

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 10 August 2023)

	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
Members of the Board								
Non-executive Directors ("NED")								
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
Independent Non-executive Directors ("INED")								
Andrew Clifford Winawer Brandler		M					C	
Dr Bunny Chan Chung-bun						M	M	
Walter Chan Kar-lok			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					C
Dr Rose Lee Wai-mun				M			M	
Jimmy Ng Wing-ka			M			M		
Carlson Tong		C					M	
Sandy Wong Hang-yee						M		M
Adrian Wong Koon-man		M		M				
Professor Anna Wong Wai-kwan		M	M					
Executive Director								
Dr Jacob Kam Chak-pui (Chief Executive Officer)	C					M		
Members of the Executive Directorate								
Dr Jacob Kam Chak-pui (Chief Executive Officer)	C					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							
Sammy Wong Kwan-wai (Mainland China 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

Corporate governance is the collective responsibility of the Members of the Board and the Board firmly believes that good corporate governance is fundamental for the Company in achieving its vision and fulfilling its purpose and 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.

Recognising the importance of maintaining gender diversity on the Board, in 2022 the Company made a pledge to maintain not less than 20% of female members on the Board with effect from March 2022 and set a target of achieving 25% of female members on the Board by 2025, as set out in the Company's Board Diversity Policy, which is available on the Company's website (www.mtr.com.hk). Following the appointment of two female members to the Board at the Company's Annual General Meeting held on 24 May 2023 (the "2023 AGM"), the Board currently has five female members, representing slightly over 26% of the entire membership, thereby achieving the Company's target of having 25% of female members on the Board well before 2025.

Following the implementation of the Protocol of Conduct of Business of the Company ("Protocol") last updated in January 2022, certain revisions to the Protocol, together with consequential revisions to the respective terms of reference of the Finance & Investment Committee ("F&IC") and the Capital Works Committee ("CWC") of the Company, were approved by the Board on 10 August 2023 aiming to streamline the governance process with enhanced efficiency, while retaining an appropriate level of oversight. The respective updated terms of reference of the F&IC and the CWC are available on the respective websites of the Company (www.mtr.com.hk) and The Stock Exchange of Hong Kong Limited ("HKSE").

CORPORATE GOVERNANCE CODE COMPLIANCE

During the six months ended 30 June 2023, 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 second module on "Use of Company Resources" was launched in June 2023. Animation videos and interactive games with real life examples have been provided to staff to illustrate the guiding principles and to help staff members exercise good judgement on the use of company resources and determine if certain acts are inappropriate 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 the prevention of bribery and corrupt practices has been put in place and is reviewed periodically. Staff members are also encouraged to report existing or perceived violations of the Code of Conduct as well as malpractices. Proper procedures relating to the whistle-blowing 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 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).

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 2023.

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 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, with the latest training provided in February 2023.

CHANGES DURING THE PERIOD FROM 1 JANUARY 2023 TO 10 AUGUST 2023

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

With effect from the conclusion of the 2023 AGM:

1. Dr Pamela Chan Wong Shui retired as an INED and ceased to be the chairman of the Nominations Committee (“NC”) and a member of the Environmental & Social Responsibility Committee (“E&SRC”) of the Company;
2. Mr Johannes Zhou Yuan retired as an INED and ceased to be the chairman of the Technology Advisory Panel (“TAP”) and a member of the Audit & Risk Committee (“A&RC”) of the Company;

3. Ms Sandy Wong Hang-ye was elected as a Member of the Board and has become an INED of the Company, and has been appointed by the Board as a member of each of the E&SRC and the TAP of the Company;
4. Professor Anna Wong Wai-kwan was elected as a Member of the Board and has become an INED of the Company, and has been appointed by the Board as a member of each of the A&RC and the NC of the Company;
5. Mr Walter Chan Kar-lok, an INED and a member of each of the NC and the CWC of the Company, has been appointed by the Board as the chairman of the NC of the Company; and
6. Mr Sunny Lee Wai-kwong, an INED and a member of each of the NC and the TAP of the Company, has been appointed by the Board as the chairman of the TAP of the Company.

As announced by the Government on 7 July 2023, Miss Rosanna Law Shuk-pui will cease to hold the post of the Commissioner for Transport (“C for T”) on 15 August 2023. Accordingly, she will cease to be a NED of the Company with effect from the same time. Miss Law will also cease to be a member of each of the A&RC and the TAP of the Company, both with effect from 15 August 2023. The Government further announced on the same date that Ms Angela Lee Chung-yan will take up the post of the C for T on 28 August 2023 and, by virtue of holding such post, will become a NED of the Company with effect from the same time. Ms Lee will also become a member of each of the A&RC and the TAP of the Company, both with effect from 28 August 2023.

Changes of Alternate Directors

1. Ms Sharon Lee Hang-ye (also known as Mrs Sharon Yip Lee Hang-ye) ceased to be an Alternate Director to the office of the Secretary for Transport and Logistics (“S for T&L”) (Mr Lam Sai-hung), a NED of the Company, with effect from 30 January 2023, as she ceased to hold the post of the Deputy Secretary for Transport and Logistics 1 (“DS (TL) 1”) with effect from the same date.

2. Ms Amy Wong Pui-man took up the post of the DS (TL) 1 with effect from 30 January 2023 and, by virtue of holding such post, continues to act as an Alternate Director to the office of the S for T&L (Mr Lam Sai-hung), a NED of the Company, with effect from the same date.
3. Ms Ida Lee Bik-sai took up the post of the Deputy Secretary for Transport and Logistics 2 with effect from 30 January 2023 and, by virtue of holding such post, has become an Alternate Director to the office of the S for T&L (Mr Lam Sai-hung), a NED of the Company, with effect from the same date.
4. Mr Chau Siu-hei (also known as Mr Francis Chau Siu-hei) ceased to be the Alternate Director to the office of the Permanent Secretary for Development (Works) ("PS for D(W)") (Mr Ricky Lau Chun-kit), a NED of the Company, with effect from 3 June 2023, as he retired from the post of the Deputy Secretary for Development (Works)3 ("DS for D(W)3") with effect from the same date.
5. Mr Ho Ying-kit (also known as Mr Tony Ho Ying-kit) took up the post of the DS for D(W)3 with effect from 5 June 2023 and, by virtue of holding such post, has become the Alternate Director to the office of the PS for D(W) (Mr Ricky Lau Chun-kit), a NED of the Company, with effect from the same date.

Changes in Composition of the Executive Directorate

1. Mr Adi Lau Tin-shing retired from the Company upon the completion of his service agreement with the Company immediately after 31 December 2022, and ceased to be the Managing Director – Mainland China Business and Global Operations Standards and a Member of the Executive Directorate of the Company at the same time.
2. Mr Sammy Wong Kwan-wai was appointed as the Mainland China Business Director and has become a Member of the Executive Directorate of the Company, both with effect from 1 January 2023.

As announced by the Company on 27 July 2023, Mr Herbert Hui Leung-wah will retire from the Company upon the completion of his service agreement with the Company immediately after 31 December 2023, and will cease to be the Finance Director and a Member of the Executive Directorate of the Company at the same time. Mr Michael George Fitzgerald will be appointed as the Finance Director and will become a Member of the Executive Directorate of the Company, both with effect from 1 January 2024. To facilitate a smooth transition, Mr Fitzgerald will join the Company on 19 September 2023 as the Finance Director – Designate.

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 Jacob Kam Chak-pui	United Nations Economic and Social Commission for Asia and the Pacific • Member of the Sustainable Business Network ("ESBN") Executive Council • Chair of the ESBN Task Force on Infrastructure and Logistics	Appointment (18 May 2023) Appointment (18 May 2023)
	The Hong Kong Institution of Engineers • Co-opted Council Member	Appointment (20 July 2023)
Andrew Clifford Winawer Brandler	CLP Holdings Limited • Vice Chairman of Board	Appointment (1 January 2023)
Dr Bunny Chan Chung-bun	Speedy Global Holdings Limited • Independent Non-executive Director	Cessation (31 January 2023)
Walter Chan Kar-lok	Messrs. Rowland Chow, Chan & Co., Solicitors • Consultant	Cessation (1 January 2023)
Dr Dorothy Chan Yuen Tak-fai	The Chinese Occupational Education Association • Board Member	Appointment (29 May 2023)
Christopher Hui Ching-yu	Hong Kong Investment Corporation Limited • Director	Appointment (15 February 2023)
Lam Sai-hung	Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council • Vice-Chairperson	Appointment (7 February 2023)

(i) Changes in Biographical Details *(continued)*

Name	Change(s)	Nature and Effective Date of Change(s)
Sunny Lee Wai-kwong	Committee on Innovation, Technology and Industry Development (Hong Kong) <ul style="list-style-type: none">• Ex-officio Member	Appointment (3 March 2023)
Jimmy Ng Wing-ka	Chinese People's Political Consultative Conference of Shaanxi Province <ul style="list-style-type: none">• Member The National People's Congress of the People's Republic of China <ul style="list-style-type: none">• Member of the Hong Kong delegation	Appointment (1 January 2023) Appointment (5 March 2023)
Carlson Tong	Mandatory Provident Fund Schemes Authority (Hong Kong) <ul style="list-style-type: none">• Non-executive Director University Grants Committee (Hong Kong) <ul style="list-style-type: none">• Chairman Human Resources Planning Commission (Hong Kong) <ul style="list-style-type: none">• Member Standard Chartered Bank <ul style="list-style-type: none">• Member of the Court Hong Kong Investment Corporation Limited <ul style="list-style-type: none">• Director Hong Kong Exchanges and Clearing Limited <ul style="list-style-type: none">• Independent Non-executive Director Judicial Officers Recommendation Commission (Hong Kong) <ul style="list-style-type: none">• Member	Cessation (17 March 2023) Cessation (1 January 2023) Cessation (1 January 2023) Cessation (1 January 2023) Appointment (15 February 2023) Appointment (26 April 2023) Appointment (1 July 2023)
Sandy Wong Hang-yee	Communications Authority (Hong Kong) <ul style="list-style-type: none">• Co-opted Member of Broadcast Codes of Practice Committee	Appointment (1 April 2023)
Adrian Wong Koon-man	Standing Commission on Civil Service Salaries and Conditions of Service (Hong Kong) <ul style="list-style-type: none">• Member	Appointment (1 January 2023)
Professor Anna Wong Wai-kwan	Bank of China International Limited <ul style="list-style-type: none">• Independent Non-executive Director• Chairlady of the Risk Committee• Member of the Audit Committee	Cessation (6 July 2023) Cessation (6 July 2023) Cessation (6 July 2023)
Margaret Cheng Wai-ching	Labour Department (Hong Kong) <ul style="list-style-type: none">• Member of the Labour Advisory Board Committee on Employment Services Hospital Authority Academy (Hong Kong) <ul style="list-style-type: none">• Member of the Steering Committee	Cessation (1 January 2023) Appointment (7 July 2023)
Herbert Hui Leung-wah	The Standing Committee on Disciplined Services Salaries and Conditions of Service (Hong Kong) <ul style="list-style-type: none">• Chairman of the ICAC Sub-Committee Chinese Medicine Development Fund supervised by the Health Bureau (Hong Kong) <ul style="list-style-type: none">• Non-official Member of the Advisory Committee	Appointment (1 January 2023) Appointment (1 March 2023)
Gillian Elizabeth Meller	The Standing Committee on Company Law Reform (Hong Kong) <ul style="list-style-type: none">• Member Hong Kong, China Rugby (formerly Hong Kong Rugby Union) <ul style="list-style-type: none">• Independent Director	Cessation (1 February 2023) Change of name (21 June 2023) Appointment (2 May 2023)
Sammy Wong Kwan-wai	International Association of Public Transport (UITP) <ul style="list-style-type: none">• Member of the Metro Operations Subcommittee• Member of the Asia-Pacific Urban Rail Platform Committee	Cessation (14 February 2023) Appointment (14 February 2023)
Jeny Yeung Mei-chun	Hong Kong Cyberport Management Company Limited <ul style="list-style-type: none">• Member of the Cyberport Advisory Panel Octopus Holdings Limited and two members of the Octopus Holdings Limited group <ul style="list-style-type: none">• Non-executive Chairman The Hong Kong Housing Authority <ul style="list-style-type: none">• Non-official Member of the Finance Committee Council for Carbon Neutrality and Sustainable Development (Hong Kong) <ul style="list-style-type: none">• Member	Cessation (1 January 2023) Appointment (1 January 2023) Appointment (1 April 2023) Appointment (1 May 2023)

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

(ii) Changes in Directors' Remuneration

On the recommendation of the Remuneration Committee of the Company ("RC"), the Board approved a revised remuneration framework and adjusted the membership fees for Non-executive Members of the Board, Board Committees and Advisory Panel in May 2023. Separate resolutions were passed for each Non-executive Member of the Board and none of the Board Members voted on the resolution relating to his or her own remuneration.

The revised remuneration framework (see table below) took effect on 1 July 2023 and the total fees payable to Non-executive Directors are within the revised annual cap (contained in the Company's Articles of Association) approved by the shareholders of the Company at the Company's Annual General Meeting in 2022:

Membership	Annual Fees (HK\$)	
	Before*	After
Board		
– Chairman	1,500,000	1,500,000
– Other Members	300,000	350,000
Audit & Risk Committee and Capital Works Committee		
– Chairman	150,000	160,000
– Other Members	90,000	100,000
Finance & Investment Committee		
– Chairman	110,000	160,000
– Other Members	60,000	100,000
Remuneration Committee, Nominations Committee, Environmental & Social Responsibility Committee, and Technology Advisory Panel		
– Chairman	110,000	120,000
– Other Members	60,000	70,000

* The previous remuneration framework was approved in January 2017.

In light of the changes set out in the section headed "Changes in Composition of the Board and Board Committees/ Advisory Panel" on page 35 of this report and the above-mentioned revision to the remuneration framework for Non-executive Directors, the annual fees payable by the Company to Non-executive Members of the Board for the year ending 31 December 2023 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 Rex Auyeung Pak-kuen	1,730,000	1,760,000	1 July 2023
Christopher Hui Ching-yu (Note 1)	420,000	520,000	1 July 2023
Secretary for Transport and Logistics (Lam Sai-hung) (Note 2)	420,000	490,000	1 July 2023
Permanent Secretary for Development (Works) (Ricky Lau Chun-kit) (Note 2)	450,000	520,000	1 July 2023
Commissioner for Transport (Rosanna Law Shuk-pui) (Note 2)	450,000	520,000	1 July 2023
Andrew Clifford Winawer Brandler	500,000	610,000	1 July 2023
Dr Bunny Chan Chung-bun	420,000	520,000	1 July 2023
Walter Chan Kar-lok	450,000	500,000*	24 May 2023
	500,000	570,000	1 July 2023
	(since 24 May 2023)		
Dr Dorothy Chan Yuen Tak-fai	500,000	570,000	1 July 2023
Cheng Yan-kee	510,000	580,000	1 July 2023
Hui Siu-wai	480,000	550,000	1 July 2023
Sunny Lee Wai-kwong	420,000	470,000*	24 May 2023
	470,000	540,000	1 July 2023
	(since 24 May 2023)		
Dr Rose Lee Wai-mun	420,000	520,000	1 July 2023
Jimmy Ng Wing-ka	420,000	490,000	1 July 2023
Carlson Tong	510,000	610,000	1 July 2023
Sandy Wong Hang-yee	420,000	490,000	1 July 2023
Adrian Wong Koon-man	450,000	520,000	1 July 2023
Professor Anna Wong Wai-kwan	450,000	520,000	1 July 2023

* Based on the previous remuneration framework approved in January 2017.

Notes:

- The director's fees in respect of Mr Christopher Hui Ching-yu, the Secretary for Financial Services and the Treasury of the HKSAR Government, are received by the HKSAR Government rather than by Mr Hui personally.
- The director's fees in respect of the offices of the Secretary for Transport and Logistics, the Permanent Secretary for Development (Works) and the Commissioner for Transport, each of whom has been appointed as a Member of the Board by the Chief Executive of the HKSAR pursuant to Section 8 of the Mass Transit Railway Ordinance (Chapter 556 of the Laws of Hong Kong) are received by the HKSAR Government rather than by the holders of the offices concerned.

INDUCTION PROGRAMME, TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

After 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 familiarisation programme to understand the key areas of the Company's business and operations is provided.

Induction and familiarisation programmes have been or will be provided to Ms Sandy Wong Hang-yea and Professor Anna Wong Wai-kwan, the recently appointed Members of the Board, Ms Ida Lee Bik-sai and Mr Ho Ying-kit, the new Alternate Directors, and Mr Sammy Wong Kwan-wai, the new Member of the Executive Directorate.

In July 2023, certain Members of the Board and the Executive Directorate visited The Wai at the Company's Tai Wai property development, to gain a first-hand understanding of this new addition to the Company's shopping mall portfolio.

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. In addition, an Environmental, Social and Governance (ESG) briefing was provided to Members of the Board in May 2023.

Save for the above, materials on the subject of corporate governance and e-learning provided by HKSE 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.

BOARD MEETINGS

The Board held five meetings (three Regular Meetings, one Special Meeting and one Private Meeting) during the six months ended 30 June 2023.

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 report on the post transformation review of the strategy implementation under 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 2022; annual assessment of (i) the independence of the INEDs, and (ii) the effectiveness of the Company's risk management and internal control systems for 2022;
 - Recommendation of the appointment of new Members of the Board and re-election of retiring Members of the Board for approval by shareholders at the 2023 AGM;
 - Approval of (i) changes in the composition of Board Committees/Advisory Panel; and (ii) annual update to the Directors' Manual;
 - Approval of Sustainability Report 2022; 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 2022 Hong Kong Transport Services Performance;
 - Receipt of progress update on the review of the Company's Fare Adjustment Mechanism ("FAM") and approval of the principles for adjusting the controlled fares for 2023 under the FAM;
 - Approval of award of signalling works contract; and

- Receipt of update on the review of the Asset Management System of the Company’s railway operation;
- Capital Works:
 - Approval of award of construction contracts for the Tung Chung Line Extension; and
 - Receipt of status updates on the Project Agreements for the Tuen Mun South Extension and Kwu Tung Station projects;
- Property:
 - Receipt of progress updates on the tender of property development projects; and
 - Receipt of progress update on a new project;
- Mainland China and International Businesses:
 - Receipt of 2022 annual update on the Mainland China and Macao businesses;
 - Receipt of update on a proposed tender submission for a metro operating concession overseas; and
 - Receipt of update on the long-term plan for certain international businesses;
- Financial:
 - Review and approval of 2022 Annual Report and financial statements;
 - Receipt of the annual shareholder analysis and investor feedback; and
 - Approval of the 2023 revised Budget.

Special Meeting

One Special Meeting was held to approve the submission to the Government for a proposed railway project, the outcome of the 2023 FAM Review and the principles for revising MTR fares under the FAM in 2023.

Private Meeting

One Private Meeting was held to consider (i) the revised fees for the NEDs; and (ii) the appointment of a Member of the Executive Directorate.

COMMUNICATION WITH SHAREHOLDERS

Annual General Meeting

The Company’s 2023 AGM was held on 24 May 2023. The Chairman continued his practice of proposing separate resolutions for each substantially separate matter.

A total of 10 resolutions were passed at the 2023 AGM (with resolution no. 3 comprising three separate resolutions), all of which were supported by over 98% 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 2023 AGM Circular (which comprised the Notice of the 2023 AGM) dated 14 April 2023.

All resolutions at the 2023 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) and the HKSE on the same day after the 2023 AGM.

The 2023 AGM continued to be held in a hybrid format, which provided shareholders with an alternative 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 2023 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 2023 AGM, a webcast of the whole proceedings was also posted on the Company’s website for viewing.

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) and the HKSE. During the six months ended 30 June 2023, there was no change to the Company’s Articles of Association.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2023, the interests or short positions of the Members of the Board, Alternate Director(s) 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 Director/ Members of the Executive Directorate	No. of ordinary shares held		No. of award shares ^f	Total interests	Percentage of aggregate interests to total no. of voting shares in issue ^Δ
	Personal interests*	Family interests [†]	Personal interests*		
Dr Jacob Kam Chak-pui	740,104	–	493,218	1,233,322	0.01989
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
Margaret Cheng Wai-ching	242,331	–	103,302	345,633	0.00557
Linda Choy Siu-min	19,733	–	91,367	111,100	0.00179
Carl Michael Devlin	2,566	–	28,134	30,700	0.00049
Herbert Hui Leung-wah	160,905	2,233 (Note)	95,384	258,522	0.00417
Dr Tony Lee Kar-yun	147,977	–	89,918	237,895	0.00384
Gillian Elizabeth Meller	224,474	–	95,217	319,691	0.00515
David Tang Chi-fai	325,061	–	109,351	434,412	0.00700
Sammy Wong Kwan-wai	37,466	–	34,317	71,783	0.00116
Jeny Yeung Mei-chun	792,829	–	109,351	902,180	0.01455

Note: As at 30 June 2023, these shares were held by the spouse of the relevant Member of the Board or 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 2023 was 6,202,060,784

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

- A as at 30 June 2023, 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 2023, 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 2023 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 ^Δ
The Financial Secretary Incorporated ("FSI") (in trust on behalf of Government)	4,634,173,932	74.72%

^Δ The Company's total number of voting shares in issue as at 30 June 2023 was 6,202,060,784

The Company has been informed by the Hong Kong Monetary Authority that, as at 30 June 2023, approximately 0.15% of the ordinary shares of the Company ("Ordinary Shares") 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 2023, 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") and it will remain in force until 31 December 2024. 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.

Details on the operation of the Executive Share Incentive Scheme are set out in the sections headed "Long-Term Incentives" (pages 147 to 148), "Executive Share Incentive Scheme" (pages 171 to 173) and notes 2(W)(iii) (page 221), 11B (page 235) and 44(ii) (pages 277 to 278) to the Consolidated Financial Statements, of the Company's 2022 Annual Report (www.mtr.com.hk).

EXECUTIVE SHARE INCENTIVE SCHEME *(continued)*

Movements in award shares under the Executive Share Incentive Scheme during the six months ended 30 June 2023 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 2023	Award shares vested during the period	Award shares lapsed and/or forfeited during the period	Award shares outstanding as at 30 June 2023	Weighted average closing price of shares immediately before the date(s) on which the award shares were vested (HK\$)
		Restricted shares (Note 2)	Performance shares (Note 3)					
Dr Jacob Kam Chak-pui	8/4/2020	89,300	–	29,768	29,768	–	–	37.85
	8/4/2021	52,750	199,800	234,967	17,583	–	217,384	37.85
	1/4/2022	132,000	–	132,000	–	–	132,000	–
	8/4/2022	133,700	–	133,700	44,566	–	89,134	37.85
	11/4/2023 (Note 6)	54,700	–	–	–	–	54,700	–
Margaret Cheng Wai-ching	8/4/2020	32,450	–	10,818	10,818	–	–	37.85
	8/4/2021	17,450	47,850	59,484	5,816	–	53,668	37.85
	8/4/2022	39,500	–	39,500	13,166	–	26,334	37.85
	11/4/2023 (Note 6)	23,300	–	–	–	–	23,300	–
Linda Choy Siu-min	8/4/2021	13,500	47,850	56,850	4,500	–	52,350	37.85
	8/4/2022	32,200	–	32,200	10,733	–	21,467	37.85
	11/4/2023 (Note 6)	17,550	–	–	–	–	17,550	–
Carl Michael Devlin	8/4/2022	7,700	7,300	15,000	2,566	–	12,434	37.85
	11/4/2023 (Note 6)	15,700	–	–	–	–	15,700	–
Herbert Hui Leung-wah	8/4/2020	29,050	–	9,684	9,684	–	–	37.85
	8/4/2021	15,600	47,850	58,250	5,200	–	53,050	37.85
	8/4/2022	37,850	–	37,850	12,616	–	25,234	37.85
	11/4/2023 (Note 6)	17,100	–	–	–	–	17,100	–
Dr Tony Lee Kar-yun	8/4/2020	15,500	–	5,168	5,168	–	–	37.85
	8/4/2021	13,550	47,850	56,884	4,516	–	52,368	37.85
	8/4/2022	34,050	–	34,050	11,350	–	22,700	37.85
	11/4/2023 (Note 6)	14,850	–	–	–	–	14,850	–
Gillian Elizabeth Meller	8/4/2020	27,000	–	9,000	9,000	–	–	37.85
	8/4/2021	14,250	47,850	57,350	4,750	–	52,600	37.85
	8/4/2022	34,600	–	34,600	11,533	–	23,067	37.85
	11/4/2023 (Note 6)	19,550	–	–	–	–	19,550	–
David Tang Chi-fai	8/4/2020	31,350	–	10,450	10,450	–	–	37.85
	8/4/2021	17,200	47,850	59,317	5,733	–	53,584	37.85
	8/4/2022	46,000	–	46,000	15,333	–	30,667	37.85
	11/4/2023 (Note 6)	25,100	–	–	–	–	25,100	–

EXECUTIVE SHARE INCENTIVE SCHEME *(continued)*

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 2023	Award shares vested during the period	Award shares lapsed and/or forfeited during the period	Award shares outstanding as at 30 June 2023	Weighted average closing price of shares immediately before the date(s) on which the award shares were vested (HK\$)
		Restricted shares (Note 2)	Performance shares (Note 3)					
Sammy Wong Kwan-wai (Note 4)	8/4/2020	7,650	–	2,550	2,550	–	–	37.85
	8/4/2021	7,350	10,100	15,000	2,450	–	12,550	37.85
	8/4/2022	8,050	–	8,050	2,683	–	5,367	37.85
	11/4/2023 (Note 6)	16,400	–	–	–	–	16,400	–
Jeny Yeung Mei-chun	8/4/2020	32,650	–	10,884	10,884	–	–	37.85
	8/4/2021	17,200	47,850	59,317	5,733	–	53,584	37.85
	8/4/2022	46,000	–	46,000	15,333	–	30,667	37.85
	11/4/2023 (Note 6)	25,100	–	–	–	–	25,100	–
Other eligible employees (Note 5)	8/4/2020	2,069,800	6,950	493,410	492,510	900	–	37.87
	8/4/2021	1,787,100	1,013,200	1,897,357	500,319	24,738	1,372,300	37.87
	8/4/2022	2,087,600	233,400	2,129,350	670,827	52,138	1,406,385	37.95
	11/4/2023 (Note 6)	2,332,200	42,850	–	15,800	10,600	2,348,650	36.97

Notes:

- 1 The award shares granted under the Executive Share Incentive Scheme are issued Ordinary Shares.
- 2 Restricted shares are awarded to selective eligible employees and vest over three years in equal tranches (unless otherwise determined by the RC).
- 3 Performance shares are awarded to eligible employees and generally vest at the end of a three-year performance cycle, subject to review and approval by the RC from time to time.
- 4 Mr Sammy Wong Kwan-wai was appointed as the Mainland China Business Director and became a Member of the Executive Directorate of the Company, both with effect from 1 January 2023.
- 5 Other eligible employees also include former employees of the Company.
- 6 The closing price of the Ordinary Shares immediately before the date on which the award shares were granted on 11 April 2023 was HK\$38.60.
- 7 No award shares were cancelled during the six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Group did not purchase, sell or redeem any of the Group's listed securities during the six months ended 30 June 2023. 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 2,310,000 Ordinary Shares for a total consideration of approximately HK\$91 million during the same period.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Company's shareholders' entitlement to the 2023 interim dividend, the Register of Members of the Company was closed from 25 August 2023 to 30 August 2023 (both dates inclusive), during which time no transfers of shares in the Company were effected. To qualify for the 2023 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 24 August 2023 (Hong Kong time). The 2023 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 13 October 2023 to shareholders whose names appeared on the Register of Members of the Company as at the close of business on 30 August 2023.