

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## MEMBERS OF THE BOARD AND THE EXECUTIVE DIRECTORATE

### List of Members of the Board and the Executive Directorate and their Roles and Functions (as at 11 August 2022)

	Board Committees/Advisory Panel							
	Executive Committee	Audit & Risk Committee	Nominations Committee	Remuneration Committee	Capital Works Committee	Environmental & Social Responsibility Committee	Finance & Investment Committee	Technology Advisory Panel
<b>Members of the Board</b>								
<b>Non-executive Directors ("NED")</b>								
Dr Rex Auyeung Pak-kuen (Chairman)			M	M		C		
Christopher Hui Ching-yu (Secretary for Financial Services and the Treasury)				M			M	
Secretary for Transport and Logistics (Lam Sai-hung)			M	M				
Permanent Secretary for Development (Works) (Ricky Lau Chun-kit)			M		M			
Commissioner for Transport (Rosanna Law Shuk-pui)		M						M
<b>Independent Non-executive Directors ("INED")</b>								
Andrew Clifford Winawer Brandler		M					C	
Dr Bunny Chan Chung-bun						M	M	
Walter Chan Kar-lok			M		M			
Dr Pamela Chan Wong Shui			C			M		
Dr Dorothy Chan Yuen Tak-fai				C	M			
Cheng Yan-kee				M	C			
Hui Siu-wai		M			M			
Sunny Lee Wai-kwong			M					M
Dr Rose Lee Wai-mun				M			M	
Jimmy Ng Wing-ka			M			M		
Carlson Tong		C					M	
Adrian Wong Koon-man		M		M				
Johannes Zhou Yuan		M						C
<b>Executive Director</b>								
Dr Jacob Kam Chak-pui (Chief Executive Officer)	C					M		
<b>Members of the Executive Directorate</b>								
Dr Jacob Kam Chak-pui (Chief Executive Officer)	C					M		
Adi Lau Tin-shing (Managing Director – Mainland China Business and Global Operations Standards)	M							
Margaret Cheng Wai-ching (Human Resources Director)	M					M		
Linda Choy Siu-min (Corporate Affairs and Branding Director)	M							
Carl Michael Devlin (Capital Works Director)	M							
Herbert Hui Leung-wah (Finance Director)	M							
Dr Tony Lee Kar-yun (Operations Director)	M							
Gillian Elizabeth Meller (Legal and Governance Director)	M					M		
David Tang Chi-fai (Property and International Business Director)	M							
Jeny Yeung Mei-chun (Hong Kong Transport Services Director)	M							

C : Chairman of the committee/advisory panel  
M: Member of the committee/advisory panel

Strong governance is critical for the Company in achieving its vision and fulfilling its purpose, and doing so in a way that delivers long term sustainable value for all of its stakeholders. Corporate governance is the collective responsibility of the Members of the Board and the Board firmly believes that good corporate governance is fundamental in ensuring the proper management of the Company in the interests of all of its stakeholders. The Board actively seeks opportunities for continuous improvement in the area of corporate governance and takes prompt action in responding to identified improvement opportunities.

During the six months ended 30 June 2022, the Company implemented the recommendations from an external consultant previously appointed by the Company to carry out a Board evaluation exercise. This had led to a restructuring of the Company's Board Committees and revamping of their terms of reference with a view to enhancing Board effectiveness and ensuring that the Board was fit for purpose for supporting the implementation of the Corporate Strategy. The restructuring and associated changes including the establishment of the Finance & Investment Committee and the Technology Advisory Panel, renaming and revision of the terms of reference of the then Audit Committee to become the Audit & Risk Committee, disbandment of the then Risk Committee, and renaming and revision of the terms of reference of the then Corporate Responsibility Committee to become the Environmental & Social Responsibility Committee, all have taken effect from 1 February 2022.

Recognizing the importance of maintaining gender diversity on the Board, the Company has made a pledge to maintain not less than 20% of female members on the Board with immediate effect and commits to a target of achieving 25% of female members on the Board by 2025, such targets are set out in the Company's Board Diversity Policy, which is available on the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)).

## CORPORATE GOVERNANCE CODE COMPLIANCE

During the six months ended 30 June 2022, the Company has complied with the Code Provisions set out in Appendix 14 (Corporate Governance Code) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

## BUSINESS ETHICS

Practising integrity and responsible business ethics is paramount to the Company's continued success. The Company's Code of Conduct lays down the requirements of the Company in terms of ethical practices and obliges staff to operate transparently and under the highest principles of fairness, impartiality and integrity in all of the places where the Company does business.

The Code of Conduct is reviewed and updated periodically to ensure appropriateness and compliance with corporate and regulatory requirements. The latest version was released in February 2022 in the form of a digital flipbook to facilitate staff understanding and access. In addition, a new staff awareness programme was launched in early June 2022. The main theme of the first session was the Personal Data (Privacy) Ordinance. Animation videos and interactive games with real life examples as well as a webinar were provided to help staff members better understand the principles of the Ordinance and if certain acts are unlawful or unacceptable. Other education programmes, such as mandatory online training programmes, have also been introduced to raise staff awareness.

To ensure our staff members live up to the highest ethical standards, a policy related to prevention of bribery and illegal acceptance/offer of advantages has been put in place. Staff members are also encouraged to report existing or perceived violations of the Code of Conduct as well as malpractices. Proper procedures related to the whistleblowing policy of the Company are also established, which enable staff members to raise their concerns in a safe environment and in complete confidence if they have genuine suspicions about any wrongdoings.

To assist new recruits in embracing the Company's values and ethical commitments, they are briefed on the Code of Conduct during the staff induction programme. New recruits are also required to complete the mandatory online training programmes within three months of joining the Company. The Code of Conduct is available on the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)).

In addition, the Code of Conduct serves as a guideline for establishing a comparable ethical culture among our subsidiaries and associates in Hong Kong, Macao, Mainland China and overseas.

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

The Company has adopted the Model Code set out in Appendix 10 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 six months ended 30 June 2022.

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) (the "SFO")) 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 a 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.

## CHANGES DURING THE PERIOD FROM 1 JANUARY 2022 TO 11 AUGUST 2022

### Changes in Composition of the Board and Board Committees/Advisory Panel

1. On 11 January 2022, the Board approved (a) the establishment of the Finance & Investment Committee ("F&IC") and the Technology Advisory Panel ("TAP"); (b) changes to the Company's existing Board Committees (namely, renaming and revision of the terms of reference of the then Audit Committee to become the Audit & Risk Committee ("A&RC"), disbandment of the then Risk Committee ("the then RiskC") and renaming and revision of the terms of reference of the then Corporate Responsibility Committee ("the then CRC") to become the Environmental & Social Responsibility Committee; and (c) appointment of members/changes to the

composition of the following Board Committees and Advisory Panel, all with effect from 1 February 2022:

- (i) Mr Christopher Hui Ching-yu (Secretary for Financial Services and the Treasury) was appointed as a member of the F&IC and ceased to be a member of the Nominations Committee ("NC");
- (ii) Permanent Secretary for Development (Works) (Mr Ricky Lau Chun-kit) was appointed as a member of the NC and ceased to be a member of the then RiskC;
- (iii) Commissioner for Transport (Miss Rosanna Law Shuk-pui) was appointed as a member of the TAP and ceased to be a member of the then RiskC;
- (iv) Mr Andrew Clifford Winawer Brandler was appointed as the chairman of the F&IC and ceased to be the chairman of the then RiskC;
- (v) Dr Bunny Chan Chung-bun was appointed as a member of the F&IC;
- (vi) Mr Walter Chan Kar-lok was appointed as a member of the Capital Works Committee ("CWC") and ceased to be a member of the then CRC;
- (vii) Dr Anthony Chow Wing-kin was appointed as a member of the NC and ceased to be a member of the CWC;
- (viii) Dr Eddy Fong Ching was appointed as a member of the F&IC and ceased to be a member of the NC;
- (ix) Mr Hui Siu-wai was appointed as a member of the A&RC and ceased to be a member of the then RiskC;
- (x) Dr Rose Lee Wai-mun was appointed as a member of the F&IC and ceased to be a member of the then RiskC;
- (xi) Mr Jimmy Ng Wing-ka was appointed as a member of the NC and ceased to be a member of the CWC;
- (xii) Mr Benjamin Tang Kwok-bun was appointed as a member of the TAP and ceased to be a member of the then RiskC;
- (xiii) Mr Adrian Wong Koon-man was appointed as a member of the F&IC and ceased to be a member of the NC; and
- (xiv) Mr Johannes Zhou Yuan was appointed as the chairman of the TAP and ceased to be a member of the then RiskC.

2. Dr Anthony Chow Wing-kin retired as an INED, and a member of each of the NC and the Remuneration Committee ("RC"), all with effect from the conclusion of the Company's Annual General Meeting held on 25 May 2022 (the "2022 AGM").
  3. Dr Eddy Fong Ching retired as an INED, the chairman of the A&RC, and a member of the F&IC, all with effect from the conclusion of the 2022 AGM.
  4. Mr Benjamin Tang Kwok-bun retired as an INED, and a member of each of the RC and the TAP, all with effect from the conclusion of the 2022 AGM.
  5. Mr Sunny Lee Wai-kwong was elected as a Member of the Board and became an INED with effect from the conclusion of the 2022 AGM, and was appointed by the Board as a member of each of the NC and the TAP with effect from the same date.
  6. Mr Carlson Tong was elected as a Member of the Board and became an INED with effect from the conclusion of the 2022 AGM, and was appointed by the Board as the chairman of the A&RC and a member of the F&IC with effect from the same date.
  7. Dr Rose Lee Wai-mun was appointed by the Board as a member of the RC and ceased to be a member of the A&RC, both with effect from 25 May 2022.
  8. Mr Adrian Wong Koon-man was appointed by the Board as a member of the RC and ceased to be a member of the F&IC, both with effect from 25 May 2022.
  9. The office of the Secretary for Transport and Housing ("S for T&H") (held by Mr Frank Chan Fan until 30 June 2022) ceased to be a NED and a member of each of the NC and the RC, all with effect from 1 July 2022.
  10. The office of the Secretary for Transport and Logistics ("S for T&L") became a NED and was appointed by the Board as a member of each of the NC and the RC, all with effect from 1 July 2022. Mr Lam Sai-hung, who holds the post of the S for T&L, by virtue of holding such post, became a NED and a member of each of the NC and the RC, all with effect from the same date.
2. Mr Francis Chau Siu-hei, the Deputy Secretary for Development (Works)<sup>3</sup>, has been appointed as an Alternate Director to the office of the PS for D(W) (Mr Ricky Lau Chun-kit), a NED, with effect from 3 March 2022.
  3. Each of the offices of the Under Secretary for Transport and Housing (held by Dr Raymond So Wai-man until 30 June 2022), the Permanent Secretary for Transport and Housing (Transport) (held by Ms Mable Chan until 30 June 2022), the Deputy Secretary for Transport and Housing (Transport)<sup>1</sup> (held by Ms Sharon Lee Hang-yee (also known as Mrs Sharon Yip Lee Hang-yee) until 30 June 2022) and the Deputy Secretary for Transport and Housing (Transport)<sup>2</sup> (held by Ms Amy Wong Pui-man until 30 June 2022) ceased to be an Alternate Director to the office of the S for T&H (held by Mr Frank Chan Fan until 30 June 2022), a NED, with effect from 1 July 2022.
  4. Each of the following offices has been appointed as, and each of their respective post holders has, by virtue of holding such post, become an Alternate Director to the office of the S for T&L (Mr Lam Sai-hung), a NED, with effect from 1 July 2022:
    - (i) the office of the Permanent Secretary for Transport and Logistics (Ms Mable Chan);
    - (ii) the office of the Deputy Secretary for Transport and Logistics 1 (Ms Sharon Lee Hang-yee (also known as Mrs Sharon Yip Lee Hang-yee)); and
    - (iii) the office of the Deputy Secretary for Transport and Logistics 2 (Ms Amy Wong Pui-man).
  5. The office of the Under Secretary for Transport and Logistics ("US for T&L") has been appointed as an Alternate Director to the office of the S for T&L (Mr Lam Sai-hung) with effect from 2 August 2022. Mr Liu Chun-san has, by virtue of holding the post of the US for T&L, become an Alternate Director to the office of the S for T&L (Mr Lam Sai-hung) with effect from the same date.

### Changes of Alternate Directors

1. Mr Vincent Mak Shing-cheung, the Deputy Secretary for Development (Works)<sup>2</sup>, ceased to be an Alternate Director to the office of the Permanent Secretary for Development (Works) ("PS for D(W)") (Mr Ricky Lau Chun-kit), a NED, with effect from 3 March 2022.

### Changes in Composition of the Executive Directorate

1. Mr Roger Francis Bayliss retired from the Company upon the completion of his service agreement with the Company immediately after 31 July 2022, and ceased to be the Capital Works Director and a Member of the Executive Directorate of the Company at the same time.
2. Mr Carl Michael Devlin has been appointed as the Capital Works Director and a Member of the Executive Directorate of the Company, both with effect from 1 August 2022.

## Changes in Information of Directors

Changes in information of Directors required to be disclosed pursuant to the Listing Rules are set out below:

### (i) Changes in Biographical Details

Name	Change(s)	Nature and Effective Date of Change(s)
Dr Rex Auyeung Pak-kuen	Independent Police Complaints Council (Hong Kong) • Observer of Observers Scheme	Cessation (1 April 2022)
	Gold Bauhinia Star medal awarded by the Chief Executive of the Hong Kong Special Administrative Region (the "HKSAR")	Award (2022)
Dr Jacob Kam Chak-pui	Employers' Federation of Hong Kong • Member of the General Committee	Appointment (May 2022)
Dr Dorothy Chan Yuen Tak-fai	West Kowloon Cultural District Authority (Hong Kong) • Member of the Commercial Letting Panel under the Board	Appointment (1 April 2022)
Walter Chan Kar-lok	Pensions Appeal Panel under the Civil Service Bureau (Hong Kong) • Convenor-cum-Member	Cessation (8 April 2022)
Dr Anthony Chow Wing-kin (Retired on 25 May 2022)	The Council of The Hong Kong Academy for Performing Arts • Deputy Chairman	Cessation (1 January 2022)
Christopher Hui Ching-yu	Gold Bauhinia Star medal awarded by the Chief Executive of the HKSAR	Award (2022)
Sunny Lee Wai-kwong	Bronze Bauhinia Star medal awarded by the Chief Executive of the HKSAR	Award (2022)
Jimmy Ng Wing-ka	The University of Hong Kong • Council Member	Appointment (8 April 2022)
	The Hong Kong Mortgage Corporation Limited • Non-executive Director	Appointment (27 June 2022)
Adi Lau Tin-shing	Hong Kong Trade Development Council • Member of the Infrastructure Development Advisory Committee	Appointment (1 April 2022)
Margaret Cheng Wai-ching	The Standing Committee on Disciplined Services Salaries and Conditions of Service (Hong Kong) • Member • Chairman of the Police Sub-Committee	Cessation (1 January 2022) Cessation (1 January 2022)
	Hong Kong Institute of Human Resource Management • President • Immediate Past President	Cessation (22 June 2022) Appointment (22 June 2022)
	Lantau Development Advisory Committee (Hong Kong) • Non-official Member	Appointment (1 February 2022)
Herbert Hui Leung-wah	The Standing Committee on Disciplined Services Salaries and Conditions of Service (Hong Kong) • Member	Appointment (1 January 2022)
Dr Tony Lee Kar-yun	City University of Hong Kong • Honorary Advisory Board Member of the Theme-based Research Scheme Project on "Safety, Reliability, and Disruption Management of High Speed Rail and Metro Systems"	Cessation (1 January 2022)
	National Rail Transit Electrification and Automation Engineering Technology Research Center (Hong Kong Branch) • Member of the Technical Committee	Appointment (January 2022)
Gillian Elizabeth Meller	The Chartered Governance Institute • China/Hong Kong Division representative on the Council	Appointment (1 January 2022)
	The Hong Kong Chartered Governance Institute • President	Cessation (1 January 2022)
	The Stock Exchange of Hong Kong Limited • Member of the Listing Committee	Appointment (8 July 2022)
David Tang Chi-fai	West Kowloon Cultural District Authority (Hong Kong) • Co-opted Member of the Public Private Partnership Projects Committee under the Board	Cessation (1 January 2022)
Jeny Yeung Mei-chun	Advisory Committee on Enhancing Self-Reliance Through District Partnership Programme (Hong Kong) • Member	Cessation (1 July 2022)

Full biographical details of the Directors are available on the Company's website ([www.mtr.com.hk](http://www.mtr.com.hk)).

## (ii) Changes in Directors' Remuneration

1. In light of the changes set out in the section headed "Changes in Composition of the Board and Board Committees/ Advisory Panel" on pages 36 to 37 of this report, the annual fees payable to the following Directors by the Company have been adjusted as shown below and the actual amounts receivable by each of them for the year ending 31 December 2022 will be calculated on a pro rata basis:

Name	Directors' fees		Effective Date of Change
	Before Change (HK\$ per annum)	After Change (HK\$ per annum)	
Dr Bunny Chan Chung-bun	360,000	420,000	1 February 2022
Walter Chan Kar-lok	420,000	450,000	1 February 2022
Dr Anthony Chow Wing-kin (Retired on 25 May 2022)	450,000	420,000	1 February 2022
Hui Siu-wai	450,000	480,000	1 February 2022
Jimmy Ng Wing-ka	450,000	420,000	1 February 2022
Johannes Zhou Yuan	450,000	500,000	1 February 2022
Dr Rose Lee Wai-mun	450,000	420,000	25 May 2022

2. The Company renewed its service contract with Dr Jacob Kam Chak-pui in November 2021 for his position as Chief Executive Officer for a term of 3 years commencing on 1 April 2022. The amount of Dr Kam's emoluments is HK\$8,486,880 per annum (which excludes discretionary variable remuneration) as determined by the RC. He was also awarded an entitlement of 132,000 restricted shares which will vest in Dr Kam on 31 March 2025, according to the terms and conditions set out in his service contract.

## INDUCTION PROGRAMME, TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment, each new Member of the Board (including Government nominated Directors), Alternate Director and Member of the Executive Directorate is given a comprehensive, formal and tailored induction programme which 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; and
- the general and specific duties of a director under general law (common law and legislation) and the Listing Rules.

In addition to the above, a familiarization programme to understand the key areas of the Company's business and operations is provided.

Induction and familiarization programmes have been or will be provided to Mr Sunny Lee Wai-kwong, Mr Carlson Tong and Mr Lam Sai-hung, the recently appointed Members of the Board; Mr Francis Chau Siu-hei, Ms Mable Chan, Mrs Sharon Yip Lee Hang-yee, Ms Amy Wong Pui-man and Mr Liu Chun-san, the new Alternate Directors; and Mr Carl Michael Devlin, the new Member of 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.

Save for the above, materials on the subject of corporate governance and e-learning provided by The Stock Exchange of Hong Kong Limited (the "HKSE") 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.

## BOARD MEETINGS

The Board held four meetings (three Regular Meetings and one Special Meeting) during the six months ended 30 June 2022.

### Regular Meetings

At the Regular Meetings, 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 these Regular Meetings included:

- Corporate Strategy:
  - Receipt of progress report on the corporate transformation programme;

- Environmental, Social and Governance:
  - Annual review of the structure, size and composition of the Board and its corporate governance functions for 2021; annual assessment of (i) the independence of the INEDs, and (ii) the effectiveness of the Company's risk management and internal control systems for 2021;
  - Recommendation of the appointment of new Members of the Board, re-election of retiring Members of the Board, and amendments to the Company's Articles of Association for approval by shareholders at the 2022 AGM;
  - Approval of (i) changes to the structure of the Board Committees and the establishment of a new Advisory Panel, including adoption of relevant terms of reference, and approval of memberships and associated fees; (ii) amendments to the Protocol; (iii) appointment of an advisor to the CWC; and (iv) annual update to the Directors' Manual;
  - Approval of amendments to the Nomination Policy and the Board Diversity Policy of the Company;
  - Approval of Sustainability Report 2021;
  - Receipt of Carbon Reduction Study and approval of the setting of science based carbon emission reduction targets; 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 report on the 2021 Hong Kong Transport Services Performance;
  - Approval of fares for the East Rail Line Cross Harbour Extension;
  - Approval of the Company's fare adjustment principles in 2022 under the Fare Adjustment Mechanism; and
  - Receipt of status updates on a major resignalling project;
- Capital Works:
  - Approval of budget for advance works, and receipt of updates on the Project Agreement for the Tung Chung Line Extension; and
  - Approval of the technical and financial submission proposals for a proposed railway project;
- Property:
  - Approval of contract award for the fit out works of a property development in Hong Kong;
  - Approval of tender arrangements for a property development in Hong Kong; and
  - Receipt of progress update on the Oyster Bay Property Development Project;
- Mainland China and International Business:
  - Receipt of annual business updates on the Mainland China and Macao businesses; and
  - Receipt of update on the opening of the Central Section of the Elizabeth Line in the United Kingdom;
- New Growth Engine:
  - Approval of investment cap for New Growth Engine;
- Financial:
  - Review and approval of 2021 Annual Report and Accounts; and
  - Receipt of updates on the financial impact of the Coronavirus Disease 2019 ("COVID-19"); and
- Human Resources:
  - Receipt of report on Employee Engagement Survey and actions planned.

### Special Meeting

One Special Meeting was held to approve the transactions and associated agreements relating to the full operation of the Shatin to Central Link.

## COMMUNICATION WITH SHAREHOLDERS

### Annual General Meeting

The Company's 2022 AGM was held on 25 May 2022. The Chairman continued his practice of proposing separate resolutions for each substantially separate matter.

A total of 13 resolutions were passed at the 2022 AGM (with resolution no. 3 comprising five separate resolutions), all of which were supported by over 97% of the votes cast, with a vast majority of the resolutions receiving over 99% support. The full text of the resolutions is set out in the 2022 AGM Circular (which comprised the Notice of the 2022 AGM) dated 14 April 2022.

All resolutions at the 2022 AGM were passed by way of a poll, and the poll results were posted on the respective websites of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)) and the HKSE on the same day after the 2022 AGM.

With the aim of helping the Company's shareholders save time and resources and reducing the Company's carbon footprint, the Company held its 2022 AGM in a hybrid format for the first time pursuant to which shareholders were given the option to attend the meeting physically or online. Also, in light of the continuing COVID-19 pandemic and the requirements of relevant laws and regulations, the Company continued to implement a number of precautionary measures for the 2022 AGM, including restricting the number of shareholders who could physically attend the 2022 AGM through pre-registration and requiring submission of questions in advance of the 2022 AGM. For the benefit of the

Company's shareholders who were unable to attend the 2022 AGM, a webcast of the whole proceedings was also posted on the Company's website for viewing.

## CONSTITUTIONAL DOCUMENT

To allow flexibility for the Company in reviewing the Directors' fees and to enable the Company to bring the Directors' fees more in line with the market so as to allow the Company to continue to attract Directors of a suitable calibre, the cap on Directors' fees as set out in Article 100 of the Articles of Association was increased from HK\$10,000,000 to HK\$11,000,000 with the approval of the Company's shareholders at the 2022 AGM. The updated Articles of Association of the Company (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 HKSE.

## DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, the interests or short positions of the Members of the Board, Alternate Directors and Members of the Executive Directorate in the shares, underlying shares and debentures of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the HKSE pursuant to the Model Code, were as follows:

Members of the Board/ Alternate Directors/ Members of the Executive Directorate	No. of ordinary shares held		No. of award shares <sup>‡</sup>	Total interests	Percentage of aggregate interests to total no. of voting shares in issue <sup>Δ</sup>
	Personal interests*	Family interests <sup>†</sup>	Personal interests*		
Dr Jacob Kam Chak-pui	648,187	–	530,435	1,178,622	0.01903
Dr Pamela Chan Wong Shui	9,072	1,675 (Note)	–	10,747	0.00017
Cheng Yan-kee	–	2,000 (Note)	–	2,000	0.00003
Dr Rose Lee Wai-mun	3,350	–	–	3,350	0.00005
Adrian Wong Koon-man	–	558 (Note)	–	558	0.00001
Maurice Loo Kam-wah	588	–	–	588	0.00001
Dr Raymond So Wai-man	–	1,675 (Note)	–	1,675	0.00003
Adi Lau Tin-shing	227,988	–	117,018	345,006	0.00557
Roger Francis Bayliss	45,985	–	103,368	149,353	0.00241
Margaret Cheng Wai-ching	212,531	–	109,802	322,333	0.00520
Linda Choy Siu-min	4,500	–	89,050	93,550	0.00151
Herbert Hui Leung-wah	130,420	2,233 (Note)	105,784	238,437	0.00385
Dr Tony Lee Kar-yun	122,703	–	96,102	218,805	0.00353
Gillian Elizabeth Meller	199,191	–	100,950	300,141	0.00485
David Tang Chi-fai	293,545	–	115,767	409,312	0.00661
Jeny Yeung Mei-chun	760,879	–	116,201	877,080	0.01416

Note: As at 30 June 2022, these shares were held by the spouse of relevant Members of the Board, an Alternate Director and a Member of the Executive Directorate of the Company.

# Details of the award shares are set out in the section headed "Executive Share Incentive Scheme" on pages 42 to 44

\* Interests as beneficial owner

† Interests of spouse or child under 18 as beneficial owner

Δ The Company's total number of voting shares in issue as at 30 June 2022 was 6,193,462,514



Save as disclosed above and in the section headed “Executive Share Incentive Scheme”:

- A** as at 30 June 2022, no Member of the Board or Alternate Director or Member of the Executive Directorate of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO); and
- B** during the six months ended 30 June 2022, no Member of the Board or Alternate Director or Member of the Executive Directorate of the Company nor any of their spouses or children under 18 years of age held any rights to subscribe for equity or debt securities of the Company nor had there been any exercises of any such rights by any of them,

as recorded in the register kept by the Company under section 352 of the SFO or otherwise notified to the Company and the HKSE pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS’ INTERESTS

Set out below is the name of the party which was interested in 5% or more of all the Company’s voting shares in issue and the number of shares in which it was interested as at 30 June 2022 as recorded in the register kept by the Company under section 336 of the SFO:

Name	No. of ordinary shares held	Percentage of ordinary shares to total no. of voting shares in issue <sup>Δ</sup>
The Financial Secretary Incorporated (“FSI”) (in trust on behalf of Government)	4,634,173,932	74.82%

<sup>Δ</sup> The Company’s total number of voting shares in issue as at 30 June 2022 was 6,193,462,514

The Company has been informed by the Hong Kong Monetary Authority that, as at 30 June 2022, approximately 0.16% of the ordinary shares of the Company in issue (not included in the FSI shareholding set out in the above table) were held for the account of the Exchange Fund. The Exchange Fund is a fund established under the Exchange Fund Ordinance (Cap. 66 of the Laws of Hong Kong) under the control of the Financial Secretary.

## OTHER PERSONS’ INTERESTS

Pursuant to section 337 of the SFO, the Company has maintained a register recording the shareholding information provided by persons in response to the Company’s requests pursuant to section 329 of the SFO.

Save as disclosed above and in the sections headed “Directors’ Interests in Shares and Underlying Shares of the Company” and “Substantial Shareholders’ Interests”, as at 30 June 2022, the Company has not been notified of any other persons who had any interests or short positions in the shares or underlying shares of the Company which would be required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

## EXECUTIVE SHARE INCENTIVE SCHEME

The Company adopted the Executive Share Incentive Scheme with effect from 1 January 2015 (“Effective Date”) for a term of ten years. The purposes of the Executive Share Incentive Scheme are to retain management and key employees, to align participants’ interests with the long-term success of the Company and to drive the achievement of strategic objectives of the Company.

The maximum number of award shares that may at any time be the subject of an outstanding award granted under the Executive Share Incentive Scheme shall not exceed 2.5% of the number of issued ordinary shares of the Company as at the Effective Date (i.e. 5,826,534,347 issued ordinary shares of the Company) and the maximum number of award shares that may be granted to a single eligible employee in the 12-month period up to the relevant award date shall be 0.03% of the number of issued ordinary shares of the Company on the relevant award date.

In general, the Company will pay to the third party trustee (currently Computershare Hong Kong Trustees Limited) (the "Trustee") monies and may give directions or a recommendation to the Trustee to apply such amount of monies and/or such other net amount of cash derived from the ordinary shares of the Company held as part of the funds of the trust to acquire existing ordinary shares of the Company from the market. Such ordinary shares will be held on trust by the Trustee for the relevant award holders.

Further details on the operation of the Executive Share Incentive Scheme are set out in the section headed "Long-Term Incentives" under the Remuneration Committee Report (pages 145 to 146) and notes 11C and 42(ii) to the Consolidated Accounts of the Company's 2021 Annual Report ([www.mtr.com.hk](http://www.mtr.com.hk)).

Movements in award shares under the Executive Share Incentive Scheme during the six months ended 30 June 2022 are set out below:

Members of the Executive Directorate and eligible employees	Date of award	Types of award shares granted (Note 1)		Award shares outstanding as at 1 January 2022	Award shares vested during the period	Award shares lapsed and/or forfeited during the period	Award shares outstanding as at 30 June 2022
		Restricted shares (Note 2)	Performance shares (Note 3)				
Dr Jacob Kam Chak-pui	1/4/2019	120,000	–	120,000	120,000	–	–
	8/4/2019	47,400	91,750	15,800	15,800	–	–
	8/4/2020	89,300	–	59,534	29,766	–	29,768
	8/4/2021	52,750	199,800	252,550	17,583	–	234,967
	1/4/2022	132,000	–	–	–	–	132,000
	8/4/2022	133,700	–	–	–	–	133,700
Adi Lau Tin-shing	8/4/2019	16,250	–	5,418	5,418	–	–
	8/4/2020	39,100	–	26,067	13,033	–	13,034
	8/4/2021	19,700	47,850	67,550	6,566	–	60,984
	8/4/2022	43,000	–	–	–	–	43,000
Roger Francis Bayliss (Note 4)	8/4/2020	30,250	–	20,167	10,083	–	10,084
	8/4/2021	15,050	47,850	62,900	5,016	–	57,884
	8/4/2022	35,400	–	–	–	–	35,400
Margaret Cheng Wai-ching	8/4/2019	16,550	–	5,518	5,518	–	–
	8/4/2020	32,450	–	21,634	10,816	–	10,818
	8/4/2021	17,450	47,850	65,300	5,816	–	59,484
	8/4/2022	39,500	–	–	–	–	39,500
Linda Choy Siu-min	8/4/2021	13,500	47,850	61,350	4,500	–	56,850
	8/4/2022	32,200	–	–	–	–	32,200
Herbert Hui Leung-wah	8/4/2019	13,800	–	4,600	4,600	–	–
	8/4/2020	29,050	–	19,367	9,683	–	9,684
	8/4/2021	15,600	47,850	63,450	5,200	–	58,250
	8/4/2022	37,850	–	–	–	–	37,850
Dr Tony Lee Kar-yun	8/4/2019	8,300	–	2,768	2,768	–	–
	8/4/2020	15,500	–	10,334	5,166	–	5,168
	8/4/2021	13,550	47,850	61,400	4,516	–	56,884
	8/4/2022	34,050	–	–	–	–	34,050
Gillian Elizabeth Meller	8/4/2019	13,400	–	4,468	4,468	–	–
	8/4/2020	27,000	–	18,000	9,000	–	9,000
	8/4/2021	14,250	47,850	62,100	4,750	–	57,350
	8/4/2022	34,600	–	–	–	–	34,600
David Tang Chi-fai	8/4/2019	17,200	–	5,734	5,734	–	–
	8/4/2020	31,350	–	20,900	10,450	–	10,450
	8/4/2021	17,200	47,850	65,050	5,733	–	59,317
	8/4/2022	46,000	–	–	–	–	46,000

Members of the Executive Directorate and eligible employees	Date of award	Types of award shares granted (Note 1)		Award shares outstanding as at 1 January 2022	Award shares vested during the period	Award shares lapsed and/or forfeited during the period	Award shares outstanding as at 30 June 2022
		Restricted shares (Note 2)	Performance shares (Note 3)				
Jeny Yeung Mei-chun	8/4/2019	16,350	–	5,450	5,450	–	–
	8/4/2020	32,650	–	21,767	10,883	–	10,884
	8/4/2021	17,200	47,850	65,050	5,733	–	59,317
	8/4/2022	46,000	–	–	–	–	46,000
Other eligible employees (Note 5)	8/4/2019	1,792,900	122,750	466,084	457,242	8,842	–
	8/4/2020	2,008,100	6,950	1,128,007	577,552	17,921	532,534
	8/4/2021	1,759,700	927,600	2,564,550	571,359	67,756	1,925,435
	8/4/2022	2,024,950	240,700	–	8,250	1,600	2,255,800

**Notes:**

- The award shares granted under the Executive Share Incentive Scheme are issued ordinary shares of the Company.*
- Restricted shares are awarded to selective eligible employees and vest over three years in equal tranches (unless otherwise determined by the RC).*
- Performance shares are awarded to eligible employees and generally vest over a three-year performance cycle, subject to review and approval by the RC from time to time.*
- Mr Roger Francis Bayliss retired as Capital Works Director and ceased to be a member of the Executive Directorate of the Company, both with effect from 1 August 2022.*
- Other eligible employees also include former employees of the Company.*
- Mr Carl Michael Devlin has been appointed as Capital Works Director and become a member of the Executive Directorate of the Company, both with effect from 1 August 2022. As disclosed in the announcement of the Company dated 20 June 2022, Mr Devlin has an interest in 15,000 ordinary shares of the Company awarded to him under the Company's Executive Share Incentive Scheme.*

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company redeemed its RMB 1.15 billion and RMB 200 million bonds at par on 18 March 2022 and 19 April 2022 respectively. The bonds were listed on the HKSE prior to redemption. Save as disclosed above, the Group did not purchase, sell or redeem any of the Group's listed securities during the six months ended 30 June 2022. However, the Trustee of the Executive Share Incentive Scheme, pursuant to the terms of the rules and the trust deed of the Executive Share Incentive Scheme, purchased on the HKSE a total of 2,560,000 ordinary shares of the Company for a total consideration of approximately HK\$109 million during the same period (2021: HK\$116 million).

## LOAN AGREEMENTS WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

As at 30 June 2022, the Group had a note outstanding of HK\$500 million (2021: note outstanding of HK\$500 million) with a maturity in 2022, which was subject to the condition that Government, being the Company's controlling shareholder, owns more than half of all the Company's voting shares in issue. Failure to satisfy such condition may result in immediate redemption of the note being demanded.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Company's shareholders' entitlement to the 2022 interim dividend, the Register of Members of the Company was closed from 26 August 2022 to 31 August 2022 (both dates inclusive), during which time no transfers of shares in the Company were effected. To qualify for the 2022 interim dividend, all completed transfer documents, accompanied by the relevant share certificates, must be lodged for registration with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 25 August 2022 (Hong Kong time). The 2022 interim dividend, with a scrip dividend option (except for shareholders with registered addresses in New Zealand or the United States of America or any of its territories or possessions), is expected to be distributed on 14 October 2022 to shareholders whose names appeared on the Register of Members of the Company as at the close of business on 31 August 2022.