

# CORPORATE STRATEGY PROGRESS AND PLANS

## KPI

## 2021 ACHIEVEMENTS

### HONG KONG CORE

- Advancing **Social and Environmental Objectives**
- Continuing Growth** in our current businesses and expanding into adjacent businesses
- Adopting Technology** to enhance customer experience and work optimisation



- Established **3 Social and Environmental Objectives, 10 Commitments and 30+ KPIs**
- Full Tuen Ma Line** commenced service
- Identified Opportunities** in smart mobility and maintenance
- Continued to **Optimise Operational** overheads
- Continuing to progress projects under **Railway Development Strategy 2014** ("RDS 2014")
- Awarded **THE SOUTHSIDE Package 5 and Package 6** in Wong Chuk Hang



### MAINLAND CHINA AND INTERNATIONAL BUSINESS

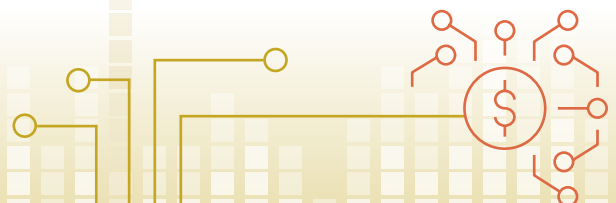
- Exploring New Product Offerings and Cities** while pursuing excellence in current projects
- Exporting Our Brand and Know-how** in railway services to major growth markets outside Hong Kong

- Final Section of Beijing Metro Line 14 and Initial Section of Beijing Metro Line 17** commenced service
- Secured land use right of **Hangzhou West Station Transit-oriented development** project
- Took over operations of **Mälartåg Regional Traffic** in Sweden
- Launched **Global Operations Standard** that will leverage our strong capabilities in railway operations to establish a model for the future in the other cities where we operate

### NEW GROWTH ENGINE

- Established MTR Lab to enable **Technology Growth and Investments**
- Reinforcing core and growing by investing in **Technology Start-ups**

- Developed **MTR Lab** holding structure, operating and governance model, and investment framework



During the year under review, MTR continued to make strong progress in the implementation of its new Corporate Strategy, "Transforming the Future". The successful execution of this strategy has created a robust matrix organisation offering faster, more effective managerial response, enhanced collaboration, and improved accountability with a strengthened "three lines of defence". This Corporate Strategy also sets out well-defined environmental, social and governance ("ESG") objectives to guide the Company's operations (including its core Hong Kong Businesses, Mainland China and International Businesses, and New Growth Engine) which enables us to achieve sustainable, mutually beneficial growth for the Company and its communities.

## PLAN FOR 2022 AND BEYOND

- Track progress towards achieving **Social and Environmental KPIs**; implement **ESG Investment Framework**
- Continue **Investing in Productivity Enhancement** through technology and streamlining/ synergetic benefits
- East Rail Line cross-harbour extension** targeted to open in June/July 2022
- Fully supporting **Northern Metropolis Development Strategy**
- Continue **Property Tendering Activities**
- About **20,000 Residential Units and Two Shopping Malls** currently under development
- Launch a **New Data Centre Business Line**



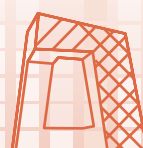
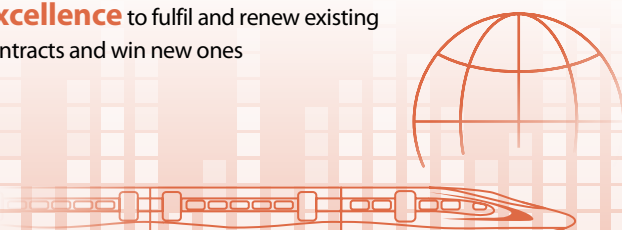
## RISKS

- COVID-19 Pandemic** presenting severe challenges to people's day-to-day activities and creating adverse impacts on local patronage and foot traffic in station shops and shopping malls
- On-going Boundary Closures and Travel Restrictions** expected to continue impacting fare revenue, Duty Free shops and shopping malls



- Continue to **Identify Growth Opportunities Outside Hong Kong** to maintain brand presence and diversify revenue streams
- Continue delivering **Operational Excellence** to fulfil and renew existing contracts and win new ones

- Keen Competition and Complex Geopolitics**
- Pandemic** resulting in reduced business travel and/or local engagement; more time and effort required



- Support MTR's Core Business** to reinforce tech capabilities and provide technological solutions accordingly
- Explore Partnership Models** to conduct R&D and joint venture business
- Invest in **High-Potential, Adjacent Companies** in their early growth stages to build capability and diversify revenue streams

- Tech Sector** is inherently **High Risk**

