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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this document or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**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,  
RE-ELECTION/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), Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Friday, 6th May, 2011 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 case of any inconsistency, the English version shall prevail.*

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31st March, 2011

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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)

*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\*

Alasdair George Morrison\*

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*

31st March, 2011

To: the shareholders of the Company and  
the option holders under 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,  
RE-ELECTION/ELECTION OF DIRECTORS  
AND NOTICE OF ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held on Friday, 6th May, 2011 (the '**AGM**'). Notice of the AGM (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, 2010, accompany this document. Details of the resolutions to be proposed at the AGM 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 27th May, 2010, the then shareholders of the Company passed resolutions granting general mandates to the Board of Directors of the Company (the '**Directors**' or the '**Board**') to issue and purchase shares in the Company ('**Shares**'). These general mandates will lapse at the conclusion of the AGM. Resolutions will therefore be proposed at the AGM 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**');
- 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.

### RE-ELECTION/ELECTION OF DIRECTORS

At the AGM and in relation to the retirement by rotation of Directors, the Company will continue to comply with its Articles of Association (the '**Articles**') which require one third of the current Directors who are subject to Articles 87 and 88 must retire as Directors (i.e. three out of the nine Directors (excluding two Directors appointed pursuant to Section 8 of the Mass Transit Railway Ordinance)). The re-organisation in the Government of the Hong Kong Special Administrative Region of the People's Republic of China and the Rail Merger of the Company with the Kowloon-Canton Railway Corporation have brought an increase in the number of Directors last elected/re-elected in the 2008 annual general meeting three years ago. For this reason, the Company will, for the first time, not also meet Code Provision A.4.2 of the Code on Corporate Governance Practices of the Listing Rules (the '**Code**') (which requires every director to be subject to retirement by rotation at least once every three years) in 2011.

At the AGM therefore, Messrs. Edward Ho Sing-tin, Ng Leung-sing and Abraham Shek Lai-him will retire from office by rotation pursuant to Articles 87 and 88 of the Articles, and all of them will offer themselves for re-election. In addition, Mr. Alasdair George Morrison, who was appointed after the annual general meeting on 27th May, 2010, will retire from office pursuant to Article 85 of the Articles, and will offer himself for election.

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

**Edward Ho Sing-tin**, aged 72, has been a member of the Board since 1991. Mr. Ho is also the chairman of both the Nominations Committee and the Remuneration Committee of the Company.

Mr. Ho is Group Chairman of Wong Tung Group of companies. He was an elected member of the Legislative Council of Hong Kong from 1991 to 2000, representing the architectural, surveying and planning functional constituency. He was president of the Hong Kong Institute of Architects in 1983 and 1984 and was chairman

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## LETTER FROM THE CHAIRMAN

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of the Hong Kong Industrial Estates Corporation from 1992 to 2001. He was also a member of the Hong Kong Housing Authority, chairman of the Antiquities Advisory Board, chairman of the Hong Kong Philharmonic Society, and a member of the Town Planning Board and the Hospital Authority respectively.

Mr. Ho joined the Board of the Mass Transit Railway Corporation in 1991. As an architect and the Group Chairman of Wong Tung Group of companies, as well as the only current independent non-executive Director (the 'INED') on the Board since the Company's listing in 2000 (hence, has served the Board for more than 9 years as contemplated in the Recommended Best Practices of the Code), Mr. Ho brings his valuable business and professional experience to the Board for promoting the best interests of the Company and its shareholders. Under his leadership as the chairman of the Independent Board Committee (which was established in connection with the Rail Merger between the Company and the Kowloon-Canton Railway Corporation), the Rail Merger was successfully implemented in 2007. At the 2008 annual general meeting, over 99.9% of the votes were in favour of the re-election of Mr. Ho as a Member of the Board.

The Company entered into a service contract with Mr. Ho for 3 years with effect from 2008, and has continued to receive written confirmation from him annually on his independence in accordance with the Listing Rules.

Accordingly, the Board has resolved that Mr. Ho continues to be independent and should be re-elected as a Director at the AGM.

The reappointment of Mr. Ho will be in accordance with the Recommended Best Practices of the Code.

**Ng Leung-sing**, aged 61, has been appointed as an INED since 2007. Mr. Ng is also a member of both the Audit Committee and the Nominations Committee of the Company.

Mr. Ng is vice chairman of Chiyu Banking Corporation, chairman of Bank of China (Hong Kong) Trustees Limited and an independent non-executive director of SmarTone Telecommunications Holdings Limited. He is a director of the BOCHK Charitable Foundation and a member of the Court of Lingnan University. He was general manager, Bank-wide Operation Department of Bank of China (Hong Kong) Limited until July 2009. Mr. Ng is also a Hong Kong Deputy to the 10th and 11th National People's Congress, People's Republic of China. Mr. Ng is a graduate of University of East Asia, Graduate College, Macau and holds a diploma in Chinese Law.

**Abraham Shek Lai-him**, aged 65, has been appointed as an INED since 2007. Mr. Shek is also a member of both the Nominations Committee and the Corporate Responsibility Committee of the Company.

Mr. Shek is an independent non-executive director and an audit committee member of each of Midas International Holdings Limited, Paliburg Holdings Limited, Lifestyle International Holdings Limited, Chuang's Consortium International Limited, NWS Holdings Limited, Regal Portfolio Management Limited, Titan Petrochemicals Group Limited, Eagle Asset Management (CP) Limited, ITC Corporation Limited, Country Garden Holdings Company Limited, SJM Holdings Limited, Kosmopolito Hotels International Limited and China Resources Cement Holdings Limited. He is also an independent non-executive director of Hsin Chong Construction Group Ltd. and Hop Hing Group Holdings Limited. Mr. Shek is chairman and an independent non-executive director of Chuang's China Investments Limited. He is also vice chairman, an independent non-executive director and a member of the audit committee of ITC Properties Group Limited. Mr. Shek was an independent non-executive director and an audit committee member of See Corporation Limited (until October 2008), and an independent non-executive director of Hop Hing Holdings Limited (until April 2008). Mr. Shek was appointed as Justice of the Peace in 1995 and was awarded the Silver Bauhinia Star in 2007. He is vice chairman of the Independent Police Complaints Council. Mr. Shek is a graduate of the University of Sydney and holds a Bachelor of Arts degree and a Diploma in Education.

**Alasdair George Morrison**, aged 62, was appointed as an INED and a member of both the Audit Committee and the Remuneration Committee of the Company, with effect from 9 July 2010.

Mr. Morrison is a businessman with international exposure through his holding of a number of senior executive positions in leading multinational enterprises particularly in Asia.

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## LETTER FROM THE CHAIRMAN

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Mr. Morrison is currently Senior Advisor of Citigroup Asia Pacific, and an independent non-executive director of Pacific Basin Shipping Limited and Hong Kong Mercantile Exchange Limited. He is also a member of the Board of Grosvenor Group Limited in the United Kingdom, a member of the Hong Kong/European Union Business Cooperation Committee, a member of the Operations Review Committee of the Independent Commission Against Corruption and a Director of the Hong Kong Forum. He was non-executive chairman of North Asia Investment Corporation (until August 2010), vice chairman of Harvard Business School Association of Hong Kong (until August 2010) and a member of the Bloomberg Asia Pacific Advisory Board (until October 2010).

From 1971 to 2000, Mr. Morrison worked for the Jardine Matheson Group, where he was Group Managing Director from 1994 to 2000. Subsequently, and until April 2007, Mr. Morrison was a Managing Director of Morgan Stanley Dean Witter Asia Limited and then also a member of Morgan Stanley's Management Committee. From 2000 to 2007, he was Chairman of Morgan Stanley Asia, based in Hong Kong. From 2002 to February 2006, he was concurrently Chairman and Chief Executive Officer of Morgan Stanley Asia.

Mr. Morrison is a graduate of Eton College and obtained a Bachelor of Arts (subsequently Master of Arts) from Cambridge University in 1971. He also attended the Program for Management Development at Harvard Business School in 1983.

Each of Messrs. Edward Ho Sing-tin, Ng Leung-sing and Abraham Shek Lai-him has entered into a service contract with the Company, under which the current terms of their office as an INED will last up to the earlier of (i) the date on which they will retire again by rotation under the Articles or (ii) 28th May, 2011. They will offer themselves for re-election in accordance with Articles 87 and 88 of the Articles. Mr. Alasdair George Morrison has entered into a service contract with the Company, under which his current term of office as an INED will last up to the AGM (being the first annual general meeting of the Company after his appointment) at which he will retire in accordance with Article 85 of the Articles, and will offer himself for election.

The emoluments of the above Directors are set out in their respective service contracts and determined by the Board. The details of their emoluments are disclosed in the Notes to Accounts (page 161) of the Company's Annual Report 2010.

As at 22nd March, 2011, being the latest practicable date before the printing of this document, none of the above Directors was interested in or held 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.

Save as disclosed above, none of the above Directors is related to any other Directors, senior management or substantial or controlling shareholders of the Company.

In relation to the re-election/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.

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## LETTER FROM THE CHAIRMAN

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### **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 AGM under Article 67 of the Articles to demand a poll on each of the resolutions to be proposed at the AGM.

### **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 6th May, 2011. 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 22nd March, 2011 (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 5,773,047,231 representing a paid-up share capital of HK\$5,773,047,231. On the basis of the 5,773,047,231 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 577,304,723 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, 2010) 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>2010</b>		
March	29.90	27.00
April	29.90	27.45
May	27.80	25.55
June	27.90	25.50
July	28.00	26.35
August	29.20	27.40
September	29.75	27.60
October	31.30	29.05
November	31.55	28.15
December	29.75	27.90
<b>2011</b>		
January	30.00	28.35
February	29.70	28.00
March*	29.70	27.60

\* 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), Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Friday, 6th May, 2011 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, 2010.
- (2) To declare a final dividend for the year ended 31st December, 2010.
- (3) To re-elect/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 New Joiners Share Option Scheme and 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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 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;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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
- (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 sub-paragraph (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, 31st March, 2011

*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\*, Alasdair George Morrison\*, 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, Jacob Kam Chak-pui, Lincoln Leong Kwok-kuen 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 Friday, 18th March, 2011 to Thursday, 24th March, 2011 (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 Thursday, 17th March, 2011.
4. The Board of Directors has recommended a final dividend for the year ended 31st December, 2010 (the '**Final Dividend**') of HK\$0.45 per share and, if such dividend is declared by the shareholders by passing Resolution 2, it is expected to be paid on or about 18th May, 2011, to those shareholders whose names appeared on the Company's register of members on 24th March, 2011. In addition, a circular is being sent on or about 31st March, 2011 to shareholders whose names appeared on the register of members on 24th March, 2011 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 24th March, 2011 (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, four Directors will retire from office at the meeting and all of them will offer themselves for re-election/election. Messrs. Edward Ho Sing-tin, Ng Leung-sing and Abraham Shek Lai-him will retire from office by rotation at the meeting pursuant to Articles 87 and 88 of the articles of association of the Company (the '**Articles of Association**'), and will offer themselves for re-election. Mr. Alasdair George Morrison, who was appointed after the annual general meeting on 27th May, 2010, will retire from office at the meeting pursuant to Article 85 of the Articles of Association, and will offer himself for 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; or (iii) the Rules of the Company's New Joiners Share Option Scheme.