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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 of Annual General Meeting

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,

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

- (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.

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.

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