

# 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 2023 are set out on pages 116 to 117 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](http://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 2023

During 2023, the Committee held ten meetings at which the following key proposals were reviewed and considered, and the Committee made corresponding recommendations to the Board for its consideration:

- the project agreements required for undertaking the Tuen Mun South Extension and Kwu Tung Station railway extension projects;
- project proposals for undertaking certain railway extension projects;
- tender submission for an overseas railway franchise contract;
- long term plan and associated financing requirements for certain overseas business;
- New Growth Engine business strategy and investment update;
- Award of certain major construction contracts;
- Debt issuance programmes and arrangements for additional financing for 2023;
- the Company’s 2023 Revised Budget, 2024 Budget and Longer-Term Forecast;
- the Company’s 2022 Final Dividend and 2023 Interim Dividend; and
- the tender arrangements and sales price proposals of various property development projects.

Mr Andrew Brandler

*Finance & Investment Committee Chairman*

Hong Kong, 7 March 2024

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