

2023 At a Glance

Board Succession

- At the beginning of 2023, we welcomed the appointment of Mrs Betty Yuen as a Non-executive Director and the appointment of Mr Andrew Brandler as the Vice Chairman of the Board both of which took effect on 1 January 2023.
- In June 2023, we announced the succession plans for CLP Holdings CEO and Mr T.K. Chiang's appointment on the Board took effect on the same date as he became CEO on 1 October 2023. As part of the CEO transition, our former CEO Mr Richard Lancaster remained on the Board as an Executive Director and he will step down from all his positions with CLP at the conclusion of the 2024 AGM.
- Ms Wang Xiaojun Heather was appointed as an additional Independent Non-executive Director in May 2023. In considering Ms Wang's appointment, the Nomination Committee recognised her extensive experience in human resources at the executive leadership level and that her skills, experience and background are well aligned with the Board's focus on organisational talent capability.

Board Committees Refresh

- The beginning of the year 2023 saw Mr Andrew Brandler took up the Chair position of the Finance & General Committee, Ms May Siew Boi Tan became the Chairperson of the Audit & Risk Committee and Mr Chunyuan Gu also joined the Human Resources & Remuneration Committee.
- Ms Wang Xiaojun Heather joined the Audit & Risk Committee and the Human Resources & Remuneration Committee in May when she joined the Board.
- The Sustainability Committee was reconstituted during the year with the appointment of Independent Non-executive Director Mr Chunyuan Gu as the Chairman of the Sustainability Committee on 1 October. The Committee became a Non-executive Directors and Independent Non-executive Directors only Committee with effect on 1 January 2024. Management Committee Members stepped down from the Committee and the terms of reference also provided that the composition will comprise Non-executive Directors only with at least three Independent Non-executive Directors.
- On 1 October 2023, Mr Andrew Brandler also joined the Human Resources & Remuneration Committee as a Member.

Implementing Findings from Board Review

- Two key initiatives were implemented from the 2022 External Board Review findings.
- Management Briefing sessions for the Board were introduced in 2023 and a total of 16 sessions were held during the year with a high level of attendance by Directors. The schedule of sessions with selected topics were provided to Directors in advance. The Directors' attendance at these sessions were optional and depending on their interest and availability, Directors would be able to decide which session they would like to attend. The topics covered at the Management Briefing sessions included business unit updates and key group functional updates.
- CLP Holdings Board Committee Chairs' updates to the CLP Holdings Board at Board meetings were introduced as a new standing agenda item for the Board meetings. The Committee Chairmen's update enabled Board Members to be briefed on matters of significance that were considered by the relevant Committees since the last Board meeting. This also had the effect of highlighting certain key issues to the Board's attention and assisting the Board to focus its discussion on the pertinent issues.

Governance Oversight – Key Announcements

- There were a number of material developments for the Group in 2023 which the Board exercised oversight of. We announced these to the market contemporaneously ensuring that the market is duly updated of these material developments. Highlights of these are set out below.
- CEO transition – The Board had been involved in the succession planning and approval for the CEO transition as well as the communications plan for the transition. The announcement for the transition was made in June and covered the transitional arrangements and appointments.
- Key developments for the Hong Kong Scheme of Control (SoC) Business – We issued an announcement in November which covered three important developments for the Hong Kong SoC Business as these were approved and agreed with the Hong Kong Government. These related to the Development Plan (2024-2028), the tariff for 2024 and the outcome from the Interim Review of the SoC.
- Profit warning – The Company made an announcement in January 2024 regarding the expected impairment of goodwill of EnergyAustralia's Customer business. The announcement of the expected impairment was based on management's preliminary assessment ahead of the formal results announcement for 2023. Given the impact, the announcement was made to inform the market on a timely basis and considering the size of the expected impairment, we also announced the expected total operating earnings and total earnings for 2023 based on the management accounts.

