

Guidelines on Disclosure of Related Party Transactions of the CLP Group

- Directors of CLP Holdings are requested to declare their direct or indirect interests, if any, in a transaction, arrangement or contract, or a proposed transaction, arrangement or contract (each being in the following paragraphs referred to as a “transaction”) to be considered by the Board of CLP Holdings at board meetings and withdraw from the meetings as appropriate.
- For each financial reporting period, each of the CLP Holdings Directors is requested to review and confirm to the Company whether he/she, or any party related to him/her, has any material interest, direct or indirect, in any transaction (including pending or incomplete transaction) to which any one of the companies in the CLP Group was or is to be a party at any time during the financial reporting period.
- To facilitate Directors’ review, a list of transactions undertaken in the normal course of business between any companies within the CLP Group and the purchasers/vendors of goods or services, of which Directors are or had been a director during any time of the financial reporting period, is drawn up and circulated to Directors.
- Directors are then requested to confirm to the Company whether they, or any party related to them, have any interest in any of those circulated transactions and, if they have an interest, provide details of that interest (including their relationship with the parties to the transaction).
- Directors are also requested to inform the Company Secretary if they are aware of any other related party transactions, which are not included in the list of transactions circulated for their review, and in which, they, or any party related to them, have a material interest. Details of such transactions including a description and amount of the transactions, the concerned Directors’ interest and relationship with the parties to the transactions are required to be disclosed to the Company by the Directors concerned.
- Directors are requested to make the above confirmation/disclosure in the form of a formal representation (of which the format has been endorsed by the Company’s external auditor) to the external auditor via the Company Secretary’s Office.
- Based on the Directors’ representation, a list of significant related party transactions undertaken in the normal course of business are identified and disclosed in the Company’s Annual/Interim Reports.
- The same disclosure procedure is applied to all the major subsidiaries of CLP Holdings.