

# CAPITAL WORKS COMMITTEE REPORT

As at the date of this Report, the Capital Works Committee of the Company (referred to as the “Committee” in this report) consists of five Non-executive Directors, four of whom are Independent Non-executive Directors of the Company (“INEDs”). Details of the Committee’s members and their attendance records during 2023 are set out on pages 116 to 117 of this Annual Report.

## DUTIES OF THE COMMITTEE

The Committee’s Terms of Reference had been updated in 2023 and are available on the website of the Company ([www.mtr.com.hk](http://www.mtr.com.hk)).

The Committee provide oversight and advice to the Board in respect of any capital project of the Company in Hong Kong and outside of Hong Kong involving design and/or construction and/or replacement activities (“Relevant Project”) with a capital value in excess of HK\$10 billion and any other Relevant Project, in the event that such Relevant Project is four months or more behind programme on an overall basis:

- review the progress of such projects, from a programme, cost, quality, safety, environmental and stakeholder engagement perspective;
- review matters that could have a material impact on the programme, cost, quality, safety, environmental and stakeholder engagement aspects of such projects, including the management thereof and processes adopted by the Company in supervising and managing the projects;
- review non-compliances in relation to materials, works and processes;
- review the sufficiency of resources for and the supervision of such projects;
- keep under review the Company’s communication strategy and protocols and crisis management plans in respect of such projects.

The Committee also review major technical or engineering contracts of the Company in excess of the thresholds set out in Appendix 1 to the Protocol of Conduct of Business of MTR Corporation Limited and provide guidance and recommendations, as appropriate.

The Committee report to the Board after every Committee meeting and on an ad hoc basis if the Committee deems appropriate.

## WORK PERFORMED BY THE COMMITTEE IN 2023

In 2023, the Committee held five meetings at which the following key matters were reviewed and considered:

- progress and issues related to the Company’s capital projects under construction including the Tung Chung Line Extension, the Oyster Bay Station, the Tuen Mun South Extension, the Kwu Tung Station on the East Rail Line and the Signalling Replacement Works on the urban lines
- planning and design work for other new railway projects, including the Airport Railway Extended Overrun Tunnel, the Hung Shui Kiu Station and the Northern Link
- half-yearly reports on the construction programme and cost status of all the awarded development projects of the Company’s Property Business Unit in Hong Kong
- half-yearly reports on projects-related audits conducted by the Company’s Internal Audit Department
- recommendation for award of contracts on Signalling Works for Lantau projects, Tung Chung West Station and tunnels, Tung Chung East Station and associated enabling works for track diversions, New Tuen Mun Swimming Pool, Kwu Tung Station on East Rail Line, Oyster Bay Station and associated works, and Tuen Mun South Extension Stations, Viaducts and River Crossing

Chief Executive Officer attended one meeting in 2023. Capital Works Director attended five meetings in 2023. General Manager – New Territories (Projects), General Manager – Lantau (Projects) and General Manager – Commercial Management attended four Committee meetings in 2023, to report and answer questions on projects related matters. Operations & Innovation Director attended three meetings in 2023 to report and answer questions on Signalling Replacement Works. General Manager – Property Projects attended two meetings in 2023 to report and answer questions on progress of awarded Property development projects. Other executives and senior managers were also invited to attend Committee meetings when required. I thank Committee members and colleagues for their support and hard work.

Mr Cheng Yan-kee  
*Capital Works Committee Chairman*  
Hong Kong, 7 March 2024

*The Capital Works Committee Report has been reviewed and endorsed by the Committee.*