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MTR CORPORATION LIMITED

香港鐵路有限公司

(the 'Company')

(Incorporated in Hong Kong with limited liability)

(Stock Code: 66)

CHANGES OF DIRECTORS AND ALTERNATE DIRECTORS AND CHANGES IN THE COMPOSITION OF BOARD COMMITTEES

The Company announces the following changes:

Changes of Directors

- (1) Mr James Henry Lau Jr (Secretary for Financial Services and the Treasury ('S for FS&T')) has been appointed as a Non-executive Director ('NED') of the Company with effect from 4 July 2017;
- (2) Mr Frank Chan Fan, who has been appointed to the post of the Secretary for Transport and Housing ('S for T&H') with effect from 1 July 2017, has, by virtue of his aforesaid appointment, become a NED of the Company with effect from the same date;
- (3) Professor Chan Ka-keung, Ceajer has resigned and ceased to be a NED of the Company with effect from 4 July 2017; and
- (4) Professor Anthony Cheung Bing-leung has ceased to hold the post of the S for T&H with effect from 1 July 2017 and, as a result, has ceased to be a NED of the Company with effect from the same date.

Changes of Alternate Directors

- (5) Mr Andrew Lai Chi-wah has ceased to be an Alternate Director to Professor Chan Ka-keung, Ceajer with effect from 4 July 2017, following the resignation of Professor Chan as a NED of the Company with effect from the same date; and
- (6) Mr Yau Shing-mu has ceased to be an Alternate Director to the office of the S for T&H, a NED of the Company, with effect from 1 July 2017, following his cessation from holding the post of the Under Secretary for Transport and Housing ('US for T&H') with effect from the same date.

Changes in the Composition of Board Committees

As a result of the above-mentioned changes of NEDs of the Company, certain changes to the composition of each of the Nominations Committee and the Remuneration Committee of the Company have taken place.

The Company announces the following changes:

Appointments of Directors

Mr James Henry Lau Jr

Mr James Henry Lau Jr (S for FS&T) has been appointed as a NED of the Company as well as a member of each of the Nominations Committee and the Remuneration Committee of the Company, all with effect from 4 July 2017.

Mr Lau (aged 67) 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 will enter into a 3-year service contract with the Company in relation to his appointment as a NED of the Company commencing from 4 July 2017. Under the Company's Articles of Association ('Articles'), Mr Lau is to retire (and is then eligible for election) at the Company's 2018 Annual General Meeting. As a Director and a member of each of the Nominations Committee and the Remuneration Committee of the Company, Mr Lau is entitled to a fee of HK\$420,000 gross per annum as specified in his service contract and determined by the Board of Directors of the Company (the 'Board').

Mr Frank Chan Fan

Mr Frank Chan Fan, who has been appointed to the post of the S for T&H with effect from 1 July 2017, has, by virtue of his aforesaid appointment, become a NED of the Company as well as a member of each of the Nominations Committee and the Remuneration Committee of the Company, all with effect from the same date.

The S for T&H is a NED of the Company appointed by the Chief Executive (the 'Chief Executive') of the Hong Kong Special Administrative Region (the 'HKSAR') pursuant to the Mass Transit Railway Ordinance (Chapter 556 of the Laws of Hong Kong) (the 'MTR Ordinance'), and has appointed the US for T&H, the Permanent Secretary for Transport and Housing (Transport) and the Deputy Secretaries for Transport and Housing (Transport) as its Alternate Directors.

Mr Chan (aged 59) joined the Electrical and Mechanical Services Department as an Assistant Electronics Engineer in August 1982. He was promoted to Chief Electronics Engineer in February 2001 and to Government Electrical and Mechanical Engineer in May 2005. Mr Chan was appointed as the Deputy Director of Electrical and Mechanical Services in January 2009 and was the Director of Electrical and Mechanical Services and the General Manager of the Electrical and Mechanical Services Trading Fund from December 2011 to June 2017. Mr Chan is a fellow of The Hong Kong Institution of Engineers and the Institution of Mechanical Engineers, United Kingdom. He holds a Bachelor of Science degree in Engineering and a Master degree in Business Management from The University of Hong Kong, and a Master degree in Medical Physics from the University of Aberdeen, United Kingdom.

Mr Chan has not entered into any contract of service with the Company nor is he appointed for a specific term. Pursuant to the Articles, Directors appointed by the Chief Executive pursuant to the MTR Ordinance are not required to retire by rotation at the annual general meetings of the Company. As a Director and a member of each of the Nominations Committee and the Remuneration Committee of the Company, the S for T&H is entitled to a fee of HK\$420,000 gross per annum as determined by the Board.

Unless otherwise disclosed above, as at the date of this announcement, Mr Lau and Mr Chan:

- (a) have 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 do not hold any other position with the Company or its subsidiaries;
- (b) are not related to any Directors, senior management or substantial or controlling shareholder of the Company, except that both Mr Lau and Mr Chan are officials of the Government of the HKSAR. The Financial Secretary Incorporated, a controlling shareholder of the Company, holds shares in the Company in trust for the Government of the HKSAR; and
- (c) do not have any interest in and do not hold any short positions in any shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the 'SFO') as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" as contained in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ('Listing Rules').

There is no information relating to the appointments of Mr Lau and Mr Chan which is discloseable pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter relating to their appointments, other than as stated above, which needs to be brought to the attention of the holders of securities of the Company.

Cessation of Directors and Alternate Directors

The Company announces the following changes:

- (1) Professor Chan Ka-keung, Ceajer has resigned and ceased to be a NED and a member of each of the Nominations Committee and the Remuneration Committee of the Company, all with effect from 4 July 2017;
- (2) Mr Andrew Lai Chi-wah has ceased to be an Alternate Director to Professor Chan with effect from 4 July 2017, following the resignation of Professor Chan as a NED of the Company with effect from the same date;
- (3) Professor Anthony Cheung Bing-leung has ceased to hold the post of the S for T&H with effect from 1 July 2017, and, as a result, has ceased to be a NED and a member of each of the Nominations Committee and the Remuneration Committee of the Company, all with effect from the same date; and
- (4) Mr Yau Shing-mu has ceased to be an Alternate Director to the office of the S for T&H, a NED of the Company, with effect from 1 July 2017, following his cessation from holding the post of the US for T&H with effect from the same date.

Professor Chan, Professor Cheung, Mr Lai and Mr Yau have confirmed that they have no disagreement with the Board and that there are no other matters relating to their cessation as the Company's Directors or Alternate Directors as above-mentioned that needs to be brought to the attention of the holders of securities of the Company.

Changes in the Composition of Board Committees

As a result of the above-mentioned changes of NEDs of the Company, certain changes to the composition of each of the Nominations Committee and the Remuneration Committee of the Company have taken place and the respective memberships of the two Committees as of 4 July 2017 are as follows:

Nominations Committee

Abraham Shek Lai-him (Chairman)
Professor Frederick Ma Si-hang
Pamela Chan Wong Shui
Dr Eddy Fong Ching
Dr Allan Wong Chi-yun
James Henry Lau Jr
(Secretary for Financial Services and the Treasury)
Secretary for Transport and Housing
(Frank Chan Fan)

Remuneration Committee

Dr Dorothy Chan Yuen Tak-fai (Chairman)
Professor Frederick Ma Si-hang
Vincent Cheng Hoi-chuen
Anthony Chow Wing-kin
Benjamin Tang Kwok-bun
James Henry Lau Jr
(Secretary for Financial Services and the Treasury)
Secretary for Transport and Housing
(Frank Chan Fan)

By Order of the Board
Gillian Elizabeth Meller
Company Secretary

Hong Kong, 4 July 2017

As at the date of this announcement:

Members of the Board: Professor Frederick Ma Si-hang (*Chairman*)**, Lincoln Leong Kwok-kuen (*Chief Executive Officer*), Andrew Clifford Winawer Brandler*, 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 (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*

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