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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)

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

CHANGE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

AND

CHANGES IN THE COMPOSITION OF BOARD COMMITTEES

The Company is pleased to announce that:

- (a) Mr Rex Auyeung Pak-kuen has been appointed as a NED of the Company with effect from 7 March 2019;
- (b) Pursuant to Article 117(a) of the Articles, the FSI has notified the Company that, subject to his election as a Director of the Company at the Company's 2019 AGM, Mr Auyeung is appointed as Chairman of the Company with effect from 1 July 2019 until 31 December 2021 (both dates inclusive);
- (c) Professor Frederick Ma Si-hang will be retiring from the position of Chairman, and will also retire as a member of the Board, chairman of the Corporate Responsibility Committee and a member of each of the Nominations Committee and the Remuneration Committee, of the Company when his tenure expires after 30 June 2019;
- (d) Dr Jacob Kam Chak-pui, currently Managing Director – Operations and Mainland Business and a member of the Executive Directorate of the Company, will be appointed as the CEO, a member of the Board, and a member of the Corporate Responsibility Committee, of the Company, all with effect from 1 April 2019; and
- (e) Mr Lincoln Leong Kwok-kuen, currently the CEO of the Company, will retire from that position and as a member of the Board, the Corporate Responsibility Committee and the Executive Directorate, of the Company, all with effect from 1 April 2019.

(1) Appointment of NED and Change of Chairman

Appointment of Mr Rex Auyeung Pak-kuen as NED and new Chairman

The Company is pleased to announce that Mr Rex Auyeung Pak-kuen has been appointed as a NED of the Company with effect from 7 March 2019.

The Company further announces that, pursuant to Article 117(a) of the Articles, the FSI has notified the Company that, subject to his election as a Director of the Company at the Company's 2019 AGM, Mr Auyeung is appointed as Chairman of the Company with effect from 1 July 2019 until 31 December 2021 (both dates inclusive).

Under the Articles, for so long as the FSI controls 50% or more of the voting power of the Company, it has the exclusive right to appoint any director of the Company as Chairman of the Company. The FSI currently holds more than 50% of the issued shares in the Company in trust for the Government of the Hong Kong Special Administrative Region.

The Company also announces that at the same time of Mr Auyeung becoming Chairman of the Company, he will also become chairman of the Corporate Responsibility Committee and a member of each of the Nominations Committee and the Remuneration Committee, of the Company.

Mr Auyeung (age 66) is an independent non-executive director of Standard Life (Asia) Limited, Sompo Insurance China Co., Ltd. and China Construction Bank (Asia) Corporation Limited, and the Senior Strategy and Business Advisor at Athenex Inc., a company listed on NASDAQ in the United States of America.

Mr Auyeung has over 40 years of experience in the insurance industry in Canada and Hong Kong. Before his retirement in June 2017, Mr Auyeung was Chairman – Asia of the Principal Financial Group Inc. ('PFG'), a Fortune 500 company, responsible for PFG's overall businesses in Asia. During his time with PFG, Mr Auyeung represented PFG and its member companies across Asia in building and expanding PFG's relationship with clients, joint venture partners and strategic investors, and assisting in business development across all products lines of PFG.

Mr Auyeung also actively serves the public sector and is currently the chairman of the Council of Lingnan University, an observer of the Independent Police Complaints Council Observers Scheme, and a member of the Executive Committee of the Investor and Financial Education Council under the Securities and Futures Commission. In addition, he is a member of the Investment Sub-committee of The Community Chest of Hong Kong, a board member of Bo Charity Foundation (Food Angel) and a convenor of the Jockey Club Community eHealth Care Project.

Mr Auyeung was previously the chairman of Hong Kong Strategy for Financial Literacy Sub-committee on Stakeholder Coordination and Collaboration and a member of the Independent Review Committee on Hong Kong's Franchised Bus Service.

Mr Auyeung holds a Bachelor of Environmental Studies (Urban and Regional Planning) Honours Degree from the University of Waterloo, Canada. He was awarded an Honorary Fellowship by the City University of Hong Kong in 2013 and was appointed a Justice of the Peace in 2018.

Mr Auyeung has entered into a service contract with the Company as a NED for a term commencing on 7 March 2019 and expiring on 30 June 2019 (both dates inclusive). Under the Articles, he is to retire (and be eligible for election) at the Company's 2019 AGM. Under this service contract, Mr Auyeung is entitled to receive a fee of HK\$50,000 as determined by the Board of the Company. Subject to his election as a Director of the Company at the Company's 2019 AGM, Mr Auyeung will enter into a new service contract with the Company for the positions of Chairman, chairman of the Corporate Responsibility Committee and a member of each of the Nominations Committee and the Remuneration Committee, of the Company for a term commencing on 1 July 2019 until 31 December 2021 (both dates inclusive). Under the aforesaid contract, he will be entitled to a fee of HK\$1,730,000 gross per annum, which is the same level of fee received by the existing Chairman of the Company as determined by the Board of the Company.

As at the date of this announcement, Mr Auyeung does not have any interest in and does 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.

Retirement of existing Chairman

The Company announces that Professor Frederick Ma Si-hang will be retiring from the position of Chairman, and will also retire as a member of the Board, chairman of the Corporate Responsibility Committee and a member of each of the Nominations Committee and the Remuneration Committee, of the Company when his tenure expires after 30 June 2019 ('Retirement').

The Company would like to express its sincere thanks to Professor Ma for his significant contributions and valuable service to the Board and the Company since he joined the Board of the Company in July 2013.

Professor Ma has no disagreement with the Board or the Executive Directorate of the Company.

There is no matter relating to Professor Ma's Retirement that needs to be brought to the attention of the holders of securities of the Company.

(2) Change of CEO

Appointment of Dr Jacob Kam Chak-pui as new CEO

The Company is pleased to announce that Dr Jacob Kam Chak-pui, currently Managing Director – Operations and Mainland Business of the Company, will be appointed as the CEO, a member of the Board, and a member of the Corporate Responsibility Committee, of the Company, all with effect from 1 April 2019. He will continue to be a member of the Company's Executive Directorate. As the CEO, Dr Kam will be responsible for the overall performance of the Company and its group companies both in and outside of Hong Kong, including in the Mainland of China.

Dr Kam (age 57) joined the Company in 1995 and had held various management positions in Operations, Projects and China and International Business Divisions. He was the Operations Director between January 2011 and April 2016 and was appointed as the Managing Director – Operations and Mainland Business in May 2016. Dr Kam has been a member of the Executive Directorate since January 2011. He is also a director of some

members of the Company's group.

Dr Kam qualified as a chartered engineer in the United Kingdom in 1989. He is a vice-president and a chartered fellow of The Chartered Institute of Logistics and Transport in Hong Kong, and a chartered fellow of The Institution of Occupational Safety and Health in the United Kingdom. Dr Kam is also a corporate member of both the Institution of Mechanical Engineers in the United Kingdom and The Hong Kong Institution of Engineers. He is the chairman of the Regional and Suburban Railways Assembly of the International Association of Public Transport (UITP), a council member of the Vocational Training Council, a member of Hong Kong Quality Assurance Agency Governing Council and a member of the board of directors of The Community Chest of Hong Kong.

Dr Kam holds a Bachelor of Science degree in Civil Engineering from the University of Southampton, and a doctoral degree in Mechanical Engineering from the University of London, both in the United Kingdom.

Dr Kam has entered into a three years' service contract with the Company for the position of CEO commencing on 1 April 2019. Under the Articles, he is to retire (and be eligible for election) at the Company's 2019 AGM. The amount of his emoluments (which excludes discretionary variable remuneration) specified in his service contract is HK\$8,100,000 per annum. In addition, Dr Kam will be entitled to a grant of 120,000 shares in the Company upon completion of his service contract on 31 March 2022, which will all be vested on the same date of the grant. He will also be entitled to discretionary variable remuneration related to performance and such other factors as the Company considers relevant, and be entitled to participate in the Company's share incentive scheme. The emoluments of Dr Kam are determined by the Board on recommendation from the Remuneration Committee of the Company, with reference to his responsibilities, experience and qualifications.

As at the date of this announcement, Dr Kam is interested in 476,005 shares of the Company (which includes the grant of 120,000 shares in the Company upon completion of his service contract as disclosed above) 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 of Hong Kong Limited pursuant to the Model Code.

Unless otherwise disclosed above, as at the date of this announcement, Mr Auyeung and Dr Kam:

- (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; and
- (b) are not related to any Directors, senior management or substantial or controlling shareholder of the Company.

In respect of the appointments of Mr Auyeung and Dr Kam, there is no other information 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 pursuant to Rule 13.51(2) of the Listing Rules.

Retirement of existing CEO

In the Company's announcement dated 7 August 2018, the Company announced that Mr Lincoln Leong Kwok-kuen, the current CEO of the Company, wished to early retire from his role as CEO, a member of the Board, the Corporate Responsibility Committee and the Executive Directorate, of the Company.

The Company hereby announces that Mr Leong will retire from the position of CEO and as a member of the Board, the Corporate Responsibility Committee and the Executive Directorate, of the Company, all with effect from 1 April 2019. The Company would like to express its sincerest gratitude to Mr Leong for his valuable contributions and service to both the Board and the Company over the past 17 years.

Mr Leong has no disagreement with the Board or the Executive Directorate of the Company.

There is no matter relating to Mr Leong ceasing to be the CEO, a member of the Board, the Corporate Responsibility Committee and the Executive Directorate, of the Company, that needs to be brought to the attention of the holders of securities of the Company.

Definitions

In this announcement, the following expressions shall have the meanings set out below unless the context otherwise requires:

"2019 AGM"	the annual general meeting to be held on 22 May 2019
"Articles"	the Articles of Association of the Company
"Board"	the board of directors
"CEO"	the Chief Executive Officer
"Director(s)"	member(s) of the Board
"FSI"	The Financial Secretary Incorporated
"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
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

By Order of the Board
Gillian Elizabeth Meller
Company Secretary

Hong Kong, 7 March 2019

As at the date of this Announcement:

Members of the Board: Professor Frederick Ma Si-hang (*Chairman*)**, Lincoln Leong Kwok-kuen (*Chief Executive Officer*), Rex Auyeung Pak-kuen**, Andrew Clifford Winawer Brandler*, Dr Pamela Chan Wong Shui*, Dr Dorothy Chan Yuen Tak-fai*, Vincent Cheng Hoi-chuen*, Dr Anthony Chow Wing-kin*, Dr Eddy Fong Ching*, James Kwan Yuk-choi*, Lau Ping-cheung, Kaizer*, Rose Lee Wai-mun*, Lucia Li Li Ka-lai*, 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) (Lam Sai-hung)*** and *Commissioner for Transport (Mable Chan)***

Members of the Executive Directorate: Lincoln Leong Kwok-kuen, Jacob Kam Chak-pui, Margaret Cheng Wai-ching, Peter Ronald Ewen, Herbert Hui Leung-wah, Adi Lau Tin-shing, Gillian Elizabeth Meller, Linda So Ka-pik, David Tang Chi-fai 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.