

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 2022 are set out on pages 120 to 122 of this Annual Report.

DUTIES OF THE COMMITTEE

The Committee’s Terms of Reference are available on the website of the Company (www.mtr.com.hk).

The principal duties of the Committee include overseeing any capital project of the Company in Hong Kong and outside of Hong Kong involving design and/or construction 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; reviewing the progress of such projects, from both a programme and cost perspective; reviewing matters that could have a material impact on the quality, delivery and management of such projects, including processes and protocols adopted by the Company in supervising and managing the projects and non-compliances in relation to materials, works and processes; checking that there are adequate resources for such projects; keeping under review the Company’s communication strategy and protocols, and crisis management plans in respect of such projects; and reporting to the Board on a quarterly basis or ad hoc basis if the Committee deems appropriate, in respect of the above.

Agendas for each meeting are drawn up, taking into account topical matters relating to the projects at the relevant time.

The chairman of the Committee summarises the activities of the Committee and highlights issues arising therefrom in a report to the Board after each Committee meeting.

WORK PERFORMED BY THE COMMITTEE IN 2022

In 2022, the Committee held four meetings at which the following key matters were reviewed and considered:

- progress and cost status of the Company’s capital projects under construction including the Shatin to Central Link and the Signalling Replacement Works on the urban lines
- planning and design work for new railway projects under the Lantau Portfolio, including the Tung Chung Line Extension and Siu Ho Wan Depot Development, and the New Territories Portfolio, including the Tuen Ma Line Extension
- progress of continuous improvements under the Building Excellence programme for enhancing the capability of the Company’s Capital Works Business Unit in railway project management
- 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, including THE PAVILIA FARM at Tai Wai Station
- half-yearly reports on projects-related audits conducted by the Company’s Internal Audit Department

Capital Works Director, General Manager – New Territories (Projects), General Manager – Lantau (Projects) and General Manager – Commercial Management attended all four Committee meetings in 2022, to report and answer questions on progress of projects and cost related matters. Operations Director attended all four meetings in 2022 to report and answer questions on Signalling Replacement Works. Property and International Business Director attended two meetings in 2022 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, 9 March 2023

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

