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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)

Change of Executive Functions and Responsibilities of a Member of the Executive Directorate and Appointment of a Member of the Executive Directorate

The Company is pleased to announce that:

- (1) Mr Lau Tin-shing (also known as Mr Adi Lau), currently Operations Director of the Company, will be appointed as Managing Director – Operations and Mainland Business and cease to be Operations Director of the Company, with effect from 1 January 2020. He will continue to be a Member of the Company's Executive Directorate; and
- (2) Dr Lee Kar-yun (also known as Dr Tony Lee), currently Deputy Operations Director of the Company, will be appointed as Operations Director and a Member of the Executive Directorate of the Company, with effect from 1 January 2020.

Mr Lau Tin-Shing

The Company is pleased to announce that Mr Lau Tin-shing (also known as Mr Adi Lau), currently Operations Director of the Company, will be appointed as Managing Director – Operations and Mainland Business and cease to be Operations Director of the Company, with effect from 1 January 2020. He will continue to be a Member of the Company's Executive Directorate and report directly to the Chief Executive Officer of the Company.

In his new position, Mr Lau will be responsible for (i) managing and overseeing the Company's railway related operations in Hong Kong and its rail and property businesses in the Mainland of China; and (ii) overseeing railway operations standards and ensuring mutual sharing and learning of best practices among all the Company's railway operations globally.

Mr Lau (aged 60) has been the Operations Director and a Member of the Executive Directorate since 1 May 2016. He joined the Company in 1982 and has held various management positions related to the design, construction, operations and maintenance of the Company's railway system in Hong Kong and the Company's rail business in the Mainland of China. Mr Lau took up the positions of General Manager – Shenzhen Line 4 in December 2007 and Chief of Operating in October 2011 and was appointed as Deputy Director – Operating in August 2013, a position which he held until April 2016. He was the chairman of Ngong Ping 360 Limited, a wholly-owned subsidiary of the Company, between January 2012 and December 2017. As at the date of this announcement, Mr Lau is also a director of some of the members of the Company's group.

Mr Lau is the president of the China Hong Kong Railway Institution, vice president of the International Association of Public Transport (UITP) Asia-Pacific Committee and the former chairman of the UITP Asia-Pacific Urban Rail Platform.

Mr Lau is a Chartered Engineer, a Corporate Member of the Institution of Civil Engineers in the United Kingdom and a Fellow of The Hong Kong Institution of Engineers. He is also a Chartered Fellow of The Chartered Institute of Logistics and Transport in Hong Kong. Mr Lau holds a Bachelor of Science (Honour) degree in Civil Engineering from The University of Hong Kong and a Master of Business Administration degree from the University of Michigan in the United States of America.

Mr Lau has entered into a new service agreement with the Company for two years from 1 January 2020 in relation to his new position as Managing Director – Operations and Mainland Business. The amount of his emoluments (which excludes discretionary variable remuneration) specified in his new service agreement is HK\$5,730,000 per annum. In addition, Mr Lau will be entitled to discretionary variable remuneration related to performance. He will also be entitled to participate in the Company's share incentive scheme. Mr Lau's emoluments have been determined by the Company's Remuneration Committee with reference to his responsibilities, experience and qualifications.

Unless otherwise disclosed above, as at the date of this announcement, Mr Lau is not related to any Directors, senior management or substantial or controlling shareholder of the Company, and 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.

As at the date of this announcement, Mr Lau is interested in 91,495 shares of the Company, and has an interest in 83,567 shares of the Company awarded to him under the Company's Executive Share Incentive Scheme and options to subscribe for up to 26,000 shares of the Company under the Company's 2007 Share Option Scheme. Apart from these interests, Mr Lau does not have any interest (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) in the shares of the Company.

Dr Lee Kar-yun

The Company is pleased to further announce that Dr Lee Kar-yun (also known as Dr Tony Lee), currently Deputy Operations Director of the Company, will be appointed as Operations Director and a Member of the Executive Directorate of the Company, with effect from 1 January 2020.

Succeeding Mr Lau as Operations Director, Dr Lee will be responsible for managing the Company's railway related operations in Hong Kong and will report directly to Mr Lau in his abovementioned new role as Managing Director – Operations and Mainland Business.

Dr Lee (age 58) joined the Company in 1991 and has held various management positions related to the design, construction, operations and maintenance of the Company's railway system in Hong Kong. Dr Lee took up the position of Chief of Operations Engineering in September 2013 and was then appointed to his current position as Deputy Operations Director in November 2019. As at the date of this announcement, Dr Lee is also a director of some of the members of the Company's group.

Dr Lee is a Chartered Engineer and is a Member of both The Hong Kong Institution of Engineers and The Institution of Engineering and Technology. He is also a Member of the Electrical Discipline Advisory Panel of The Hong Kong Institution of Engineers, a Member of the Engineering Discipline Advisory Board of the Hong Kong Institute of Vocational Education and an Honorary Advisory Board Member of the Theme-based Research Scheme Project on "Safety, Reliability, and Disruption Management of High Speed Rail and Metro Systems" of the City University of Hong Kong.

Dr Lee holds a Doctoral degree in Engineering and a Master degree in Philosophy both from The Hong Kong Polytechnic University and a Master of Business Administration degree from The Open University of Hong Kong.

Dr Lee has entered into a service agreement with the Company for three years from 1 January 2020 in relation to his position as Operations Director. The amount of his emoluments (which excludes discretionary variable remuneration) specified in his service agreement is HK\$4,380,000 per annum. In addition, Dr Lee will be entitled to discretionary variable remuneration related to performance. He will also be entitled to participate in the Company's share incentive scheme. Dr Lee's emoluments have been determined by the Company's Remuneration Committee with reference to his responsibilities, experience and qualifications.

Unless otherwise disclosed above, as at the date of this announcement, Dr Lee is not related to any Directors, senior management or substantial or controlling shareholder of the Company, and 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.

As at the date of this announcement, Dr Lee is interested in 25,487 shares of the Company, and has an interest in 26,335 shares of the Company awarded to him under the Company's Executive Share Incentive Scheme and options to subscribe for up to 47,500 shares of the Company under the Company's 2007 Share Option Scheme. Apart from these interests, Dr Lee does not have any interest (within the meaning of Part XV of the SFO) in the shares of the Company.

In respect of Mr Lau's and Dr Lee's appointments, there is no other information which is discloseable pursuant to any of the requirements of the provisions of Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and there is no other matter relating to their appointments, other than as stated above, that 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.

By Order of the Board
Gillian Elizabeth Meller
Company Secretary

Hong Kong, 12 December 2019

As at the date of this announcement:

Members of the Board: Rex Auyeung Pak-kuen (*Chairman*)**, Dr Jacob Kam Chak-pui (*Chief Executive Officer*), Andrew Clifford Winawer Brandler*, Walter Chan Kar-lok*, Dr Pamela Chan Wong Shui*, Dr Dorothy Chan Yuen Tak-fai*, Cheng Yan-kee*, Dr Anthony Chow Wing-kin*, Dr Eddy Fong Ching*, James Kwan Yuk-choi*, Rose Lee Wai-mun*, Lucia Li Li Ka-lai*, Jimmy Ng Wing-ka*, 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: Dr Jacob Kam Chak-pui, Roger Francis Bayliss, Margaret Cheng Wai-ching, Dr 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.