

FINANCE & INVESTMENT COMMITTEE REPORT

The Finance & Investment Committee (referred to as the “Committee” in this report) was established on 1 February 2022. As at the date of this Report, the Committee consists of five Non-executive Directors, of which four are Independent Non-executive Directors (INEDs). The Chairman of the Committee is an INED. Details of the Committee’s members and their attendance records during 2022 are set out on pages 120 to 122 of this Annual Report.

The Chief Executive Officer, the Finance Director, and the General Manager – Corporate Finance are required to attend all meetings of the Committee. Other executives and senior managers were also invited to attend Committee meetings when required.

DUTIES OF THE COMMITTEE

The Committee’s Terms of Reference are available on the respective websites of the Company (www.mtr.com.hk) and the Stock Exchange.

Reviewing proposals from the Company’s Executive Directorate on the following matters and providing an assessment of such proposals to the Board for its consideration:

- the annual budget and financing plan of the Company;
- the Company’s preferred financing model;
- the Company’s dividend policy;
- if in excess of the financial or other thresholds set by the Board, bank borrowings or other financing agreements, investments and disposals, parent company guarantees, expenditure and revenue contract awards;
- the strategy for (if in excess of the investment threshold set by the Board) and the award of tenders for the Company’s property development projects in Hong Kong;
- the average and floor selling prices for units within the Company’s property development projects;
- project proposals for new capital works projects in Hong Kong; and
- the investment caps for the Company’s Mainland China and International Businesses and for any other part(s) of the Company’s business.

WORK PERFORMED BY THE COMMITTEE IN 2022

During 2022, the Committee held seven meetings at which the following key proposals were reviewed and considered, and the Committee made corresponding recommendations to the Board for its consideration:

- the concession arrangement for the full operation of the Shatin to Central Link;
- the project agreements required for undertaking certain railway extension and property development projects;
- the Company’s 2023 Budget and Longer-Term Forecast
- the Company’s 2021 Final Dividend and 2022 Interim Dividend;
- Major lease and licence renewal of the Company’s investment properties; and
- the tender arrangements and sales price proposals of various property development projects.

Mr Andrew Brandler

Finance & Investment Committee Chairman

Hong Kong, 9 March 2023

The Finance & Investment Committee Report has been reviewed and endorsed by the Committee.