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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 CHIEF EXECUTIVE OFFICER

AND

RETIREMENT OF DIRECTOR

AND

CHANGES IN THE COMPOSITION OF BOARD COMMITTEES

The Company announces that:

- (a) Mr. Lincoln Leong Kwok-kuen, the current Acting Chief Executive Officer of the Company, will be appointed as the Chief Executive Officer, a member of the board of directors (the 'Board') and a member of the Corporate Responsibility Committee of the Company, with effect from 16 March 2015;
- (b) Mr. T. Brian Stevenson will not stand for re-election at the 2015 Annual General Meeting of the Company and will retire as an Independent Non-executive Director ('INED'), the chairman of the Audit Committee and a member of the Remuneration Committee of the Company with effect from the conclusion of the Company's 2015 Annual General Meeting to be held on 20 May 2015 ('2015 AGM'); and
- (c) Dr. Eddy Fong Ching, an INED of the Company will, subject to his election by the shareholders at the 2015 AGM as a member of the Board, be appointed as the chairman of the Audit Committee of the Company with effect from the conclusion of the 2015 AGM.

Appointment of Chief Executive Officer

The Company announces that Mr. Lincoln Leong Kwok-kuen, currently the Acting Chief Executive Officer of the Company, will be appointed as the Chief Executive Officer, a member of the Board and a member of the Corporate Responsibility Committee of the Company, with effect from 16 March 2015. He will continue to be a member of the Executive Directorate of the Company.

As the Chief Executive Officer of the Company, Mr. Leong will be responsible for the Company's overall performance in and outside of Hong Kong.

Mr. Leong, aged 54, joined the Company in February 2002 as the Finance Director. On 1 May 2008, he was re-titled as the Finance & Business Development Director, to reflect his additional role in overseeing the Company's growth business in the Mainland of China and overseas.

On 16 July 2012, Mr. Leong was appointed as the Deputy Chief Executive Officer of the Company. In this role, he took primary responsibility for realising the Company's growth strategy in China and overseas and headed various strategic initiatives, and deputised the Company's then Chief Executive Officer in his absence on business or personal leave.

As noted in the Company's announcement on 16 July 2014, Mr. Leong assumed the role of Acting Chief Executive Officer from 16 August 2014.

Mr. Leong obtained a Bachelor of Arts (subsequently a Master of Arts) from the University of Cambridge in 1982 and later qualified as a chartered accountant in England in 1985 and Canada in 1986. Prior to joining the Company, he worked in the accountancy and investment banking industries in London, Vancouver and Hong Kong. Mr. Leong is chairman of the Quality Assurance Council (a semi-autonomous body under the University Grants Committee), vice-chairman of The Hong Kong Housing Society and a member of the Board of Governors of the Chinese International School. He was President of the Hong Kong Society for the Protection of Children (until December 2014) and is currently a member of the Executive Committee of the Community Chest of Hong Kong.

Mr. Leong is also an independent non-executive director of Hong Kong Aircraft Engineering Company Limited, a non-executive director of Mandarin Oriental International Limited and was formerly a non-executive director of Tai Ping Carpets International Limited from 1997 to May 2012. Mr. Leong is also a director of some of the members of the Company's group.

Mr. Leong has entered into a service agreement with the Company for his new position as Chief Executive Officer for three years commencing on 16 March 2015 and, under the Company's Articles of Association, he is to retire (and will be eligible for election) at the 2015 AGM. The amount of his emoluments (which excludes discretionary variable remuneration) specified in his service agreement is HK\$8,160,000 per annum. In addition, he will be entitled to discretionary variable remuneration related to performance and such other factors as the Company considers relevant. Mr. Leong's emoluments have been determined by the Company's Remuneration Committee, with reference to his responsibilities, experience and qualifications.

Save as disclosed above and as at the date of this Announcement, Mr. Leong has not held any 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 is not related to any Directors, senior management or substantial or controlling shareholders of the Company.

As at the date of this Announcement, Mr. Leong has options to subscribe for 797,000 shares of the Company and is interested in 386,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ('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.

In respect of Mr. Leong's appointment, 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, and there is no other matter relating to his appointment which needs to be brought to the attention of the holders of securities of the Company.

Retirement of Director

The Company announces that Mr. T. Brian Stevenson, after having served on the Board for more than 12 years, will not stand for re-election at the 2015 AGM and will retire as an INED of the Company pursuant to Articles 91 and 92(a) of the Company's Articles of Association after the conclusion of the 2015 AGM. Following his retirement, with effect from the conclusion of the 2015 AGM, Mr. Stevenson will cease to be an INED, the chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

Mr. Stevenson has confirmed that he has no disagreement with the Board and that there are no other matters relating to his retirement that need to be brought to the attention of the holders of securities of the Company.

The Company would like to express its sincerest gratitude to Mr. Stevenson for his valuable contributions and service to both the Board and the Company over the past years.

Changes in the Composition of Board Committees

The Company further announces that, in light of the anticipated retirement of Mr. Stevenson abovementioned, the Board resolved, at its Meeting held on 12 March 2015, to appoint Dr. Eddy Fong Ching, an INED of the Company, as the chairman of the Company's Audit Committee with effect from the conclusion of the 2015 AGM, subject to his election by shareholders at the 2015 AGM as a member of the Board.

With effect from 16 March 2015, the composition of the Corporate Responsibility Committee of the Company will be as follows:

Corporate Responsibility Committee

Dr. Raymond Ch'ien Kuo-fung (Chairman)
Lincoln Leong Kwok-kuen (Chief Executive Officer)
Pamela Chan Wong Shui
Vincent Cheng Hoi-chuen
Christine Fang Meng-sang
Abraham Shek Lai-him
Morris Cheung Siu-wa (Human Resources Director)
Gillian Elizabeth Meller (Legal Director and Secretary)

Upon the conclusion of the 2015 AGM, the composition of each of the Audit Committee and the Remuneration Committee of the Company will be as follows:

Audit Committee

Dr. Eddy Fong Ching (Chairman)*
Lucia Li Li Ka-lai*
Professor Frederick Ma Si-hang
Alasdair George Morrison
Commissioner for Transport (Ingrid Yeung Ho Poi-yan)

Remuneration Committee

Dr. Dorothy Chan Yuen Tak-fai (Chairman)

Vincent Cheng Hoi-chuen

Edward Ho Sing-tin

Professor Chan Ka-keung, Ceajer (Secretary for Financial Services and the Treasury)*
Secretary for Transport and Housing (Professor Anthony Cheung Bing-leung)

** subject to his/her election/re-election by shareholders at the 2015 AGM*

By Order of the Board
Gillian Elizabeth Meller
Company Secretary

Hong Kong, 12 March 2015

As at the date of this announcement:

Members of the Board: Dr. Raymond Ch'ien Kuo-fung (*Chairman*)**, Pamela Chan Wong Shui*, Dr. Dorothy Chan Yuen Tak-fai*, Vincent Cheng Hoi-chuen*, Christine Fang Meng-sang*, Dr. Eddy Fong Ching*, Edward Ho Sing-tin*, Kwan Yuk-choi*, Lucia Li Li Ka-lai*, Professor Frederick Ma Si-hang*, Alasdair George Morrison*, Ng Leung-sing*, Abraham Shek Lai-him*, T. Brian Stevenson*, Benjamin Tang Kwok-bun*, 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) (Wai Chi-sing)** and Commissioner for Transport (Ingrid Yeung Ho Poi-yan)**

Members of the Executive Directorate: Lincoln Leong Kwok-kuen (*Acting Chief Executive Officer*), Morris Cheung Siu-wa, Jacob Kam Chak-pui, Stephen Law Cheuk-kin, Gillian Elizabeth Meller, 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.