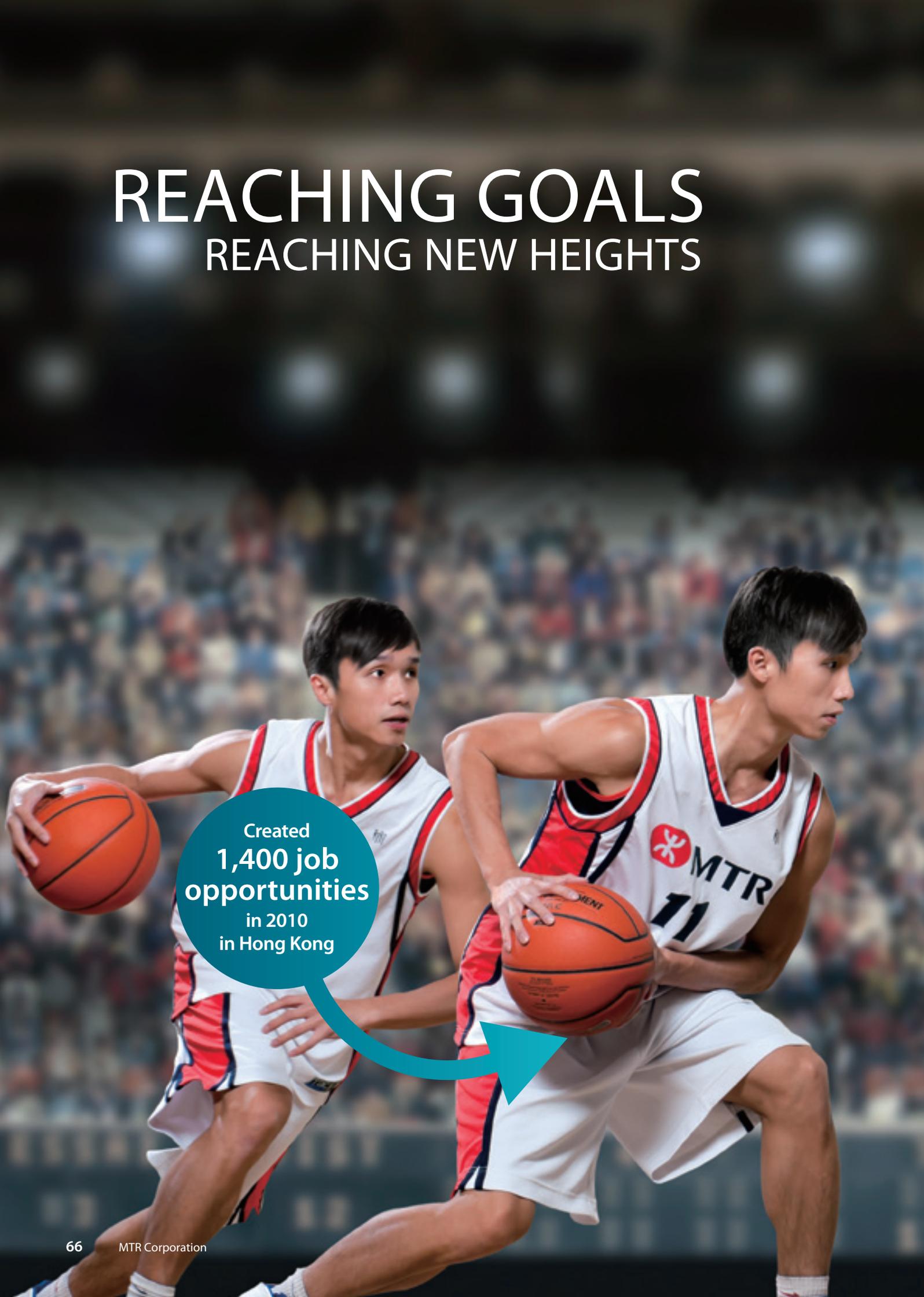


REACHING GOALS

REACHING NEW HEIGHTS



Created
**1,400 job
opportunities**
in 2010
in Hong Kong



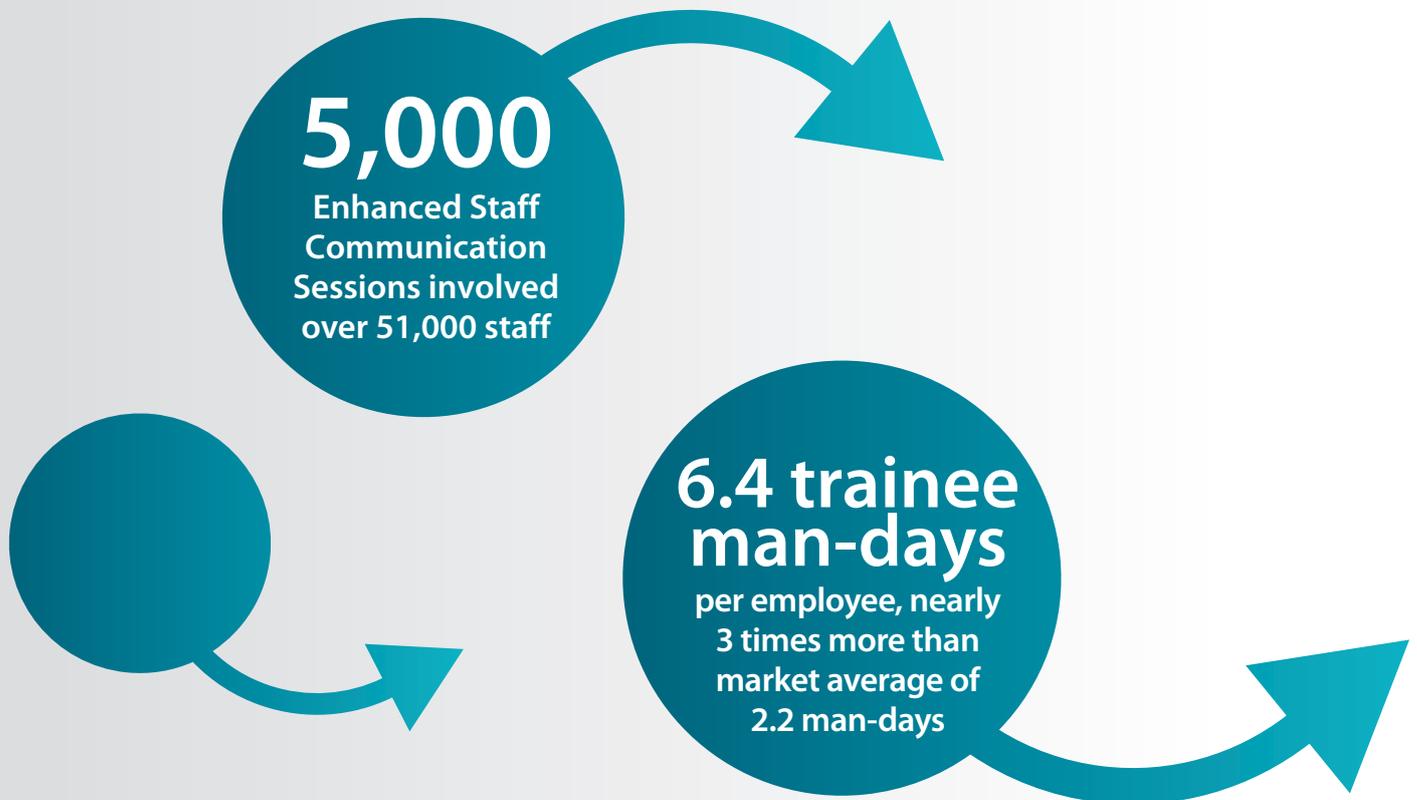
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More Time Reaching
Community projects with
about 4,400 volunteers

Low voluntary staff
turnover rate of

2.6%

Human Resources



Meeting the human resource needs of our business is a vital component of our overall success. Our staffing levels have increased significantly in recent years, keeping pace with our business expansion in both Hong Kong and other markets. As at 31 December 2010, 20,501 people were employed by the Company and our controlled subsidiaries. Meeting the staffing challenge will be one of our priorities in the years ahead. The five network expansion projects in Hong Kong alone will require over 1,000 additional Projects staff at the peak of the construction period in 2013. Proactive recruitment planning, appropriate training and open communication helps the Company to attract and retain the people we need and underpin the harmonious staff relations we enjoy.

Support for Expansion

We have formulated and put in place human resources planning and recruitment strategies to attract the right talents. Our employer branding programme has been strengthened, attracting potential professionals to register their interest in employment early.

To meet the challenge of recruiting professionals in specialised disciplines where there is a local shortage, such as geotechnical and tunnelling engineering, we have increased our focus on recruitment outside of Hong Kong.

As a result of our efforts, over 1,000 vacancies for the operating railway in Hong Kong were filled during the year, and 430 new recruits hired for the Projects Division. Recruitment for our graduate and apprentice schemes was also increased to support our business expansion. The number of graduate engineers recruited in 2010 increased to 29, and the intake of apprentices rose to 71. We also continued with our annual intake of graduate engineers and operating management associates in the Mainland of China to support business there.

Staff retention continues to be effected through various career advancement and development opportunities for high calibre staff. Competitive employment terms and conditions also contributed to high staff loyalty.

A number of schemes are in place to motivate staff through increasing their identification with the Company and our vision,

ACHIEVING SUCCESS BUILDING A STRONG TEAM



mission and values, or “VMV”. Key among these are the “Living the MTR Values Award Scheme” and “VMV Heroes”, programmes that allow staff contributions to be recognised and rewarded on the spot, as well as staff motivational videos such as the five-part series “MTR People Making a Difference”.

Staff Consultation

The Company’s staff consultation mechanism, involving staff representatives, continues to provide an effective channel for management to listen to and address employees’ concerns. The voting rate for the election of staff representatives in 2010 was 78%, indicating the high level of participation which the mechanism enjoys.

Two-way communication has been reinforced by an “Enhanced Staff Communication” programme in the Operations Division starting in January 2010. The programme allows the Company to identify and address staff concerns at an early stage through line managers’ direct communication with staff on the shop floor. Over 5,000 communication sessions involving more than 51,000 participants were conducted during the year.

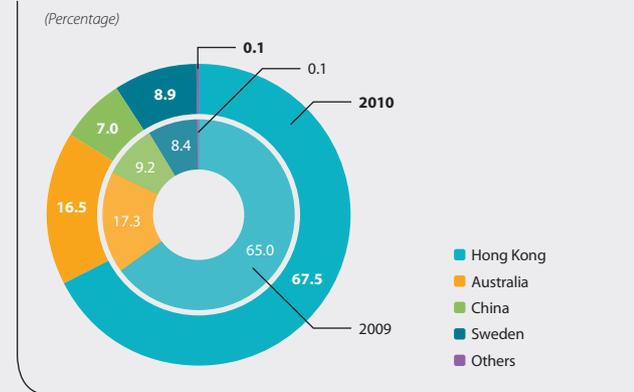
Training and Development

With a view to building and nurturing a learning culture, we strive to train and develop our people, to ensure they are well equipped to meet the business challenges ahead and that they align their personal goals with the Company’s vision.

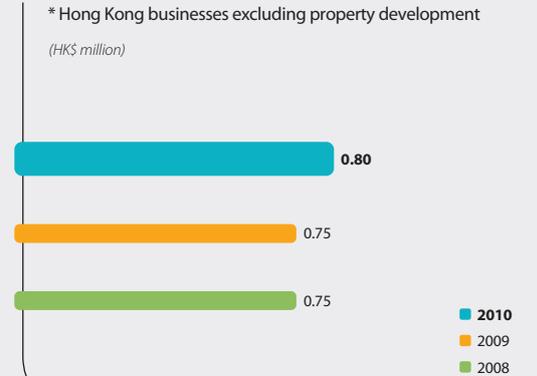
During 2010, more than 5,396 training courses were delivered across the Company covering approximately 6.4 trainee man-days per employee.

A comprehensive training programme was put in place for our intake of graduate engineers. The programme provided young engineers with all-round exposure in various engineering disciplines through job attachments, on-the-job training and project-based assignments under the guidance of senior managers acting as supervisors and mentors. In addition, the Integrated Staff Development Programme provided training for 222 employees in 2010 to enhance supervisory capability and meet the succession needs of the Company. With a strong commitment to invest in human capital, the Company continued to receive recognition in training excellence by winning both local and international awards.

Staff Distribution By Geographical Location



Staff Productivity – Earnings Per Employee*



Leadership Development

In addition to providing general, technical and competency-based training, the Company recognises the importance of identifying and grooming talented individuals for future leadership roles.

An important component of leadership development is the Executive Associate Scheme which was initiated in 2006. The first batch of 11 Executive Associates completed their three-year development programme in early 2010 and assumed higher responsibilities. Their feedback on the programme was

positive and they showed great appreciation for the support they had received from the departments to which they had been assigned. During 2010, the third batch of 11 supervisors and junior managers was selected to join the programme.

In parallel with the scheme, the first batch of Graduate Trainees recruited in 2007 completed their three years of intensive on-the-job, experiential and all-round training in 2010. This enabled their advancement to senior supervisory level positions and equipped them with both functional knowledge and managerial skills.



Various activities were launched to promote the Company's Vision, Mission and Values