

MTR CORPORATION LIMITED (地鐵有限公司)

(the “Company”)

(Incorporated in Hong Kong with limited liability)

(Stock code: 66)

POSSIBLE RAIL MERGER

The Company has noted the recent press articles and speculation relating to a possible rail merger (the “**Rail Merger**”) between the Company and Kowloon-Canton Railway Corporation (“**KCRC**”).

The Company makes no comment on the accuracy of such press articles and speculation but confirms that discussions between the Company, the Government of the Hong Kong Special Administrative Region (“**Government**”) and KCRC in relation to the proposed Rail Merger are at an advanced stage. The Company will make (a) further announcement(s) at the appropriate time(s).

There is no assurance that the discussions will result in an agreement in relation to a Rail Merger. The share price of the Company may be subject to fluctuations in the interim. Investors should exercise caution in their dealings in the securities of the Company.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

As stated in the Company’s announcements dated 24th February, 2004, 20th August, 2004 and 16th September, 2004, any Rail Merger involving Government will be treated as a connected transaction under Chapter 14A of the Listing Rules and may also be treated as a transaction subject to Chapter 14 of the Listing Rules. As a connected transaction, any Rail Merger will be subject to the approval of independent shareholders.

For avoidance of doubt, this announcement is not an announcement of a proposed or possible offer for the shares in the Company within the meaning of the Code on Takeovers and Mergers.

By Order of the Board
Leonard Bryan Turk
Company Secretary

Hong Kong, 9th April, 2006

Members of the Board: Dr. Raymond Ch'ien Kuo-fung (*Chairman*)**, Chow Chung-kong (*Chief Executive Officer*), Professor Cheung Yau-kai*, David Gordon Eldon*, Christine Fang Meng-sang*, Edward Ho Sing-tin*, Lo Chung-hing*, T. Brian Stevenson*, Frederick Ma Si-hang (*Secretary for Financial Services and the Treasury*)**, *Secretary for the Environment, Transport and Works* (Dr. Sarah Liao Sau-tung)** and *Commissioner for Transport* (Alan Wong Chi-kong)**

Members of the Executive Directorate: Chow Chung-kong, Russell John Black, William Chan Fu-keung, Thomas Ho Hang-kwong, Lincoln Leong Kwok-kuen, Francois Lung Ka-kui, Andrew McCusker and Leonard Bryan Turk

* *independent non-executive Directors*

** *non-executive Directors*

Please also refer to the published version of this announcement in South China Morning Post dated 10th April, 2006.

