the Company's annual report for the financial year ended 31 December 2017
<b>'2018 AGM'</b>	the annual general meeting of the Company to be held on Wednesday, 16 May 2018
<b>'AGM'</b>	the annual general meeting(s) of the Company
<b>'Articles'</b>	the Articles of Association of the Company
<b>'Board'</b>	the board of directors of the Company
<b>'Buy-back Mandate'</b>	the proposed general and unconditional mandate to exercise all the powers of the Company to buy back Shares as more particularly described in Resolution 7 in the Notice
<b>'CG Code'</b>	the "Corporate Governance Code" as contained in Appendix 14 to the Listing Rules
<b>'Companies Ordinance'</b>	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
<b>'Company'</b>	MTR Corporation Limited
<b>'Director'</b>	a member of the Board
<b>'Directors For Re-election/Election'</b>	the retiring Directors who will offer themselves for re-election/election at the 2018 AGM
<b>'Executive Directorate'</b>	the Executive Directorate of the Company
<b>'FSI'</b>	The Financial Secretary Incorporated
<b>'Group'</b>	the Company and its Subsidiaries
<b>'HKSAR'</b>	the Hong Kong Special Administrative Region of the People's Republic of China
<b>'HKSAR Government'</b>	the Government of the HKSAR
<b>'INED'</b>	independent non-executive director
<b>'Issue Mandate'</b>	the proposed general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares as more particularly described in Resolution 6 in the Notice
<b>'Latest Practicable Date'</b>	29 March 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
<b>'Listing Rules'</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>'Model Code'</b>	the "Model Code for Securities Transactions by Directors of Listed Issuers" as contained in Appendix 10 to the Listing Rules
<b>'NED'</b>	non-executive director
<b>'Notice'</b>	the notice of the 2018 AGM as set out in this circular on pages 11 to 14
<b>'Resolution(s)'</b>	the resolution(s) as set out in the Notice
<b>'SFO'</b>	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
<b>'Shareholder(s)'</b>	shareholder(s) of the Company
<b>'Shares'</b>	ordinary shares in the capital of the Company
<b>'Stock Exchange'</b>	The Stock Exchange of Hong Kong Limited
<b>'Subsidiary(ies)'</b>	the subsidiary(ies) of the Company

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## LETTER FROM THE CHAIRMAN

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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)

*Board of Directors:*

Professor Frederick Ma Si-hang (*Chairman*)\*\*  
Lincoln Leong Kwok-kuen (*Chief Executive Officer*)  
Andrew Clifford Winawer Brandler\*  
Dr 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\*  
Abraham Shek Lai-him\*  
Benjamin Tang Kwok-bun\*  
Dr Allan Wong Chi-yun\*  
Johannes Zhou Yuan\*  
James Henry Lau Jr (*Secretary for Financial Services and the Treasury*)\*\*  
*Secretary for Transport and Housing (Frank Chan Fan)*\*\*  
*Permanent Secretary for Development (Works) (Hon Chi-keung)*\*\*  
*Commissioner for Transport (Mable Chan)*\*\*

\* *INED*      \*\* *NED*

*Registered Office:*

MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Hong Kong

12 April 2018

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

Dear Sir or Madam,

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

The Notice convening the 2018 AGM is set out in this circular, and a proxy form and the 2017 Annual Report, accompany this circular. Details of the Resolutions to be proposed at the 2018 AGM are set out in the Notice.

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## LETTER FROM THE CHAIRMAN

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### **PROPOSED RE-ELECTION/ELECTION OF RETIRING DIRECTORS**

At the 2018 AGM, Dr Eddy Fong Ching, Mr James Kwan Yuk-choi, Mr Lincoln Leong Kwok-kuen, Mrs Lucia Li Li Ka-lai and Mr Benjamin Tang Kwok-bun will retire from office by rotation pursuant to Articles 91 and 92(a) of the Articles, and will offer themselves for re-election at the 2018 AGM. Mr James Henry Lau Jr, who was appointed on 4 July 2017 (after the 2017 AGM), will retire from office at the 2018 AGM pursuant to Article 89 of the Articles, and will offer himself for election at the 2018 AGM.

The Company has continued to receive written confirmation from each of Dr Fong, Mr Kwan, Mrs Li and Mr Tang concerning their independence in accordance with the Listing Rules. Accordingly, the Board has resolved that each of Dr Fong, Mr Kwan, Mrs Li and Mr Tang continues to be independent.

As a Director, each of Dr Fong, Mr Kwan, Mr Leong, Mrs Li, Mr Tang and Mr Lau brings his/her valuable experience to the Board and, alongside the other Directors, each of them contributes to ensuring that the interests of the Shareholders are taken into account and that relevant issues are subject to thorough and comprehensive consideration by the Board. As such, the Board recommends each of them to be re-elected/elected as a Director at the 2018 AGM.

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

### **PROPOSED ELECTION OF A NEW DIRECTOR**

Pursuant to Article 95(b) of the Articles, the Board recommends Ms Rose Lee Wai-mun to be appointed as a new Director and a Resolution to this effect will be proposed at the 2018 AGM. The Company has received a written confirmation from Ms Lee concerning her independence as an INED of the Company in accordance with the Listing Rules. The Company believes that, with Ms Lee's extensive experience in listed companies as well as in the banking sector, coupled with her advisory roles in various trade development committees across Hong Kong and the Mainland of China, she will be a valuable addition to the Board. Subject to Ms Lee being elected as a new Director at the 2018 AGM, she will be an INED and will also become a member of both the Audit Committee and the Risk Committee of the Company with effect from the conclusion of the 2018 AGM.

The details of Ms Lee are set out in Appendix 1 to this circular.

### **PROPOSED GENERAL MANDATES TO ISSUE AND BUY BACK SHARES**

At the 2017 AGM, 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 2018 AGM. Two Resolutions will therefore be proposed at the 2018 AGM to renew the grant of the general mandates as described below.

The purpose of the Issue Mandate (i.e. Resolution 6) 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 6 (subject to adjustment in accordance with Resolution 6), during the Relevant Period (as defined in Resolution 6). 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 6). Both the issue limit and the discount limit under the proposed Issue Mandate are below the permitted limits under the Listing Rules.

The purpose of the Buy-back Mandate (i.e. Resolution 7) 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 7 (subject to adjustment in accordance with Resolution 7), during the Relevant Period (as defined in Resolution 7). 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 2018 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 2018 AGM.

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## LETTER FROM THE CHAIRMAN

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### **RECOMMENDATION**

The Directors consider that the proposed Resolutions set out in the Notice, including without limitation in relation to the Directors For Re-election/Election, the proposed election of a new Director 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 FSI, the Company's majority Shareholder which holds approximately 75.18 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*

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

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### PROPOSED RE-ELECTION/ELECTION OF RETIRING DIRECTORS

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/Election, in particular, has positively contributed to the Board through his/her participation in the Company's affairs and the Board's discussions and decisions during the year.

As at the Latest Practicable Date, unless otherwise disclosed below: (1) none of the Directors For Re-election/Election is related to any other Directors, senior management or substantial or controlling Shareholder of the Company; (2) in relation to the Directors For Re-election/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 (3) there is no other matter which needs to be brought to the attention of the holders of securities of the Company pursuant to rule 13.51(2) of the Listing Rules.

#### **Dr Eddy Fong Ching** (Age 71)

Positions held with the Group : INED  
Audit Committee (Chairman)  
Nominations Committee (Member)  
Director of a Subsidiary

Interests in Shares within the meaning of Part XV : Nil  
of the SFO as at the Latest Practicable Date

Emoluments : HK\$510,000 gross per annum\*

Dr Fong has been a member of the Board since January 2015. He has extensive experience in the accounting, financial and regulatory fields and listed companies. Dr Fong is currently the chairman of the Process Review Panel in relation to the Regulation of Mandatory Provident Fund Intermediaries, and an INED of Standard Chartered Bank (Hong Kong) Limited and Standard Chartered Bank (China) Limited.

Dr Fong was the non-executive chairman of the Securities and Futures Commission from 2006 to 2012 and the past chairman of the Council of The Open University of Hong Kong. His other past public duties include director of The Hong Kong Mortgage Corporation Limited, the Mandatory Provident Fund Schemes Authority and the Exchange Fund Investment Limited, a member of The Hong Kong Housing Authority and the Greater Pearl River Delta Business Council, and a council member of The Hong Kong Academy for Performing Arts. Dr Fong was also a senior audit partner with PricewaterhouseCoopers specializing in capital markets work in Hong Kong and the Mainland of China until his retirement in 2003.

Dr Fong is a member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor degree in Social Science from and was awarded an Honorary Doctor of Civil Law by the University of Kent in the United Kingdom and an Honorary Doctor of Social Sciences by The Open University of Hong Kong. Dr Fong was appointed as a Justice of the Peace in 1996 and was awarded Gold Bauhinia Star medal in 2008.

Dr Fong entered into a three year service contract with the Company in 2015, under which the current term of his office as an INED will last up to 16 May 2018. If Dr Fong is re-elected at the 2018 AGM, the Company intends to enter into a new service contract with Dr Fong, under which the term of his office as an INED will commence on 16 May 2018 and last up to the earlier of the date on which he will retire again by rotation under the Articles and 15 May 2021.

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

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### **James Kwan Yuk-choi** (Age 66)

Positions held with the Group : INED  
Capital Works Committee (Member)  
Risk Committee (Member)

Interests in Shares within the meaning of Part XV : Nil  
of the SFO as at the Latest Practicable Date

Emoluments : HK\$450,000 gross per annum\*

Mr Kwan has been a member of the Board since October 2014. He has extensive experience in the listed public utility companies and engineering. Mr Kwan is currently an INED of Towngas China Company Limited. He was previously a senior adviser, an executive director and the chief operating officer of The Hong Kong and China Gas Company Limited, a director of Shenzhen Gas Corporation Limited, and a NED of Towngas China Company Limited. Mr Kwan was also the President of The Institution of Gas Engineers (currently known as The Institution of Gas Engineers & Managers) ('IGEM') in the United Kingdom in 2000/2001 and The Hong Kong Institution of Engineers ('HKIE') in 2004/2005. He is a former member of the Construction Industry Council, the Transport Advisory Committee, the Vocational Training Council, and the Standing Committee on Disciplined Services Salaries and Conditions of Service of the HKSAR Government.

Mr Kwan was awarded an Honorary Fellowship by The Hong Kong University of Science and Technology in 2011 and is a Registered Professional Engineer (Gas), a Chartered Engineer, Honorary Fellow of the HKIE, Fellow of the Institution of Mechanical Engineers, Fellow of the IGEM, Fellow of the Energy Institute and Fellow of the Chartered Institution of Building Services Engineers of the United Kingdom. He holds a Bachelor of Science degree in Engineering from The University of Hong Kong, and a Master degree in Business Administration from The Chinese University of Hong Kong.

Mr Kwan entered into a three year service contract with the Company in 2015, under which the current term of his office as an INED will last up to 16 May 2018. If Mr Kwan is re-elected at the 2018 AGM, the Company intends to enter into a new service contract with Mr Kwan, under which the term of his office as an INED will commence on 16 May 2018 and last up to the earlier of the date on which he will retire again by rotation under the Articles and 15 May 2021.

### **Lincoln Leong Kwok-kuen** (Age 57)

Positions held with the Group : Chief Executive Officer ('CEO')  
Executive Director  
Corporate Responsibility Committee (Member)  
Director of Subsidiaries

Interests in Shares within the meaning of Part XV : 1,684,685 Shares<sup>#</sup>  
of the SFO as at the Latest Practicable Date

Emoluments : (i) HK\$9,375,000 per annum (excluding discretionary variable remuneration); (ii) a fixed contract completion bonus of HK\$620,000; and (iii) an award of 80,000 Shares the entitlement of which is subject to certain conditions specified in his service contract

<sup>#</sup> *Such number of Shares has already included the above-mentioned 80,000 Shares awarded to Mr Leong under his service contract, subject to certain conditions specified therein.*

Mr Leong joined the Company in February 2002 as the Finance Director and has been a member of the Executive Directorate since then. He was re-titled as the Finance & Business Development Director in May 2008, and was appointed as the Deputy CEO in July 2012 and the Acting CEO in August 2014. Mr Leong was appointed as the CEO in March 2015, and has been a member of the Board since then. As the CEO, he is responsible for the Group's overall performance in and outside of Hong Kong.



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

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Prior to joining the Company, Mr Leong worked in the accountancy and investment banking industries in London, Vancouver and Hong Kong. He is a NED of Mandarin Oriental International Limited, chairman of the Quality Assurance Council of the University Grants Committee, vice-chairman of The Hong Kong Housing Society, and a vice-patron and a member of the Board of Directors of The Community Chest of Hong Kong. Mr Leong was previously an INED of Hong Kong Aircraft Engineering Company Limited and president of the Hong Kong Society for the Protection of Children.

Mr Leong qualified as a chartered accountant in England in 1985 and Canada in 1986. He is a chartered fellow of The Chartered Institute of Logistics and Transport in Hong Kong. Mr Leong holds a Bachelor of Arts degree (subsequently a Master of Arts degree) from the University of Cambridge in the United Kingdom.

Mr Leong entered into a service contract with the Company under which his term of office as the CEO has been renewed for the period from 16 March 2018 to 31 March 2020. Same as the other Directors, Mr Leong is subject to retirement by rotation at the AGM. As mentioned earlier, he will retire at the 2018 AGM and will offer himself for re-election.

In addition to the above-mentioned emoluments that Mr Leong receives under his service contract, he is also entitled to discretionary variable remuneration related to performance and such other factors as the Company considers relevant. The emoluments of Mr Leong are determined by the Board on recommendation from the Remuneration Committee of the Company, with reference to his responsibilities, experience and qualifications.

### **Lucia Li Li Ka-lai** (Age 63)

Positions held with the Group : INED  
Audit Committee (Member)  
Corporate Responsibility Committee (Member)

Interests in Shares within the meaning of Part XV : 3,829 Shares  
of the SFO as at the Latest Practicable Date

Emoluments : HK\$450,000 gross per annum\*

Mrs Li has been a member of the Board since October 2014. She has extensive experience in the accounting and treasury profession as well as in public service. Mrs Li is a retired civil servant. She was Director of Accounting Services of the HKSAR Government from October 2003 to January 2009. Mrs Li has been a member of a task force formed by the Commissioner for Innovation and Technology to follow up the Director of Audit's Report No. 61 with regard to the Small Entrepreneur Research Assistance Programme since 15 July 2014. She was formerly a member of the Public Service Commission, a member of the Communications Authority and a board member and treasurer of Chung Ying Theatre Company (HK) Limited.

Mrs Li is a Fellow member of the Hong Kong Institute of Certified Public Accountants. She holds a Master of Arts degree from The Chinese University of Hong Kong. Mrs Li was awarded the Silver Bauhinia Star medal in 2009.

Mrs Li entered into a three year service contract with the Company in 2015, under which the current term of her office as an INED will last up to 16 May 2018. If Mrs Li is re-elected at the 2018 AGM, the Company intends to enter into a new service contract with Mrs Li, under which the term of her office as an INED will commence on 16 May 2018 and last up to the earlier of the date on which she will retire again by rotation under the Articles and 15 May 2021.

### **Benjamin Tang Kwok-bun** (Age 66)

Positions held with the Group : INED  
Remuneration Committee (Member)  
Risk Committee (Member)

Interests in Shares within the meaning of Part XV : Nil  
of the SFO as at the Latest Practicable Date

Emoluments : HK\$420,000 gross per annum\*



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

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Mr Tang has been a member of the Board since October 2014. He has extensive experience in audit and public service. Mr Tang joined the Hong Kong Civil Service in 1974. From the late 1990s to early 2000s, he served as the Government Printer and the Commissioner of Insurance. Mr Tang was appointed by the Central Government of the People's Republic of China as the Director of Audit of the HKSAR in December 2003 until he retired in July 2012. He was appointed a Commissioner of the Commission of Inquiry Into the Collision of Vessels Near Lamma Island in 2012 and the Commission's report was presented to the Chief Executive in April 2013.

Mr Tang is Chairman of the Operations Review Committee and a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption, a member of the Communications Authority, a member of Croucher Foundation's Audit Committee and an INED of BE Reinsurance Limited. He was previously an INED of Principal Insurance Company (Hong Kong) Limited and a member of the Centennial College Council and The University of Hong Kong's Audit Committee.

Mr Tang graduated from The University of Hong Kong in Economics and Sociology. He has also studied at the University of Oxford, London Business School, and Toronto International Leadership Centre for Financial Sector Supervision. Mr Tang was awarded the Gold Bauhinia Star medal in 2012.

Mr Tang entered into a three year service contract with the Company in 2015, under which the current term of his office as an INED will last up to 16 May 2018. If Mr Tang is re-elected at the 2018 AGM, the Company intends to enter into a new service contract with Mr Tang, under which the term of his office as an INED will commence on 16 May 2018 and last up to the earlier of the date on which he will retire again by rotation under the Articles and 15 May 2021.

### **James Henry Lau Jr (Age 67)**

Positions held with the Group : NED  
Nominations Committee (Member)  
Remuneration Committee (Member)

Interests in Shares within the meaning of Part XV : Nil  
of the SFO as at the Latest Practicable Date

Emoluments : HK\$420,000 gross per annum (received by the HKSAR Government rather than by Mr Lau personally)\*

Mr Lau has been a member of the Board since 4 July 2017. He is the Secretary for Financial Services and the Treasury of the HKSAR Government which holds over 75 per cent. of all the voting Shares in issue through the FSI. Mr Lau has extensive experience in the financial and treasury fields as well as Government affairs.

Mr Lau sits on the boards of several public bodies including the Airport Authority Hong Kong, Mandatory Provident Fund Schemes Authority and West Kowloon Cultural District Authority, and is the Chairman of the Kowloon-Canton Railway Corporation, and an ex-officio member of the Financial Services Development Council, Hong Kong in his official capacity. He is also, in his official capacity, a director of Hongkong International Theme Parks Limited. Mr Lau joined the Hong Kong Government as an Administrative Officer ('AO') in 1979 and was promoted through the ranks to AO Staff Grade C in April 1988. He joined the Hong Kong Monetary Authority ('HKMA') in April 1993 and was the Head and Executive Director of various divisions of the HKMA until 2004. In July 2004, Mr Lau was seconded to The Hong Kong Mortgage Corporation Limited as Chief Executive Officer until he retired in December 2012. He was the Under Secretary for Financial Services and the Treasury from January 2014 to June 2017.

Mr Lau holds a Bachelor of Mathematics (Computer Science and Statistics) Honours Degree and a Master of Mathematics Degree in Computer Science from the University of Waterloo, Canada.

Mr Lau entered into a three year service contract with the Company which commenced on 4 July 2017, under which the term of his office as a NED will last up to 16 May 2018, if Mr Lau is not elected at the 2018 AGM; or 3 July 2020, if Mr Lau is elected at the 2018 AGM.

\* *The total emoluments of Dr Fong, Mr Kwan, Mrs Li, Mr Tang and Mr Lau are set out in each Director's respective service contract and are determined by the Board. The basis of determining the NEDs' and INEDs' emoluments is set out in the 'Remuneration Committee Report' on pages 145 to 146 of the 2017 Annual Report.*

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

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### PROPOSED ELECTION OF A NEW DIRECTOR

As at the Latest Practicable Date, unless otherwise disclosed below: (1) Ms Rose Lee Wai-mun is not related to any other Directors, senior management or substantial or controlling Shareholder of the Company; (2) in relation to the proposed election of Ms Lee as a new Director, 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 (3) there is no other matter which needs to be brought to the attention of the holders of securities of the Company pursuant to rule 13.51(2) of the Listing Rules.

#### **Rose Lee Wai-mun** (Age 65)

Proposed positions to be held with the Group : INED  
Audit Committee (Member)  
Risk Committee (Member)

Interests in Shares within the meaning of Part XV : Nil  
of the SFO as at the Latest Practicable Date

Proposed emoluments : HK\$450,000 gross per annum<sup>^</sup>

Ms Lee is an INED of CK Hutchison Holdings Limited and Swire Pacific Limited. She is also a member of the Election Committee of the 13th National People's Representative Meeting, the chairman of the Board of Governors of Hang Seng Management College, and a board member and deputy chairman of the Executive Committee of The Community Chest of Hong Kong.

Ms Lee was previously an executive director, vice-chairman and chief executive of Hang Seng Bank Limited, an INED of Hutchison Whampoa Limited, the group general manager of HSBC Holdings plc, a director of The Hongkong and Shanghai Banking Corporation Limited, and a member of the Board of Trustees of Ho Leung Ho Lee Foundation. In addition, she was previously the vice president of The Hong Kong Institute of Bankers, vice-chairman of the Inaugural Financial Consulting Committee for the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, a member of the Consulting Committee of Qianhai and Shekou Area of Shenzhen, China (Guangdong) Pilot Free Trade Zone, and Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, and a member of the Financial Services Advisory Committee of the Hong Kong Trade Development Council.

Ms Lee is a fellow of The Hong Kong Institute of Bankers. She holds a Bachelor's degree in Business Administration from University of Hawaii in the United States of America. Ms Lee was appointed a Justice of the Peace in 2014.

Subject to Shareholders' approval of her election at the 2018 AGM, it is proposed that Ms Lee will enter into a three year service contract with the Company, under which the term of her office as an INED will commence on 16 May 2018 and last up to the earlier of the date on which she will retire again by rotation under the Articles and 15 May 2021.

<sup>^</sup> *The total emolument of Ms Lee is determined by the Board and will be set out in her service contract. The basis of determining the NEDs' and INEDs' emoluments is set out in the 'Remuneration Committee Report' on pages 145 to 146 of the 2017 Annual Report.*

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## APPENDIX 2 – EXPLANATORY STATEMENT ON BUY-BACK MANDATE

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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 2018 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 6,008,404,302. On the basis of the 6,008,404,302 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 relevant Resolution), the Company would be authorised under the Buy-back Mandate to buy back a maximum of 600,840,430 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 Directors 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 2017 Annual Report) 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 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.

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## APPENDIX 2 – EXPLANATORY STATEMENT ON BUY-BACK MANDATE

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### 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:

	<b>Highest</b> (HK\$)	<b>Lowest</b> (HK\$)
<b>2017</b>		
March	42.15 (Adjusted)	39.23 (Adjusted)
April	42.91 (Adjusted)	41.14 (Adjusted)
May	47.78 (Adjusted)	42.70
June	44.75	43.50
July	45.30	43.05
August	46.55	44.40
September	46.80	45.20
October	46.05	44.65
November	46.05	44.25
December	46.75	45.10
<b>2018</b>		
January	46.50	44.60
February	44.85	40.55
March*	44.00	40.60

\* 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

**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, 16 May 2018 at 11:30 a.m. ('**2018 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 2017.
- (2) To declare a final dividend for the year ended 31 December 2017.
- (3) To re-elect/elect retiring members of the Board of Directors:
  - (a) Dr Eddy Fong Ching;
  - (b) Mr James Kwan Yuk-choi;
  - (c) Mr Lincoln Leong Kwok-kuen;
  - (d) Mrs Lucia Li Li Ka-lai;
  - (e) Mr Benjamin Tang Kwok-bun; and
  - (f) Mr James Henry Lau Jr.
- (4) To elect Ms Rose Lee Wai-mun 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 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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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;

- (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 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 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 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 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 6; 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.'

(7) **'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 7 (subject to adjustment in the case of any conversion of any or all of the



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## NOTICE OF ANNUAL GENERAL MEETING

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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, 12 April 2018

*Members of the Board:* Professor Frederick Ma Si-hang (*Chairman*)\*\*, Lincoln Leong Kwok-kuen (*Chief Executive Officer*), Andrew Clifford Winawer Brandler\*, Dr 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\*, Abraham Shek Lai-him\*, Benjamin Tang Kwok-bun\*, Dr Allan Wong Chi-yun\*, Johannes Zhou Yuan\*, James Henry Lau Jr (Secretary for Financial Services and the Treasury)\*\*, Secretary for Transport and Housing (Frank Chan Fan)\*\*, Permanent Secretary for Development (Works) (Hon Chi-keung)\*\* and Commissioner for Transport (Mable Chan)\*\*

*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.

*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 Computershare Hong Kong Investor Services Limited ('**Share Registrar**'), 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 14 May 2018, 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 Share 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 attend, speak and vote at the 2018 AGM:** The register of members of the Company ('**Register of Members**') will be closed from Thursday, 10 May 2018 to Wednesday, 16 May 2018 (both days inclusive), during which period no transfer of Shares will be effected. To be eligible to attend, speak and vote at the 2018 AGM, all transfer documents, accompanied by the relevant share certificates, have to be lodged for registration with the Share Registrar no later than 4:30 p.m. on Wednesday, 9 May 2018.

**The address for lodging share transfer documents with the Share Registrar:** Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.



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## NOTICE OF ANNUAL GENERAL MEETING

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4. The Board has recommended a final dividend for the year ended 31 December 2017 (the **'Final Dividend'**) of HK\$0.87 per share and, if such dividend is declared by the Shareholders by passing Resolution 2, it is currently expected to be distributed on 11 July 2018, to those Shareholders whose names appeared on the Register of Members as at the close of business on 28 May 2018. In addition, the Company plans to send a circular on or about 4 June 2018 to the Shareholders whose names appeared on the Register of Members as at the close of business on 28 May 2018, 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 28 May 2018 (except for the Shareholders with registered addresses in New Zealand or 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 Wednesday, 23 May 2018 to Monday, 28 May 2018 (both days inclusive), during which period no transfer of Shares will be effected. To qualify for the proposed Final Dividend, all transfer documents, accompanied by the relevant share certificates, have to be lodged for registration with the Share Registrar at the address stated in Note 3 above no later than 4:30 p.m. on Monday, 21 May 2018.
6. In relation to Resolution 3, six retiring directors will offer themselves for re-election/election. Dr Eddy Fong Ching, Mr James Kwan Yuk-choi, Mr Lincoln Leong Kwok-kuen, Mrs Lucia Li Li Ka-lai and Mr Benjamin Tang Kwok-bun will retire from office by rotation at the 2018 AGM pursuant to Articles 91 and 92(a) of the Articles of Association of the Company (**'Articles'**), and will offer themselves for re-election. Mr James Henry Lau Jr, who was appointed after the annual general meeting on 17 May 2017, will retire from office at the 2018 AGM pursuant to Article 89 of the Articles, and will offer himself for election. The details of the retiring directors who will offer themselves for re-election/election are set out in Appendix 1 to the circular containing this notice.
7. In relation to Resolution 4, approval is being sought from Shareholders to elect Ms Rose Lee Wai-mun as a new member of the Board. Details of Ms Lee are set out in Appendix 1 to the circular containing this notice. The Company has received a confirmation from Ms Lee concerning her 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 Ms Lee is elected as a new member of the Board, she will become an INED.
8. By Resolution 6, 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 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 6 (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 7, 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 2018 AGM will start at 10:30 a.m. on 16 May 2018.
12. As a token of appreciation, each eligible attendee (irrespective of whether he/she attends in person as a Shareholder and/or proxy/proxy for multiple Shareholders) will be given **one** refreshment pack.
13. If a Typhoon Signal No.8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or any time between 9:30 a.m. and 11:30 a.m. on the date of the 2018 AGM, the 2018 AGM may be adjourned to a later date and/or time as determined by the Company.  
If the 2018 AGM is adjourned, the Company will post an announcement on the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)) and on the website of the Stock Exchange to notify Shareholders that the 2018 AGM has been adjourned (however, a failure to post such a notice shall not affect the adjournment of the 2018 AGM). Shareholders may also telephone the Share Registrar's hotline on (852) 2862 8648 to enquire about the holding of the 2018 AGM.  
When the date, time and location of the adjourned 2018 AGM has been fixed, the Company will post a further announcement on its website and the website of the Stock Exchange to notify Shareholders of the date, time and location of the adjourned 2018 AGM.  
The 2018 AGM will still be held as scheduled when an Amber or Red Rainstorm Warning signal is in force.
14. This notice is in English and Chinese. In case of any inconsistency, the English version shall prevail.
15. References to time and dates in this document are to Hong Kong time and dates.