

MTR Corporation Limited 香港鐵路有限公司

Minutes of the 23rd Annual General Meeting (the “**Meeting**”) of MTR Corporation Limited 香港鐵路有限公司 (the “**Company**”) held at Rotunda 3 (6/F), Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Wednesday, 24 May 2023 at 11:30 a.m.

Present Shareholders’ attendance list was compiled by Computershare Hong Kong Investor Services Limited (“**Computershare**”), the Company’s Share Registrar.

Dr Rex Auyeung Pak-kuen (Chairman of the Board and Chairman of the Environmental & Social Responsibility Committee), Mr Andrew Clifford Winawer Brandler (Board Member and Chairman of the Finance & Investment Committee), Dr Dorothy Chan Yuen Tak-fai (Board Member and Chairlady of the Remuneration Committee), Dr Pamela Chan Wong Shui (Board Member and Chairlady of the Nominations Committee), Mr Cheng Yan-kee (Board Member and Chairman of the Capital Works Committee), and Mr Carlson Tong (Board Member and Chairman of the Audit & Risk Committee).

Other Members of the Board present: Mr Maurice Loo Kam-wah (Alternate Director to Mr Christopher Hui Ching-yu), Dr Jacob Kam Chak-pui (Board Member, Chief Executive Officer and a Member of the Executive Directorate), Dr Bunny Chan Chung-bun, Mr Walter Chan Kar-lok, Mr Hui Siu Wai, Mr Sunny Lee Wai-kwong, Ms Rose Lee Wai-mun, Mr Jimmy Ng Wing-ka and Mr Adrian Wong Koon-man.

Other Members of the Executive Directorate present: Ms Margaret Cheng Wai-ching (Human Resources Director), Ms Linda Choy Siu-min (Corporate Affairs and Branding Director), Mr Carl Michael Devlin (Capital Works Director), Mr

Herbert Hui Leung-wah (Finance Director), Dr Tony Lee Kar-yun (Operations Director), Ms Gillian Elizabeth Meller (Legal and Governance Director) and Mr David Tang Chi-fai (Property and International Business Director), Mr Sammy Wong Kwan-wai (Mainland China Business Director) and Ms Jeny Yeung Mei-chun (Hong Kong Transport Services Director)

In Attendance

Mr Roy Leung and Mr Ray Lin (representatives of KPMG – the Company’s External Auditors);

Mr Leslie Lau (representative of Computershare); and

Ms Benita Yu, Mr Jason Webber and Mr Kevin Tso (representatives of Slaughter & May – the Company’s External Legal Advisers).

Facilitator

Ms Linda Choy welcomed everyone to the Meeting. She highlighted that this Meeting would again be held in a hybrid format, allowing shareholders to participate in the Meeting online in addition to attending physically. She noted that all shareholders attending the Meeting in person or online (the “**Shareholders**”) would be counted towards the quorum of the Meeting.

Ms Choy then informed attendees of the following:

1. the voting platform had been open for all Shareholders, proxies and representatives of corporate Shareholders who were attending the Meeting in person or online to cast their votes on all the resolutions at any time and would remain open until the Chairman of the Meeting announced that the poll was closed. She emphasized that Shareholders did not need to wait until the Chairman had read out the resolutions before casting their votes. For

those attendees who were attending online, they could cast their votes on the online voting system; and for those attendees in the Meeting hall, they could use the electronic voting handset to cast their votes and the voting procedures would be explained to them shortly;

2. to avoid echoes inside the Meeting hall, Shareholders present at the Meeting should refrain from using smartphones, tablet devices or computers to watch the live broadcast of the Meeting;
3. the Chairman would deliver his statement in Cantonese and the Meeting would also be conducted in Cantonese. There would be simultaneous translation into Putonghua and English throughout the Meeting. Shareholders present at the Meeting could collect an interpretation earphone from the Earphone Counter at the entrance of the Meeting hall while Shareholders joining the Meeting online could select their preferred language from the broadcast screen. Same as in the past years, simultaneous sign language interpretation would be provided at the Meeting and would be shown on the screen in the Meeting hall;
4. after the Chairman had delivered his statement, he and the Management team would endeavour to answer as many relevant questions as possible relating to the business of the Meeting within the allocated time of about 20 minutes. Thereafter, the resolutions of the Meeting would be proposed;
5. the Questions and Answers session would address questions received from three sources: firstly, questions that had been submitted by shareholders in advance (in accordance with the Company's letter dated

14 April 2023) would be answered in the coming Questions and Answers session first, then followed by questions received from Shareholders joining on the floor and online;

6. for Shareholders, proxies and representatives of corporate Shareholders joining the Meeting online, the online question submission platform had been opened. They could submit questions through selecting the “Messaging” tab appearing at the top of the screen, inputting the questions in the text box and clicking the “send” button. The question submission platform would be closed when the Questions and Answers session ended;
7. for Shareholders present in the Meeting, they could raise their hands if they would like to ask a question and the Company’s staff would take them to one of the designated microphone positions. Before asking a question, Shareholders were reminded to give his/her name and address himself/herself being a shareholder, a representative of a corporate shareholder or a proxy. Questions could be asked in Cantonese, English or Putonghua. The Chairman would answer questions in the language in which they were asked. Translations of both the questions and answers would be provided by the interpreters. If questions were asked using sign language, the sign language interpreter would translate both the questions and answers. For questions which could not be dealt with at the Meeting due to time constraints, the Company would address them afterwards as appropriate. If questions were related to railway operations, property management or other businesses, or were personal in nature, the Company’s helpers at the Customer Service Counter and at the Shareholder Service Counter next to the

entrance of the Meeting hall would be there to assist;

8. to facilitate those shareholders who could not join the Meeting, the Meeting would be video recorded and the webcast would be made available on the Company's website within the following 24 hours; and
9. Shareholders were reminded to follow the instructions contained in the "Fire Evacuation Safety Instructions" (which could be found inside the environmental bag distributed to Shareholders earlier at the Meeting) in case of emergency or fire evacuation or to approach the Company's staff who were wearing a green Work Pass for assistance.

After explaining other housekeeping matters, Ms Choy then invited the Chairman to address the Meeting.

Chairman's Opening
Remarks

The Chairman welcomed Shareholders to the Meeting and noted that only a small number of physical attendees could be accommodated in the annual general meetings in the past three years given the COVID pandemic, but this Meeting would be held in a hybrid format, meaning that Shareholders could join the Meeting via a dedicated online platform in addition to physical attendance.

The Chairman also noted that he had invited representatives from KPMG and Slaughter and May, the Company's External Auditors and Legal Advisers respectively, as well as other relevant persons to attend the Meeting.

Notice

As there was a quorum present, the Chairman declared the Meeting open.

Chairman's Statement

Before dealing with the proposed resolutions of the Meeting, the Chairman thanked the former Secretary for Transport and Housing, Mr Frank Chan, who had retired from the Board in 2022, as well as Dr Pamela Chan Wong Shui and Mr Johannes Zhou Yuan, who would retire from the Board after the conclusion of the Meeting, for their contributions in the past years.

The Chairman noted that resolutions for the election of two new Board Members would be proposed at the Meeting.

The Chairman then shared with Shareholders an overview of the Company's business performance in the last year.

The Chairman noted that the fifth wave of COVID in early 2022 had adversely affected the Company's Hong Kong transport operations, station commercial and property rental businesses. Fortunately, there had been a gradual and steady recovery in railway patronage and retail traffic following the subsidence of the pandemic, the gradual lifting of travel restrictions in late 2022 and the subsequent resumption of cross-boundary traffic in early 2023.

The Chairman also noted that, financially, while the Company's 2022 results had been adversely affected by the COVID epidemic, the Company's property development profit had helped to mitigate the said negative impact. Overall, the Group's total revenues had increased by 1.3% to HK\$47,812 million. Net profit attributable to shareholders had been HK\$9,827 million, representing an increase of 2.9% compared to 2021. Having considered the Company's overall financial position and future funding needs, the Board had proposed a final ordinary dividend for the year ended 2022 of HK\$0.89 per share.

Together with the interim dividend of HK\$0.42 per share which had previously been distributed, the total dividend for the full year of 2022 would be HK\$1.31 per share, representing an increase of 3.1% over 2021.

The Chairman then shared with Shareholders the progress achieved by the Company's various businesses in the past year. He reported that the Company's Hong Kong transport operations had recorded an EBIT loss (that was, profit before deduction of interest and tax) of HK\$4,733 million in 2022 as there had been a significant decline in its domestic patronage in the first quarter of 2022 when the fifth wave of COVID had struck Hong Kong. The adverse effect of COVID on the Company's transport operations results had been mitigated by the Company's collective efforts in maintaining stringent cost control measures and increased revenue from the full Tuen Ma Line and the East Rail Line ("**EAL**") cross-harbour extension which had commenced services in May 2022. As of the day of the Meeting, the Company's domestic patronage had reached approximately 90% of pre-COVID levels; however, it would take time for tourist patronage to return.

The Chairman also shared with Shareholders that, on the asset enhancement front, MTR continued to commit resources to delivering and maintaining high quality railway facilities and services, as well as on its maintenance. In November 2022, the first eight-car train had been put into service on the Kwun Tong Line. The new trains would gradually replace the first-generation trains on the Urban Lines that had begun serving the Hong Kong public in 1979 and would provide passengers with a better travelling experience. At the same time, the installation of the automatic platform gates on the EAL had commenced progressively. Since the beginning of May 2023, the installation and preparation for

the use of the platform gates had begun, starting with Racecourse Station. At the beginning of 2023, the Company had completed the last phase of the chiller replacement project. The newly installed chillers delivered increased comfort for commuters in stations, and also contributed to the Company's carbon reduction efforts, with approximately 15,000 tonnes of carbon emissions per annum being saved. The Company had also started replacing new trains in its light rail services, in order to provide a better customer service experience to passengers.

The Chairman continued that, to further enhance customer service experience, the Company had made numerous enhancements to its customer services and station facilities in 2022, including the installation of smart toilet facilities and drinking water dispensers across the rail network. The Company had also launched various services to cater for the disabled, such as providing dedicated charging sockets for wheelchair bound persons and launching a detection system to help find lost passengers with dementia. In addition, the Company had rolled out the "Next-Train" information function in the MTR Mobile App, which had now covered most of the railway lines.

Moreover, the Chairman noted that, to fulfil its long-term operational needs, the Company had continued to progress with the Urban Lines signalling replacement project in 2022. Upon completion, train services could be enhanced to increase the overall carrying capacity.

On the train service performance front, the Chairman was pleased to report that MTR had once again attained a world-class 99.9% rate in passenger journeys on-time and train service delivery for its Heavy Rail network.

Turning to the Hong Kong station commercial businesses, the Chairman noted that their performances had been affected as the revenue stream from duty free shops had stopped due to the closure of cross-boundary stations during the pandemic. Their EBIT profit had decreased by 8.8% from HK\$2,488 million in 2021 to HK\$2,270 million in 2022, mainly due to lower advertising revenue.

As far as the Company's Hong Kong property rental and management business was concerned, the Chairman noted that, according to a report from the Rating and Valuation Department, the anti-epidemic measures and cross-border travel restrictions had posed an adverse impact on Hong Kong's retail market in 2022. The EBIT profit of the Company's Hong Kong property rental and management business had also fallen by 6.1% in 2022 to HK\$3,800 million, which had been mainly due to negative rental reversions on renewals and new lets resulting from the pandemic.

On the Company's Hong Kong property development front, the Chairman reported that 2022 had been a satisfactory year with a profit of HK\$10,413 million, mainly derived from the residential units sold at LOHAS Park Package 10 as well as THE SOUTHSIDE Packages 1 and 2. Moreover, the Company had awarded the Pak Shing Kok Ventilation Building and Tung Chung Traction Substation development projects, which together were expected to offer approximately 2,150 residential units. The Company had also completed the required land exchange documents to allow MTR to transform Siu Ho Wan Depot into a new development called "Oyster Bay", which was expected to provide about 10,700 residential units to the city's housing supply.

The Chairman noted that, currently, the Company had 16 residential property projects under development in Hong Kong. These projects (including the West Rail Projects) were expected to deliver approximately 18,000 units to the Hong Kong's housing market in the near to medium term.

On fare adjustment, the Chairman highlighted that, in March 2023, the Company and Government had completed the periodic review of the fare adjustment mechanism for the next five years, in accordance with the Operating Agreement. The new arrangement had retained the open, objective and direct-drive formulaic approach, while adding in property development profits and linking it to the productivity factor in the formula. He noted that fare revenue was the main source of stable income for MTR, the new arrangement had not only maintained the predictability, objectivity and transparency of the fare adjustment mechanism, it had also linked property development profits to fare adjustments.

Given Hong Kong was still in the early stages of recovery, as part of its commitment to Hong Kong, the Chairman noted that the Company had decided that the fare adjustment to be implemented in mid-2023 would include the special arrangements announced earlier, being a special reduction of 1.2% and a one year deferral totaling 1.85%. The Company would also continue to provide on-going fare concessions to benefit all levels of society, including commuters, the elderly, children, eligible students and people with disabilities. The total value of such relevant fare concessions provided by the Company in 2022 had been approximately HK\$2,100 million. The Chairman added that, under the new mechanism, approximately 90% of passengers' fares would be raised by HK\$0.40 or less in 2023. Since the merger of the two railways, the

Company's average annual fare adjustment rate had been lower than the average year-on-year inflation rate in Hong Kong over the same period.

The Chairman emphasized that, as a company providing public transport for Hong Kong, the Company's core mission had been to provide safe, reliable and high-quality railway services to keep cities moving. The driving force to maintain world-leading facilities, service level and efficiency, while taking into account interests of shareholders and stakeholders and to create value for the society, had come from the efforts of everyone at the Company, from the Management team to those colleagues on the front line, including operations, engineering and maintenance teams, as well as sound financial arrangements and management.

The Chairman was pleased to report that, on "Building Hong Kong and Keeping Cities Moving", one of the important milestones in 2022 had been the opening of the EAL cross-harbour extension. The extension had not only seamlessly connected the New Territories and Kowloon with the Hong Kong Island, it had also provided enhanced connectivity to passengers.

In respect of future new railway projects, the Chairman noted that the Company had continued to make headway on a number of projects, including the construction of a new Oyster Bay Station to cater for the transportation needs of the future Oyster Bay community and the construction of the Tung Chung Line Extension to enhance the connectivity of North Lantau. It was expected that the construction of the Tung Chung Line Extension would be completed in 2029, while the construction of the Airport Railway Extended Overrun Tunnel was targeted for completion in 2032. The construction of the Tuen Mun South Extension and the new Kwu Tung Station was expected to

commence in 2023 and the new Hung Shui Kiu Station on the Tuen Ma Line and the Northern Link were in the design stage.

Additionally, the Chairman noted that, the Company was in continued discussions with Government in relation to the three strategic railway projects highlighted in the Chief Executive's Policy Address 2022, namely, the Tseung Kwan O Line Southern Extension, the Central Rail Link and the Hong Kong-Shenzhen Western Rail Link.

The Chairman then moved to the Company's businesses outside Hong Kong. He was pleased to report that, in 2022, MTR's Mainland China and International Businesses had served approximately 1.77 billion passengers. In the Mainland, Shenzhen Metro Line 4 ("**SZL4**") had maintained stable operations since MTR had taken over its operations. However, there had been no fare increase for SZL4 during this period. As it was anticipated that the mechanism and procedures for fare adjustments would take a longer time to implement, and patronage would remain at a lower level for a longer time than expected, the Company had therefore recognised an impairment provision of HK\$962 million for SZL4 in 2022.

The Company's railway, property rental and management businesses outside Hong Kong had contributed a net after-tax profit of HK\$735 million in 2022, before the HK\$962 million impairment provision made for SZL4. That had represented a decrease of 11.3% as compared with 2021, largely due to the impact of the pandemic. Having said that, the Company's Mainland China and International businesses had achieved multiple milestones in 2022, including: (a) in Mainland China, the Southern Section of Beijing Metro Line 16 ("**BJL16**") had been opened in December 2022, the

construction of the remaining sections of BJL16 was ongoing and the full line was expected to open in 2023; (b) the Southern Section of Beijing Metro Line 17 (“**BJL17**”) had commenced service in December 2021, the construction on the remaining sections of BJL17 was ongoing and were expected to be opened in two phases. The Northern Section and the Middle Section were targeted to be opened by the end of 2023 and the end of 2024 respectively; and (c) the construction of Shenzhen Metro Line 13 continued to progress and the line was expected to commence service in 2024.

The Chairman then moved on to the Company’s railway businesses in Europe, noting that the MTR-operated Central Operating Section of London’s Elizabeth Line had been opened in May 2022. In Sweden, the Company operated four rail projects. By passenger volume, MTR currently was the largest rail operator there. Although individual projects were encountering certain operational challenges, the MTR teams there were working hard to make improvement.

Besides, the Chairman noted that a number of the Company’s international concessions had been extended, including the Stockholm Metro in Sweden, the Elizabeth Line and the South Western Railway in the United Kingdom and the Melbourne Metropolitan Rail Service in Australia.

The Chairman further noted that, in Macao, MTR continued to operate Macao’s first rapid transit system with stable train operations.

On business outlook, the Chairman shared that, following the lifting of COVID restrictions around the world and in Hong Kong, the Company expected that its patronage and mall traffic would continue to increase and, thus, the performance of its recurrent businesses to improve. He assured Shareholders that MTR would continue

to explore the development potential of stations and associated railway facilities along the existing and future railway lines, and would engage in further discussions with Government regarding the financing arrangements for the new projects to ensure that the Company could continue meeting the needs of its investors as well as the Hong Kong community.

The Chairman noted that the Company looked forward to continuing its work with Government on the Railway Development Strategy 2014 projects for Hong Kong's future railway expansion and was excited about the opportunities to work on the Northern Metropolis Development Strategy projects to enhance the city's connectivity with the Pearl River Delta and Greater Bay Area. In addition, the Company was progressing with a technical study for a new Pak Shek Kok Station on the EAL, in which the land use and planning for housing units around the new station was being studied and the new Pak Shek Kok Station was targeted for commissioning by 2033.

The Chairman then moved on to the Company's Corporate Strategy and noted that one of its core pillars was the "New Growth Engine", pursuant to which the Company strived to explore and integrate the latest innovative technology in its businesses, as well as identify opportunities for investment by the Company. He noted that the Company had set aside over HK\$300 million to invest in start-ups for the period from 2022 to 2025. During 2022, a number of Memoranda of Understanding or agreements had been signed with leading universities in Hong Kong, Hong Kong Science & Technology Parks Corporation and Hong Kong Cyberport, with a view to bringing more convenience to the public in their daily lives through exploring new innovation solutions and technology applications as well as enhancing railway technology. In early 2023,

MTR Academy had launched the MTR Research Funding Scheme, which had invited academics at the local universities to submit proposals on the topic of the rail transport of tomorrow. As of the day of the Meeting, the Company had received a total of 84 submissions. It was expected that the funding allocation announcement would be made in August 2023.

Outside Hong Kong, the Chairman noted that the Company would continue to explore transport infrastructure, station commercial and Transit-Oriented development opportunities in the Mainland of China and overseas.

From the environmental, social and governance (“**ESG**”) perspective, the Chairman shared the Company’s strong belief that having a robust ESG framework would help the Company and its shareholders to achieve long term sustainable growth while also taking account of other stakeholder interests and providing tangible benefits for the communities it served in Hong Kong and around the world. He observed that the Company had worked vigorously to align its operations in accordance with the Company’s three primary environmental and social objectives, which were reducing Greenhouse Gas Emissions, promoting Social Inclusion, and fostering Advancement and Opportunities.

The Chairman highlighted that: (a) as a leader in the environmentally friendly mass transit, the Company was contributing to the fight against climate change by pursuing Greenhouse Gas emission reductions through the use of new technology, enhancing energy efficiency and the generation of renewable energy. The Company had set science-based carbon reduction targets for the year 2030 for its railway and property businesses in Hong Kong and the targets had been approved by the Science Based Targets initiative. The Company had also aimed to

achieve carbon neutrality by 2050. In 2022, the Company had arranged HK\$2.8 billion green finance funding for a variety of railway-related conservation and energy efficiency projects; (b) in terms of social inclusion, a number of new initiatives had been introduced, including the launch of the “MTR • Care” mobile app to serve the elderly and people with special needs. The Company also worked closely with non-profit organizations and disabled support groups to better understand the needs of their beneficiaries; the Company had held its first “Social Inclusion Week” with a series of events and initiatives, during which over 3,000 colleagues had been engaged to understand more about the needs of different underserved groups in the community; and 25,000 people in need had been supported through the Company’s various staff volunteering activities in 2022; and (c) in terms of advancement and opportunities, the Company strived to help young people achieve promising futures by promoting educational and personal development. He referred to the collaborations with Hong Kong Science & Technology Park and Hong Kong Cyberport that he had mentioned earlier at this Meeting and supplemented that the Company had also sponsored “She Loves Tech 2022”, a Global Conference and Startup Competition/Conference for female entrepreneurs. In collaboration with the Hong Kong Family Welfare Society, the Company had held a series of STEM classes for 500 students from underprivileged families and sponsored tickets for 200 underprivileged students to attend the Social Enterprise Summit and gain exposure to social enterprises.

On the corporate governance side, the Chairman noted that, the Company had further strengthened its governance efforts in 2022 by implementing a new Board Committee structure designed to optimise the decision-making

processes of the Board and help achieve the goals set out in the Company's Corporate Strategy. Furthermore, recognizing the importance of Board Diversity, the Board had set itself an immediate target to have not less than 20% of female directors and 25% by 2025, a target which the Company would achieve early if the new Board Members put forward for appointment at the Meeting received Shareholders' support. He also noted that the Company had set for itself 44 ESG related KPIs for 2023, with further details included in the recently published Sustainability Report of the Company.

Before closing, the Chairman assured Shareholders that, despite the difficulties in the past three years, the Company had done its utmost to keep Hong Kong and other cities around the world moving with safe, accessible and environmentally friendly mass transit services. He expressed his deep admiration for the team spirit of caring for each other and working together to enable MTR to deliver on its corporate mission of "keeping cities moving". He took the opportunity to thank the more than 50,000 MTR staff worldwide and emphasized that, despite the challenges being faced by the Company every day, he was confident that the MTR team would move ahead full steam into 2023 together.

The Chairman then thanked each Member of the Board and the Management team for their contributions to the Company. He also expressed his greatest gratitude to Shareholders for their long-term support for the Company over the years and wished everyone good health and a happy life.

Voting Procedures

The Chairman suggested to proceed to the formal business of the Meeting.

The Chairman proposed and, with permission from Shareholders, that the Notice convening the Meeting, which had been distributed to Shareholders, was taken as read.

Before considering the resolutions, the Chairman exercised his right as the Chairman of the Meeting under Article 71 of the Company's Articles of Association (the "**Articles**") to demand a poll on each resolution to be proposed at the Meeting. Furthermore, he also exercised his right as the Chairman of the Meeting under Article 72 of the Articles to decide that both electronic voting and online voting systems be used to conduct the poll on each resolution to be proposed at the Meeting.

The Chairman noted that the voting platform had been opened to all Shareholders, proxies and corporate representatives who were joining the meeting in person or online. He reminded Shareholders that they might start casting their votes on the resolutions proposed in the Notice of the Meeting and need not wait until he had read out the resolutions individually later at the Meeting.

The Chairman said that, as before, Computershare had been appointed as the scrutineers to certify the results of the poll. As both the electronic voting and online voting systems would be used, the results were expected to be available before the end of the Meeting and would be displayed on the screen in the Meeting hall. The results of the poll would also be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in accordance with the Rules Governing the Listing

of Securities on the Stock Exchange (the “**Listing Rules**”).

Mr Leslie Lau, the representative of the scrutineers, then explained the onsite voting procedures and the online voting procedures respectively.

Facilitator

Ms Choy thanked Mr Lau and reiterated that there would be about 20 minutes for answering Shareholders’ questions that were relevant to the business of the Meeting, starting with those questions received from shareholders before the Meeting.

She then read out the questions/comments received from the following shareholders/proxies as below:

Pre-submitted questions/
comments received from shareholders/
proxies

(1) Question received from **Kwok Leung Yau**: the shareholder noted that the Property Management Services Ordinance would come into effect in August 2023 and the provision of property management services would be regulated. To prevent any implication on the core railway operation business arising from the implementation of the Property Management Services Ordinance, the shareholder asked whether the Board had any plans to spin off the Company’s Hong Kong property management business for listing.

The Chairman thanked the shareholder for the question and invited Mr Herbert Hui to answer.

Mr Hui thanked the shareholder for the question and noted that the diversified business model of MTR had allowed the Company to maintain its competitiveness

when facing challenges during the COVID-19 pandemic. The Management team would also review the Company's business portfolio from time to time to ensure the long-term sustainability of the Company.

- (2) Question received from **Chong Shuk Kwan**: he asked whether the Company would consider offering a special dividend in the year ahead.

The Chairman thanked the shareholder for the question and invited Mr Hui to answer.

Mr Hui thanked the shareholder for the question and replied that the Company was committed to a progressive ordinary dividend policy. The aim of the policy was to steadily increase or at least maintain the Hong Kong dollar value of ordinary dividends per share annually. The prospective dividend every year remained dependent upon the financial performance and the future funding needs of the Company.

- (3) Question from **Kong Kam Pan**: he asked about the wind power project of the Company.

The Chairman invited Dr Tony Lee to answer the question.

Dr Lee thanked the shareholder for his attention to the Company's sustainable development. He responded that the Company was committed to creating a sustainable future and achieving carbon neutrality by 2050 with Hong Kong. A new batch of five Photovoltaic projects would gradually be completed and rolled out in 2023. He also noted that the Management team had taken on record the shareholder's

concern about wind energy projects and committed to adopting sustainable energy efficiency measures in MTR's operations and increasing the generation of renewable energy.

- (4) Question from **Choi Ho Yan** and **Li Chun Kit Eric**: they shared their comments about the performance of Tsim Sha Tsui Station staff and the Ticket Inspection Unit and asked whether the Company had plans to increase its manpower.

The Chairman invited Dr Lee to answer.

Dr Lee thanked the shareholder and the proxy for their attention to the performance of the frontline staff and responded that MTR had been providing appropriate training and support for its frontline staff and had from time to time reminded them to be conscious about their communication and interaction with passengers, so as to ensure a comfortable and safe environment for passengers. He added that there was an effective mechanism to evaluate the performance of MTR staff and the Management team reviewed manpower needs from time to time and made adjustments according to actual operational needs.

Facilitator

Ms Choy then invited Shareholders on the floor to ask questions relating to the business of the Meeting.

Questions/
comments received
from Shareholders/
proxies on the floor

- (1) Question received from **Ms Yu**: she referred to an accident she had had at Quarry Bay Station relating to the platform screen doors, which had led to her being hospitalized for a year. She acknowledged that she had heard the door closing

broadcast, but had not been fast enough to get out of the train, and asked if MTR could render some form of assistance to her in light of her circumstances.

The Chairman expressed his concern for what had happened to Ms Yu and requested her to leave her contact information for follow up by the Company.

- (2) Comments and questions from a shareholder who did not disclose his name: he suggested/enquired (a) whether the Company would put up more visible signage of Exits A/B/C/D at street level entrances; (b) whether the Company could consider lowering the Cross-boundary fare to Lo Wu Station to avoid people getting off at Sheung Shui Station and re-entering, leading to serious crowdedness at the station; and (c) whether the Company would increase the dividend payout ratio.

The Chairman thanked the shareholder for his valuable comments which would be taken on board by the Management team.

- (3) Comment from **Ms Choi**: she noted that there were some seemingly protruding structures at Block J in Telford Gardens (in Kowloon Bay) which could give rise to some safety concerns.

The Chairman thanked the shareholder for her observation and asked the shareholder to leave her contact information and the photos she had taken of the protruding structures for the Management team to follow up.

- (4) Question from a shareholder who did not disclose his name: he asked about the

possibility of building a new MTR station at Happy Valley.

The Chairman thanked the shareholder for the question and invited Dr Kam to answer.

Dr Kam noted that, during the development of the South Island Line (East), there had been many different comments from the local community about building a new station at Happy Valley but, eventually, the proposal had not been taken forward. He assured the shareholder that MTR was committed to and would continue to further expand its network for the convenience of passengers.

- (5) Comments from **Ms Leung**: she noted that (a) there were not enough escalators connecting the street level to stations along the Island Line and quoted the case of Tai Koo Station, where people had to walk a long distance on King's Road in order to get to an escalator, which was particularly challenging for elderly passengers like her mother; and (b) the escalators at Tai Koo Station had been running too fast, which could easily lead to people losing balance and falling.

The Chairman thanked the shareholder for the comments. He noted that MTR made continuous efforts to improve station facilities for passengers' convenience and upgrading work in some old stations could be very challenging given, for example, the space constraints. The Chairman however assured Ms Leung that the Company would continue to look for opportunities to improve station facilities and provide barrier-free access to cater for the needs of different passengers, including the elderly.

- (6) Question from **Mr Leung**: he noted that many MTR stations had been severely vandalized during the public order events in 2019 and asked whether the Company had to bear all the damage on its own or had to wait until the Court's judgements to claim compensation from those accountable.

The Chairman invited Dr Kam to answer.

Dr Kam thanked the shareholder for the question and responded that the Company would respect the rulings handed down by the Courts to pursue compensation for the damage and also had made claims under its insurance arrangements.

- (7) Question from **Mr Ho**: he shared his concern about the crowdedness problem on EAL after the changeover of 12-car trains to 9-car trains and noted that passengers had to wait a long time at platforms before being able to board a train, especially during peak hours. He asked about the Company's plan to alleviate the problem in the short/medium/long term.

The Chairman invited Dr Kam to answer.

Dr Kam thanked the proxy for the question and explained that the conversion of 12-car trains to 9-car trains had been made to facilitate EAL to cross the harbour, given the geographical constraints on Hong Kong Island. However, he noted that the signalling system had been upgraded at the same time to increase the train frequency and it could be adjusted from time to time based on actual needs, which provided both a short and medium term solution. As for the long term plan, Dr Kam noted that adding new lines would be needed as the existing lines would gradually reach their

full capacity if demand continued to increase and this was a situation commonly faced in many parts of the world.

Question/ comment received from Shareholders/ proxies online (1) Online question from **Mr Pong**: he asked whether the Company could get more business in the Middle East.

The Chairman thanked the shareholder for the question and noted the strategically important location of the Middle East for the global economy and, as a railway company, MTR would continue to look for appropriate development opportunities.

Facilitator Ms Choy noted that the time for Questions and Answers was up and the Meeting would proceed with the formal business.

Voting Procedures The Chairman thanked Ms Choy and noted that all Directors of the Company recommended Shareholders to vote in favour of each of the proposed resolutions set out in the Notice of the Meeting. He explained that (a) as the voting platform had been opened earlier, Shareholders might have started casting their votes already; and (b) Shareholders could change their voting options until such time as he declared the closure of the poll. He reminded attendees that, after he had declared the poll closed, Shareholders would no longer be able to change their voting options.

Audited Financial Statements and Report of the Directors of the Company The audited Financial Statements and the Report of the Directors of the Company for the year ended 31 December 2022 were taken as read with the permission from Shareholders.

The Chairman proposed Resolution 1, namely, the ordinary resolution to receive the audited Financial Statements and the Reports of the

Directors and the Auditors of the Company for the year ended 31 December 2022.

Final Dividend

The Chairman continued to propose Resolution 2, namely, the ordinary resolution to declare a final dividend for the year ended 31 December 2022 of HK\$0.89 per ordinary share, as recommended by the Board of Directors.

Re-election of Retiring Directors

In accordance with the Articles, the Chairman noted that, Mr Andrew Clifford Winawer Brandler, Dr Bunny Chan Chung-bun and Dr Dorothy Chan Yuen Tak-fai retired individually from the office of Director and, being eligible, offered themselves for re-election at the Meeting.

The Chairman proposed Resolution 3(a), namely, the ordinary resolution to re-elect Mr Andrew Clifford Winawer Brandler as a Member of the Board of Directors of the Company.

The Chairman proposed Resolution 3(b), namely, the ordinary resolution to re-elect Dr Bunny Chan Chung-bun as a Member of the Board of Directors of the Company.

The Chairman then proposed Resolution 3(c), namely, the ordinary resolution to re-elect Dr Dorothy Chan Yuen Tak-fai as a Member of the Board of Directors of the Company.

Election of New Directors

The Chairman proposed Resolution 4, namely, the ordinary resolution to elect Ms Sandy Wong Hang-ye as a new Member of the Board of Directors of the Company. The Chairman advised that Ms Wong's biographical details had been disclosed in the Company's Circular for the Meeting.

The Chairman noted that Ms Wong had joined the Meeting and invited her to say hello to Shareholders.

The Chairman then proposed Resolution 5, namely, the ordinary resolution to elect Professor Anna Wong Wai-kwan as a new Member of the Board of Directors of the Company. The Chairman advised that Professor Wong's biographical details had been disclosed in the Company's Circular for the Meeting.

The Chairman noted that Professor Wong had joined the Meeting and invited her to say hello to Shareholders.

Auditors

The Chairman proposed Resolution 6, namely, the ordinary resolution to re-appoint KPMG as Auditors of the Company and to authorise the Board of Directors of the Company to determine their remuneration.

General Mandate

The Chairman proposed Resolution 7, namely, the ordinary resolution to grant a general mandate to the Board of Directors to allot, issue, grant, distribute and otherwise deal with additional shares in the Company according to the terms set out in the Notice of the Meeting as follows:

Resolution 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; 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 (Chapter 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 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.”

Share Repurchase Mandate

The Chairman proposed Resolution 8, namely, the ordinary resolution to grant a general mandate to the Board of Directors to buy back shares in the Company according to the terms set out in the Notice of the Meeting as follows. He noted that this was the last resolution of the Meeting.

Resolution 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 (Chapter 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.”

Conclusion

The Chairman noted that all resolutions of the Meeting had been proposed and invited Shareholders to finish casting their votes on all resolutions. He then declared the poll closed.

The Chairman advised that the results of the poll on all resolutions were displayed on the screen in the Meeting hall and online.

The Chairman noted that, as more than 50% of the votes had been cast in favour of each of Resolutions 1 to 8, the Chairman declared all resolutions carried.

The Chairman advised that the results of the poll would be published on the respective websites of the Company and the Stock Exchange in accordance with the Listing Rules.

The Chairman concluded the Meeting by thanking Shareholders for their attendance and invited Shareholders to enjoy the tea and coffee available outside the Meeting hall in the foyer. In addition, he reminded that a refreshment pack (purchased from a non-profit organisation to support those in need) would be distributed to Shareholders upon their return of the electronic voting handset, smartcard and interpretation earphone at the designated counters in the foyer as directed by the Company's staff.

The Chairman declared the Meeting closed at around 12:30 p.m.

(Signed by Dr Rex Auyeung)

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Chairman