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**If you have sold all** your shares in MTR Corporation Limited 香港鐵路有限公司 (the '**Company**'), you should at once hand this document and the accompanying form of proxy and, if applicable, the Annual Report and Accounts of the Company or the Summary Financial Report of the Company to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
ELECTION/RE-ELECTION OF DIRECTORS  
AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of the Company to be held at Rotunda 3 (6/F), Hongkong International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Thursday, 27th May, 2010 at 11:30 a.m. is set out in this document. Please note that tea and coffee will be provided after the completion of the Annual General Meeting.

Whether or not you are able to attend the Annual General Meeting, you are advised to read the notice and to complete and return the enclosed proxy form, in accordance with the instructions printed thereon, 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 but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion of the proxy form and its return will not preclude you from attending, and voting at, the Annual General Meeting if you so wish.

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



**MTR CORPORATION LIMITED**

**香港鐵路有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 66)

*Board of Directors:*

Dr. Raymond Ch'ien Kuo-fung (*Chairman*)\*\*

Chow Chung-kong (*Chief Executive Officer*)

Vincent Cheng Hoi-chuen\*

Christine Fang Meng-sang\*

Edward Ho Sing-tin\*

Ng Leung-sing\*

Abraham Shek Lai-him\*

T. Brian Stevenson\*

Professor Chan Ka-keung, Ceajer (*Secretary for Financial Services and the Treasury*)\*\*

Secretary for Transport and Housing (*Eva Cheng*)\*\*

Commissioner for Transport (*Joseph Lai Yee-tak*)\*\*

*Registered Office:*

MTR Headquarters Building,

Telford Plaza,

Kowloon Bay,

Kowloon,

Hong Kong

\* *independent non-executive Directors*

\*\* *non-executive Directors*

24th April, 2010

To: the shareholders of the Company and  
the option holders under the Pre-Global Offering Share Option Scheme,  
the New Joiners Share Option Scheme and the 2007 Share Option Scheme of the Company (for information  
only)

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,**

**ELECTION/RE-ELECTION OF DIRECTORS**

**AND NOTICE OF ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the '**Annual General Meeting**') will be held on Thursday, 27th May, 2010. Notice of the Annual General Meeting (the '**Notice**') is set out in this document, and a proxy form and, if applicable, the Annual Report and Accounts, or the Summary Financial Report, of the Company for the year ended 31st December, 2009, accompany this document. Details of the resolutions to be proposed at the Annual General Meeting are set out in the Notice.

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## LETTER FROM THE CHAIRMAN

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### GENERAL MANDATES TO ISSUE AND PURCHASE SHARES

At the annual general meeting of the Company held on 4th June, 2009, the then shareholders of the Company passed resolutions granting general mandates to the Board of Directors of the Company (the '**Directors**') to issue and purchase shares in the Company ('**Shares**'). These general mandates will lapse at the conclusion of the Annual General Meeting. Resolutions will therefore be proposed at the Annual General Meeting to renew the grant of these general mandates. The relevant resolutions, in summary, are:

- an ordinary resolution to give the Directors a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares, not exceeding ten per cent. of the Company's issued share capital as at the date of the resolution (as adjusted in accordance with the resolution), for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the '**Issue Mandate**'); and
- an ordinary resolution to give the Directors a general and unconditional mandate to exercise all the powers of the Company to purchase an amount of Shares not exceeding ten per cent. of the Company's issued share capital as at the date of the resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the '**Repurchase Mandate**'); and
- conditional on the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution to authorise the Directors to exercise the powers to allot, issue, grant, distribute and otherwise deal with additional Shares under the Issue Mandate in respect of the aggregate nominal amount of share capital in the Company purchased by the Company.

The full text of these resolutions is set out in the Notice in this document. In addition, and as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the '**Listing Rules**'), an explanatory statement providing the requisite information regarding the Repurchase Mandate is set out in the Appendix to this document.

### ELECTION/RE-ELECTION OF DIRECTORS

Three Directors will retire from office at the Annual General Meeting and all of them will offer themselves for election/re-election. Vincent Cheng Hoi-chuen, who was appointed after the annual general meeting on 4th June, 2009, will retire from office at the Annual General Meeting pursuant to Article 85 of the articles of association of the Company (the '**Articles of Association**'), and will offer himself for election. Chow Chung-kong and Christine Fang Meng-sang will retire from office by rotation at the Annual General Meeting pursuant to Articles 87 and 88 of the Articles of Association, and both of them will offer themselves for re-election.

The details of the above three Directors who will offer themselves for election/re-election are as follows:

**Vincent Cheng Hoi-chuen**, aged 61, was appointed as an independent non-executive Director of the Company with effect from 10th July, 2009. Subsequent to his appointment, Mr. Cheng entered into a service contract with the Company, under which his current term of office will last up to the Annual General Meeting (the first annual general meeting of the Company after his appointment) where he will retire in accordance with Article 85 of the Articles of Association, and is then eligible to offer himself for election. Mr. Cheng's emoluments are set out in his service contract, and the amount as disclosed in the Notes to Accounts (page 157) of the Company's Annual Report 2009 is determined by the Board of Directors of the Company.

Mr. Cheng is chairman of HSBC Bank (China) Company Limited and a director of HSBC Holdings plc. He was chairman of The Hongkong and Shanghai Banking Corporation Limited and a non-executive director of HSBC Bank (Vietnam) Limited, both up to 31st January, 2010. Mr. Cheng is also an independent non-executive director of Great Eagle Holdings Limited, and was formerly an independent non-executive director of Swire Pacific Limited from 2005 to January 2008.

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## LETTER FROM THE CHAIRMAN

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In public service, Mr. Cheng is vice chairman of the China Banking Association and chairman of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the Government of the Hong Kong Special Administrative Region ('HKSAR'). He was a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority up to 31st January, 2010.

In 2008, Mr. Cheng was appointed a member of the National Committee of the 11th Chinese People's Political Consultative Conference (the 'CPPCC') and a senior adviser to the 11th Beijing Municipal Committee of the CPPCC. He was also a member of the Executive Council from 1995 to 1997, Hong Kong Affairs Adviser to the People's Republic of China from 1994 to 1997 as well as a member of the Legislative Council from 1991 to 1995.

In 2005, Mr. Cheng was conferred the degree of Doctor of Social Science, *honoris causa*, by The Chinese University of Hong Kong and the degree of Doctor of Business Administration, *honoris causa*, by The Open University. He was also awarded the Gold Bauhinia Star medal in 2005. Mr. Cheng holds a Bachelor of Social Science degree in Economics from The Chinese University of Hong Kong and a Master of Philosophy degree in Economics from The University of Auckland.

As at 13th April, 2010 (the '**Latest Practicable Date**'), being the latest practicable date before the printing of this document, Mr. Cheng owned 3,350 Shares. Save as disclosed above, Mr. Cheng had no interest in and did 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 (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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the '**Model Code**').

Save as disclosed above, Mr. Cheng is not related to any Director, senior management or substantial or controlling shareholder of the Company.

As an independent non-executive Director and a career banker with extensive international business experience particularly in Asia, Mr. Cheng brings his valuable experience to the Board for promoting the best interests of the Company and its shareholders. Alongside the other independent non-executive Directors, Mr. Cheng contributes to ensuring that the interests of all shareholders of the Company are taken into account and that relevant issues are subjected to objective and dispassionate consideration by the Board. The Company has received written confirmation from Mr. Cheng concerning his independence in accordance with the Listing Rules, and believes that Mr. Cheng continues to be independent.

**Chow Chung-kong**, aged 59, a Member of the Board and the Chief Executive Officer since 2003, was reappointed as the Company's Chief Executive Officer ('**CEO**') with effect from 1st December, 2009 to 31st December, 2011. Mr. Chow was first appointed as the CEO with effect from 1st December, 2003 for a term of three years. He was also appointed as a Member of the Board on the same date. His contract as the CEO was renewed for a further term of three years with effect from 1st December, 2006. On 8th August, 2007, Mr. Chow was selected by the Government of the HKSAR as the CEO after the Rail Merger\*. He is subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with Articles 87 and 88 of the Articles of Association.

Mr. Chow was formerly chief executive officer of Brambles Industries Ltd, a global support services company. From 1997 to 2001, Mr. Chow was chief executive of GKN PLC, a leading engineering company based in the United Kingdom.

Mr. Chow is a chartered engineer. He holds Bachelor of Science and Master of Science degrees in Chemical Engineering from The University of Wisconsin and The University of California respectively. He also holds a Master of Business Administration degree from The Chinese University of Hong Kong and was a graduate of the Advanced Management Program of Harvard Business School. He was awarded an Honorary Doctor of Engineering degree by The University of Bath. In 2000, Mr. Chow was knighted in the United Kingdom for his contribution to industry.

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\* 'Rail Merger' refers to the merger of the rail operations of the Company and Kowloon-Canton Railway Corporation ('**KCRC**'), and the acquisition of certain property interests by the Company from KCRC, full details of which are set out in the Rail Merger Circular dated 3rd September, 2007.

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## LETTER FROM THE CHAIRMAN

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Mr. Chow is the non-executive chairman of Standard Chartered Bank (Hong Kong) Limited and an independent non-executive director of Anglo American plc. He retired as a non-executive director of Standard Chartered PLC at its annual general meeting held on 7th May, 2008.

Mr. Chow is a member of the Council of The Chinese University of Hong Kong and a Vice Chairman of The Hong Kong General Chamber of Commerce. In public service, Mr. Chow is a board member of The Community Chest of Hong Kong, and a member of the Commission on Strategic Development, the Standing Committee on Directorate Salaries and Conditions of Service, the Standing Committee on Judicial Salaries and Conditions of Service, as well as the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR Government. Mr. Chow is also a member of the Standing Committee of the Shenzhen Municipal Committee of the Chinese People's Political Consultative Conference. Mr. Chow was a member of the Hong Kong Tourism Board until 28th February, 2010.

As at the Latest Practicable Date, Mr. Chow had options to subscribe for 1,660,000 Shares and a derivative interest in respect of 222,161 Shares within the meaning of Part XV of the SFO. That derivative interest represents Mr. Chow's entitlement to receive an equivalent value in cash of 222,161 Shares on completion of his existing contract (on 31st December, 2011). Save as disclosed above, Mr. Chow had no interest in and did 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 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 pursuant to the Model Code.

Save as disclosed above, Mr. Chow is not related to any Director, senior management or substantial or controlling shareholder of the Company.

Mr. Chow's emoluments are set out in his service agreement with the Company. The basis and amount of his emoluments are set out in the Remuneration Report (pages 99 to 101) and the Notes to Accounts (pages 157 to 158) of the Company's Annual Report 2009 respectively.

**Christine Fang Meng-sang**, aged 51, has been a member of the Board since 2004. As an independent non-executive Director, Ms. Fang has a service contract with the Company under which her current term of office will last up to the Annual General Meeting where she will retire by rotation, and will offer herself for re-election in accordance with Articles 87 and 88 of the Articles of Association. Ms. Fang's emoluments are also set out in her service contract, and the amount as disclosed in the Notes to Accounts (page 157) of the Company's Annual Report 2009 is determined by the Board of Directors of the Company.

Ms. Fang has been the chief executive of the Hong Kong Council of Social Service since 2001. Prior to joining the Hong Kong Council of Social Service, she worked for the Hong Kong Red Cross from 1989 to 2001 and held the position of Secretary General from 1993 to 2001. By training, Ms. Fang is a social worker and has a strong background in community service. She sits on various government advisory committees, including the Sustainable Development Council, the Digital 21 Strategy Advisory Committee, the Charities Sub-committee of The Law Reform Commission of Hong Kong and the Independent Police Complaints Council. She is also a member of the Commission on Strategic Development.

As at the Latest Practicable Date, Ms. Fang owned 1,712 Shares. Save as disclosed above, Ms. Fang had no interest in and did 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 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 pursuant to the Model Code.

Save as disclosed above, Ms. Fang is not related to any Director, senior management or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Ms. Fang has not held any directorship in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

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## LETTER FROM THE CHAIRMAN

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As an independent non-executive Director with a strong background in community service, Ms. Fang brings her valuable experience to the Board for promoting the best interests of the Company and its shareholders. Alongside the other independent non-executive Directors, Ms. Fang contributes to ensuring that the interests of all shareholders of the Company are taken into account and that relevant issues are subjected to objective and dispassionate consideration by the Board. The Company has received written confirmation from Ms. Fang concerning her independence in accordance with the Listing Rules, and believes that Ms. Fang continues to be independent.

In relation to the election/re-election of the above Directors, there is no information which is discloseable pursuant to any of the requirements of the provisions of rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the holders of securities of the Company.

### **VOTING BY POLL**

As required under rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Chairman of the Company will exercise his right as Chairman of the Annual General Meeting under Article 67 of the Articles of Association to demand a poll on each of the resolutions to be proposed at the Annual General Meeting.

### **RECOMMENDATION**

The Directors consider that the proposed resolutions set out in the Notice, including the proposed resolutions granting the Issue Mandate and the Repurchase Mandate, are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend shareholders of the Company to vote in favour of the proposed resolutions. The Financial Secretary Incorporated which is the Company's majority shareholder and which holds approximately 76 per cent. of the issued share capital in the Company, has informed the Company that it intends to vote in favour of all of the proposed resolutions.

Yours faithfully,  
**Dr. Raymond Ch'ien Kuo-fung**  
*Chairman*

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## APPENDIX — SHARE REPURCHASE MANDATE: EXPLANATORY STATEMENT

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This is an explanatory statement given to all shareholders of MTR Corporation Limited 香港鐵路有限公司 (the '**Company**') in connection with the resolution authorising the Company to purchase its own shares (the '**Repurchase Mandate**') proposed to be considered, and if thought fit, passed by shareholders of the Company at the Annual General Meeting of the Company to be held on 27th May, 2010. This explanatory statement also constitutes the memorandum required under Section 49BA(3) of the Companies Ordinance.

### Listing Rules

This explanatory statement contains the information required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the '**Listing Rules**'), which provide that all repurchases of securities by a company with its primary listing on The Stock Exchange of Hong Kong Limited (the '**Stock Exchange**') must be approved in advance by an ordinary resolution, either by way of a general mandate to the directors of the company to make such repurchases or by specific approval in relation to specific transactions.

Any repurchase would be made out of funds which are legally available for the purpose in accordance with the Company's constitutive documents and the laws of Hong Kong.

It is proposed that the Repurchase Mandate will authorise the repurchase by the Company of up to ten per cent. of the shares in the Company (the '**Shares**') in issue as at the date of passing the relevant resolution (the '**Resolution**'). As at 13th April, 2010 (the '**Latest Practicable Date**'), being the latest practicable date for determining such figure before the printing of this document, the authorised share capital of the Company was HK\$6,500,000,000 and the number of Shares in issue was 5,728,998,192 representing a paid-up share capital of HK\$5,728,998,192. On the basis of the 5,728,998,192 Shares in issue (and assuming no Shares will be issued or repurchased after the Latest Practicable Date and up to the date of passing the Resolution), the Company would be authorised under the Repurchase Mandate to repurchase a maximum of 572,899,819 Shares during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchase Mandate must be fully paid-up.

### Reasons for Repurchases

The members of the Board of Directors of the Company (the '**Directors**') and the members of the Executive Directorate of the Company (the '**Executive Directorate**') believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to purchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings (in each case on a per Share basis) and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's Annual Report and Accounts for the year ended 31st December, 2009) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements and gearing level of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

### Disclosure of Interests

None of the Directors nor the Executive Directorate nor, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by shareholders of the Company, to sell Shares to the Company.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to sell any of the Shares held by him to the Company, in the event that the Repurchase Mandate is authorised.

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## APPENDIX — SHARE REPURCHASE MANDATE: EXPLANATORY STATEMENT

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### Undertaking

The Directors and the Executive Directorate have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

### Share Prices

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Highest (HK\$)	Lowest (HK\$)
<b>2009</b>		
April	20.15	18.24
May	24.75	18.86
June	25.50	22.50
July	28.65	23.15
August	28.50	25.90
September	27.55	25.85
October	28.85	26.05
November	27.95	26.10
December	27.15	25.95
<b>2010</b>		
January	27.40	25.00
February	27.10	24.80
March	29.90	27.00
April*	29.90	29.00

\* Up to and including the Latest Practicable Date.

No purchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

### Effect of the Takeover Code

The Directors and the Executive Directorate are not aware of any consequences which the exercise in full of the Repurchase Mandate would have under the Hong Kong Code on Takeovers and Mergers.





**MTR CORPORATION LIMITED**

**香港鐵路有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 66)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of MTR Corporation Limited 香港鐵路有限公司 (the 'Company') will be held at Rotunda 3 (6/F), Hongkong International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Thursday, 27th May, 2010 at 11:30 a.m. for the purpose of transacting the following business:

**ORDINARY BUSINESS**

- (1) To receive and consider the audited Statement of Accounts and the Reports of the Directors and the Auditors of the Company for the year ended 31st December, 2009.
- (2) To declare a final dividend for the year ended 31st December, 2009.
- (3) To elect/re-elect retiring members of the Board of Directors.
- (4) 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:

- (5) **'THAT:**
  - (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options, warrants and other securities which will or might require Shares to be allotted, issued, granted, distributed or otherwise dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally APPROVED;
  - (B) the aggregate nominal amount of share capital 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 of Directors 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 Pre-Global Offering Share Option Scheme, the Rules of the Company's New Joiners Share Option Scheme and also 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,

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## NOTICE OF ANNUAL GENERAL MEETING

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shall not exceed the aggregate of:

- (a) ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution 5; and
- (b) (if the Board of Directors is so authorised by a separate resolution of the shareholders of the Company) the aggregate nominal amount of share capital of the Company purchased by the Company subsequent to the passing of this Resolution 5 (up to a maximum equivalent to ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution 5),

and the said approval shall be limited accordingly; and

(C) for the purpose of this Resolution 5:

- (i) 'Relevant Period' means the period from (and including) the date of passing this Resolution 5 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 5 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 of Directors 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 of Directors 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); and
- (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.'

(6) **'THAT:**

- (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (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 Repurchases 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 nominal amount of Shares which may be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (A) above shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution 6, and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(C) for the purpose of this Resolution 6:

- (i) 'Relevant Period' means the period from (and including) the passing of this Resolution 6 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 6 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.'

(7) 'THAT, conditional on the passing of Resolutions 5 and 6, the exercise by the Board of Directors of the powers referred to in paragraph (A) of Resolution 5 in respect of the share capital of the Company referred to in subparagraph (b) of paragraph (B) of Resolution 5, be and is hereby APPROVED AND AUTHORISED.'

By Order of the Board

**Leonard Bryan Turk**

*Company Secretary*

Hong Kong, 24th April, 2010

*Members of the Board:* Dr. Raymond Ch'ien Kuo-fung (*Chairman*)\*\*, Chow Chung-kong (*Chief Executive Officer*), Vincent Cheng Hoi-chuen\*, Christine Fang Meng-sang\*, Edward Ho Sing-tin\*, Ng Leung-sing\*, Abraham Shek Lai-him\*, T. Brian Stevenson\*, Professor Chan Ka-keung, Ceajer (Secretary for Financial Services and the Treasury)\*\*, Secretary for Transport and Housing (Eva Cheng)\*\* and Commissioner for Transport (Joseph Lai Yee-tak)\*\*

*Members of the Executive Directorate:* Chow Chung-kong, William Chan Fu-keung, Chew Tai Chong, Thomas Ho Hang-kwong, Lincoln Leong Kwok-kuen, Andrew McCusker and Leonard Bryan Turk

\* *independent non-executive Directors*

\*\* *non-executive Directors*

*Registered Office:* MTR Headquarters Building, Telford Plaza, Kowloon Bay, Kowloon, Hong Kong.

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or two proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy must be delivered to the Company's registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the meeting or adjourned meeting (or 24 hours before a poll is taken, if the poll is not taken on the same day as the meeting or adjourned meeting). If a proxy form is signed under a power of 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 and return of a form of proxy will not preclude a member from attending in person and voting at the meeting or any adjournment thereof should he so wish.**
3. The register of members of the Company was closed from Tuesday, 30th March, 2010 to Friday, 9th April, 2010 (both days inclusive), during which period no transfer of shares in the Company was effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, had to be lodged with the Company's registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 29th March, 2010.
4. The Board of Directors has recommended a final dividend for the year ended 31st December, 2009 (the '**Final Dividend**') of HK\$0.38 per share and, if such dividend is declared by the shareholders by passing Resolution 2, it is expected to be paid on or about 15th June, 2010, to those shareholders whose names appeared on the Company's register of members on 9th April, 2010. In addition, a circular is being sent on or about 24th April, 2010 to shareholders whose names appeared on the register of members on 9th April, 2010 setting out the terms of the scrip dividend scheme in respect of the Final Dividend pursuant to which the Board of Directors proposes to offer shareholders whose names appeared on the register of members on 9th April, 2010 (except shareholders with registered addresses in 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 instead of cash in respect of some or all of their Final Dividend.
5. In relation to Resolution 3, three Directors will retire from office at the meeting and all of them will offer themselves for election/re-election. Vincent Cheng Hoi-chuen, who was appointed after the annual general meeting on 4th June 2009, will retire from office at the meeting pursuant to Article 85 of the articles of association of the Company (the '**Articles of Association**') and will offer himself for election. Chow Chung-kong and Christine Fang Meng-sang will retire from office by rotation at the meeting pursuant to Articles 87 and 88 of the Articles of Association, and will offer themselves for re-election.
6. In relation to Resolution 6, an explanatory statement (as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the '**Listing Rules**') is set out in the Appendix to the document containing this notice.
7. By Resolutions 5 and 7, approval is being sought from shareholders, as a general mandate in compliance with section 57B of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) and the Listing Rules, so that in the event it becomes desirable for the Company to issue any new shares, the Board of Directors is given the flexibility and discretion to allot and issue new shares up to ten per cent. of the issued share capital of the Company, together with such number of shares as may be repurchased by the Company pursuant to the general mandate under Resolution 6, as more particularly described in Resolutions 5, 6 and 7. The members of the Board of Directors wish to state, however, that they have no immediate plans to issue any new shares of the Company, other than pursuant to: (i) the scrip dividend alternative which is proposed to be offered; (ii) the Rules of the Company's 2007 Share Option Scheme; (iii) the Rules of the Company's New Joiners Share Option Scheme; or (iv) the Rules of the Company's Pre-Global Offering Share Option Scheme.