

MTR Corporation Limited 香港鐵路有限公司

Minutes of the 20th Annual General Meeting (the “Meeting”) of MTR Corporation Limited 香港鐵路有限公司 (the “Company”) held at Rotunda 3 (6/F), Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Wednesday, 20 May 2020 at 11:30 a.m.

Present Shareholders’ attendance list was compiled by Computershare Hong Kong Investor Services Limited (“Computershare”), the Company’s Share Registrar.

Mr Rex Auyeung Pak-kuen (Chairman of the Board, and Chairman of Corporate Responsibility Committee), Mr Andrew Clifford Winawer Brandler (Board Member and Chairman of Risk Committee), Dr Dorothy Chan Yuen Tak-fai (Board Member and Chairlady of Remuneration Committee), Dr Pamela Chan Wong Shui (Board Member and Chairlady of Nominations Committee), Dr Eddy Fong Ching (Board Member and Chairman of Audit Committee), and Dr Allan Wong Chi-yun (Board Member and Chairman of Capital Works Committee).

Other Members of the Board present: Mr Andrew Lai Chi-wah (Alternate Director to Mr James Henry Lau Jr) and Dr Jacob Kam Chak-pui (Board member, Chief Executive Officer and a member of the Executive Directorate).

Other Members of the Executive Directorate present: Mr Adi Lau Tin-shing (Managing Director – Operations and Mainland Business), Mr Roger Francis Bayliss (Projects Director), Ms Linda Choy Siu-min (Corporate Affairs Director), Mr Herbert Hui Leung-wah (Finance Director), Ms Gillian Elizabeth Meller (Legal and European Business Director), Mr David Tang Chi-fai (Property Director) and Ms Jeny Yeung Mei-chun (Commercial Director).

In Attendance Mr Andrew Weir and Mr Roy Leung (representatives of KPMG – the Company’s External Auditors);

Ms Phyllis Lee (representative of Computershare); and

Mr Peter Brien and Mr Jason Webber (representatives of Slaughter & May – the Company’s External Legal Advisers).

Facilitator

Ms Linda Choy welcomed everyone to the Meeting. She also welcomed those who were viewing the Meeting through the online platform as a live webcast of the Meeting could be viewed online to facilitate those shareholders who could not attend the Meeting in person given the group gathering restrictions. She noted that shareholders viewing the live webcast would not be counted towards the quorum for the Meeting, nor would be able to cast their vote online.

Ms Choy then informed the attendees that:

1. pursuant to Government’s requirements on avoiding group gatherings and ensuring appropriate social distancing, the number of shareholders attending the Meeting had been limited. Recognizing that the annual general meeting was an important occasion for shareholders to meet and ask questions of the Board and management team, the Company had made every effort to accommodate as many shareholders as the circumstances permitted, to provide shareholders with an opportunity to ask questions and to vote while, at the same time, being mindful of the need to protect the health and safety of shareholders in light of the COVID-19 outbreak.

The Company had implemented practicable precautions and logistical measures including (i) requesting all attendees to complete and submit a health declaration form, undergo a body temperature check and wear a mask throughout the Meeting; (ii) providing sanitiser wipes and hand sanitiser; and (iii) designating seats for shareholders to facilitate contact tracing. As mentioned in the

Circular of the Meeting, there would be no food or drinks provided and no handing out of refreshment packs at the Meeting. The amount of money saved by not purchasing refreshment packs would be donated to the Hong Chi Association;

2. the Chairman would speak in Cantonese and the Meeting would be mainly conducted in Cantonese. There would be simultaneous interpretation in Cantonese, English and Putonghua, where applicable, throughout the Meeting. Shareholders present at the Meeting (the “Shareholders”) could approach the Company’s helpers at the Customer Service Counter located next to the entrance of the Meeting hall if assistance was required;
3. there would be simultaneous sign language interpretation throughout the Meeting and it would be displayed on the screen;
4. in accordance with the Company’s announcement dated 11 May 2020, shareholders had been encouraged to submit their questions in writing by 12:00 noon on 19 May 2020. After the Chairman delivered his statement, he would endeavour to answer as many relevant questions as possible at the Meeting within the allocated time of around 15 minutes. Thereafter, voting on the proposed resolutions would take place. For questions which could not be dealt with at the Meeting, the Company would address them afterwards as appropriate;
5. to facilitate those shareholders who could not attend the Meeting or watch the live webcast, the Meeting would be video recorded and the webcast would be available on the Company’s website within the following 24 hours; and
6. Shareholders were reminded to follow the instructions contained in the “Fire Evacuation Safety Instructions” (which could be found inside the environmental bag distributed to Shareholders earlier at the Meeting) in case of emergency or to

approach the Company's helpers for assistance if needed.

After highlighting various housekeeping matters, Ms Choy invited the Chairman to address the Meeting.

Chairman's
Opening
Remarks

The Chairman welcomed Shareholders to the Meeting and noted that this was the first annual general meeting of the Company chaired by himself. He explained that, in light of the outbreak of COVID-19, only a limited number of shareholders could attend the Meeting and the Meeting would be streamlined to minimize the risk to attendees of infection.

The Chairman noted that, apart from reviewing the Company's performance over the past year, he would also share with Shareholders the Company's business outlook and the various relief measures that had been offered by the Company to the community and the Company's tenants amidst the pandemic situation.

The Chairman noted that he had invited representatives from KPMG and Slaughter and May, the Company's External Auditors and Legal Advisers respectively, as well as other relevant persons to attend the Meeting.

Notice

As there was a quorum present, the Chairman declared the Meeting open.

The Chairman proposed and, with permission from Shareholders, the Notice convening the Meeting, which had been distributed to Shareholders, was taken as read.

Chairman's
Statement

Before dealing with the proposed resolutions of the Meeting, the Chairman thanked Dr Allan Wong Chi-yun, who would retire from the Board after the conclusion of the Meeting, for his contributions in the past years.

The Chairman noted that, as part of the succession planning for the Company's Board of Directors, a resolution relating to the proposed election of a new Board member would be dealt with later in the Meeting.

The Chairman then shared with Shareholders an overview of the Company's business performance in the last year.

The Chairman noted that 2019 had been the most difficult year in MTR's 40 years of service, with the public order events bringing to both the Company and Hong Kong unprecedented challenges.

The Chairman noted that, in respect of the Company's financial performance, apart from the provisions made in the first half of 2019 in relation to the Shatin to Central Link ("SCL") project in Hong Kong and the South Western Railway franchise in the United Kingdom, the Company's profitability had also been adversely affected by the public order events in the second half of 2019.

The Chairman then referred to the profit attributable to equity shareholders from the Company's recurrent businesses and reported that it had declined by 44.8%. Having included the profit for the year from the Company's property development business, the profit attributable to shareholders from underlying businesses had decreased by 6.2%.

The Chairman further reported that, after taking into account the Company's rail and property businesses as a whole, the Board was of the view that the overall financial position of the Group remained sound. Therefore, there would be a resolution to seek approval from Shareholders on the declaration of a final ordinary dividend for 2019 of HK\$0.98 per share.

The Chairman then shared with Shareholders some significant events relating to the Company which had drawn the attention of the public at large.

The Chairman noted that, as part of the SCL project, the Tuen Ma Line (“TML”) Phase 1 had been opened on 14 February 2020 and the full TML was anticipated to be opened in 2021. As for the Hung Hom to Admiralty Section, the targeted completion in the first quarter of 2022 was still facing challenges and continuing efforts were being made with the aim of meeting the programme.

The Chairman then referred to the submission of the final report on the quality of work at and near the Hung Hom Station extension of SCL by the Commission of Inquiry (“COI”) to Government in March 2020, which had been published by Government on 12 May 2020. He noted that the COI had confirmed in its final report that the relevant structures at and near the Hung Hom Station extension were safe and fit for purpose with the completion of the suitable measures.

The Chairman noted that, before publication of the COI final report, the Company had submitted to Government two separate final reports in respect of the quality of work at and near the Hung Hom Station extension in July 2019 and had adopted a number of recommendations regarding the Company’s project management performance and systems made in the COI’s interim report. He noted that the Company had already implemented some of the recommendations made by the COI in the report and would implement necessary follow-up actions to address any identified shortcomings and would continue to strengthen the Company’s project management and quality assurance work.

In respect of the cost to complete of the SCL project, the Chairman noted that the Company had carried out a further review and revalidation of the cost to complete and had submitted this to Government for review in February 2020. He stressed that the Company would continue to work closely with Government to achieve the delivery of the SCL project by endeavoring to complete the remaining works so as to let Hong Kong

people enjoy the new railway services.

The Chairman noted that Government had made a submission to the Legislative Council for the approval of additional funding for the SCL project; the Public Works Subcommittee had approved the funding application and it would be submitted to the Finance Committee for approval.

With respect to railway service incidents, the Chairman remarked that the Company understood the public's expectations for a safe and reliable railway service and their concern over the two incidents that had happened in 2018 – the train collision on the Tsuen Wan Line during non-traffic hours as a result of the testing of the new signalling system and the derailment near Hung Hom Station on the East Rail Line. He noted that the Company had adopted the recommendations made by the relevant investigation panels and had proactively implemented improvement measures to prevent the occurrence of incidents of a similar nature.

The Chairman also recalled that, during the public order events in the second half of 2019, MTR trains and stations had been damaged to various degrees and normal railway operations had been disrupted, which had affected the ability of the general public to travel in Hong Kong. While customer, staff and rail system safety were always the Company's top priority, the Chairman noted that, during the affected period, the Company had adjusted rail services with a view to continuing to serve all Hong Kong people in a safe manner.

The Chairman then moved to the business performance of the Company. He noted that the MTR team was dedicated to serving the Company's customers and had achieved positive results in different business areas, including the opening of TML Phase 1 in Hong Kong, which had brought convenience to the public.

On the property business front, the Chairman reported that the new property development projects awarded in 2019, including LOHAS Park Package 11 and Wong Chuk Hang Station Package 4, together with the property project which had been awarded in February 2020, LOHAS Park Package 12, would provide around 4,650 residential units in total.

In respect of the Company's Hong Kong station commercial businesses, the Chairman reported that total revenue in 2019 had increased by 5.3% as compared with 2018, mainly attributable to the contribution from the High Speed Rail (Hong Kong Section) station for the full year of 2019.

The Chairman then gave a brief account of the Company's businesses outside Hong Kong which had achieved encouraging results. These included the commencement of service on the Sydney Metro North West Line, the initial section of Hangzhou Metro Line 5 and the Macao Light Rapid Transit Taipa Line. He noted that, since the end of April 2020, the full line of Hangzhou Metro Line 5 had been opened for service. In Beijing, the Company's associate had been awarded the Beijing Metro Line 17 Operations and Maintenance concession while, in Australia, the existing Northwest Rapid Transit Consortium, of which MTR was a leading member, had concluded a contract with the state government. He also noted that MTR would take lead in the Sydney Metro City and Southwest line project works and the railway operations and maintenance of the combined Metro North West Line and the City and Southwest Line.

The Chairman was pleased to note that the abovementioned business developments would enable MTR to continue to progress as a world-class rail operation and management company.

Looking forward to the business outlook of the Company, the Chairman noted that, following the public order events that had taken place in the second half of 2019, the COVID-19 epidemic in 2020 had brought

about another unprecedented challenge to Hong Kong and MTR. He opined that COVID-19 had become a global health issue and the Group's Hong Kong transport operations, Hong Kong station commercial businesses and property rental businesses had been and would continue to be seriously affected, including by notably lower patronage resulting in lower revenue, rental reduction relief granted to tenants and lower advertising revenue.

The Chairman noted that, due to the dampened economic and operating environment in Hong Kong, it was expected that the appraised value of the Company's investment properties would also be affected. He noted that, going forward, the Company needed to contend with a variety of risks and uncertainties, including the global economic slowdown, higher unemployment, and reduced tourist arrivals. He noted that all of these factors were causing tremendous pressure on the Group's financials and it was expected that such negative impact would persist for some time. Nonetheless, the Chairman assured Shareholders that the Group would keep the situation under review and implement cost control measures to help mitigate the negative financial impact that might result.

Despite facing these severe challenges, the Chairman said that he believed that railway would continue to be the backbone of public transportation in Hong Kong and, in the years to come, the Company would work on the railway projects under Government's Railway Development Strategy 2014. He noted that, in April 2020, the Company had been invited by Government to proceed with the detailed planning and design of the Tung Chung Line Extension project, the construction of which was expected to commence in 2023.

The Chairman noted with pleasure that the expertise and experience that the Company had gained in Hong Kong was being used on a growing portfolio of railway-related businesses in the Mainland of China, Europe and Australia. He reported that the Company's railway businesses outside of Hong Kong had carried an

average of about 7.2 million passengers per weekday in 2019.

Turning to the outlook of the Company's property businesses, the Chairman noted that the Company would deliver about 22,000 residential units from 16 property projects to the market in Hong Kong over the next six years. For the Siu Ho Wan Depot Development site, which would be developed into a community project comprising both public and private housing, he noted that negotiations with Government were on-going.

The Chairman then moved on to the subject of "Environmental, Social and Governance", which the Board placed great emphasis on. He noted that the Company had taken and would continue to implement measures to protect the environment, as well as to contribute to the community, including through reducing the Company's carbon footprint and providing fare and rental concessions.

In response to the impact of the COVID-19 outbreak on the overall society in Hong Kong, the Chairman noted that the Company had launched a series of fare concessions resulting in the actual fares paid by all passengers remaining unchanged throughout 2020. These concessions were worth over HK\$800 million in total, including the extension of the "3.3% Rebate for Every Octopus Trip" to the end of June 2020. The Chairman noted that, even though the operating environment remained challenging, the Company had been offering over HK\$2.6 billion worth of on-going fare concessions every year to customers of different walks of life including the elderly, children, eligible students and persons with disabilities, which reflected MTR's care towards different sectors of the community.

The Chairman noted that additional relief measures had also been announced in April 2020, including the "20% Rebate for Every Octopus Trip" to be implemented for six months from 1 July 2020 to 1 January 2021 and a flat reduction of HK\$100 on each

purchase of Monthly Pass Extras and MTR City Savers for all passengers during the six months from July 2020 to December 2020. The total amount of additional relief measures amounted to around HK\$1.6 billion. Government would bear half of the total revenue forgone up to a cap of HK\$0.8 billion, while the Company would shoulder the remainder.

Furthermore, the Chairman noted that the Company was offering tenants at MTR stations and shopping malls reductions in rents and had donated 100,000 surgical masks to members of the community through The Hong Kong Council of Social Service. The Chairman noted that, in addition, the Company's Board and Executive Directorate had donated part of their remuneration to the community to support those in need to help them ride out the tough times during the pandemic.

Before closing, the Chairman noted that he had witnessed the solidarity and hard work of the MTR team since taking up the chairmanship in July 2019. He took the opportunity to thank the more than 47,000 MTR staff in Hong Kong, the Mainland of China and overseas for their dedication and contributions, especially their perseverance and professionalism in face of the severe challenges posed by COVID-19 and the public order events.

On behalf of the MTR team, the Chairman expressed his greatest gratitude to the dedicated shareholders for their long-term support for the Company over the years. He also thanked the Board and the Management for their support for him and wished everyone good health and a happy life.

Facilitator

Ms Choy thanked the Chairman for his statement and reminded attendees that, before proceeding to the formal business of the Meeting, the Chairman would use around 15 minutes to answer some of the questions received from shareholders before the Meeting. She

then read out the questions/comments received from the following shareholders as below:

Questions
Received from
shareholders

- (1) Question received from **Wong Ngok and Leung Cheung Hong**: they noted that the Company had suffered from substantial damage from vandalism during the public order events and asked whether the Company would seek compensation from relevant persons.

The Chairman thanked Mr Wong and Mr Leung for their question and emphasized that the safety of passengers and MTR employees had always been the top priority of the Company. He then invited Dr Jacob Kam to answer.

Dr Kam reiterated that the mission of the Company was to provide safe, reliable and convenient railway services to the public, with safety always being the top priority. In consideration of safety, the Company might have to suspend railway services in the case of sudden incidents, but would always seek to resume such services as quickly as possible. He explained that the Company was sad to see its station facilities being damaged and staff being injured and the Company would respect judgements of the Court.

- (2) Comments from **Eric CK Li**: he noted that he had written to the Chairman expressing his dissatisfaction on the train service arrangements and the service of MTR staff during the public order events.

The Chairman noted his earlier comments about the MTR train service arrangements and invited Dr Kam to further explain.

Dr Kam responded that the Company attached great importance to customer service and that the safety of passengers and MTR employees had always been the top priority of the Company. He

noted that measures including adjustments or suspensions of train services and closure of individual stations would be required if there was a need to ensure the safety of passengers and/or staff. Dr Kam emphasized that the Company would continue to enhance service quality and resume train services as soon as possible following any service suspension.

- (3) Question from **Cheung Kin Wai and Yip Bok Man**: they referred to the negative financial impact from the public order events and the COVID-19 pandemic and asked whether there would be any change in the Company's dividend policy.

The Chairman explained that the Company's dividend policy was dependent on a number of factors, including the Company's business performance, capital expenditure and financial position. For the year ended 31 December 2019, a total ordinary dividend of HK\$1.23 would be paid, subject to Shareholders' approval later at the Meeting. He noted that, at this moment, the Board still intended to maintain the existing dividend policy.

- (4) Question from **Agnes KM Chan**: she asked if the disclosures in the Directors' Report of the Company's Annual Report for the financial year had included: (a) a fair review of the Company's business including the litigation that the Company was involved in since the preceding year; (b) a description of the principal risks and uncertainties currently faced by the Company; (c) the particulars of important events affecting the Company up to date; (d) an indication of future developments of the Company; and (e) the Company's responses to the current social unrest, including public demands, their substantial economic impact and corresponding remedies to follow up.

The Chairman referred the Shareholder to the section headed "Report of the Members of the

Board” on page 146 of the Company’s 2019 Annual Report which covered the disclosures required under the Hong Kong Companies Ordinance. He noted that the Company had provided details of the impacts of the public order events on the Company’s Hong Kong business and actions taken in the “Chairman’s Letter” and the “CEO’s review of Operations and Outlook” in the Company’s 2019 Annual Report. The Chairman also noted that various press statements and announcements had been issued to keep the public abreast of the latest developments.

(5) Questions/comments from Ko Long Hei:

- (i) he referred to the proposed election of Dr Bunny Chan Chung-bun as a new Member of the Board and enquired how the 30 years of experience of Dr Chan in the garment industry would be relevant to the Company’s business needs and development.

The Chairman replied that Members of the Board came from different industries and professional backgrounds. The Board would review its structure, size and composition annually to ensure there was an appropriate balance, in order for the Board to be effective. The Chairman believed that the extensive experience that Dr Chan had in community service including youth development, social welfare and District Council affairs could be drawn upon to the best interests of the Company.

- (ii) he then thanked the efforts of the Company’s frontline staff during the public order events and asked about (i) the number of delays lasting 31 minutes or more caused by factors controllable and uncontrollable by the Company; and (ii) the reason why the on-time railway service disclosed in the 2019 Annual

Report had excluded those delays caused by factors uncontrollable by the Company.

The Chairman invited Mr Adi Lau to answer.

Mr Lau responded that the Company treated each incident seriously with a view to continuing to improve the Company's service quality. He noted that, in accordance with the Service Performance Arrangement, fare rebates would be set aside according to the pre-determined tiered table if the duration of service disruptions was 31 minutes or more and the disruptions were caused by operational reasons that were within the Company's control. Mr Lau further explained that uncontrollable delays referred to situations where service delays were unavoidable even the operating railway system was in a good condition. He cited two examples: (i) with regard to Heavy Rail, train service could be delayed for safety reasons if obstacles were found being blown onto the track during a typhoon; and (ii) with regard to Light Rail, train service could be delayed for safety or other reasons if there was any road traffic incident affecting the overhead line.

(6) Questions from Yip Bok Man:

- (i) he asked when the Company would be able to catch up with those new railway projects which had been delayed, leading to a delay in the opening of some of the new stations.

The Chairman noted that the Company had made and would continue to make efforts to improve and enhance project management from the lessons learnt in the past. He then invited Mr Roger Bayliss to respond further.

Mr Bayliss noted that the shareholder's question should be related to the progress of

the SCL project. He referred to the final report of the COI recently released by Government which concluded that the relevant structures at and adjacent to the Hung Hom Station extension were safe and fit for purpose with the completion of the suitable measures. He added that the most important thing for the Company at this moment was to complete the remaining works of the SCL project including signalling and testing and commissioning as soon as possible so that the line could be opened for passenger service. He highlighted that, although the targeted opening for the section from Hung Hom to Admiralty in Q1 2022 remained a challenge, the Company's project team was fully committed to the target and was working hard to achieve the target in order that passengers could enjoy the improved convenience.

- (ii) he asked whether there would be any sale of properties atop MTR stations in the year and what would be the expected size of the small and medium-sized units. The Chairman invited Mr David Tang to answer.

Mr Tang responded that the remaining flats of LOHAS Park Package 9 would be offered for sale in the year. He noted that presale consent had been obtained for LOHAS Park Package 8 (SEA TO SKY) and the Company would discuss with the developer on the exact timing of the presale, while the applications for presale consent for the property development at Tai Wai Station and LOHAS Park Package 10 were underway. He added that the said property developments would provide an abundant supply of small to medium sized units.

Facilitator Ms Choy noted that the time for Questions and Answers was up and the Meeting would proceed with the formal business.

Voting Procedures Before considering the resolutions, the Chairman exercised his right as the Chairman of the Meeting under Article 71 of the Company's Articles of Association (the "Articles") to demand a poll on each resolution to be proposed at the Meeting.

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

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

Ms Phyllis Lee, the representative of the scrutineers, then gave a demonstration on how electronic poll voting would work.

The Chairman thanked Ms Lee and noted that all Directors of the Company recommended Shareholders to vote in favour of each of the proposed resolutions set out in the Notice of the Meeting.

Directors' Report and Audited Statement of Accounts

The Directors' Report and the audited Statement of Accounts for the year ended 31 December 2019 were taken as read with the permission from Shareholders.

The Chairman formally proposed Resolution 1, namely, the ordinary resolution to receive the audited Statement of Accounts and the reports of the Directors and the Auditors of the Company for the year ended 31 December 2019.

The Chairman conducted the poll on Resolution 1.

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

Final Dividend

The Chairman continued to propose Resolution 2, namely, the ordinary resolution to declare a final dividend for the year ended 31 December 2019 of HK\$0.98 per ordinary share, as recommended by the Board.

The Chairman then conducted the poll on Resolution 2.

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

Re-election of Retiring Directors

In accordance with the Articles, Mr Andrew Clifford Winawer Brandler, Dr Pamela Chan Wong Shui, Dr Dorothy Chan Yuen Tak-fai and Mr Johannes Zhou Yuan retired individually from the office of Director and, being eligible, offered themselves for re-election at the Meeting.

The Chairman conducted the poll on Resolution 3(a), that Mr Andrew Clifford Winawer Brandler be re-elected as a member of the Board of Directors of the Company.

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

The Chairman then proposed and conducted the poll on Resolution 3(b), that Dr Pamela Chan Wong Shui be re-elected as a member of the Board of Directors of the Company.

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

The Chairman then proposed and conducted the poll on Resolution 3(c), that Dr Dorothy Chan Yuen Tak-fai be re-elected as a member of the Board of Directors of the Company.

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

The Chairman then proposed and conducted the poll on Resolution 3(d), that Mr Johannes Zhou Yuan be re-elected as a member of the Board of Directors of the Company.

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

Election of
New Director

The Chairman proposed the poll on Resolution 4, namely, the ordinary resolution to elect Dr Bunny Chan Chung-bun as a new member of the Board of Directors of the Company. The Chairman advised that Dr Chan's biographical details had been disclosed in the Company's circular for the Meeting.

The Chairman then conducted the poll on Resolution 4.

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

Auditors The Chairman proposed and conducted the poll on Resolution 5, namely, the ordinary resolution to re-appoint KPMG as Auditors of the Company and to authorise the Board to determine their remuneration.

The Chairman then conducted the poll on Resolution 5.

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

General
Mandate The Chairman proposed Resolution 6, namely, the ordinary resolution to grant a general mandate to the Board to allot, issue, grant, distribute and otherwise deal with additional shares in the Company in the terms set out in the Notice of the Meeting as follows:

Resolution 6

‘THAT:

(A) subject to paragraph (B) below, the exercise by the Board of Directors of the Company (the “Board”) during the Relevant Period of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares, to grant rights to subscribe for, or convert any security into, Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) and to make or grant offers, agreements and options which will or might require such powers to be exercised during or after the end of the Relevant Period, be and is hereby generally and unconditionally APPROVED;

(B) the aggregate number of Shares allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, conversion or otherwise) by the Board pursuant to

the approval in paragraph (A) above, otherwise than pursuant to:

- (i) a Rights Issue; or
- (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the members of the Executive Directorate and/or officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares, including without limitation pursuant to the Rules of the Company's 2007 Share Option Scheme; or
- (iii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares; or
- (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the Articles of Association of the Company from time to time,

shall not exceed ten per cent. of the aggregate number of Shares in issue as at the date of passing this Resolution 6 (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) after the passing of this Resolution 6), and the said approval shall be limited accordingly;

- (C) any Shares to be allotted and issued (whether wholly or partly for cash or otherwise) pursuant to the approval in paragraph (A) above shall not be issued at a discount of more than ten per cent. to the Benchmarked Price of such Shares; and

(D) for the purpose of this Resolution 6:

- (i) 'Relevant Period' means the period from (and including) the date of passing this Resolution 6 until the earlier of:
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or by law to be held; and
 - (c) the revocation or variation of the authority given under this Resolution 6 by an ordinary resolution of the shareholders of the Company in general meeting;
- (ii) 'Rights Issue' means an offer of Shares open for a period fixed by the Board to holders of Shares on the register of members (and, if appropriate, to the holders of warrants and other securities which carry a right to subscribe or purchase shares in the Company on the relevant register) on a fixed record date in proportion to their then holdings of such Shares (and, if appropriate, such warrants and other securities) (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory applicable to the Company);
- (iii) 'Shares' means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company; and

(iv) 'Benchmarked Price' means the higher of:

- (a) the closing price of the Shares as quoted on the The Stock Exchange of Hong Kong Limited (the 'Stock Exchange') on the date of the agreement involving the proposed issue of the Shares under this Resolution 6; and
- (b) the average closing price of the Shares as quoted on the Stock Exchange for the 5 trading days immediately prior to the earlier of the date: (1) of announcement of the proposed transaction or arrangement involving the proposed issue of the Shares; (2) of the agreement involving the proposed issue of Shares; and (3) on which the price of the Shares that are proposed to be issued is fixed.'

The Chairman conducted the poll on Resolution 6.

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

Share
Repurchase
Mandate

The Chairman proposed Resolution 7, namely, the ordinary resolution to grant a general mandate to the Board to buy back shares in the Company in the terms set out in the Notice of the Meeting as follows:

Resolution 7

'THAT:

- (A) subject to paragraph (B) below, the exercise by the Board during the Relevant Period of all the powers of the Company to buy back Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and which is recognised for this purpose by the Securities and Futures Commission and the Stock Exchange, in accordance with all applicable laws, including the

Hong Kong Code on Share Buy-backs and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), be and is hereby generally and unconditionally APPROVED;

(B) the aggregate number of Shares which may be bought back or agreed conditionally or unconditionally to be bought back pursuant to the approval in paragraph (A) above shall not exceed ten per cent. of the aggregate number of the Shares in issue as at the date of passing of this Resolution 7 (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) after the passing of this Resolution 7), and the said approval shall be limited accordingly; and

(C) for the purpose of this Resolution 7:

(i) 'Relevant Period' means the period from (and including) the passing of this Resolution 7 until the earlier of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or by law to be held; and

(c) the revocation or variation of the authority given under this Resolution 7 by an ordinary resolution of the shareholders of the Company in general meeting; and

- (ii) 'Shares' means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company.'

The Chairman conducted the poll on Resolution 7.

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

Conclusion The Chairman noted that all the proposed resolutions of the Meeting had been passed. The Chairman advised that the results of the poll would be published on the respective websites of the Company and the HKSE in accordance with the Listing Rules.

The Chairman concluded the Meeting by thanking Shareholders for their attendance.

(Signed by Mr Rex Auyeung)

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Chairman