

# Corporate Governance Report

Robust corporate governance underpins the Company's commitment to fulfilling its purpose and achieving its vision, while ensuring long-term, sustainable value for all stakeholders. This Report outlines the corporate governance practices adopted by the Company and explains how the principles and code provisions in Appendix C1 (Corporate Governance Code) to the Listing Rules (the "CG Code") have been implemented.

The Board has the overall responsibility for effective corporate governance and for ensuring that the Company's governance framework (which is described in this Report) enables it to oversee and address environmental and social issues that are material to the operations and businesses of the Company. The Environmental & Social Responsibility Committee has strategic oversight of the Company's environmental and social strategy and is also responsible for tracking performance against the Company's environmental and social commitments and reporting to the Board on these issues. For details of its principal responsibilities and the work performed during the year, please refer to pages 74 to 75 of this Report.

To keep its stakeholders abreast of the Company's initiatives and performance in the environmental and social arenas, a separate Sustainability Report is published on an annual basis. The Sustainability Report complies with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Listing Rules, has been prepared in accordance with the Global Reporting Initiative Reporting Standards, and makes reference to various international reporting guidelines and requirements, including the International Association of Public Transport (UITP) Sustainability Reporting Guide, ISO 26000 Guidance on Social Responsibility and the World Economic Forum's (WEF) Stakeholder Capitalism Metrics. The Company also discloses climate-related information in line with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). In addition, the Report has been prepared with reference to the International Financial Reporting Standards (IFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2

Climate-related Disclosures, and the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). The Company's Sustainability Report 2025 covering the period from 1 January to 31 December 2025 is available, together with this Annual Report, on the websites of both the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange.

The Company also issues an annual Sustainable Finance Report, which is available on the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)) and responds to CDP (previously the Carbon Disclosure project) on climate related risks, opportunities and disclosures.

## PURPOSE, VISION, CORPORATE STRATEGY, VALUES AND CULTURE

The Company's purpose was established and exists today to "Keep Cities Moving". Through the Company's transportation network and property developments, it enables cities and their people to move forward and make progress. And through the fulfilment of the Company's purpose, it creates long term sustainable value for all of the Company's stakeholders – customers, employees, supply chain and the community.

The Company's vision is to be an internationally recognised company that connects and grows communities with caring, innovative and sustainable services.

The Company's Corporate Strategy – "Transforming the Future" (the "Corporate Strategy") was adopted by the Board in mid-2020 and established clear business priorities and environmental and social goals with a view to maintaining competitiveness and driving the sustainability of the Company's businesses, as well as creating healthy, long-term symbiotic relationships with the communities in which the Company operates. With a clearly defined purpose of "keeping cities moving", the Corporate Strategy defined a more fit-for-future organisation, with a strengthened Hong Kong core, steady growth in the Chinese Mainland and internationally and powerful new growth engines – three

strategic pillars so that the Company can stay competitive in a fast-changing business environment. Regular reports on the progress of the implementation of the Corporate Strategy and the associated enablers, both financial and non-financial, were presented to the Board during the year ended 2025.

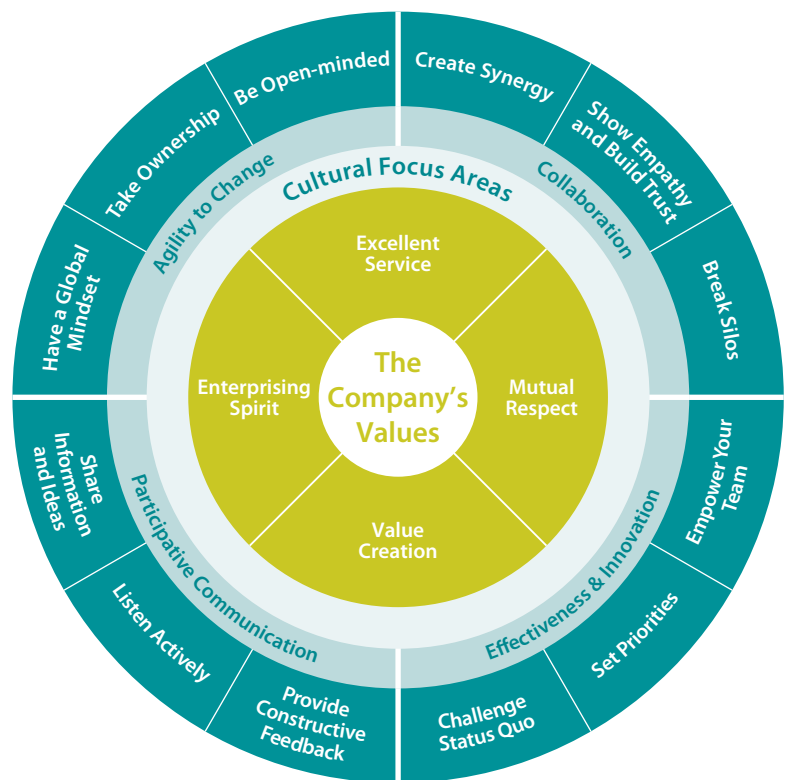
A Board Strategy Workshop was organised in January 2025 for the Board Members, Alternate Directors and Members of the Executive Directorate to discuss how the Company should work in tandem to address current and evolving challenges and align future strategic priorities to sustain long-term business growth. Following the Board Strategy Workshop in January 2025 and the Board Strategy Implementation Progress Review in May 2025, a progress update on the latest development of the aligned future strategic priorities, along with the strategy implementation progress and achievements for 2025, was presented to the Board in December 2025.

The Board periodically reviews and refines the Corporate Strategy to reflect changes in the external environment. This ensures the Company remains well-prepared to address evolving challenges, including the delivery of its new rail project portfolio and other future infrastructure developments for Hong Kong, shifting travel and retail patterns, and the expectations of a new-generation workforce. The Company is currently developing a framework for a Medium-Term Business Plan – “Building for the Future 2030”. This five-year plan will be anchored on MTR’s current Corporate Strategy and aims to both address these external challenges and better prepare MTR for the next pivotal phase of development as the Company seizes the significant growth opportunities ahead.

The Corporate Strategy is underpinned by a set of values (Excellent Service, Mutual Respect, Value Creation and Enterprising Spirit) which help provide all staff with a clear indication of what is expected from them, from both a performance and a competency perspective.

To foster a corporate culture which is aligned with the Company’s purpose, vision, strategy and values, and align the mindsets and behaviours of staff to support the delivery of the Corporate Strategy, the Company has established four cultural focus areas (Participative Communication, Collaboration, Effectiveness & Innovation and Agility to Change) and associated attributes.

In 2025, the Company advanced its ONE MTR initiative, embedding the four cultural focus areas outlined above into colleagues’ daily work. These efforts strengthened our corporate culture and enhanced organisational effectiveness.



## Corporate Governance Report

**Participative Communication:** Leaders engaged colleagues through CEO site visits, CEO focus groups, Executive Managers Forums, Management Communication Meetings and Business Unit/Function townhalls. Follow-up actions from the 2023 Employee Engagement Survey further reinforced two-way dialogue, deepened mutual understanding and strengthened cross-Business Unit/Function collaboration to leverage collective wisdom in achieving organisational goals.

**Effectiveness and Innovation:** During 2025, the Company continued to apply its railway expertise to research and development, partnering with government, academia and enterprises to explore digital and innovative solutions across four themes: Smart Mobility, AI and Deep Learning, Smart Operations & Maintenance, and Green & Inclusive Innovations. These initiatives earned 15 international awards at the 50<sup>th</sup> International Exhibition of Inventions of Geneva, underscoring the global recognition of MTR's innovation leadership.

**Agility to Change:** To enhance inclusivity and respond to evolving social expectations, the Company introduced several new services for our customers in both our railway and property businesses. As an example, the "Cat/Dog Carrying Scheme" was introduced in May 2025, allowing cats and dogs accompanied by owners to travel on the Light Rail system during weekends and public holidays. Developed through cross-functional collaboration, the initiative became a permanent scheme in September 2025, reflecting our agility and commitment in adapting to community needs and expectations.

**Collaboration:** Our work to deliver the Northern Link (NOL), part of the Northern Metropolis development for which the railway scheme was authorised in April 2025, exemplifies collaboration across our Business Units and Functions. The NOL Project Agreement (signed in July 2025) required strong partnership across our Business Units and Functions, each contributing specialist expertise and adopting innovative approaches to planning, financing and construction, reinforcing MTR's role in shaping sustainable communities.

Recognition and Learning: Cultural awareness was also strengthened through:

- The Living the MTR Values Award Scheme – recognising colleagues who embody Company values.
- The MTR Grand Awards for Outstanding Contribution – honouring individuals and teams for exemplary performance.

Selected Grand Awardees received ONE MTR recognition, highlighting contributions that created synergies and maximised effectiveness across Business Units and Functions.

The ONE MTR concept was further embedded in learning initiatives, including training programmes, team-building workshops and engagement events. In 2025, 12 webinars and seminars engaged over 2,000 participants, reinforcing cultural alignment.

The Company has also continued to embed its Environmental and Social ("E&S") Objectives and the Three Lines Model into its daily operations. On the E&S front, a set of Key Performance Indicators ("KPIs") are developed annually, consisting of short-, mid- and long-term initiatives to gauge and drive the Company's performance under its three E&S Objectives: (i) Social Inclusion; (ii) Greenhouse Gas Emissions Reduction; and (iii) Advancement and Opportunities, further details of which are set out in the Sustainability section of the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)). The Three Lines Model is described in the section headed "Risk Management and Internal Control Systems" of this Report.

For more details about the Company's approach to human capital management, including how the corporate culture is nurtured, as well as how the Company approaches equal employment opportunities and diversity and inclusion, please refer to the Sustainability Report 2025.

## CORPORATE GOVERNANCE PRACTICES

Corporate governance is the collective responsibility of all Members of the Board, and the Board firmly believes that strong governance is essential to fulfilling the Company's purpose, achieving its vision, and ensuring sound management in the interests of all stakeholders. The Board actively pursues continuous improvement in corporate governance practices and responds promptly to identified opportunities for enhancement.

In 2025, The Hong Kong Institute of Certified Public Accountants (HKICPA) recognised the Company in the Most Sustainable Organizations ("MSO") Awards of the Large Market Capitalisation, in the newly created Elite Past Winners ("EPW") section. This is a significant achievement because the EPW section comprises high-performing companies and public sector organisations that have secured awards in the competition at least five times over the past 10 years, reflecting exemplary accomplishments in corporate governance and environmental, social and governance ("ESG") practices and performance. The MSO Awards affirm the Company's ongoing commitment to implementing high-quality corporate governance and ESG standards and reporting, enhancing shareholders' and stakeholders' value and upholding transparency, accountability and responsible decision-making.

During the year, the Company has complied with many of the revised CG Code requirements effective 1 July 2025, including (1) no Independent Non-executive Director ("INED") concurrently holding directorships in more than six listed issuers; (2) no INED serving on the Board for more than nine years; and (3) the Nominations Committee conducting an annual review of the Board Diversity Policy. The Company updated the terms of reference of its Nominations Committee in January 2025 to add a number of additional requirements including assisting the Board in maintaining a skills matrix, reviewing the time commitment and contribution of each Member of the Board on at least an annual basis and supporting the Company's regular evaluation of the Board's performance. In March 2025, the Nomination Policy and Board Diversity Policy were also updated and a new Workforce Diversity Policy was adopted. Work is ongoing to ensure that the Company will be ready to comply with all remaining new or updated requirements.

The Company continues to monitor developments in the arena of corporate governance externally to ensure the suitability and robustness of its corporate governance framework in light of the evolving business and regulatory environment and to meet the expectations of stakeholders.

## CORPORATE GOVERNANCE CODE COMPLIANCE

During the year ended 31 December 2025, the Company has complied with the code provisions as set out in the CG Code.

## THE BOARD OF DIRECTORS

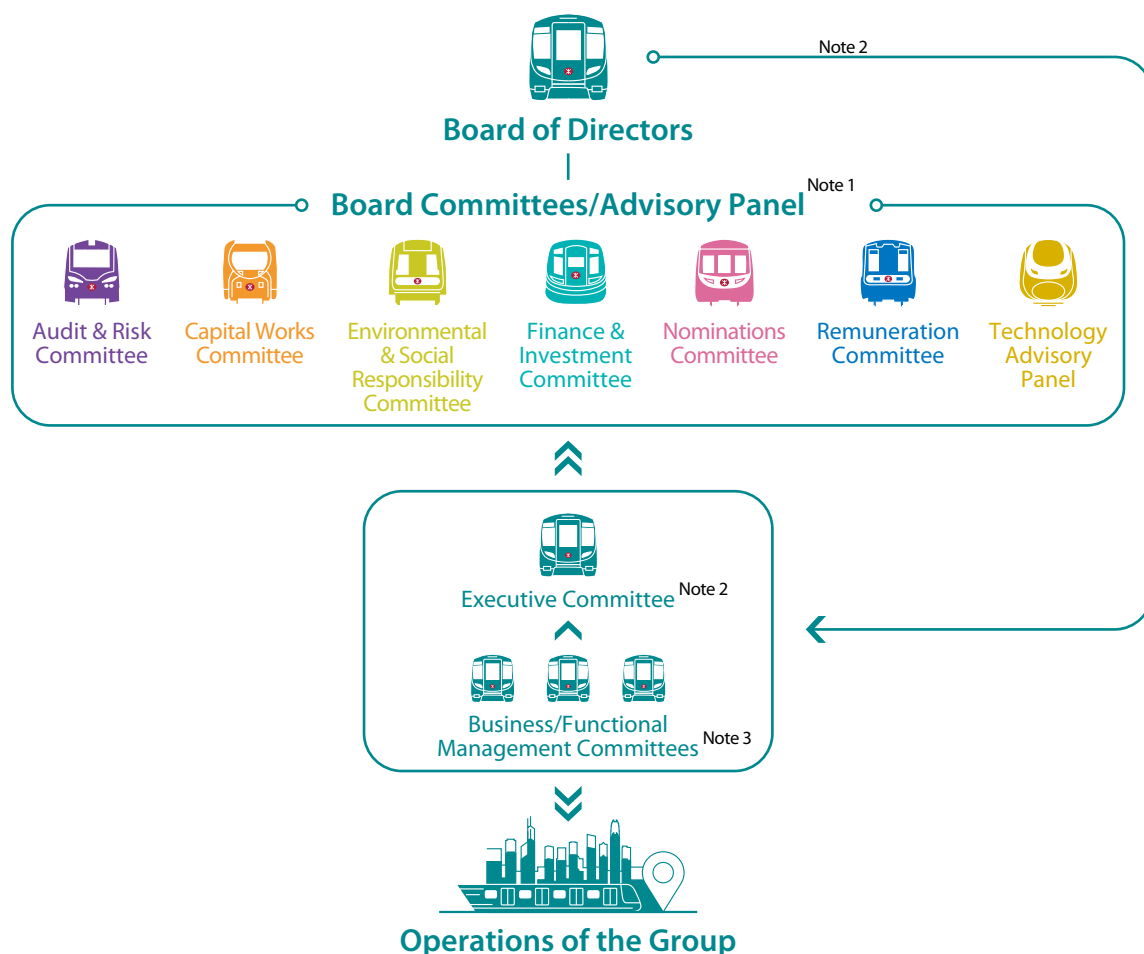
### Overall Management

The overall management of the Company's business is vested in the Board. Pursuant to the Articles of Association and the "Protocol: Matters Reserved for the Board" (the "Protocol") adopted by the Board, the Board has delegated the day-to-day management of the Company's business to the Executive Committee and focuses its attention on matters affecting the Company's overall strategic policies, corporate governance, finances and shareholders. These include financial statements, dividend policy, significant changes in accounting policies, annual operating budget, certain material contracts, strategies for future growth, major financing arrangements and major investments, corporate governance functions, risk management and internal control systems, treasury policies and fare structures. The Board reviews the delegation arrangement periodically.

To enable the Board to maintain adequate oversight, the Board receives updates and briefings on matters that have a significant impact on the Company's operations and businesses on a regular basis, supplemented by ad hoc reporting as and when required.

## Corporate Governance Report

Below is a diagram of the governance structure of the Company:



### Notes:

1. All Board Committees/Advisory Panel are provided with sufficient resources to discharge their duties and can seek independent professional advice (as and when required) at the Company's expense to perform their responsibilities. The terms of reference of each Board Committee/Advisory Panel are available on the respective websites of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange.
2. The Executive Committee is delegated by the Board to handle the day-to-day management of the Company's business pursuant to the Articles of Association and the Protocol and is chaired by the CEO and made up of eight other Members of the Executive Directorate, making a total of nine members.
3. Business/Functional Management Committees are set up to assist the Executive Committee in the management and control of the Company's various core businesses and functions.

## Composition of the Board

A list of Members of the Board and the Executive Directorate and their roles and functions is available on the respective websites of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange. Biographical details of each of the Members of the Board and the Executive Directorate are set out on pages 115 to 130 of this Annual Report.

As at the date of this Report, the Board has 18 Members, made up of 12 INEDs, five Non-executive Directors ("NEDs") and one Executive Director ("ED"). This structure ensures that the Board is comprised of a majority of independent members, which is conducive to maintaining an independent and objective decision-making process.

Government, through The Financial Secretary Incorporated, held approximately 74.45% of the issued shares of the Company as at 31 December 2025, and is a substantial shareholder of the Company.

The Chief Executive of the HKSAR, in the exercise of his right under Section 8 of the MTR Ordinance, has appointed three persons as “additional directors” of the Company (the “Additional Directors”). They are:

- The office of the Secretary for Transport and Logistics (currently held by Ms Mable Chan);
- The office of the Permanent Secretary for Development (Works) (currently held by Mr Ricky Lau Chun-kit); and
- The office of the Commissioner for Transport (currently held by Ms Angela Lee Chung-yan).

The Additional Directors are all NEDs and are treated for all purposes (other than the requirement to retire by rotation according to the Articles of Association) in the same way as other Members of the Board and are, therefore, subject to the usual common law duties of directors, including the requirement to act in the best interests of the Company.

Mr Christopher Hui Ching-yu, the Secretary for Financial Services and the Treasury, is another NED of the Company.

Drawn from diverse business and professional backgrounds, Members of the Board actively bring their valuable experience to the Board for promoting the best interests of the Company and its shareholders. In addition, the INEDs also contribute to ensuring that the interests of all stakeholders of the Company are taken into account by the Board and that relevant issues are subject to objective and dispassionate consideration by the Board.

### Chairman and CEO

The roles of the Chairman and the CEO are distinct and separate. The Chairman chairs and manages the operation of the Board, provides leadership, monitors the performance of the CEO and other Members of the Executive Directorate, facilitates open and timely exchange of views among Board Members, ensures the Board receives sufficient information to discharge its duties and establishes and oversees the Company’s corporate governance practices, while the CEO heads the Executive Directorate and is accountable to the Board for managing the Company’s business, chairs the Executive Committee and serves as a bridge between the Board and management.

### Board Committees/Advisory Panel(s)

As mentioned in the section headed “Overall Management” above, pursuant to the Articles of Association and the Protocol, the Board has delegated the day-to-day management of the Company’s business to the Executive Committee and focuses its attention on matters affecting the Company’s overall strategic policies, corporate governance, finances and shareholders. The Board discharges some of its said responsibilities through delegation, with appropriate oversight, to respective Board Committees and Advisory Panel(s). The memberships of the Company’s existing Board Committees and Advisory Panel and the attendance record of each Member of the Board in 2025 are set out on pages 87 to 88 of this Report.

The duties and work performed by the Audit & Risk Committee, Capital Works Committee, Finance & Investment Committee and Remuneration Committee during the year are set out in their respective reports in this Annual Report:

- “Audit & Risk Committee Report” on pages 100 to 102;
- “Capital Works Committee Report” on page 108;
- “Finance & Investment Committee Report” on page 109; and
- “Remuneration Committee Report” on pages 110 to 114.

### Nominations Committee

The Nominations Committee consists of five NEDs, including three INEDs, with an INED serving as the Chairman. The Committee currently includes two female members.

During the year, the terms of reference of the Nominations Committee were amended to comply with certain new provisions of the CG Code which took effect on 1 July 2025. Further updates to the terms of reference will be made in the future when the additional new provisions of the revised CG Code take effect. The terms of reference are available on the respective websites of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange.

## Corporate Governance Report

### Principal responsibilities:

- Assisting the Board in maintaining a skills matrix (the “Board Skills Matrix”) and reviewing the structure, size and composition (including the perspectives, skills, diversity, knowledge and experience) of the Board, the appropriateness and effectiveness of the Board Diversity Policy (the “BD Policy”) (including any gender diversity targets therein) and Nomination Policy, as well as the adequacy and appropriateness of the Board Skills Matrix, at least annually and making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy and for succession planning purposes;
- Identifying individuals suitably qualified to become Members of the Board and putting forward nominations or recommendations to the Board for proposed appointments to the Board;
- Assessing the independence of INEDs;
- Reviewing annually the time commitment and contribution of each director to the Board, as well as the director’s ability to discharge his/her responsibility effectively, taking into account their professional qualifications and work experience, existing directorships of issuers listed on the Main Board or GEM and other significant external time commitments and other factors or circumstances relevant to the director’s character, integrity, independence and experience; and to conduct other assessments in accordance with the Listing Rules;
- Supporting the Company’s regular evaluation of the Board’s performance;
- Making recommendations to the Board on the appointment or re-appointment of Members of the Board and succession planning for Members of the Board; and
- Nominating and recommending to the Board candidates for filling the positions of CEO, Finance Director and Chief Operating Officer (provided that the Chief Operating Officer position exists).

During the year, the Committee conducted reviews, discussed and, where applicable, made corresponding recommendations to the Board in respect of the following matters:

- Annual review of the structure, size and composition (including skills, experience and perspectives) of the Board, concluding that the Board possesses a balanced mix of skills, experience and diversity of perspectives;
- Review of the amendments to the Nomination Policy and the BD Policy, with the Committee concluding that both policies continue to be appropriate and effective;
- Annual assessment of the independence of each INED;
- Re-election of Members of the Board retiring at the Company’s Annual General Meeting held on 21 May 2025 (the “2025 AGM”);
- Nomination of new Members of the Board (i) for appointment by the Board during 2025; and (ii) for election at the 2025 AGM; and
- Succession planning for the Board.

Board succession is an on-going process for the Company and is discussed by the Nominations Committee on a regular basis. The Nominations Committee manages Board succession and considers prospective candidates based on merit and taking a long-term, strategic view of the competencies and experience necessary to complement the Corporate Strategy, as well as the other factors highlighted in the Company’s Nominations and BD Policies.

In March 2026, the Nominations Committee, among other things, (i) assessed each Member of the Board’s time commitment and contribution to the Board, directorships of other listed issuers and other significant external time commitments; and (ii) conducted an overall review of the training undertaken by Members of the Board during the year 2025.

### Environmental & Social Responsibility Committee

The Environmental & Social Responsibility Committee consists of seven members, made up of two INEDs, two NEDs and three Members of the Executive Directorate. The Environmental & Social Responsibility Committee is chaired by the Chairman of the Company. Its terms of reference are available on the respective websites of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange.

Principal responsibilities:

- Engaging in any activity and acting as an advisor to the Board in respect of matters falling within the Committee's terms of reference;
- Approving the Company's E&S strategy;
- Overseeing the setting and achievement of targets under the Company's E&S strategy;
- Monitoring and overseeing the Company's E&S (including safety) performance and the related frameworks and initiatives;
- Approving E&S investments by the Company in excess of the thresholds set by the Board, in accordance with the Company's E&S investment framework;
- Overseeing the Company's stakeholder engagement strategy;
- Identifying emerging corporate responsibility and sustainability issues arising from external trends;
- Reviewing the Company's annual Sustainability Report and recommending endorsement by the Board; and
- Providing updates to the Board on matters falling within the Committee's remit as required.

Please also refer to the "Environmental & Social Responsibility" section (pages 61 to 63) of this Annual Report.

Work performed during the year:

- Monitored the advancement of the E&S Objectives of Social Inclusion, Greenhouse Gas Emissions Reduction and Advancement & Opportunities;
- Reviewed and recommended the Sustainability Report 2024 to the Board for approval;
- Considered the Company's performance on various local and international sustainability indices;
- Reviewed the progress made towards meeting the Company's E&S key performance indicators;
- Reviewed the allocation of the ESG Fund to eligible projects; and
- Reviewed the progress of various community programmes.

As at the date of this Report, the Environmental & Social Responsibility Committee has conducted, inter alia, an annual review of the adequacy of the Company's resources for ESG performance and reporting. For more information, please refer to the "Evaluation of the Adequacy of Resources of the Company's Accounting, Financial Reporting, Internal Audit Functions and for ESG Performance and Reporting" under the section headed the "Risk Management and Internal Control Systems" (page 95) of this Report.

### Technology Advisory Panel

The Technology Advisory Panel consists of three INEDs, one NED and an external advisor. The Chairman of the Panel is an INED. The terms of reference of the Panel are available on the respective websites of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange.

Principal responsibilities:

- Reviewing and providing input and direction to the setting and implementation of the Company's digital strategy and "Engine 2" strategy, the Company's long-term technological development plans and implementation schemes, as well as the Group's cyber security positioning; and
- Reviewing relevant digital trends, new technologies and cyber security developments and incidents and making recommendations to the Company's Executive Directorate and, where appropriate, the Board on further developing the Company's digital strategy and cyber security positioning.

Work performed during the year:

The Panel reviewed and provided guidance on the following key matters:

- the technology governance model of the Company;
- the technology plan of a major business unit;
- the digital plan of a business unit;
- the progress of cyber security work, including initiatives, security audits and horizon scanning of incidents;
- the digital and enterprise architecture strategy; and
- updates on major digital and innovation projects.

### Company Secretary

Ms Gillian Elizabeth Meller, being the Legal and Governance Director and a Member of the Executive Directorate, reports to the CEO. Her role as the Company Secretary includes:

- Providing access to advice and services for Members of the Board;
- Ensuring the correct Board procedures are followed;
- Advising the Board on all corporate governance matters;
- Arranging pre-appointment legal advice for new Members of the Board, Alternate Directors and Members of the Executive Directorate, providing a comprehensive, formal and tailored induction programme on key areas of business operations and practices of the Company, as well as the general and specific duties of directors under general law (common law and legislation) and the Listing Rules;
- Recommending Members of the Board, Alternate Directors and Members of the Executive Directorate to attend relevant seminars and courses; and
- Arranging for training on relevant new or amended legislation or other regulations to be provided at Board meetings.

In 2025, Ms Meller undertook over 15 hours of professional training to update her skills and knowledge.

### Appointment, Re-election and Removal of Members of the Board

A person may be appointed as a Member of the Board at any time either by:

- the shareholders at general meeting in accordance with the "Appointment Procedures for Members of the Board of the Company", which is available on the website of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)); or
- the Board upon the recommendation of the Nominations Committee of the Company; or
- the Chief Executive of the HKSAR in the case of the Additional Directors.

Members of the Board who are appointed by the Board during a year must retire at the first annual general meeting after their appointment and are eligible for election at that meeting.

Except for the Additional Directors, all other Members of the Board are required to retire by rotation. At each annual general meeting of the Company, Members of the Board who were last elected or re-elected at the annual general meeting which was held in the third calendar year prior to the annual general meeting in question, are those who will retire by rotation.

The Additional Directors may not be removed from office except by the Chief Executive of the HKSAR and are not subject to any requirement to retire by rotation.

The Company has a service contract with each of the NEDs (with the exception of the Additional Directors) and the INEDs, specifying the terms of his/her continuous appointment as a NED or an INED and as the chairman or a member of the relevant Board Committee(s)/ Advisory Panel.

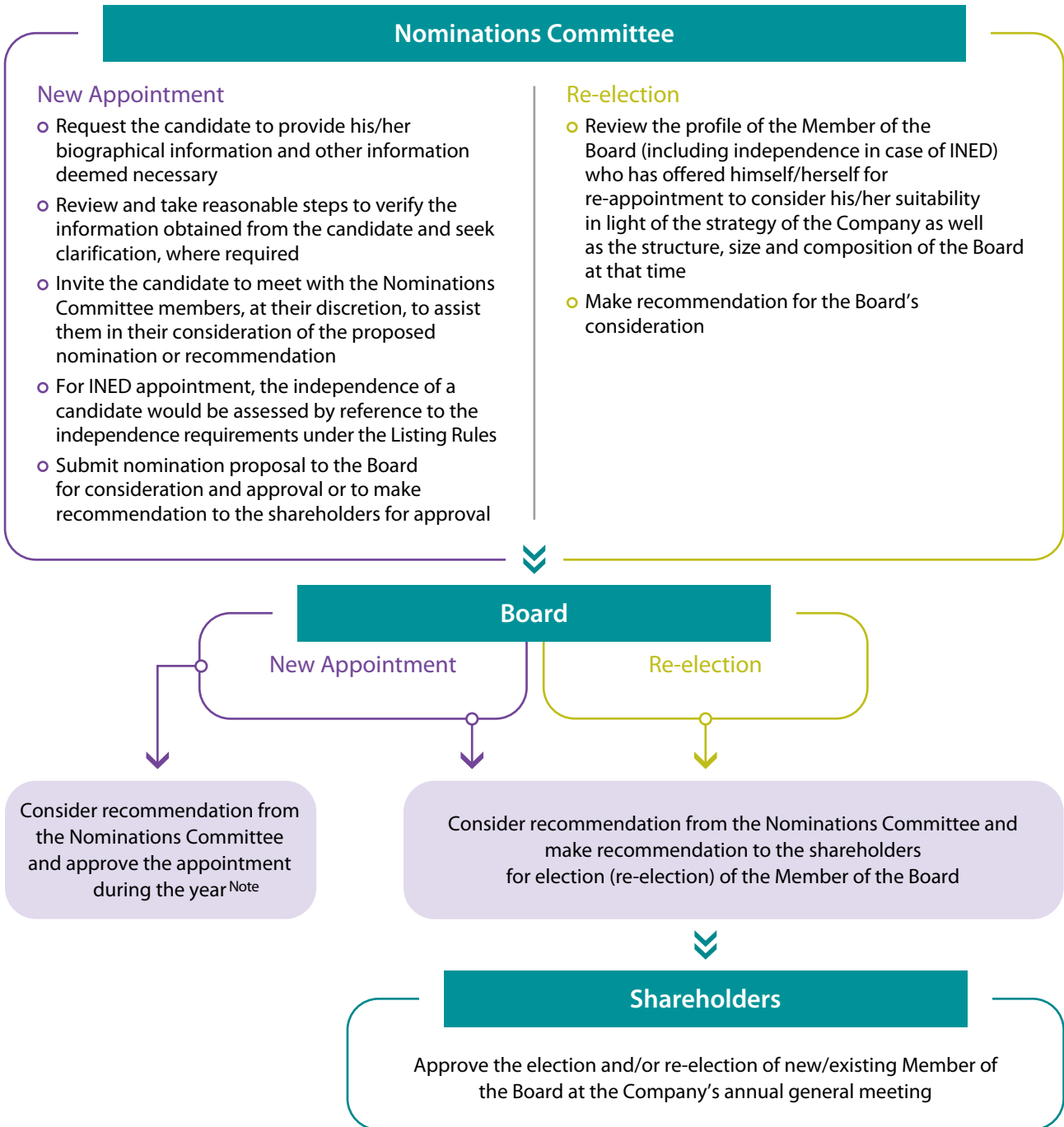
### Nomination Policy

The Nomination Policy (the "Nomination Policy") sets out the process and procedures governing the nomination of Members of the Board applicable to both new appointments and re-appointments, except for appointments made by the Chief Executive of the HKSAR pursuant to Section 8 of the MTR Ordinance and nomination by shareholders of the Company in accordance with the Articles of Association. The Nomination Policy was last updated in March 2025 to comply with certain new provisions of the CG Code effective 1 July 2025. Further updates to the Nomination Policy will be made in the future when the additional new provisions of the revised CG Code take effect. The latest Nomination Policy adopted by the Company is posted on the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)).

The Board has delegated to the Nominations Committee the authority to identify and assess potential candidates for appointment to the Board through different means and channels, including recommendations from Members of the Board, the use of external search firms and any other means or channels that it deems appropriate.

## Nomination Procedures

The following diagram demonstrates the nomination procedures for new appointments and re-elections of Members of the Board (except for the Additional Directors):



*Note: Save for the Additional Directors, any Member of the Board appointed during the year is subject to election by the shareholders at the next following annual general meeting.*

### Selection Parameters

In evaluating a proposed candidate, including a Member of the Board eligible for re-appointment, the Nominations Committee will consider the following factors (which are by no means exhaustive):

- the strategy of the Company;
- the structure, size, diversity profile, composition, skills matrix and needs of the Board and its respective Board Committees at the time (including the number of INEDs on the Board), taking into account succession planning and the diversity of the Board, where appropriate;
- the required skills, which should be complementary to those of the existing Members of the Board;
- the BD Policy of the Company as adopted/amended by the Board from time to time;
- any information obtained through third party references or background checks;
- any other factors that may be used as reference in assessing the suitability of a proposed candidate, including but not limited to the candidate's reputation for integrity, qualifications, accomplishments, likely commitment in terms of time and interest and expected contribution to the Company;
- the candidate's ability to devote sufficient time to the Board;
- the need for a strong independent element on the Board; and
- the independence of a candidate proposed to be appointed as an INED, in particular by reference to the independence requirements under the Listing Rules.

The Nominations Committee is vested with discretion to take into account such other factors that it may consider appropriate.

The Nominations Committee will review the implementation of the Nomination Policy at least annually, including the mechanisms for ensuring independent views and input are available to the Board, and make recommendations on any proposed changes to the Board for the Board's review and approval to ensure its effectiveness.

### Diversity

The Company is well aware of the benefits of diversity from the perspectives of, inter alia, creativity, innovation and decision making, and has a number of initiatives underway as part of the social inclusion pillar of its E&S strategy.

### Board Level

Recognising the importance of maintaining gender diversity on the Board, the Company set a target of achieving 25% female members on the Board by 2025, as noted in the Company's BD Policy. This target has been achieved, with the Board currently having six female members, representing over 33% of the Board membership and, as at the date of this Report, all Board Committees and the Advisory Panel of the Company having at least one female member, with the Audit & Risk Committee being chaired by a female member. Taking account of this progress, the Company updated its BD Policy in March 2025 to provide that, while Board appointments will continue to be made on a merit basis in accordance with the Company's Nomination Policy, the Board will seek opportunities to increase the proportion of female members over time and will actively seek to ensure that, at any time, no less than 25% of its Directors are female.

The Company's updated BD Policy is available on the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)). It provides that the Company should endeavour to ensure that the Members of the Board have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and in order for the Board to be effective. A summary of the updated BD Policy is set out below:

- the Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of race, gender, disability, nationality, religious or philosophical belief, age, sexual orientation, family status or any other factor;
- a diversity of perspectives can be achieved through consideration of a number of factors, including but not limited to skills, regional and industry experience, background, race, gender and other qualities. In informing the Company's perspective on diversity, its own business model and specific needs from time to time will also be taken into account; and

- the Company is committed to maintaining a Board made up with INEDs as the majority, together with an appropriate balance of gender diversity. The Board will seek opportunities to increase the proportion of female Members over time and will actively seek to ensure that, at any time, no less than 25% of its Members of the Board are female.

The Nominations Committee reviews the implementation of the BD Policy at least annually and makes recommendations on any proposed changes to the Board for the Board’s review and approval to ensure its continued appropriateness and effectiveness. As at the date of this Report, the Board, through the Nominations Committee, has reviewed the implementation of the BD Policy and confirmed its appropriateness and effectiveness.

The BD Policy and the list of skillsets were taken into account by the Nominations Committee and the Board in considering the appointment of Ms Susanna Shen Shuk-ching as an INED, Ms Jeny Yeung Mei-chun as an ED and Dr Jacob Kam Chak-pui as a NED during the year.

The Nominations Committee and the Board formed the view that Ms Shen (having extensive experience in information technology), Ms Yeung and Dr Kam (being appointed in their new roles) would be valuable additions to the Board and would further broaden the spectrum of skills, experience and diversity of perspectives on the Board, thereby enhancing the diversity and effectiveness of the Board.

As at the date of this Report, the diversity of the Board is illustrated in the diagram below:

### Gender



### Designation



### Age Group



### Number of Years as Board Members (Years)



### Outside Directorships (Number of listed companies)



**Board Skills**

During the year, the Nominations Committee reviewed the appropriateness of the list of skillsets and considered that Board Members’ individual experience (past and current) spanning across different sectors (including public bodies, private companies, charitable organisations and Government authorities) has enriched the diverse perspectives of the Board, while collectively providing a reservoir of balanced skills that supports the Company’s strategic needs.

In addition, during 2025, all Members of the Board completed a Board Skillset Confirmation. The results showed that (i) many Members possess the full range of the Company’s desired skills, experience and perspectives (the “Skillsets”); and (ii) most Skillsets are represented by at least half of Board Members, each demonstrating a good level of understanding, substantial experience and/or holding a relevant professional qualification, where applicable.

The following is a consolidated summary of the Skills Matrix of the Board Members. The percentage shown for each Skillset represents the weighted average percentage of Board Members who have a good level of understanding, substantial experience and/or a relevant professional qualification in that area.



The following describes the Skillsets in more detail and explains how they are connected to and therefore why they are required to support the Company’s purpose, strategy, values and culture:

- **Business related experience** including risk management, human resources management, strategic planning, multi-national company experience and passenger/customer viewpoint:
  - ✓ Supports strategic planning, risk management and customer focus: driving value creation and innovation aligned with the Company’s purpose
- **Compliance related experience** including listed company experience and experience in ESG matters:
  - ✓ Ensures robust governance, transparency and sustainability: upholding integrity and long-term value in line with Company values
- **Industry related experience** including railway operations, engineering, construction and infrastructure, property development, planning/urban development, commercial/business operations and overseas business growth and management:
  - ✓ Supports operational excellence and informed decision making: maintaining high service standards and fostering continuous improvement
- **Professional expertise** including accounting and finance, legal and regulatory:
  - ✓ Strengthens financial and legal oversight: promoting accountability, trust and high performance for strategic success

- **Public administration** including Government liaison, Hong Kong political environment, government relations in the Chinese Mainland and public affairs/communications:
  - ✓ Facilitates effective stakeholder engagement and policy influence: building collaboration and trust with communities and authorities
- **Technology**, particularly in the areas of artificial intelligence, digital and cyber security:
  - ✓ Drives innovation and digital transformation, while managing the associated risks: supporting agility, excellent service and future growth

### Workforce Level

“Diversity and Inclusion” (“D&I”) is one of the ten focus areas under the Company’s E&S Objectives, under which the Company commits to eliminating discrimination in its practices and policies and to increasing the diversity of its workforce.

The Company achieved several D&I related KPIs in 2025. A series of follow-up actions from the D&I survey were initiated, including a campaign to promote digital accessibility in workplace. During the year, the Company continued to organise the one-year “EmpowerZ” Youth Placement Pilot Programme for Diverse Talents to support the employment of people with disabilities or from ethnically diverse backgrounds. In 2025, the programme received the “Inclusive Collaboration Award” in “Caring Employer Medal” organised by Labour & Welfare Bureau of Government and was featured as a best practice showcase in the policy bulletin of Hong Kong Council of Social Service (HKCSS). 12% of the Company’s summer interns were ethnically diverse or persons with disabilities and the Company continued to participate in the CareER Disability Inclusion Index and was awarded the “CareER Disability Inclusive Employer Badge”.

In 2025, the Company also received the “Level 3: Disability Inclusive Pioneer” Award from the inaugural “Caring Employer” Medal (top 10% of companies) organised by the Labour and Welfare Bureau and three Gold Awards from the Racial Diversity & Inclusion Employers Award Scheme organised by the Equal Opportunities Commission.

During the year, the Company adopted a new Workforce Diversity Policy. In March 2026, this Policy was reviewed by the Executive Committee, who confirmed its appropriateness and effectiveness. A summary of the Workforce Diversity Policy is set out below:

- **Commitment to Equality and Diversity:** The Company is dedicated to ensuring equality of opportunity and does not discriminate based on race, skin colour, gender, disability, religious or philosophical belief, age, sexual orientation, family status, or any other factor. It values diversity in its workforce, considering various factors such as skills, experience, background, race, and gender.
- **Inclusive Work Environment:** The Company aims to create an inclusive and respectful work environment where employees feel comfortable and can realise their full potential. It is committed to eliminating discrimination, increasing workforce diversity, and providing equal employment opportunities based on merit and objective criteria.
- **Targets and Reporting:** The Company prioritises efforts to achieve workforce diversity through setting and monitoring its performance against annual KPIs. Any KPIs set and the progress of the Company towards meeting them will be disclosed in the Company’s Sustainability Report.

The gender ratio of the senior management of the Company as at 31 December 2025 was approximately 56% male (five members) and 44% female (four members). The Company’s senior management refers to the Members of Executive Directorate who are disclosed in the Annual Report in accordance with paragraph 12 of Appendix D2 to the Listing Rules.

For the gender distribution of the workforce as a whole (excluding the senior management) in 2025, please refer to the information disclosed in the Sustainability Report 2025.

## INED INDEPENDENCE

For the year ended 31 December 2025, each INED has provided a written confirmation to the Company about his/her independence and, where applicable, the interests of his/her immediate family member(s) (as defined under the Listing Rules). The Nominations Committee has reviewed the said confirmations and assessed the independence of the INEDs and continues to consider each of them to be independent.

As at the date of this Report, the Board, through the Nominations Committee, has reviewed the implementation and effectiveness of the below mechanisms to ensure that independent views and input are available to the Board.

<b>Structure</b>	The number of INEDs represents two-thirds of the Board, which exceeds the independence requirement under the Listing Rules.
<b>Length of tenure</b>	<ul style="list-style-type: none"> <li>Currently, for an INED who has completed more than three consecutive terms of service (i.e. nine years), the recommendation for his/her re-appointment should state why the Nominations Committee believes he/she is still independent and should be re-appointed, including the factors considered, the process and the discussion of the Nominations Committee in arriving at such determination. Going forward, the Company will comply with the provisions of the revised CG Code as they take effect.</li> <li>As at the date of this Report, none of the INEDs has been serving on the Board for over nine years. The length of tenure and current period of appointment of each Member of the Board are set out in the biographies on pages 115 to 125 of this Annual Report.</li> </ul>
<b>Time commitment</b>	Each Member of the Board is required to ensure that he/she can give sufficient time and attention to the affairs of the Company and contribute to the development of the Company's strategy and policies through independent, constructive and informed comments. The attendance record of each Member of the Board during the year is set out on pages 87 to 88 of this Report.
<b>Overboarding</b>	<ul style="list-style-type: none"> <li>All Members of the Board (including INEDs) have disclosed to the Company in a timely manner the number and nature of offices held by them in public companies or organisations and other significant commitments, as well as their identity and the time involved.</li> <li>There is no overboarding issue (i.e. holding of more than six listed company directorships).</li> </ul>
<b>Cross-directorship</b>	Certain Members of the Board have common directorships as NEDs or INEDs in the Company and other companies/bodies. The Nominations Committee has assessed the said cross-directorships and confirmed that they should not undermine the independence of the relevant INEDs.
<b>Interest in the shares of the Company</b>	None of the INEDs, nor any of their family members, holds more than 1% of the total number of the issued shares of the Company.

Save as disclosed in this Annual Report, none of the Members of the Board or the Executive Directorate has any relationship (including financial, business, family or other material or relevant relationships) with another Member of the Board or the Executive Directorate or holds any cross-directorships. In addition, none of the Members of the Board holds more than six directorships in listed companies (including the Company) or has significant links with other Members of the Board through involvements in other companies or bodies as at 31 December 2025.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules (the “Model Code”). After having made specific enquiry, the Company confirms that all Members of the Board and (where applicable) their Alternate Directors and all Members of the Executive Directorate have complied with the Model Code throughout the year.

Senior managers, other nominated managers and staff who, because of their office in the Company, may be in possession of Inside Information (which term shall bear the same meaning as in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)) of the Company (collectively the “Model Code Managers”), have also been requested to comply with the provisions of the Model Code.

For enhanced monitoring and effectiveness, the Company has implemented an electronic platform “Model Code Managers Management System” to provide one-stop access to the relevant key processes to support compliance with the Model Code. Periodic training is also required to be completed by Model Code Managers.

## DIRECTORS’ INSURANCE

As permitted under the Articles of Association, it has been the practice of the Company to arrange Directors’ and Officers’ (“D&O”) Liability Insurance for which Members of the Board and officers of the Company do not have to bear any excess. To ensure sufficient cover is provided, the Company undertakes an annual review of the Company’s D&O insurance policy in light of recent trends in the insurance market and other relevant factors. The review benchmarks the amount of cover against other similar companies and considers whether separate cover will be required for Members of the Executive Directorate or Members of the Board. The conclusion of the review in year 2025 was that the level of cover was adequate and, given this, together with the indemnity provided by the Company to Members of the Board, the broad policy wording and the financial strength of the insurance panel, no additional cover was required.

## CORPORATE GOVERNANCE FUNCTIONS REVIEW

During the year, the Board conducted an annual review of its Corporate Governance duties in accordance with its terms of reference on Corporate Governance Functions. Below is a summary of the work performed during the year ended 31 December 2025:

- Reviewed the purpose, values and strategy established by the Company;
- Developed and reviewed the Company’s policies and practices on corporate governance, including the corporate governance framework, the BD Policy and the Nomination Policy;
- Reviewed and monitored the training and continuous professional development of Members of the Board and senior management;
- Reviewed and monitored the Company’s policies and practices on compliance with legal and regulatory requirements;
- Developed and reviewed and monitored the Code of Conduct and Directors’ Manual; and
- Reviewed the Company’s compliance with the CG Code.

As at the date of this Report, the Board has reviewed the Company’s culture to ensure alignment with the Company’s purpose, values and strategy and has also reviewed the implementation and effectiveness of the Shareholders’ Communication Policy.

The Board considers that, overall, the Company’s Corporate Governance Functions remain adequate and appropriate for the Company in light of its current corporate strategy. They will be kept under review in light of the changing legal and regulatory environment and any changes to the Company’s business.

The terms of reference on Corporate Governance Functions are available on the websites of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange.

### BOARD PROCEEDINGS

The Board generally meets in person regularly, while electronic means have also been provided to Members of the Board to facilitate them to participate in meetings virtually, which is permissible under the Articles of Association. The same arrangements are also applied to meetings of Board Committees/Advisory Panel and Executive Committee meetings. The Company's introduction of an electronic meeting solution for Board meetings and Executive Committee meetings since 2017, which has subsequently been expanded to other meetings, has also enabled all Members of the Board, Board Committees/Advisory Panel and the Executive Committee to access meeting documents and to join virtual meetings remotely in a secure, efficient and convenient manner.

All Members of the Board have full and timely access to relevant information and may take independent professional advice at the Company's expense, if necessary. Members of the Board also have full access to Members of the Executive Directorate as and when they consider necessary.

The draft agenda for Board meetings is prepared by the Company Secretary and approved by the Chairman of the Company. Members of the Board are advised to inform the Chairman or the Company Secretary not less than one week before the relevant Board meeting if they wish to include a matter in the agenda of the meeting. The agenda, together with Board Papers, are usually sent at least three days before the intended date of the Board meeting.

The Board meeting dates for the following year are usually fixed by the Company Secretary with the agreement of the Chairman, before communicating with other Members of the Board, in the third quarter of each year.

At regular Board meetings, Members of the Executive Directorate together with senior managers report to the Board on their respective areas of business.

The CEO Report, provided to the Board on a monthly basis, covers the overall strategies, progress updates on the Company's Corporate Strategy implementation, as well as innovation and technology implementation, principal issues and key events of the Company for the relevant month and provides key information in areas such as the Group's safety performance in different business sectors, financial activities, contingent liabilities, human resources developments, the programme and cost status of new railway projects and the progress of major asset management projects, as well as a look ahead to key issues or events in the following three to six months. This CEO Report together with the discussions at Board meetings, ensures that Members of the Board have an overall understanding of the Company's business and other key information about the Company, and provides up-to-date information to enable them to make informed decisions for the benefit of the Company.

### MATERIAL INTERESTS AND VOTING

All Members of the Board and the Executive Directorate are required to comply with their common law duty to act in the best interests of the Company and have particular regard to the interest of the Company's shareholders as a whole. To this end, all of them are required to declare the nature and extent of their interests, if any, in any contract, transaction, arrangement or other proposal to be considered by the Board at Board meetings.

The Company reminds each Member of the Board and Alternate Director to update his/her "Declaration of Other Directorships, Major Appointments and Interests" on a quarterly basis. Each of them is also required to confirm his/her other directorships, major appointments and interests to the Company twice a year.

Unless specifically permitted by the Articles of Association, a Member of the Board cannot cast a vote on any contract, transaction, arrangement or any other kind of proposal in which he/she has an interest which he/she knows is material. For this purpose, the interests of a person who is connected with a Member of the Board (including any of his/her associates) are treated as the interests of the Member of the Board himself/herself. Interests purely as a result of an interest in the Company's shares, debentures or other securities are disregarded. A Member of the Board may not be included in the quorum for such part of a meeting that relates to a resolution he or she is not allowed to vote on but he or she shall be included in the quorum for all other parts of that meeting. This reduces potential conflicts which might otherwise arise between the Company's business and an individual Member of the Board's other interests or appointments.

If a conflict arises between the interests of the Company and those of Government, each Government-nominated Director and any Director holding a senior Government position, is not included in the quorum for that part of the meeting which relates to the contract, transaction, arrangement or other proposal being considered by the Board and in relation to which the conflict exists and is not allowed to vote on the related resolution. Where appropriate, Government-nominated Directors and any Directors holding a senior Government position will be excused from attendance for discussion of a particular item.

There are a number of contractual arrangements that have been entered into between the Company and Government (and/or its related entities), some of which are continuing in nature. As Government is a substantial shareholder of the Company, such contractual arrangements are connected transactions (and in some cases continuing connected transactions) for the purposes of the Listing Rules. The sections headed "Connected Transactions" and "Continuing Connected Transactions" (pages 142 to 162) of this Annual Report explain how, in accordance with the Listing Rules, these transactions have been treated.

Matters to be decided at Board meetings are decided by a majority of votes from Members of the Board allowed to vote, although the usual practice is that decisions reflect the consensus of the Board.

## BOARD MEETINGS

The Board held 10 meetings in 2025 (six Regular Meetings, one Special Meeting and three Private Meetings), well exceeding the requirement of the CG Code which requires every listed issuer to hold board meetings at least four times a year.

In addition and as required by the Listing Rules, the Chairman met with the INEDs only without the presence of other Members of the Board during the year, at which meeting the following matters were discussed: the Company's strategic and financial challenges, sustainable funding models for future railway lines, the Company's strategies for its property and international businesses, technology concerns around, for example, data management and people issues regarding AI talent and upskilling.

### Regular Meetings

At each Regular Meeting, the Board reviewed, discussed and, where appropriate, approved matters relating to the Company's different businesses and financial and operational performance.

In addition, other key matters discussed at the Regular Board meetings held in 2025 included:

- Corporate Strategy:
  - Receipt of reports on the strategy implementation;
- Environmental, Social and Governance:
  - Annual review of the size, structure and composition of the Board and the Company's corporate governance functions for 2024; annual assessment of (i) the independence of the INEDs; and (ii) the effectiveness of the Company's risk management and internal control systems for 2024;
  - Recommendation of the appointment of a new Member of the Board and the re-election of certain retiring Members of the Board for approval by shareholders at the 2025 AGM;
  - Approval of (i) changes in the composition of Board Committees/Advisory Panel; (ii) amendments to the Nomination Policy, BD Policy and List of Desirable Skills/Experience/Perspectives; and (iii) annual update of the Directors' Manual;

## Corporate Governance Report

- Approval of Sustainability Report 2024; and
- Receipt and consideration of reports from Management on key matters such as corporate safety governance and enterprise risk management;
- Hong Kong Transport Services:
  - Receipt of quarterly updates on Hong Kong Transport Services;
  - Receipt of report on the review of the controlled fares for 2025 under the Fare Adjustment Mechanism;
  - Approval of the 2025 fare adjustment for the Airport Express;
  - Approval of the award of a major contract in relation to lifts and escalators; and
  - Approval of a franchise agreement for banking services;
- Capital Works:
  - Approval of the award of a construction contract for Hung Shui Kiu Station on the Tuen Ma Line;
  - Review of future project proposals; and
  - Receipt of an update on the Northern Link Project;
- Property:
  - Review of a new tenancy proposal for an investment property;
  - Approval of tender arrangements and property project costs budget for Tuen Mun A16 Station Package One Property Development; and
  - Review of the “new normal” and the strategy for the Company’s retail business;
- Chinese Mainland and International Businesses:
  - Receipt of 2024 annual update on the Chinese Mainland and Macao businesses;
  - Receipt of progress update on a Transit-Oriented Development project in Chinese Mainland; and
  - Approval for a tender submission for an integrated station development project in Australia;
- Financial:
  - Review and approval of the 2024 Annual Report and the 2025 Interim Report and the respective financial statements;
  - Receipt of the annual shareholder analysis and investor feedback;
  - Receipt of an update on the implementation of the Company’s financial strategy;
  - Receipt of an update on the implementation of a major enterprise resource planning system;
  - Approval of the annual update of the Debt Issuance Programme;
  - Approval of the 2026 Budget and 10-Year Forecast;
  - Approval of additional funding required for future financing needs; and
  - Approval of forfeiture of unclaimed dividends;
- Human Resources:
  - Approval of the 2025 Annual Pay Review; and
  - Review of the Executive Share Incentive Scheme;
- Corporate Affairs:
  - Receipt of quarterly updates on corporate communications and reputation management.

### Special Meeting

During 2025, a Special Meeting was held to note or approve (as applicable) an operations and maintenance project in Chinese Mainland, an action plan in response to the Tseung Kwan O Line incident on 22 May 2025 and a further update on the Company’s financing strategy and the Northern Link (Part 1) Project Agreement for the Northern Link.

### Private Meetings

During 2025, three Private Meetings were held to discuss the Company’s management succession, to approve the appointments of the new CEO and a new NED and to approve the changes in the composition of Board Committees.

The Company Secretary or her delegate prepares Board meeting minutes, recording matters discussed, decisions made and any concerns or dissenting views. Draft minutes are circulated to all Board Members for comments within a reasonable time after the meeting. The Board formally adopts the minutes at the next meeting, incorporating any agreed changes. Final minutes are kept by the Company Secretary and are available for inspection at the Company’s registered office.

The attendance record of each Member of the Board (and each Member of the Executive Directorate) during the year is set out on pages 87 to 88 of this Report.

## Members of the Board and the Executive Directorate Attendance of Meetings in 2025

	Board Meetings			Board Committees/Advisory Panel Meetings							2025 AGM
	RM	SM	PM	A&RC	NC	RC	CWC	E&SRC	F&IC	TAP	
<b>Total Number of Meetings</b>	6	1	3	4	3	3	5	2	7	6	1
<b>Members of the Board</b>											
<b>Non-executive Directors (“NED”)</b>											
Dr Rex Auyeung Pak-kuen (Chairman) <sup>(1)</sup>	6/6	1/1	3/3		3/3	3/3		2/2 <sup>C</sup>			1/1
Christopher Hui Ching-yu <sup>#(2)</sup> (Secretary for Financial Services and the Treasury)	2/6	0/1	0/3			1/3			2/7		0/1
Secretary for Transport and Logistics (Mable Chan) <sup>#(3)</sup>	4/6	1/1	1/3		1/3	1/3					0/1
Permanent Secretary for Development (Works) (Ricky Lau Chun-kit) <sup>#(4)</sup>	6/6	1/1	3/3				2/5			2/6	0/1
Commissioner for Transport (Angela Lee Chung-yan) <sup>#(5)</sup>	6/6	1/1	3/3	4/4				1/2			0/1
<b>Independent Non-executive Directors (“INED”)</b>											
Andrew Clifford Winawer Brandler	5/6	1/1	2/3	4/4					6/7 <sup>C</sup>		1/1
Dr Bunny Chan Chung-bun	6/6	1/1	3/3			2/3		2/2			1/1
Cheng Yan-kee	6/6	1/1	3/3			3/3	5/5 <sup>C</sup>				1/1
Hui Siu-wai	6/6	1/1	3/3			3/3	5/5				0/1
Ayesha Macpherson Lau	6/6	1/1	3/3	4/4					7/7		1/1
Professor Sunny Lee Wai-kwong	6/6	1/1	3/3				5/5			6/6 <sup>C</sup>	1/1
Jimmy Ng Wing-ka	6/6	1/1	3/3		3/3					6/6	0/1
Susanna Shen Shuk-ching <sup>(6)</sup>	3/3	1/1	2/2				3/3			4/4	1/1*
Dr Carlson Tong <sup>(7)</sup>	5/6	0/1	2/3	3/4	1/2 <sup>C</sup>				2/2		1/1
Sandy Wong Hang-yee	6/6	1/1	3/3		3/3			2/2			1/1
Adrian Wong Koon-man <sup>(8)</sup>	6/6	0/1	2/3	3/3		3/3 <sup>C</sup>			2/2		1/1
Professor Anna Wong Wai-kwan	6/6	1/1	3/3	4/4 <sup>C</sup>					7/7		1/1
<b>Executive Director</b>											
Dr Jacob Kam Chak-pui (CEO) <sup>(9)</sup>	6/6	1/1	1/1					1/2			1/1
<b>Members of the Executive Directorate &amp; the Executive Committee</b>											
Dr Jacob Kam Chak-pui (CEO) <sup>(9)</sup>	6/6	1/1	1/1					1/2			1/1
Jeny Yeung Mei-chun <sup>(10)</sup>											1/1
Margaret Cheng Wai-ching								2/2			1/1
Linda Choy Siu-min											1/1
Carl Michael Devlin											1/1
Michael George Fitzgerald											1/1
Gillian Elizabeth Meller								2/2			1/1
David Tang Chi-fai											1/1
Sammy Wong Kwan-wai											1/1
<b>Members departing during 2025</b>											
<b>INED</b>											
Walter Chan Kar-lok <sup>(11)</sup>	3/3	N/A*	1/1		1/1 <sup>C</sup>		2/2				1/1
<b>Member of the Executive Directorate &amp; the Executive Committee</b>											
Dr Tony Lee Kar-yun <sup>(12)</sup>											N/A

# Corporate Governance Report

Legend:

## **Board Meetings**

**RM** – Regular Meeting  
**SM** – Special Meeting  
**PM** – Private Meeting

## **Board Committees/Advisory Panel**

**A&RC** – Audit & Risk Committee  
**NC** – Nominations Committee  
**RC** – Remuneration Committee  
**CWC** – Capital Works Committee  
**E&SRC** – Environmental & Social Responsibility Committee  
**F&IC** – Finance & Investment Committee  
**TAP** – Technology Advisory Panel

**2025 AGM** – Annual General Meeting of the Company held on 21 May 2025

**N/A** – Not applicable

**\*** – Appointed/ceased after the conclusion of the 2025 AGM

**C** – Current chairperson

**C** – Ceased to be chairperson during 2025

**#** – For the avoidance of any actual or perceived conflicts of interest, Government Directors or their alternate director(s) were not present at meetings or portions of meeting(s), where applicable, at which discussions were related to business proposals, projects and/or matters in which Government is or will be interested

Notes:

1. *Dr Rex Auyeung Pak-ken retired from the position of Chairman and also retired as a Director, the chairman of the E&SRC and a member of each of the NC and the RC of the Company when his tenure expired after 31 December 2025.*
2. *The alternate directors of Mr Christopher Hui Ching-yu (Secretary for Financial Services and the Treasury), acting on his behalf, attended four RM, one SM, three PM, two RC and four F&IC meetings.*
3. *The alternate directors of the Secretary for Transport and Logistics (Ms Mable Chan), acting on her behalf, attended two RM, two PM, two NC and two RC meetings.*
4. *The alternate director of the Permanent Secretary for Development (Works) (Mr Ricky Lau Chun-kit), acting on his behalf, attended three CWC and four TAP meetings.*
5. *The alternate director of the Commissioner for Transport (Ms Angela Lee Chung-yan), acting on her behalf, attended one E&SRC meeting.*
6. *Ms Susanna Shen Shuk-ching was elected as a Member of the Board and became an INED with effect from the conclusion of the 2025 AGM, and was appointed by the Board as a member of each of the CWC and the TAP of the Company at the same time.*
7. *Dr Carlson Tong was appointed by the Board as the chairman of the NC of the Company and ceased to be a member of the F&IC of the Company, both with effect from the conclusion of the 2025 AGM.*
8. *Mr Adrian Wong Koon-man was appointed by the Board as a member of the F&IC of the Company and ceased to be a member of the A&RC of the Company, both with effect from 14 October 2025.*
9. *Dr Jacob Kam Chak-pui was appointed as a NED of the Company upon the expiry of his term as the CEO with effect from 1 January 2026, whereupon he also ceased to be a Member of the Executive Directorate. He was appointed as the Chairman of the Company with effect from 1 January 2026 until 31 December 2028 (both dates inclusive). At the same time as Dr Kam became the Chairman of the Company, he also became the chairman of the E&SRC and a member of each of the NC and the RC. For the avoidance of any actual or perceived conflict of interest, Dr Kam was not invited to attend the two PMs at which the discussions were related to management succession, his appointment as a new NED and changes in the composition of Board Committee.*
10. *Ms Jeny Yeung Mei-chun was appointed as the CEO and a member of the E&SRC of the Company upon the expiry of Dr Jacob Kam Chak-pui's term as the CEO, all with effect from 1 January 2026. She was appointed as a Director with effect from the same date and continues to be a Member of the Executive Directorate.*
11. *Mr Walter Chan Kar-lok retired as an INED and ceased to be the chairman of the NC and a member of the CWC of the Company, all with effect from the conclusion of the 2025 AGM.*
12. *Dr Tony Lee Kar-yun retired from the Company after 30 April 2025 upon completion of his service agreement with the Company. Accordingly, he ceased to be the Operations and Innovation Director, a Member of the Executive Directorate, and a director of several subsidiaries of the Company, all with effect from 1 May 2025.*

## INDUCTION PROGRAMME AND OTHER TRAINING

### Induction Programme

Before appointment, all new Members of the Board (including Government-nominated Directors), Alternate Directors and Members of the Executive Directorate are required to be given pre-appointment legal advice (the "Legal Advice") from a firm of solicitors qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules. This advice covers:

- the roles of a director from the strategic, planning and management perspectives, as well as the essence of corporate governance and the trends in these areas;
- the general and specific duties of a director under general law (common law and legislation) and the Listing Rules; and
- the possible legal consequences of making a false declaration or giving false information to the Stock Exchange.

During the year, the following newly appointed Directors received the Legal Advice on the respective dates set out below, and they acknowledged and confirmed in writing their understanding of their obligations as a director of a listed issuer.

Name	Position	Date of Receipt of the Legal Advice	Date of Appointment
Susanna Shen Shuk-ching	Member of the Board	15 April 2025	21 May 2025
Jeny Yeung Mei-chun	Member of the Board	1 December 2025	1 January 2026
Jacob Kam Chak-pui	Member of the Board	22 December 2025	1 January 2026
Kevin Choi	Alternate Director	11 April 2025	14 April 2025
Vic Yau Cheuk-hang	Alternate Director	4 November 2025	17 November 2025
Anson Lai Yat-ching	Alternate Director	10 November 2025	20 November 2025
Wilson Kwong Wing-tsun	Member of the Executive Directorate	11 December 2025	28 January 2026

In addition to the above, a familiarisation programme to understand the key areas of the Company's business and operations is arranged for new appointees.

All Members of the Board, Alternate Directors and Members of the Executive Directorate are also provided with a Directors' Manual on their appointment which sets out, amongst other things, directors' roles and responsibilities, their key obligations from both a statutory and a regulatory perspective, the terms of reference of the Board on its Corporate Governance Functions and the terms of reference of the Board Committees and Advisory Panel. The Directors' Manual is updated regularly to keep the contents up to date so that the Directors are kept abreast of changes and latest developments in the laws and regulations that are relevant to Directors and the Company. The latest updates to the Directors' Manual covered (i) the updated Corporate Governance Guide for Boards and Directors published by the Stock Exchange in May 2025; (ii) the requirement for disclosure of significant external time commitments; and (iii) miscellaneous housekeeping updates.

## Training and Continuous Professional Development

### Members of the Board and the Executive Directorate

To assist Members of the Board and the Executive Directorate in continuing their professional development, the Company Secretary recommends them to attend relevant seminars and courses at the cost of the Company. Materials on the subject of corporate governance and e-learning provided by the Stock Exchange and other professional firms and institutes are also provided/notified to Members of the Board, Alternate Directors and Members of the Executive Directorate from time to time to keep them abreast of the latest developments on this front.

In order to comply with the new Listing Rules requirements, effective 1 July 2025, in addition to the existing resources mentioned in the above paragraph, the Company has arranged a structured continuous professional development ("CPD") training programme covering, inter alia, the five topics set out in Rule 3.09G of the Listing Rules for Members of the Board, Alternate Directors and Members of the Executive Directorate to attend at their convenience. Since the new Listing Rules requirements apply to corporate governance reports in respect of financial years commencing on or after 1 July 2025, the Company will continue to refine the disclosures in next year's report to provide further details as required by the Listing Rules.

Each of the Members of the Board as at 31 December 2025 has provided the Company with a confirmation of the CPD training undertaken by them in 2025. During the year, the total number of CPD training hours undertaken by Members of the Board was approximately 596 with the average number of training hours per Board Member being approximately 33.

## Corporate Governance Report

Based on the confirmations received, the details of the CPD training undertaken by each of the Members of the Board are set out below:

	CPD Training Topics							Others
	The roles, functions and responsibilities of the Board, its committees and its directors, and board effectiveness	The Company's obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments	Corporate Governance and ESG matters	Risk management and internal controls	Updates on industry-specific developments, business trends and strategies relevant to the Company			
<b>Members of the Board (as at 31 December 2025)</b>								
<b>Non-executive Directors</b>								
Dr Rex Auyeung Pak-kuen (Chairman)	●	●	●	●	●	●	●	●
Christopher Hui Ching-yu (Secretary for Financial Services and the Treasury)		●	●	●	●	●	●	●
Secretary for Transport and Logistics (Mable Chan)		●	●	●	●	●	●	●
Permanent Secretary for Development (Works) (Ricky Lau Chun-kit)		●	●	●	●	●	●	●
Commissioner for Transport (Angela Lee Chung-yan)	●	●	●	●	●	●	●	●
<b>Independent Non-executive Directors</b>								
Andrew Clifford Winawer Brandler		●	●	●	●	●	●	●
Dr Bunny Chan Chung-bun	●	●	●	●	●	●	●	●
Cheng Yan-kee		●	●	●	●	●	●	●
Hui Siu-wai	●	●	●	●	●	●	●	●
Ayesha Macpherson Lau	●	●	●	●	●	●	●	●
Professor Sunny Lee Wai-kwong		●	●	●	●	●	●	●
Jimmy Ng Wing-ka		●	●	●	●	●	●	●
Susanna Shen Shuk-ching	●	●	●	●	●	●	●	●
Dr Carlson Tong	●	●	●	●	●	●	●	●
Sandy Wong Hang-yee	●	●	●	●	●	●	●	●
Adrian Wong Koon-man	●	●	●	●	●	●	●	●
Professor Anna Wong Wai-kwan		●	●	●	●	●	●	●
<b>Executive Director and a Member of the Executive Directorate</b>								
Dr Jacob Kam Chak-pui (CEO)	●	●	●	●	●	●	●	●

- Internal training: attendance or participation in management briefings, site visits and workshops organised by the Company
- External training: attendance or participation in seminars, webinars and conferences provided by external service providers or regulators
- Self-study: reading materials or e-learnings

In relation to the CPD training of the Alternate Directors and Members of the Executive Directorate as at 31 December 2025, each of them has also provided the Company with a confirmation of the CPD training undertaken in 2025. During the year, the total CPD training hours undertaken by them were as follows:

	Total training hours (approx.)	Average training hours per person (approx.)
Alternate Directors	51	6
Members of Executive Directorate	486	54

### Senior Executives

On-going learning programmes are offered to the Company's Senior Executives to support their continuous growth in the areas of business leadership, people leadership and self leadership. The sharing of the latest trends and insights is implemented via online and offline programmes supported by the inhouse team, consultants and renowned business schools.

## FINANCIAL REPORTING

Members of the Board are responsible for preparing the consolidated financial statements of the Group. The consolidated financial statements are prepared on a going concern basis and give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of the Group's consolidated financial performance and consolidated cash

flows for the year then ended. In preparing the consolidated financial statements for the year ended 31 December 2025, Members of the Board have selected appropriate accounting policies and have applied them consistently with previous financial periods, apart from those new and amended accounting policies effective from 1 January 2025 as disclosed in the notes to the consolidated financial statements for the year ended 31 December 2025. Judgments and estimates that have been made are prudent and reasonable. The reporting responsibilities of the external auditor of the Company (the “External Auditor”) are set out on page 97 of this Report.

In support of the above, the consolidated financial statements presented to the Board have been reviewed by Members of the Executive Directorate. For both the annual and interim reports and consolidated financial statements, the Finance Function of the Company is responsible for clearing them with the External Auditor and the Audit & Risk Committee. In addition, all new and amended accounting standards and requirements, as well as any changes in accounting policies adopted by the Group, have been discussed and reviewed by the Audit & Risk Committee before adoption by the Group.

Members of the Board endeavour to ensure a balanced, clear and understandable assessment of the Group’s consolidated financial position and performance in annual reports, interim reports, inside information announcements and other financial disclosures required under the Listing Rules and other statutory requirements.

## RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Company has adopted the Three Lines Model, pursuant to which the First Line owns and manages risks, the Second Line carries out assurance and provides advisory support in key risk areas and the Third Line (i.e. Internal Audit) provides the highest degree of independent assurance. The below diagram illustrates the roles played by the Three Lines.



The Board is responsible for the risk management and the internal control systems of the Company and its subsidiaries and confirming that the system are appropriate and effective on an annual basis. With the assistance of the Audit & Risk Committee as mentioned in the Audit & Risk Committee Report on pages 100 to 102 of this Annual Report, the Board oversees the Company’s risk management system (the “ERM” system) and internal control system on an on-going basis and reviews the effectiveness of the systems at least annually.

The Company has continued to demonstrate its commitment to robust governance and effective risk management across all Business Units by implementing the Three Lines Model. Pursuant to this model, Second Line activities are managed by the Legal & Governance function with its Centres of Excellence in technical, engineering, safety, quality, environment, risk, assurance and commercial disciplines. Second Line assurance activities span across all Business Units of the Company as well as critical corporate projects and initiatives.

## Corporate Governance Report

In 2025, the Company commissioned an independent advisory review of its Second Line, conducted in collaboration with an external consulting firm. The review confirmed that the Company's Second Line is operating effectively and that the Company has implemented proactive measures such as standardised assurance procedures, formalised escalation processes and enhanced coordination with other Lines. To further optimise governance, the Company is introducing a formal mandate for its Three Lines Model, exploring innovative resourcing models and developing a comprehensive Assurance Map to provide the Board and Executives with greater visibility over risk management and assurance activities with a view to closing any gaps identified and eliminating overlaps. These initiatives underscore the Company's commitment to transparency, accountability and continuous improvement in governance practices.

The ERM system and the internal control system, with processes put in place by the Board, management and other personnel, have been established and are maintained to assist the Company in achieving its objectives in the areas of the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws and regulations.

### Systems Overview

The Executive Committee is responsible for:

- Implementing the Board's policies on risk management and internal controls;
- Identifying and evaluating (including through the identification of appropriate mitigation measures) the risks faced by the Company for consideration by the Board;
- Designing, implementing and monitoring a suitable internal control system and risk management system; and
- Providing the Board with a confirmation that these systems are effective.

In addition, all employees are responsible for risk management and internal controls within their areas of accountability.

### Business/Functional Management Committees

A number of committees have been established to assist the Executive Committee in the management and control of the Company's various core businesses and functions. Each committee has its own terms of reference which, together with the structure and composition of the committees, are reviewed from time to time to ensure they meet the Company's business and operational needs.

### Internal Audit

The Head of Internal Audit reports directly to the Board via the Audit & Risk Committee and reports administratively to the CEO. The Internal Audit Department ("IAD") has unrestricted access to information that allows it to review all aspects of the Company's risk management, control and governance processes.

On a regular basis, it conducts audits on operational, reporting and compliance controls and the risk management functions of the Company and its subsidiaries. Relevant members of the management team are responsible for ensuring that control deficiencies highlighted in internal audit reports are rectified within a reasonable time.

The IAD produces an annual internal audit plan for the Audit & Risk Committee's approval. The audits are selected based on a risk assessment of the Company's audit universe to ensure that business activities with higher risks are covered most frequently. On a quarterly basis, the Head of Internal Audit reports to the Audit & Risk Committee on major observations identified in audit reviews and the implementation progress of audit recommendations, together with his opinion on the effectiveness of the Company's internal control system.

To ensure the IAD's conformance with the Institute of Internal Auditors' Global Internal Audit Standards, an independent assessment, namely a Quality Assurance Review ("QAR"), is conducted by an external qualified party once every five years. The results of the QAR are reported to the Executive Committee and the Audit & Risk Committee. The last QAR was conducted in 2023.

### ERM system

The ERM system is an essential and integral part of the Company's corporate governance framework and helps to sustain business success and create value for stakeholders. It involves a corporate-wide systematic risk identification and management process which aims to assist the Executive Committee and individual business unit managers to manage the key risks facing the Company and supports the Board in discharging its corporate governance functions.

More details of the features of the ERM system, the process used to identify, evaluate and manage significant risks, the significant risks being managed and the process used to review the effectiveness of the ERM system are set out in the "Risk Management" section (pages 103 to 107) of this Annual Report.

In 2025, the Company took steps to update its ERM Manual, enhancing risk register content and streamlining the enterprise level risk profile (consolidating enterprise risks under Principal Risk Areas) and has deployed risk dashboards which make reference to quantitative key risk indicators, risk control effectiveness assessments and assurance information from across the Three Lines functions.

### Control Activities and Processes

To ensure the efficient and effective operation of Business Units and Functions and the safety of the operating railway and construction works in railway projects, Corporation General Instruction(s) ("CGI(s)"), Business Units'/Functions'/ Departments' procedures and manuals, committees, working groups and quality assurance units are established to monitor and enforce internal controls and evaluate their effectiveness.

CGIs and various Departments' procedures and manuals are established for preventing or detecting unauthorised expenditures/payments, safeguarding the Company's assets, ensuring the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.

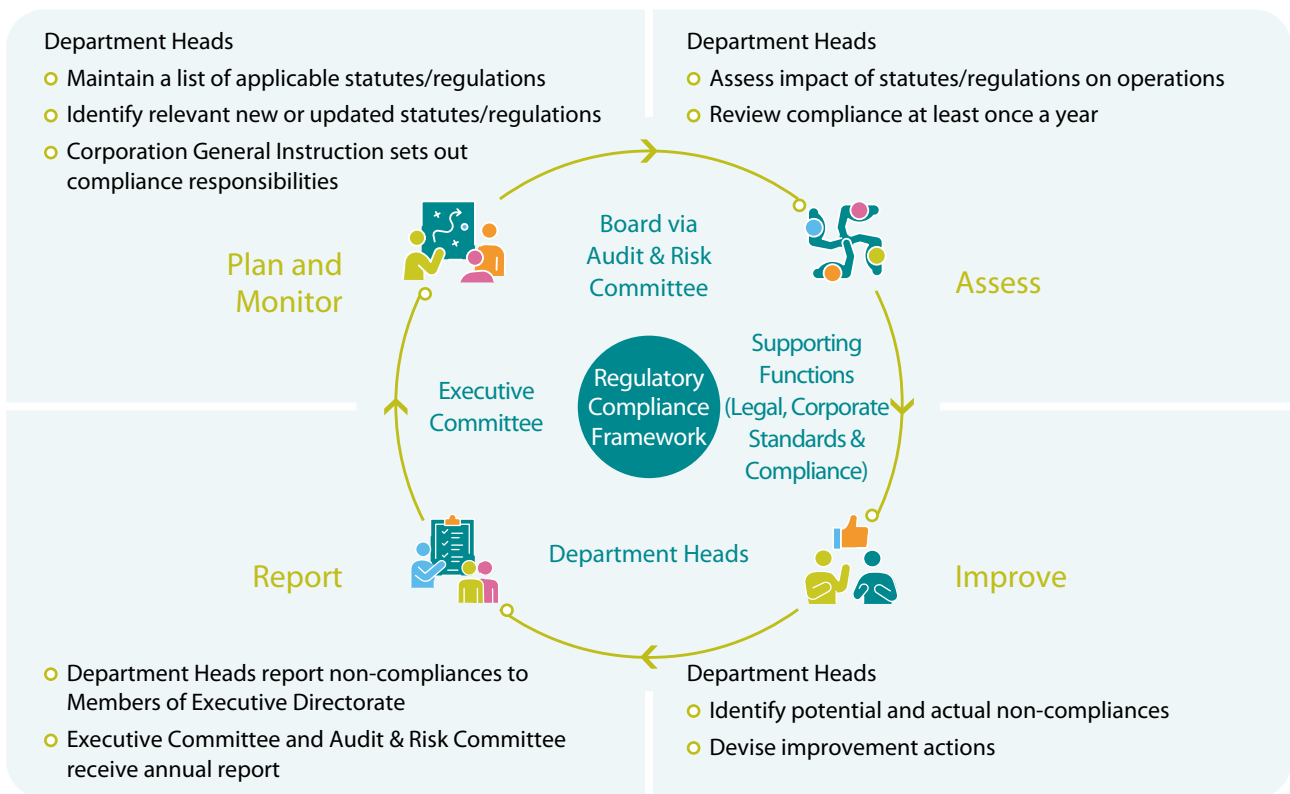
Directors and Department Heads of Business Units/Functions, including General Managers/Project Managers for overseas subsidiaries/projects, are required to conduct annual assessments and certifications on the effectiveness of risk management and internal control systems within their areas of responsibility, including the adequacy of resources deployed in designing, implementing and monitoring these systems.

### Compliance with Statutes and Regulations

All Department Heads, including General Managers/Project Managers for overseas subsidiaries/projects, are responsible for ensuring compliance with the statutes and regulations applicable to their own functional units in accordance with the Regulatory Compliance Framework, with necessary legal support.

Issues relating to compliance with statutes and regulations, including potential and actual non-compliances and the status of rectifications and actions taken to prevent recurrence are reported annually to the Executive Committee and the Audit & Risk Committee.

The diagram below shows the Regulatory Compliance Framework of the Company:



### Whistle-blowing Policy

A whistle-blowing policy, which is available on the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)), has been put in place to handle concerns related to fraudulent or unethical acts or non-compliance with laws and the Company's policies that have or could have significant adverse financial, legal or reputational impacts on the Company. The whistle-blowing policy is regularly reviewed by the IAD. Various whistle-blowing channels are available to all staff, parties who deal with the Company, as well as the general public. Every quarter, a summary of all whistle-blowing cases handled by the Whistle-blowing Panel is reported to the Executive Committee and the Audit & Risk Committee.

### Inside Information Policy

The Company has developed a system with established policies, processes and procedures across all relevant Functions, Business Units and Departments for the handling and dissemination of Inside Information, which encompasses the following:

- A CGI setting out:
  - (i) the internal processes for identifying, assessing and escalating potential Inside Information to the Executive Committee and the Board;
  - (ii) the responsibilities of Model Code Managers in preserving the confidentiality of Inside Information, escalating upwards any such potential information and cascading down the message and responsibilities to relevant staff; and
  - (iii) the process for disclosure of Inside Information; and
- Training for Members of the Board and the Executive Directorate, Executive Managers, Department Heads and Model Code Managers is provided from time to time. In particular, Members of the Executive Directorate, Executive Managers, Department Heads and Model Code Managers are regularly required to complete an online training programme on Inside Information.

### Evaluation of the Effectiveness of the Risk Management System

The Company has surpassed the relevant requirement in the CG Code by completing an effectiveness review of the ERM system for the Company and its subsidiaries and extending the review to the Company's key associates operating in the Chinese Mainland and overseas.

For the year ended 31 December 2025, the Audit & Risk Committee, with delegated authority from the Board, has evaluated the effectiveness of the ERM system of the Company and considers that it is overall effective.

Details about the "Process of System Effectiveness Review" are set out in the Risk Management section (page 107) of this Annual Report.

### Evaluation of the Effectiveness of the Internal Control System

For the year ended 31 December 2025, the annual review of the effectiveness of the internal control system of the Company and its subsidiaries and key associates was performed by the Audit & Risk Committee based on the following:

- Review of significant issues arising from internal audit reports through the quarterly IAD Reports and the external audit report
- Private sessions with internal and external auditors
- Routine interviews with the Members of the Executive Directorate
- Review of annual assessment and certification of internal controls from Members of the Executive Directorate, management of overseas subsidiaries and key associates and Department Heads in their areas of responsibility

The Audit & Risk Committee concluded that the internal control system was overall effective

## Evaluation of the Adequacy of Resources of the Company's Accounting, Financial Reporting, Internal Audit Functions and for ESG Performance and Reporting

For the year ended 31 December 2025, the annual assessments performed by the Company's Finance Function, the IAD and the Environmental, Social & Governance Functions concluded that there were adequate resources, including staff qualifications and experience, training programmes and budgets for the Company's accounting, financial reporting, internal audit and ESG performance and reporting functions respectively.

The Company is committed to recruit, train and develop a team of qualified and competent accountants for overseeing the Group's financial reporting and other accounting-related matters. A process to capture and update relevant laws, rules and regulations applicable to the financial reporting and accounting function is in place. Designated officers will ensure relevant standards and ordinances including HKFRS Accounting Standards, the Listing Rules and the Companies Ordinance under their responsibility are complied with. Resources and provisions required to deliver the accounting and financial reporting function are critically reviewed during the annual budgeting exercise. Company-wide recruitment processes and staff development programmes are in place to address the competency, qualifications and experience required. Adherence to the process is confirmed on an annual basis by the designated officers to the Finance Director, who will conduct a formal annual review and report the review results to the Audit & Risk Committee.

In terms of internal audit, the Company is also committed to recruiting, training and developing a team of qualified and competent internal auditors to provide independent and objective assurance along with consulting services designed to add value and improve the Company's operations. A process to capture updated standards and best practices related to internal audit is in place. Resources and provisions required to deliver the internal audit function are critically reviewed during the annual budgeting exercise. Proper recruitment processes and staff development programmes are also in place to address the competency, qualifications and experience required. The Head of Internal Audit conducts a formal annual review on the adequacy of resources for the internal audit function, including staff qualifications and experience, training programmes and budget, and reports the results to the Audit & Risk Committee.

In terms of ESG performance and reporting, the Company is also committed to recruiting, training and developing a team of qualified and competent specialists for overseeing the implementation of the Company's ESG initiatives, enhancing and monitoring ESG performance and preparing ESG reports and other disclosures. A process to capture and update laws, regulations, standards and best practices applicable to the Company's ESG performance and reporting is in place. Designated officers will ensure relevant ordinances, regulations and standards under their responsibility are complied with. Resources and provisions required to deliver the ESG performance and reporting function are reviewed during the annual budgeting exercise by respective business units and corporate functions. Proper recruitment processes and staff development programmes are in place to address the competency, qualifications and experience required. The Legal and Governance Director will conduct a formal annual review on the adequacy of staff resources, qualifications and experience of staff involved in delivering the Company's ESG performance and reporting function and report the review results to the Audit & Risk Committee as part of the report on risk management and internal control systems effectiveness.

Based on the above, the Audit & Risk Committee considers that the resources, including staff qualifications and experience, training programmes and budgets for the Company's accounting, financial reporting and internal audit functions, as well as for the ESG performance and reporting functions are adequate.

### Board's Annual Review

The Board, through the Audit & Risk Committee, oversees the Company's risk management and internal control systems on an on-going basis. The Board has conducted its annual review of the risk management and internal control systems of the Company and its subsidiaries and key associates for the year ended 31 December 2025 and considers that such systems are overall appropriate and effective, with supporting compliance mechanisms to provide assurance that the Company and its officers observe their disclosure obligations in respect of Inside Information.

The Board has also conducted a review of the adequacy of resources, including staff qualifications and experience, training programmes and budgets for the Company's accounting, financial reporting and internal audit functions, as well as the ESG performance and reporting functions for the year ended 31 December 2025, and considers the above resource components to be adequate.

### CRISIS MANAGEMENT

To uphold the reputation of being one of the world's leading railway operating companies and to ensure that the Company can respond to and recover from crises in an organised and highly effective manner, the Company has established a mechanism to activate pre-defined levels of crisis response in the event of a crisis which enables timely communication with principal stakeholders such as Government departments and shareholders. The Corporate Crisis Management Team comprises relevant Members of the Executive Directorate and Executive Managers. Its operation is governed by a Corporate Crisis Management Plan which, among other things, sets out the duties of respective members. The Corporate Crisis Management Plan is regularly reviewed to ensure it aligns with international standards and remains up-to-date.

Regular crisis management exercises are conducted to validate the corporate crisis management mechanism and provide practical experience for team members. In 2025, two sessions of our annual Corporate Crisis Management Exercise under the theme "Mastering the Unexpected: Confronting Natural and Man-Made Disasters" were conducted. The primary objectives were to evaluate potential vulnerabilities at the corporate level and across Business Units, with a particular focus on responses to geopolitical risks and operational disruptions. The Corporate Crisis Management Team worked through realistic scenarios designed to challenge crisis response strategies and decision-making processes. Overall, the 2025 exercise marked a significant step in strengthening organisational resilience and enhancing preparedness for complex crises.

### GOVERNANCE OF SUBSIDIARIES AND ASSOCIATES

The Company has a number of subsidiaries and associates which operate independent businesses in Hong Kong, Macao, Chinese Mainland and overseas. Notwithstanding the fact that these subsidiaries and associates are separate legal entities, the Company has implemented a corporate governance framework (the "Corporate Governance Framework") to ensure that it exercises an appropriate level of control and oversight as a shareholder of these subsidiaries and associates.

The Company's Corporate Governance Framework promotes collaboration between the corresponding Business Units/Functions in the Company on the one hand and the subsidiaries and associates on the other hand. The implementation process of the Corporate Governance

Framework in the Company's subsidiaries and associates starts from the inception of any new business operations/ investments, with flexibility for certain subsidiaries and associates to be exempt from compliance with the relevant CGI, subject to satisfaction of specified criteria and conditions.

Pursuant to the Corporate Governance Framework, the Company exercises its control and oversight through the formulation of a governance structure that is tailored for individual subsidiaries and associates through (i) the imposition of certain internal controls in key areas; and (ii) the adoption of management practices and policies that are appropriate to the business nature and local situation. As a result, adequate internal controls will be adopted by subsidiaries and associates and the Company will be consulted and notified on important matters, complemented by regular reporting and assurance. Compliance with this governance structure is reported by subsidiaries and associates with significant operations on a regular basis.

To facilitate colleagues who are newly nominated as directors and/or alternate directors of the Company's subsidiaries and associates in gaining a better understanding of their directors' duties and responsibilities, they are required to attend a mandatory training on "Directors' Duties and Responsibilities" and familiarise themselves with the corporate governance structure of the relevant subsidiaries or associates.

### BUSINESS ETHICS

Practising integrity and responsible business ethics is paramount to the Company's continued success. The Code of Conduct (the "Code"), available on the Company's public website ([www.mtr.com.hk](http://www.mtr.com.hk)), sets out clear ethical standards, requiring staff to act transparently and uphold the highest principles of fairness, impartiality, and integrity across all business operations.

The Code is reviewed and updated periodically to align with corporate strategies, practices and regulatory requirements. The latest version was released to all staff in January 2026 and shared across the hubs and subsidiaries in and outside Hong Kong to foster a consistent ethical culture. To continue strengthening staff awareness and compliance, two new training modules – "Respectful Working Environment" and "Acceptance and Offering of Gifts and other Advantages" – were launched in May and December 2025 respectively to reinforce guiding principles that support sound judgement and workplace understanding. Featuring real-life examples through

animated videos and interactive online games, these modules were well received, with about 7,500 staff participating, reflecting a strong commitment to upholding high ethical standards. Additional educational initiatives, including mandatory online training and ethical webinars on relevant ordinances, have also been introduced to further raise staff awareness.

To ensure adherence to the highest ethical standards, a policy on the prevention of bribery and corrupt practices is in place and reviewed regularly. Staff members are encouraged to report existing, potential or perceived violations of the Code and malpractices. Proper procedures under the whistle-blowing policy enable staff members (and others) to raise concerns in a safe and confidential environment if they have genuine suspicions of wrongdoing.

To help new staff members embrace the Company's values and ethical commitments, they are briefed on the Code during induction, and required to complete mandatory online training within three months of joining.

## EXTERNAL AUDITOR

The Company engages KPMG as its External Auditor. In order to maintain KPMG's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, the Audit & Risk Committee, under its terms of reference, pre-approves all audit services to be provided by KPMG and discusses with KPMG the nature and scope of their audit and reporting obligations before the audit commences.

The Audit & Risk Committee also reviews and pre-approves the engagement of KPMG to provide any non-audit services, for complying with relevant regulatory requirements and seeks to balance the maintenance of objectivity with value for money.

The nature of audit and non-audit services provided by KPMG and fees paid to KPMG (including any entity that is under common control, ownership or management with KPMG or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of KPMG nationally or internationally) are set out in note 10B to the consolidated financial statements on page 196 of this Annual Report.

To maintain independence and objectivity as the External Auditor of the Company, KPMG implements professional ethics and independence policies, procedures and requirements applicable to the work it performs. In addition, KPMG requires its audit partner serving the

Group to rotate off the audit engagement with the Group at least once every seven years in accordance with the Hong Kong Institute of Certified Public Accountants Code of Ethics.

KPMG confirms its independence with regard to The Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants regarding auditor independence.

## COMMUNICATION WITH SHAREHOLDERS

The Company aims to provide shareholders with information about the Company to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner. The Board is responsible for maintaining an on-going dialogue with shareholders and, in particular, for communicating with them and encouraging their participation. The Company has adopted a Shareholders' Communication Policy which is available on the website of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)).

A summary of the Shareholders' Communication Policy is set out below:

- **As a general policy:** The Company (i) assigns dedicated management personnel to ensure effective and timely dissemination of information to shareholders; (ii) provides shareholders with ready access to balanced and understandable information about the Company; and (iii) facilitates shareholders' participation in annual general meetings, where Board Committee chairmen, management and auditors are available to answer questions.
- **More specifically:** (i) All major corporate communications (such as annual/interim reports, circulars, and announcements) are approved by the Board (except routine documents handled by the Executive Committee) and comply with the Listing Rules and relevant laws; (ii) annual and interim reports are prepared in both English and Chinese and made available on the Company's website; (iii) all corporate communications (except for actionable corporate communications) are disseminated by means of website; (iv) key documents and updates are accessible on the Company's website; and (v) investor and analyst briefings are arranged to facilitate communication between the Company, shareholders and the investment community. All communications with the investment community comply strictly with relevant laws and regulations.

## Corporate Governance Report

- **Other aspects:** Shareholders can communicate their views on various matters affecting the Company and request information (to the extent publicly available) from the Board and management at any time via the Company Secretary. The Company has established various engagement channels to understand stakeholder views, all detailed on the Company's website. The Board reviews this policy annually to ensure its ongoing effectiveness.

During the year, the key communication channels and engagements with shareholders were as follows:

Key Communication Channels	Engagements with Shareholders
2025 AGM	<ul style="list-style-type: none"> <li>• Held in hybrid format, which provided shareholders with the option of attending the 2025 AGM physically or joining online</li> <li>• Submission of questions in advance of the 2025 AGM and/or real time in person or online during the 2025 AGM</li> </ul>
Investor Meetings	<ul style="list-style-type: none"> <li>• Approximately 480 meetings with institutional investors and analysts globally</li> </ul>
Corporate Communications	<ul style="list-style-type: none"> <li>• Approximately 50 corporate communications documents (including annual report, interim report and sustainability report as well as various notices and announcements) were released on the websites of the Company and the Stock Exchange</li> <li>• Press releases and webcast archives of the results announcements are available on the Company's website</li> </ul>
Dividend Information	<ul style="list-style-type: none"> <li>• Dividend Policy is available on page 67 of this Annual Report under "Investor Relations" section</li> <li>• Dividend payment history can be found on the Company's website</li> </ul>

The Board has conducted its annual review of the Shareholders' Communication Policy and considers that it has been effectively implemented during the year ended 31 December 2025 and remains appropriate.

### Dissemination of Corporate Communications

The Company has adopted the dissemination of corporate communications\* by publication on website (except for actionable corporate communications#) after the Companies (Amendment) Ordinance 2025 came into operation on 17 April 2025. Corporate communications are available electronically on the Company's website at [www.mtr.com.hk](http://www.mtr.com.hk)^ and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). In addition, pursuant to the Listing Rules, actionable corporate communications are sent individually to each of the Company's shareholders. More details are set out in the section "Dissemination of Corporate Communications" on the Company's website at [www.mtr.com.hk](http://www.mtr.com.hk).

\* Corporate communications refer to any documents from time to time issued by the Company to its shareholders including but not limited to (a) annual report; (b) interim report; (c) notice of meeting; (d) circular; and (e) proxy form

# Actionable corporate communications refer to any corporate communications that are issued to seek instructions from the Company's shareholders on how they wish to exercise their rights or make an election as shareholders

^ Shareholders may access the Company's corporate communications by clicking "Investor's Information" under the "About MTR" section on the home page of the Company's website, then selecting "Financials and Reports" for the annual and interim reports and "Announcements/Circulars" for other corporate communications

### Annual General Meeting

The Company's Annual General Meeting is one of the principal channels of communication with its shareholders. It provides an opportunity for shareholders to communicate face to face with Members of the

Board and Members of the Executive Directorate about the Company's performance and operations. A notice period of at least 20 clear business days before the date of Annual General Meetings is given, which exceeds the requirement under the Listing Rules. It has been the practice for the Chairman of the Company, the chairman of each Board Committee/Advisory Panel, all Members of the Executive Directorate and the External Auditor of the Company to attend Annual General Meetings to answer shareholders' questions.

The 2025 AGM continued to be held in a hybrid format, with shareholders provided with an option to participate through an online platform with a choice of language (Cantonese, English and Putonghua). Sign language interpretation and simultaneous interpretation services continued to be made available. Shareholders could submit questions in advance of the 2025 AGM or at the meeting either in person or in real-time through the online platform. For the benefit of the Company's shareholders who were unable to attend the 2025 AGM, a webcast of the whole proceedings was also posted on the Company's website for viewing after the meeting.

The 2026 AGM has been scheduled on 27 May 2026. To keep up with the intent of helping shareholders save time and resources and with a view to reducing the Company's carbon footprint, the Company plans to continue holding the 2026 AGM in a hybrid format, which will provide shareholders with the option of attending physically or

joining the AGM online, and the abovementioned sign language interpretation and simultaneous interpretation services will continue to be provided to further facilitate smooth and direct communication between the shareholders of the Company and the Members of the Board and the Executive Directorate of the Company. The Company is committed to making available meeting facilities to enable all eligible attendees to be able to participate in the 2026 AGM.

### Resolutions passed at the 2025 AGM

The Chairman proposed separate resolutions for each substantially separate issue at the 2025 AGM. Before the resolutions were considered, the Chairman exercised his right as the Chairman of the 2025 AGM under Article 71 of the Articles of Association to call a poll on all resolutions conducted by electronic means.

A total of 12 resolutions were passed at the 2025 AGM (with resolution no. 3 comprising six separate resolutions), all of which were supported by over 98% of the votes cast. The full text of the resolutions is set out in the 2025 AGM Circular (which comprised the Notice of the 2025 AGM) dated 11 April 2025 and the poll results of the 2025 AGM are available on the respective websites of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange.

### Calling General Meetings

Members of the Board may call a general meeting of the Company.

Shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings may request the Members of the Board to call a general meeting of the Company.

The requesting shareholders must state in their request the general nature of the business to be dealt with and may include the text of a resolution to be moved at the general meeting. The request may consist of several documents in like form and may be sent to the Company in hard copy or electronic form, which must be authenticated by the requesting shareholders.

The Members of the Board are required to call a general meeting within 21 days after the date on which the Company receives such request, and the general meeting must be held on a date not more than 28 days after the date of the notice convening the general meeting. If the request includes a resolution to be moved at the general meeting, the notice of the general meeting must include notice of the resolution. If the resolution is to be proposed as a special resolution, the Members of the Board are

required to specify the intention to propose the resolution as a special resolution in the notice of the general meeting.

If, within 21 days after the date on which the Company receives the required request, the Members of the Board do not proceed duly to call a general meeting, the shareholder(s) who requested the general meeting, or any of them representing more than one-half of the total voting rights of all of them, may themselves call a general meeting, provided that the general meeting must be called for a date not more than three months after the date on which the Company receives the required request.

### Procedures for Shareholders Putting Forward Proposals

Shareholders may put forward proposals for consideration at a general meeting according to the Companies Ordinance and the Articles of Association.

As regards proposing a person for election as a member of the Board, please refer to the "Appointment Procedure for Members of the Board of the Company" which is available on the website of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)).

### Enquiries from Shareholders

Shareholders are, at all times, welcome to raise questions, communicate their views on various matters affecting the Company and request information (to the extent it is publicly available) from the Board and management by writing to the Company Secretary.

For other means of communication with the Company, please refer to the Investor Relations section (pages 66 to 67) of this Annual Report.

## CONSTITUTIONAL DOCUMENT

The Company's Articles of Association (in both English and Chinese) are available on the websites of both the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the Stock Exchange. During the year ended 31 December 2025, there was no change to the Company's Articles of Association.

For and on behalf of the Board

Gillian Elizabeth Meller  
Company Secretary  
Hong Kong, 12 March 2026