MTR Corporation Limited 香港鐵路有限公司

Minutes of the 15th 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, 20 May 2015 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 Raymond Ch'ien Kuo-fung (Chairman of the Board, and Chairman of Corporate Responsibility Committee), Professor Frederick Ma Si-hang (Board Member and Chairman of Nominations Committee), Mr T Brian Stevenson (Board Member and Chairman of Audit Committee), Dr Dorothy Chan Yuen Tak-fai (Board Member and Chairlady of Remuneration Committee), Mr Edward Ho Sing-tin (Board Member and Chairman of Capital Works Committee) and Mr Alasdair George Morrison (Board Member and Chairman of Risk Committee).
	Other Members of the Board present: Mrs Pamela Chan Wong Shui, Ms Mable Chan (Alternate Director to Professor Chan Ka-keung, Ceajer), Mr Vincent Cheng Hoi-chuen, Dr Eddy Fong Ching, Mr James Kwan Yuk-choi, Mrs Lucia Li Li Ka-lai, Mr Ng Leung-sing, Mr Abraham Shek Lai-him, Mr Benjamin Tang Kwok-bun and Mr Lincoln Leong Kwok-kuen (Board Member, Chief Executive Officer ("CEO") and a Member of the Executive Directorate).
	Other Members of the Executive Directorate present: Mr Morris Cheung Siu-wa (Human Resources Director), Dr Jacob Kam Chak-pui (Operations Director), Mr Stephen Law Cheuk-kin (Finance Director), Ms Gillian Elizabeth Meller (Legal Director & Secretary), Mr David Tang Chi-fai (Property Director), Dr Philco Wong Nai-keung (Projects Director) and Ms Jeny Yeung Mei-chun (Commercial Director).

In Attendance	Ms Ivy Cheung and Mr Andrew Weir (representatives of KPMG – the Company's Auditors);
	Mr James Wong and Mr P C Wong (representatives of Computershare); and
	Mr Peter Brien, Mr Jason Webber and Mr Kevin Ip (representatives of Slaughter & May – the Company's External Legal Advisers).

Facilitator

Ms May Wong welcomed everyone to the Meeting. She informed attendees that:

(i) the Meeting would be conducted in English, except that the poll on each resolution would be conducted in Cantonese, and there would be simultaneous interpretation (i.e. Cantonese, Putonghua and English) throughout the Meeting;

(ii) shareholders present at the Meeting (the "Shareholders"), who would like to ask questions, would be directed to a designated microphone position;

(iii) only Shareholders, representatives of corporate shareholders and proxies would be entitled to ask questions at the Meeting; and

(iv) the Chairman would answer questions in the language in which they were asked and simultaneous translation of both the questions and answers would be provided by the interpreters. She also highlighted various housekeeping matters.

Ms Wong then invited the Chairman to address the Meeting.

Chairman's Opening Remarks	The Chairman said that he had invited the Company's advisers and others to attend the Meeting in accordance with Article 65 of the Company's Articles of Association (the "Articles").
	To facilitate those shareholders who could not come to the Meeting, he advised that the Meeting would be video recorded and the webcast would be available on the Company's website within the following 24 hours.
	The Chairman suggested the Shareholders to approach the Company's helpers at the Customer Service Counter and the Shareholder Counter outside the entrance of the Meeting hall if Shareholders' questions were on railway operations or related businesses, property management or shareholders' services, and personal in nature.
Notice	The Chairman proposed and, with permission from the Shareholders, the Notice convening the Meeting, which had been distributed to shareholders and uploaded onto both the Stock Exchange's and the Company's websites in mid-April, was taken as read.
Chairman's Statement	The Chairman thanked the Shareholders for attending the Meeting and for their continued support.
	The Chairman commenced the Meeting by welcoming the Company's five new Non-executive Directors, who had joined the Board after the Company's 2014 Annual General Meeting. They were Dr Eddy Fong, Mr James Kwan, Mrs Lucia Li, Mr Benjamin Tang and the Permanent Secretary for Development (Works) (Mr Hon Chi-keung), all of whom, except Mr Hon, were present at the Meeting. The Chairman also thanked Mr Brian Stevenson for his valuable contributions to the Board and the Company over the past 12 years, noting that Mr Stevenson would retire as an Independent Non-executive Director of the Company after the Meeting. A big round of applause was given to Mr Stevenson. The Chairman noted that, on the Executive Directorate

front, Mr Lincoln Leong had been appointed as the Company's new CEO and had joined the Board in March 2015, and Dr Philco Wong had taken up the role of Projects Director in October 2014.

The Chairman then shared with Shareholders some of the achievements the Company had attained and the challenges the Company had encountered over the past year as summarised below.

On 28 December 2014, the Company had opened the 3-km Western Extension of the Island Line with two new stations (Hong Kong University and Kennedy Town). The third station, Sai Ying Pun, had come into operation on 29 March 2015. The Company was pleased to see that the new service had been warmly received by the community in the Western district, with more than 100,000 passengers using this new extension every day.

With regard to the other four Hong Kong network expansion projects, the Chairman advised that reasonable progress was being made, although the Company continued to experience challenges, such as the overheated construction market and continuing difficult ground conditions. On the Express Rail Link, the successful breakthrough of the Mei Lai Road to Hoi Ting Road Tunnels in October 2014, the northbound tunnel between Mai Po and Ngau Tam Mei in November 2014, and the Ngau Tam Mei to Tai Kong Po Tunnels in early March 2015 had marked the achievement of key milestones for the project. Significant challenges, particularly at the West Kowloon Terminus and the cross-boundary tunnel, remained to be overcome, but the Company had been pushing hard to complete the project. As the Company had previously disclosed, with the complexity of the project and the challenges encountered, the Company had been reviewing again the project cost estimate (which might be revised significantly upwards) and the target completion date (and any possible delay in respect thereof). The Chairman said the review was expected to be completed within the second quarter of 2015 and, until then, any information reported in the media must be regarded as speculation.

On the other projects, the Chairman advised that the topping out of the Wong Chuk Hang Depot in June 2014 and the successful breakthrough of the Nam Fung Tunnel connecting Admiralty and Ocean Park Stations had signified important steps towards completion of the South Island Line (East). Following the breakthrough of the up-track tunnel leading from Kai Tak to Diamond Hill in March 2015 and the topping-out of Hin Keng Station in April 2015, the Company had also been moving forward on the delivery of the Shatin to Central Link. The underpinning works at Admiralty, being critical to both the Shatin to Central Link and the South Island Line (East) projects, was 83% complete as at the end of March 2015.

The Chairman recognised the contribution of and expressed his and the Board's thanks to the thousands of men and women – engineers and workers – who had been working hard, often in very difficult conditions, to take these projects forward and deliver them for Hong Kong.

The Chairman said he was fully aware that the delays the Company had experienced in the above railway projects were of concern to the public and, in addition to other enhancements, the Board had established a new Capital Works Committee to provide additional oversight of major capital projects and a new Risk Committee to monitor the Company's enterprise risk profile and regularly review its key risks.

The Chairman noted that, while the Company was very focused on the new railway projects, its commitment to provide safe and reliable rail services to its passengers was as strong as ever. To this end, the Company had spent over HK$6 billion on maintenance, renewals and service improvements in 2014, and expected the said cost to increase in future years. In March 2015, the Company had awarded a HK$3.3 billion contract for replacing the signalling system on a number of lines in

MTR's domestic service, as well as on the Airport Express. Replacement works were scheduled to commence in 2016. In addition, the Company had started the process of replacing 78 out of 93 M-type trains of the existing fleet operating on the Kwun Tong, Tsuen Wan, Island and Tseung Kwan O lines.

The Chairman advised that, in 2014, the Company had also implemented a number of initiatives to enhance customer convenience, comfort and accessibility, in response to customers' suggestions. These included the provision of additional train services, improvements in station access and facilities, and the enhancement of communication platforms. As a result, over 1,100 weekly train services had been added in 2014, bringing the total number of train trips added per week since 2012 (when the Listening ● Responding Programme began) to over 2,400.

The Chairman also advised that other enhancement initiatives included recruiting additional station assistants, especially during peak periods; installing Automatic Platform Gates, additional external lifts at stations and public toilets; and introducing new "2-in-1" Ticket issuing and Add-value Machines at Light Rail stops. Enhancements to the MTR Mobile app were also launched with the objective of enhancing communication with passengers and providing real-time information on MTR's train and bus services.

The Chairman believed that the Company's ability to keep Hong Kong moving during the public order events in late 2014 testified to the Company's absolute determination to serve the community to the best of its ability. Notwithstanding the increased ridership during that time, MTR had continued to deliver world class service and safety performance with on time train service delivery punctuality remaining at 99.9%. In 2014, the Company had operated over 1.8 million train trips on its heavy rail network, and had 12 delays that lasted 31 minutes or more.

Alongside its commitment to delivering improved service, the Company had launched a series of attractive fare promotions and discounts including the MTR City Saver, which benefited regular commuters taking medium to long distance journeys within the urban areas and the "Early Bird" discount promotion, which aimed at encouraging passengers to travel before the morning peak rush. As part of the Company's 35^{th} anniversary celebrations, the Company had also offered an attractive discount to MTR riders during the second and third days of the Chinese New Year in 2015.

The Chairman said the Company recognised the importance to keep both its stakeholders and the public abreast of what was happening at MTR in a timely and transparent manner. To this end, the Company had adopted a more open and transparent approach via a number of communication channels, such as the launch of a series of TV info-segments to provide more information to the public on its stringent maintenance and asset replacement regimes, as well as the progress of and challenges encountered in the construction of its remaining four new Hong Kong railway projects.

On other business fronts, the Chairman reported that 2014 had been a fruitful year for the Company's International and Mainland China businesses. In Australia, the Company's consortium had been awarded the Operations, Trains and Systems Public-Private-Partnership contract for the Sydney North West Rail Link, its first international Public-Private-Partnership project. In the UK, the Company had been awarded the Crossrail concession by Transport for London, with the Concession Agreement signed in July 2014. The concession would last for eight years, with an option to extend to 10 years. The Company would start operating the first stage of the concession at the end of May 2015 and would expand to its full scope in 2019. In the Mainland of China, the Company had achieved a new milestone as its first ever property development project in Shenzhen, Tiara, had received very good responses from the market, with almost all the units launched in phase 1 sold on the first day of pre-sales.

The Chairman said that, in appreciation of shareholders' continuous support to the Company and in line with the Company's "progressive" dividend policy, the Board had recommended a final dividend of HK$0.80 per share, resulting in a full year dividend of HK$1.05, an increase of 14.1% over 2013. Subject to Shareholders' approval at the Meeting, this would be the eighth consecutive year of dividend increases, and shareholders might also opt to receive their dividend in scrip.

The Chairman then gave an overview of the Company's 2014 Annual Results.

The Chairman said that the Company had achieved good financial results in 2014 from its recurrent businesses and had benefitted from an increased contribution from property development, which was non-recurrent in nature and so varied from year to year.

Putting the financial performance in context and compared to 2013, the Company's total revenue had increased by 3.7% to HK$40.2 billion. Total EBITDA had increased by 7.1% to HK$15.4 billion, and total EBITDA margin had risen to 38.4%. Excluding the Company's Mainland of China and international subsidiaries, revenue had risen by 8.1% and EBITDA had risen by 7.4%, with EBITDA margin decreasing slightly, by 0.3%, to 53.1%. The Company's recurrent profits for 2014 had increased by 7.9% to just over HK$8 billion. Profit from its underlying businesses totalled HK$11.6 billion and its underlying earnings-per-share was HK$1.99.

The Chairman advised that the Company's transport operations in Hong Kong had recorded a 7% growth in revenue to HK$16.2 billion in 2014. Total patronage from all the MTR rail and bus passenger services in Hong Kong had increased by 4.5% to just over 1.9

billion trips in 2014 and, with that, the Company was carrying more than 5.4 million passenger trips per weekday across all the MTR services.

In the Company's Hong Kong station commercial business, revenue had increased by 8.2% to just under HK$5 billion in 2014, mainly due to rental increases from station retail, coupled with revenue increases from its advertising and telecommunications businesses.

In 2014, revenue from the Company's Hong Kong property rental and management businesses had increased by 10.9% to just under HK$4.2 billion; while its Hong Kong property development business had also recorded a profit of HK$4.2 billion, contributed primarily by the booking of profits at The Austin and the Grand Austin developments, both atop the Austin Station. 2014 had also seen an active property tendering programme and, up to the first quarter of 2015, LOHAS Park Packages 4, 5 and 6, the Tai Wai Station site and the Light Rail Tin Wing Stop site had all been awarded. At LOHAS Park, the Company had received approval from the Town Planning Board to increase the total number of units by 4,000 to a maximum of 25,500. The expression of interest for Package 7 had closed in early May 2015, with the target to tender the site out in early June 2015.

The Chairman continued that, beyond Hong Kong, the Company's portfolio of rail-related operations in the Mainland of China and overseas continued to perform well.

The Company's railway subsidiaries in Stockholm, Australia and Shenzhen had performed well in 2014, both operationally and financially, with EBITDA increasing by 8.6% to HK$834 million in 2014. The Company's railway associates had continued to perform well operationally but, financially, had incurred a combined loss of HK$87 million in 2014 due to continued losses in its Hangzhou joint venture.

Apart from its current subsidiaries and associates, the Company also continued to look for opportunities for growth. Besides the Crossrail Concession in the UK and the Sydney North West Rail Link project, a new intercity train service in Sweden connecting Stockholm and Gothenburg, called MTR Express, had begun its initial service in March 2015, with a full scheduled service planned to commence in August 2015.

In the UK, Transport for London had invited expressions of interest for the next concession to operate London Overground, as the current contract would expire in November 2016. The new concession was planned to run for 7.5 years, with an option to extend for two years. MTR was preparing to pre-qualify and bid for the concession on its own.

In the Mainland of China, the Company had signed, through its 49% owned associate, Beijing MTR Corporation Limited, the Concession Agreement for the Beijing Metro Line 14 Public-Private-Partnership project and, subsequently, had opened Phase 2 of Line 14 in December 2014. Phase 3 was expected to open by the end of 2015, and the entire line would run for a total of 47.3-km. In addition, the concession agreement for Beijing Metro Line 16, another Public-Private-Partnership project, had been initialled in February 2015. In Shenzhen, the Company continued its discussions with the Municipal government on Shenzhen Metro Line 6.

The Chairman then turned to property development in the Mainland of China and noted that, besides Shenzhen, the Company had continued to make progress in Tianjin at the Beiyunhe Station site on Tianjin Metro Line 6, which would be developed for residential and commercial use. General design works had largely been completed and construction would commence immediately after securing the relevant permits from the governing authorities. The Chairman also said that the Company's experience and skills dovetailed well with China's newly promulgated "One Belt One Road" strategy, which should present the

Company with significant long run business opportunities.

The Chairman summarized that the Company (including its subsidiaries and associates) operated 769.7-km of rail network and employed around 17,000 men and women outside of Hong Kong. The Company had become truly multinational in scope and outlook.

Coming back to its home base in Hong Kong, the Chairman had already reported the successful opening of the Western Extension of the Island Line at the earlier part of the Meeting, and advised that the Company remained committed to delivering the other four major projects expanding its rail service to more districts of Hong Kong.

The Chairman had also updated Shareholders in relation to the Express Rail Link.

On the 7-km South Island Line (East), the Chairman advised that the technically complex works for the underpinning of the existing Island Line tunnel, in order to construct the extension of Admiralty Station, had continued to be a major challenge and timely completion of these works, followed by the station construction, was critical to maintain the revised target opening date of end-2016.

On the 2.6-km Kwun Tong Line Extension, the major challenge which might impact the timetable was the excavation of the platform tunnel at Whampoa Station, the timely completion of which was critical to meet the revised target opening date of mid-2016.

As for the 17-km Shatin to Central Link, while progress was being made, the Company expected 11 months delay to the East West Corridor due to the archaeological finds at the To Kwa Wan Station site; and at least 6 months delay to the North South Corridor due to the late handover of a key construction site to the Company. The Company was reviewing the impact of such issues on the project programme and cost, and aimed to report to Government later in the year.

In addition to these four new lines, the Government had issued its Railway Development Strategy 2014 in September 2014, which had outlined its agenda for railway expansion in Hong Kong up to 2031. The Company would continue to support Government in its effort to bring the convenience of rail travel to even more corners of Hong Kong.

The Chairman also took the opportunity to recognise the role that corporate responsibility (including, most importantly, community engagement) had played in helping the Company to become a leading multinational company that connected and grew communities across the world with caring service.

The Company believed that corporate responsibility was integral to its long-term success and the communities it served. The Company strived to generate economic growth in a responsible manner, having regard to its stakeholders' interests, providing jobs and careers, contributing positively to the community and managing its impact on the environment.

Hong Kong was the Company's home and contributing to the Hong Kong society was a key focus of the Company. In its corporate responsibility programmes, the Company had in particular focused on youth development, arts, and green and healthy living.

The Chairman continued that in 2014, in addition to the "'Friend' for Life's Journeys" mentoring programme which focused on secondary school students, the Company's colleagues reached out to primary and secondary schools to impart its enterprising spirit and work improvement practices through the "School-Company-Parent Programme" and the "Student Quality Circle Programme". The Company had also collaborated with the Hong Kong Council of Social Services and local universities to offer summer internship opportunities for university students with disabilities or special educational needs, in support of the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme initiated by the Labour and Welfare Bureau. The Company also maintained its support for the Hong Kong Athletes Career & Education Programme, which offered retired athletes job opportunities and life skills training.

On the arts side, the Company had continued its “living art” programme in 2014, offering performances ranging from dance to traditional Chinese music within MTR Stations, and its “art in station architecture” programme, offering a platform for communities to contribute to the design of their station. The artwork “Blooming Bud”, at Kennedy Town Station, contained silhouettes of local youths and handprints from children residing in the area, and was well received by the local residents.

The Chairman noted that the economic outlook remained uncertain, with the US recovery appearing to be on a sustained path, although a number of European and emerging market economies, including the Mainland of China, were seeing a slowdown. In Hong Kong, Government’s commitment to building infrastructure and improving the environment by focusing on rail as the backbone of public transport should continue to create opportunities for the Company.

With continued economic and tourism growth, the Company expected its rail business to experience further patronage increases, supported by the opening of the Western extension of the Island Line. Rental renewals and reversions in the Company’s station commercial and property rental businesses would depend on market conditions.

In respect of the Company’s Hong Kong property development business, the Chairman reported that profits from the sale of LOHAS Park package 3 were expected to be booked in the interim accounts for the six months ended 30 June 2015. On tendering activities, the Company was tendering out LOHAS Park package 7 and, subject to market conditions, the Company aimed to tender out later in the year further packages in LOHAS Park, as well as the Yuen Long Station site (where the Company acted as agent for Kowloon Canton Railway Corporation).

The Company remained committed to its shareholders and to the Hong Kong public, to deliver in every area of its business operations. The Chairman said he was confident that this commitment was shared by every one of the Company's over 16,000 staff in Hong Kong and its 17,000 colleagues around the world, who served shareholders and their respective communities with the same level of dedication.

Finally, the Chairman thanked all his fellow Board Members, colleagues and staff for their continuous contributions and commitment. Over the past 35 years, the Company had expanded its rail network with the goal of providing its passengers with more convenience and greater connectivity to all corners of the city. The Company would continue to share its journey with the people of Hong Kong and to sustain its growth momentum.

Voting Procedures

Before considering the resolutions, the Chairman exercised his right as the Chairman of the Meeting under Article 71 of the Articles to call a poll on each resolution to be proposed at the Meeting.

In order to minimise the time spent on counting the votes, the Chairman exercised his right as the Chairman of the Meeting under Article 72 of the Articles to use an electronic voting system to conduct the poll on each resolution to be proposed at the Meeting.

The Chairman said that, as before, Computershare had been appointed as the scrutineers to count and certify the poll results. He advised that, as the electronic voting system would be used to count the votes, it was expected that the results of the poll would be displayed on the screen before the end of the Meeting. In addition, the poll results would be published on the websites of the Company and The Stock Exchange of Hong Kong Limited ("HKSE") in accordance with the Rules Governing the Listing of Securities on the HKSE (the "Listing Rules").

Mr. James Wong of Computershare then gave a demonstration on how electronic poll voting would work.

Directors' Report and Audited Statement of Accounts

The Directors' Report and the audited Statement of Accounts for the year ended 31 December 2014 were taken as read with the permission from the Shareholders.

Auditors' Report

Ms. Ivy Cheung of KPMG summarised the Auditors' Report to the Meeting.

The Chairman thanked Ms. Cheung.

Before the Chairman formally proposed Resolution 1 (i.e. the ordinary resolution 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 31 December 2014), he asked whether there were any questions about the audited Statement of Accounts and the Reports of the Directors and the Auditors of the Company for the year ended 31 December 2014.

Mr Tang Ka Piu, Shareholder, noted that, according to page 187 of the Company's Annual Report 2014, Mr Jay Herbert Walder, former CEO of the Company, was entitled to receive an annual remuneration of HK$5.8 million, but had received an amount of HK$15.7 million, despite the fact that he had not completed his service contract and had served for seven and a half months only.

Mr Tang then raised the following three questions:

1. What contribution Mr Walder had made to the Company which justified allowing early completion of his contract? Whether the entire Board of the Company had reviewed and approved this large payment? Did Mr Walder's performance deserve such a large payment, given that the Independent Board Committee Report had criticised Mr Walder's judgement?

2. Had the Company attached any condition to the payment it made to Mr Walder in early completing his contract such as that he would not be allowed to work for any other railway related companies?

3. Would the Company extend similar generosity to Hong Kong citizens by freezing its anticipated fare increase of 4.3% in 2015, based on the Fare Adjustment Mechanism ("FAM")?

The Chairman thanked Mr Tang for his questions and informed the meeting that the Company had reached an agreement with Mr Walder, of which the detailed terms were confidential. Given that Mr Tang's questions mainly related to the discussions at and the decision of the Board and the Remuneration Committee of the Company, the Chairman invited Dr Dorothy Chan, chairlady of the Remuneration Committee, to provide a response.

Dr Chan replied that, further to the Chairman's explanation above, Mr Walder's remuneration was paid in accordance with his remuneration package prevailing at the time he left (i.e. August 2014). The service contract between Mr Walder and the Company, as renewed in 2013, was due to expire in 2015. Nevertheless, the Board and Mr. Walder mutually agreed that, given Mr. Walder would only have been CEO for one more year, it would be beneficial for the Company to be taken forward under a new leadership who could provide a commitment to the Company beyond 2015. In relation to this agreement, the Company was obliged to observe the relevant laws and its contractual obligations. Dr Chan further advised that the early completion arrangement and the remuneration amount had been verified and approved by the Remuneration Committee.

The Chairman thanked Dr Chan.

Mr Cheung Ming Sau, Shareholder, said he had reminded Directors at the Company's 2014 annual general meeting not to pay any bonus to Mr Walder, but the Company nonetheless had paid him a bonus before he had finished his contract. Mr Cheung suggested that the Chairman and other Members of the Board should offer their directors' fees to cover the large amount paid to Mr. Walder.

Mr. Cheung then talked about the MTR Stations. He noted that the exit signages (such as Exit A, B, C and D) were difficult to be seen compared with those at the metro stations in Shenzhen, which were large enough and easier to be seen, even from a distance. He also commented that there was no radio signal inside the MTR trains in Hong Kong, and he was not able to know if there were any traffic accidents outside the MTR stations. He heard that the Company had blocked the radio signal to avoid broadcasting of commercial advertisements by commercial radios. He then quoted Radio Hong Kong which did not broadcast any commercial advertisements, and requested the Company to consider permitting the broadcasting of Radio Hong Kong inside the MTR trains for getting news through the radio instead of having to use "Whatsapp".

The Chairman thanked Mr Cheung for his comments and explained that the question relating to Mr Walder's remuneration had been attended to earlier. The Chairman thanked Mr Cheung for his second point which was a constructive idea and invited Dr Jacob Kam, Operations Director, to respond.

Dr Kam thanked Mr Cheung for his comments and advised that the Company had actually participated in setting up the standards for Shenzhen Metro's facilities, including the location of signage for their exits. The Company would consider if Shenzhen Metro's standard(s) were applicable to Hong Kong. He further advised that, in Hong Kong, some large signage had already been installed inside some MTR stations to facilitate passengers to identify the exits more easily. With respect to the coverage of radio signal, Dr Kam said that the Company had completed a study which indicated that the investment required would be very large. He noted that most of passengers were already using smart phones to access different kinds of information, including even videos, and that the coverage of smart phones had in fact been much broader than that of radio. Therefore, the current arrangement was considered sufficient for the time being.

Mr To Kai Yu, Shareholder and a proxy for two other shareholders, said he noted that, in light of the construction of the Shatin to Central Link, the platform of Heng On Station of the Ma On Shan Line was being expanded to accommodate the conversion of four-car trains to eight-car trains; however, the Company had declined residents' request to build an additional exit underneath the platform of Heng On Station. In his view, when the Company was willing to spend a lot of money on the conservation of an ancient well, the Company should also invest more in building a new exit connecting the station to the new shopping mall in Ma On Shan which was being constructed. He noted that this could also help to boost MTR's patronage. At present, he did not take the Ma On Shan Line because the bus stop was closer to where he lived. He reiterated that he wanted to take the MTR and requested the Company to put in more investment to build a new exit at Heng On Station.

The Chairman thanked Mr To for his suggestion and explained that the Company's role in the Shatin to Central Link project was a project manager only. The construction cost was borne by the Hong Kong Government, and conservation of the ancient well was the Government's decision. The Chairman then invited

Dr Philco Wong, Projects Director, to supplement.

Dr Wong thanked the Chairman and explained that, at the design stage of each project, professional and qualified persons had been engaged in the design work. They would take into account passenger flows and needs, as well as the needs from the nearby buildings and shopping malls. Dr Wong advised that the Company had already reviewed the situation mentioned by Mr To, and would continue monitoring it to see if any changes would be required to meet future needs.

Madam Wong Yuk Kwan, Shareholder, said that the Company had not taken enough care of the senior citizens and the people in need, who were afraid of taking the MTR because of the need to walk up and down the stairs inside the MTR stations. She also noted that it was always difficult for an elderly person to get a seat on the trains and that the seats were usually occupied by youngsters. Madam Wong opined that the Company's promotion of priority seats was not as effective as that in the Mainland of China. Her personal experience was that, in Shenzhen, young people always offered their seats to her but she seldom received such treatment in Hong Kong. Madam Wong urged the Company to work harder in this area such that people in need would really be able to enjoy the benefit of the priority seats. It would not be a pleasant experience if one had to ask for a seat from another person.

The Chairman thanked Madam Wong for her advice. He said that his age was similar to Madam Wong, and that he hoped he would be offered a seat when he took the MTR. The Chairman emphasised that the Company was serious about promoting the priority seats. As mentioned in his Statement, respect for senior citizens formed part of the fundamental culture in Hong Kong. The Chairman then invited Dr Jacob Kam to supplement.

Dr Kam thanked the Chairman and Madam Wong. He advised that whenever he came across people travelling on MTR trains who were in need but were deprived of the priority seats, he would request those people who had taken up the priority seats, but had no apparent need, to offer their seats to the needy ones. Dr Kam stressed that the Company would continue with its efforts in promoting the awareness of passengers, in particular the youth, to care more for passengers in need.

Mr Tsang Chun Chiu, Shareholder, followed up on the previous question in relation to paying HK$20 million as compensation to a leaving Director. He expressed his worry that other senior management staff of the Company might take this as a precedent and think that they could also leave the Company with a compensation equal to 20 months of their remuneration when in future the Company encountered situations like project progress delay. He asked what the mechanism was for determining the compensation payable and whether it was the case that only Directors or senior management staff at a certain level would be able to receive such compensation under the mechanism.

The Chairman replied that the Company had a long established mechanism, and that the remuneration of members of the Executive Directorate (who were also the Company's senior management) was determined by the Remuneration Committee and the Board. The Chairman also emphasized that the Company had always acted very cautiously as this was shareholders' money, and the Directors would always act in accordance with the relevant laws and contracts.

Mr Lau Tung Kong, Shareholder and a proxy, repeated the question of the first Shareholder and queried the eligibility of Mr Walder in receiving such a payment, if he had made any mistake leading to any loss incurred by MTR.

The Chairman noted that Mr Lau's question was similar to the first question and reminded Shareholders not to repeat questions which had already been raised by other Shareholders, as the answer would be the same. He nonetheless invited Dr Dorothy Chan to respond to the question once again.

Dr Chan emphasised that the expiry date of Mr Walder's contract was in 2015. In 2014, both the Board and Mr Walder considered that it would be in the Company's interest if the Company's top management could commit themselves beyond 2015; therefore, Mr Walder's departure in August 2014 was considered to be beneficial to the Company's future development. In addition, Mr Walder's remuneration package was paid in accordance with his service contract and the Hong Kong Employment Ordinance.

Mr Tang Ka Piu, Shareholder, reminded the Chairman that his second question raised earlier had not been responded to yet, namely, in relation to freezing the MTR fare increase of 4.3% and bringing forward the review of the FAM.

The Chairman advised that the FAM was developed in light of the then Rail Merger and had been reviewed carefully by the Board and the Legislative Council in 2007. The Company had been acting in accordance with this mechanism since then. In addition, the FAM was closely linked to the Company's operations and service performance. The Chairman then invited Ms Jeny Yeung, Commercial Director, to supplement.

Ms Yeung thanked the Chairman and advised that the FAM was subject to review every five years and the last review was conducted in 2013. In that review, the productivity factor had been adjusted downwards, reducing the annual revision rate in the coming few years by 0.5%. She also remarked that train fares were one of the major sources of revenue of the Company, and maintaining a steady stream of revenue was necessary in order for the Company to keep up its quality service and to fund any future investments. The Company also required revenue to maintain and upgrade its railway assets. Ms Yeung reminded Shareholders that the Company's railway systems had been in operation for more than 30 years; therefore, the Company would require a steady revenue source to undertake large scale maintenance and replacement works.

Madam Lam, Shareholder, said that she had fallen down inside a train cabin as a result of a sudden train halt in May 2014. The Company's staff had called an ambulance to send her to Prince Margaret Hospital in Lai King. The doctor at the Accident and Emergency had examined her injury and diagnosed that she was fine and then gave her some medicine and ointment to relieve her pain. Yet, her lumbar pain had persisted for two weeks. She then consulted a district council staff who suggested her to claim compensation from the Company, but she needed to first obtain a doctor's certificate for her injury. Madam Lam went to St. Paul's Hospital to take an MRI examination and found a new fracture in her fifth lumbar joint. She said she had spent a lot of money on medical consultations and had written to the Company making a claim. The Company's staff had looked into her case and replied that her accident was not due to a mechanical fault of the MTR train and apologised, but with no compensation.

The Chairman was sorry to hear about Madam Lam's incident. Since the incident was not related to the Meeting's agenda and was personal in nature, the Chairman requested Madam Lam to provide further details of her incident to the Company's staff outside the Meeting hall for any follow up actions.

Mr Leung, Shareholder, commented that the MTR trains were very crowded in general and he observed that one of the reasons was that many passengers boarded the MTR trains with large luggage, which occupied quite a lot of space inside the train cabin. He suggested imposing an extra charge for carrying luggage on board the trains. He quoted mini-buses as an example, as passengers would not be allowed to board a mini-bus unless the passenger paid an additional fare for his luggage to occupy an additional seat.

The Chairman thanked Mr Leung for his creative suggestion and asked Dr Jacob Kam to respond.

Dr Kam thanked the Chairman and Mr Leung's suggestion. Dr Kam advised that there were restrictions on the size and weight of luggage which passengers were permitted to carry on board. The Company would expect passengers to be self-disciplined as a first step. There were also staff patrolling at stations. At designated stations, MTR staff would measure passengers' luggage before they entered into the stations. Dr Kam said that Mr Leung's suggestion was creative, but the Company had to consider it carefully, because passengers might come under the impression that if they were willing to pay luggage fees, they would have the right to bring large luggage on board which could cause even greater obstruction in the train cabin. MTR was a mass transit system, primarily for carrying passengers; therefore, the Company expected that passengers would bring small personal belongings only.

Mr Leung re-emphasized that his suggestion could help to divert passengers with luggage to take other types of transport such as taxis.

Dr Kam shared Mr Leung's view and responded that passengers should take other types of transport if they realised that their luggage exceeded MTR's prescribed limits.

Mr Lee, Shareholder, expressed his discontent towards the Company's senior management, and the responses to questions raised at the Meeting relating to the payment made to Mr Walder on his departure. The Chairman thanked Mr Lee for his comments.

Mr Chan, Shareholder and a unit owner of The Royal Ascot, noted that he was happy to see that the Company's business had become more and more prosperous and its share price had performed well consistently. Given that the Hong Kong Government was the majority shareholder of the Company, Mr Chan believed that corporate responsibility should also play an important role in the Company. In his opinion, the Company should not only focus on making profits for its Shareholders, it should also look after the interests of its other stakeholders and the society as a whole. He referred to the Company's Annual Report 2014 which mentioned that the total number of property units under the management of the Company had increased to more than 90,000. The revenue coming from the Company's property management business was more than HK$250 million, of which 64.3% came from residential units. Mr Chan noted the Company's emphasis on its quality management service, which had won many awards. However, owners of The Royal Ascot (the "Owners") suspected that the Company was associated with a fraudulent case. He requested the Chairman to look into it seriously.

Mr Chan then gave an account of the case: that Royal Ascot Management Company Limited ("RAMCL"), a wholly owned subsidiary of the Company, was the manager under the Deed of Mutual Covenant of The Royal Ascot ("DMC Manager"). As an owner and a resident, he observed that the level of management service provided by RAMCL had been declining. He suggested that RAMCL had tried to withhold information on matters like mistakes committed and sub-standard works that had been carried out in relation to a project relating to the estate's intercom system installation, which was one of the biggest projects concerning the estate over the last five years involving 2,500 residential units. The project was completed in early 2014, and had been examined and accepted by the management office. In July 2014, the Owners found defects in the intercom system and reported to the management office which had not conducted an investigation immediately. Mr Chan claimed that the Owners had continued to pursue the matter, and the project contractor, another listed company, finally admitted negligence and withholding of information in relation to the project. The contractor subsequently paid compensation of HK$400,000. Mr Chan alleged that RAMCL had tried to stay away from the matter and had shifted its supervisory responsibility to its contractor and subcontractor(s). He also mentioned that RAMCL had refused to pay compensation, while collecting its management fee of more than HK$5 million from the project. Mr Chan remarked that, as a Shareholder, he worried that this kind of irresponsible attitude might create a perception that, whenever there was a problem, the Company would delay investigation and would not take up responsibility proactively. This would make residents/investors lose confidence in the properties managed by the Company.

Mr Chan also complained that it was not fair for owners of properties developed atop MTR's depots to bear the inspection and maintenance fees of the common facilities and requested the Chairman to establish relevant policies to solve the problems. He quoted the example that the Owners, together with MTR, shared the use of the common facilities installed within the MTR depot which required regular maintenance and repair, and, as a DMC Manager, RAMCL should be responsible for apportioning the relevant costs between the Owners and MTR openly and fairly. He noted that the Owners had asked RAMCL to define the responsibility of each party in respect of the regular maintenance costs several times but RAMCL had still not provided the reasons or the supporting documents. Furthermore, RAMCL had asked the Owners to pay the maintenance fees. In Mr Chan's view, the above might invite challenge to the professionalism and discipline of the Company's property management companies. In the long run, these would harm the Company's reputation as well as shareholders' interests. Mr Chan, in the capacity of Shareholder, expressed his strong discontent and requested the Chairman to look into the case.

The Chairman thanked Mr Chan for his comments and believed that other Owners would also be concerned about the case, and that the Company would handle it seriously. The Chairman then invited Mr David Tang, Property Director, to respond.

Mr Tang thanked the Chairman and Mr Chan for his questions. Mr Tang said that he was aware of the intercom project incident and his colleagues would follow up with Mr Chan. Mr Tang emphasised that the Company would continue to uphold the provision of quality service. In relation to the payment of maintenance costs, Mr Tang said that property management had been carried out in accordance with the relevant Deed of Mutual Covenant and the procedures and arrangements as contained in the Maintenance Agreement. Mr Tang invited Mr Chan to meet with his property colleagues for further discussion after the Meeting.

Madam Choi Kwai Yi, Shareholder and a proxy, suggested introducing legislation to restrict the use of priority seats to only elderly, disabled and pregnant passengers.

The Chairman thanked Madam Choi for her suggestion and shared his view that one could not rely upon the self-discipline of passengers alone to achieve respect for the elderly. Hong Kong, like other big cities, would soon face the challenge of an aging population. In this light, the Company would definitely do its best. The Chairman then invited Dr Jacob Kam to respond.

Dr Kam thanked Madam Choi for her suggestion. He said that a lot of work had been done in recent years, including enlarging the font size of words on signage, especially in those more crowded stations. The Company had put in more seats on platforms to cater for the needs of elderly passengers while they were waiting for trains, and had also installed more lifts, toilets and wide ticket gates for disabled passengers. The Company would continue to enhance its facilities in this respect. On educating the public on social ethics, the Company had also done a lot of work, including producing videos, putting up posters and launching courtesy campaigns. However, the problem facing Hong Kong was rather unique, Dr Kam observed that, in Taiwan, priority seats would generally not be taken except by those in need of the seats, whereas it was the other way round in Hong Kong. He further quoted that, in Taipei, lifts were usually taken only by those in need but, in Hong Kong, many young people took the lifts, leaving the elderly to queue up for the lifts. Dr Kam believed that, legislation aside, it was everyone's responsibility to offer their seat to those in need.

Madam Lee, Shareholder and a proxy, shared her experience of being tailed by Mainlanders who did not have a valid ticket to pass through the exit gate in Mong Kok Station. She even saw a passenger bringing a baby bed to ride on an MTR train. She commented that no MTR staff had taken any action in the above cases. Madam Lee further commented that the Company's dividend payout rate was low.

The Chairman thanked Madam Lee for her long time support to the Company. On dividend payment, the Chairman advised that the Company had already adopted a progressive dividend policy, and the dividend payout rate compared with the Company's recurring profits was already on the high side. In relation to crowdedness on the MTR trains, the Chairman shared Madam Lee's feeling and said that, given the MTR system had been carrying more than 5 million passengers a day, he hoped that passengers could be courteous to each other. Besides reviewing the feasibility of setting up a system to promote respect for the elderly as mentioned earlier, the Company would also need to identify what would make passengers feel uncomfortable or unsafe and address the issues. The Chairman then invited Dr Jacob Kam to supplement.

Dr Kam said that he was aware that some stations were a bit crowded. However, diversion of passengers could only be achieved when the new lines came into operation. The Company had been working hard to improve passenger flow and at the same time provide more convenience to passengers. Dr Kam thanked passengers for their feedback which would be used by the Company to improve passenger flow and the control over bringing luggage into stations and onto trains.

Mr Lee, Shareholder, suggested broadcasting on MTR trains to encourage passengers to give seats to those in need.

The Chairman agreed that Mr Lee's suggestion was a good idea and said that the Company would definitely consider the feasibility.

Mr Chui, Shareholder, said he had been a council member of Yau Tsim Mong District for over 10 years. He appreciated that the Company had listened to the public and installed lifts and toilets at stations. Nevertheless, Mr Chui said he would like to make two suggestions to the Company: Firstly, increasing the number of priority seats; and secondly, reducing the level of the fare increase from 4.3% to 2%, to help to mitigate the inflation rate and to influence other transport operators, like taxis and buses, to reduce their respective levels of fare increase.

The Chairman thanked Mr Chui for his suggestions.

With no further question raised by the Shareholders, the Chairman then conducted the poll on Resolution 1.

As more than 50% of the votes were casted in favour of Resolution 1, the Chairman declared Resolution 1 carried.

Final Dividend

The Chairman continued to formally propose Resolution 2, namely, the ordinary resolution to declare a final dividend for the year ended 31 December 2014 of HK$0.80 per ordinary share, as recommended by the Board of Directors.

The Chairman then conducted the poll on Resolution 2.

As more than 50% of the votes were casted in favour of Resolution 2, the Chairman declared Resolution 2 carried.

Directors

In accordance with the Articles, Dr Raymond Ch'ien Kuo-fung, Professor Chan Ka-keung, Ceajer, Dr Eddy Fong Ching, Mr James Kwan Yuk-choi, Mr Lincoln Leong Kwok-kuen, Mrs Lucia Li Li Ka-lai and Mr Benjamin Tang Kwok-bun retired individually from the office of Directors and, being eligible, offered themselves for re-election / election at the Meeting.

The Chairman invited questions from the Shareholders about Resolution 3.

As there were no questions from Shareholders, Professor Frederick Ma Si-hang proposed and the Chairman conducted the poll on Resolution 3(a), that Dr Raymond Ch'ien Kuo-fung be re-elected as a member of the Board of Directors of the Company.

As more than 50% of the votes were casted in favour of Resolution 3(a), the Chairman declared Resolution 3(a) carried.

The Chairman proposed and conducted the poll on Resolution 3(b), that Professor Chan Ka-keung, Ceajer be re-elected as a member of the Board of Directors of the Company.

As more than 50% of the votes were casted in favour of Resolution 3(b), the Chairman declared Resolution 3(b) carried.

The Chairman proposed and conducted the poll on Resolution 3(c), that Dr Eddy Fong Ching be elected as a member of the Board of Directors of the Company.

As more than 50% of the votes were casted in favour of Resolution 3(c), the Chairman declared Resolution 3(c) carried.

The Chairman proposed and conducted the poll on Resolution 3(d), that Mr James Kwan Yuk-choi be elected as a member of the Board of Directors of the Company.

As more than 50% of the votes were casted in favour of Resolution 3(d), the Chairman declared Resolution 3(d) carried.

The Chairman proposed and conducted the poll on Resolution 3(e), that Mr Lincoln Leong Kwok-kuen be elected as a member of the Board of Directors of the Company.

As more than 50% of the votes were casted in favour of Resolution 3(e), the Chairman declared Resolution 3(e) carried.

The Chairman proposed and conducted the poll on Resolution 3(f), that Mrs Lucia Li Li Ka-lai be elected as a member of the Board of Directors of the Company.

As more than 50% of the votes were casted in favour of Resolution 3(f), the Chairman declared Resolution 3(f) carried.

The Chairman proposed and conducted the poll on Resolution 3(g), that Mr Benjamin Tang Kwok-bun be elected as a member of the Board of Directors of the Company.

As more than 50% of the votes were casted in favour of Resolution 3(g), the Chairman declared Resolution 3(g) carried.

Auditors

The Chairman proposed and conducted the poll on Resolution 4, namely, the ordinary resolution to re-appoint KPMG as Auditors of the Company and to authorise the Board of Directors to determine their remuneration.

As more than 50% of the votes were casted in favour of Resolution 4, the Chairman declared Resolution 4 carried.

General Mandate

The Chairman proposed Resolution 5, 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 in the terms set out in the Notice of the Meeting as follows:

<u>Resolution 5</u>

"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, 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 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 2007 Share

Option Scheme; or

(iii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares; or

(iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the Articles 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 5 (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 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 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."

The Chairman conducted the poll on Resolution 5.

As more than 50% of the votes were casted in favour of Resolution 5, the Chairman declared Resolution 5 carried.

Share Repurchase Mandate

The Chairman proposed Resolution 6, namely, the ordinary resolution to grant a general mandate to the Board of Directors to purchase shares in the Company in the terms set out in the Notice of the Meeting as follows:

Resolution 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 HKSE 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 HKSE, in accordance with all applicable laws, including the Hong Kong Code on Share Buy-backs and the Listing Rules (as amended from time to time), be and is hereby generally and unconditionally APPROVED;

(B) the aggregate number 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 number of Shares in issue as at the date of passing of this Resolution 6 (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 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 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."

The Chairman then conducted the poll on Resolution 6.

As more than 50% of the votes were casted in favour of Resolution 6, the Chairman declared Resolution 6 carried.

Addition of the Aggregate number of the Shares Repurchased to the Aggregate number of the Shares which may be issued under the General Mandate

The Chairman proposed Resolution 7, namely, the ordinary resolution to authorise the Board of Directors to exercise the powers to allot, issue, grant, distribute and otherwise deal with additional shares in the Company in respect of the aggregate number of shares in the Company purchased by the Company in the terms set out in the Notice of the Meeting as follows:

<u>Resolution 7</u>

"THAT:

(A) conditional on the passing of Resolutions 5 and 6, the extension of the general mandate granted to the Board of Directors to exercise during the Relevant Period 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 pursuant to

Resolution 5 by the addition thereto of a number of Shares representing the aggregate number of Shares purchased by the Company subsequent to the passing of Resolution 5 (up to a maximum equivalent to ten per cent. of the aggregate number of Shares in issue as at the date of passing Resolution 5 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 Resolution 5) be and is hereby APPROVED AND AUTHORISED; and

(B) for the purpose of this Resolution 7, each of "Relevant Period" and "Shares" has the meaning ascribed to it in Resolution 5."

As more than 50% of the votes were casted in favour of Resolution 7, the Chairman declared Resolution 7 carried.

Poll Results

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

Conclusion

The Chairman thanked the Shareholders for their attendance.

There being no further business, the Chairman declared the Meeting closed at about 1:20 p.m. and reminded the Shareholders to collect their refreshment packs.

(Signed by Dr. Raymond Ch'ien)

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Chairman