

**Minutes of the Twenty Third Annual General Meeting** of CLP Holdings Limited (the “Company”) held at the Grand Ballroom, Level 2, Kerry Hotel, Hong Kong, 38 Hung Luen Road, Hung Hom Bay, Kowloon, Hong Kong and on the online platform on Friday, 14 May 2021, at 11:00 a.m.

**Present**

**MR WILLIAM MOCATTA** (Chairman of the Meeting) (also representing **ACORN NOMINEES LIMITED; HKSCC NOMINEES LIMITED; KADOORIE FOUNDATION (HOLDING) LIMITED; LAKSHMI NOMINEES LIMITED; LANNOCK LIMITED; MIKO NOMINEES LIMITED; NEW OAK NOMINEES LIMITED; OAK D NOMINEES LIMITED; ROMS NOMINEES LTD; SARI NOMINEES LTD A/C A; SIR HORACE KADOORIE INTERNATIONAL FOUNDATION** and **WAVOFF NOMINEES LTD**; and also proxy for **AU CHI HANG; BRANDLER ANDREW C W; CHAN CHI WAI; CHAN CHIU MING; CHAN CHUNG HANG; CHAN CHUNG LEUNG RAYMOND; CHAN HAU YIN; CHAN HAU YIN; CHAN HAU YUNG; CHAN HAU YUNG; CHAN HON NEI; CHAN HUNG FUN & YEUNG MIU YUNG; CHAN KA WAI; CHAN KA WAI; CHAN KOON LING; CHAN LAI FONG; CHAN MAY LING; CHAN PUI YI; CHAN PUI YI KAREN; CHAN SAU LAI; CHAN WAI YEE EUNICE; CHAN WAN YEE; CHENG HOI SING; CHENG KA CHUEN; CHENG KA CHUEN & WONG YIN PING; CHENG SHUI PING; CHEUNG CHING MUI; CHEUNG CHUN YUK; CHEUNG HO YAN; CHEUNG HOK LEUNG TERRY; CHEUNG KAM CHEONG; CHEUNG MAY YAN; CHEUNG WAI KWAN ELIZA; CHEUNG YU KWONG EDMUND; CHI YUK OI; CHIN LUCY KAM KIEW; CHIU SHIN CHUNG; CHIU WING LOK; CHONG KING HUNG; CHOY MAI YE; CHOY MAN KONG; CHU WAI LUN; CHU WAI YAN; CHUI KAI HONG; CHUI KAM KUEN; CHUI KAM PING; CHUI KIT BOR; CHUNG SUET LAN CHELET; FUNG KAM YUK; FUNG KIT FONG; HO JUNG PONG; HO KA WAI; HO KAM TIM; HO SAU FONG; HO SHUI KAM; HO SUM HON FRANCIS; HO WAI KUEN; HO WAI SO; HO YU HING; HO YUET OI; HSU TUNG MING; HUA SOK HUONG; HUI MO CHEE; HUI SIU SHUN WAN; HUI TSING KIT KATE; HUI TSING MAN JIMMY; HUI YIN CHI; HUNG CHONG KAI; KO DIP SHIN; KO KAM PO; KO YUK KWAN; KONG KAM PAN; KWAN SAU HA KAREN; KWONG CHUI KWOK YING; LAI CHAN WAI; LAI CHARM WING; LAI CHI TUNG; LAI CHUN YU; LAI FU RAN; LAI MING CHUN ERIC; LAM WING HAN; LAM YUEN YEE; LAU KEE CHE; LAU MEI KUEN; LAU WAN YEE; LAU YUEN SHAN; LEE JIB THANG; LEE KAM FONG SELINA & TAM MEI CHUN; LEE LOI; LEE SHUI YUNG LOUISA; LEUNG KWAN WAI; LEUNG SHUK YUEN; LEUNG WAI HUNG; LI HANG YUNG SUSANNA; LI HIN KI; LI HIN TAI; LI HON SING; LI HUNG; LI SIU HING; LI WAI SANG; LIU YU MEI; LO KIN MING; LO WAI CHING WENDY; LO WAI CHUN VIRGINIA; LO WAI LI WINNIE; LO WAI TIN VICTOR; LUI CHI CHING; LUI MEI MEI; LUK SHING YICK; LUK SHING YICK & KWAN WING HAN; MAK YIU SUK HAN ALINA; MIU YIN KWAN; MIU YUK SUM; MOK CHI PO & CHEUNG WAI KWAN ELIZA; MUI YING CHI; NAM KAI YUNG; NG CHI SHING; NG PIK KAY BECKY; NG SIU YIN; NIP CHIU KAI; NIP WING KWAN; PANG SHUN & LAU PAN TUEN; SO HON SING; SO KWOK WAI; SZE CHUEN CHUEN; TAM SIU SHAN PAUL; TAM SUK YIN STELLA; TAM YUK YIN; TANG WING ON; TANG WING TAI; TANG YIM HAR; TANG YIM WAN; TANG YUET OI; TING KAM TAI; TONG SHUK FUN; TONG SHUK YIN; TONG SHUK YIN; TONG SHUK YIN; TONG SUK CHUN; TONG YAU YEE; TSANG YAN CHIN;**

**TSE WING ON MATTHEW; TSOI YIN PING; WAN OI LING; WAN WAI HAN DONNA; WAT MING SUN NELSON; WONG CHE KWONG; WONG CHUK KIN; WONG FU CHUEN; WONG FU CHUEN & NG PIK KAY BECKY; WONG HING TONG WASHINGTON; WONG KIT PING; WONG KUEN KWONG; WONG MEI CHING; WONG ON LI ANNIE; WONG PUI CHUN; WONG SHUI FONG; WONG SIU HANG SHERRY; WONG YAU FOON; WONG YIU CHEONG; YEUNG MIU YUNG; YEUNG MIU YUNG & CHU MO CHING; YIP CHI SHING; YIP LI YIM; YIP MING KIN; YUEN MAN FAI; YUEN MAN FAI; YUEN MIU HAR; YUEN MIU HAR and YUEN SAU KI); MR J. A. H. LEIGH; MR ANDREW BRANDLER and MR PHILIP KADOORIE (Directors); SIR ROD EDDINGTON; MR NICHOLAS C. ALLEN; MRS FANNY LAW; MS MAY SIEW BOI TAN; MS CHRISTINA GAW and MR CHUNYUAN GU (Independent Non-executive Directors); MR RICHARD LANCASTER (Chief Executive Officer), MR NICOLAS TISSOT (Chief Financial Officer); MR DAVID SIMMONDS (Company Secretary) (also proxy for **CHANG YI LING**) and MR MICHAEL LING (Deputy Company Secretary) (also proxy for **LAW SUK YEE WENDY**). Also the following Shareholders: **AU MAN SHICK; AU SAU LING SALINA; AU SZE SHING WILSON; AU TAK FAN JACKY** (representing **HKSCC NOMINEES LIMITED**); **AU TAK LAI** (representing **HKSCC NOMINEES LIMITED**); **CHAN CHI CHUNG; CHAN FUNG YEE; CHAN GA YU SALLY** (proxy for **LAU KWAI LAN**); **CHAN HIP WO; CHAN HO; CHAN KAM LEE; CHAN KWAI FAN; CHAN KWAI KIU; CHAN PUI YI PRISCILLA; CHAN SIU PUI; CHAN SOO WAN; CHAN SZE KIT; CHAN TIT LEUNG; CHAN WAH CHAN; CHAN WAI LING ELLA; CHAN YUNG YIN; CHANG CHAK YAN; CHANG WAI FAN; CHAU KA HANG** (representing **HKSCC NOMINEES LIMITED**); **CHENG KA MAN; CHENG PO NGAN; CHENG SUET HAN CINDY; CHEUNG KA PO; CHEUNG NGAN LIN; CHEUNG YUEN YUEN; CHIONG MING LAN; CHIU KUNG LAI** (representing **HKSCC NOMINEES LIMITED**); **CHIU SIN MING; CHOI CHIU WAH** (representing **HKSCC NOMINEES LIMITED**); **CHONG YUK KUEN; CHOW CHIN LEUNG** (proxy for **LEUNG KA KEI**); **CHOW GLADYS JOYCE; CHOW LAM SON; CHOW OASIS; CHOW YAN SANG JOHNSON; CHOW YAN WAI CHRISTINA; CHOY KWAI CHEE; CHU PUI SHAN SARAH** (proxy for **TSE PUI YUK**); **CHU SOOK HAN; CHUNG CHAN TING; DA SILVA ANTHONY MARIA; FUNG OI CHEE** (representing **HKSCC NOMINEES LIMITED**); **FUNG WAH YIM; HO DOY KEI; HO KAM YIN KELVIN; HO KIT PING; HO KWOK FUNG; HO LAI FONG; HO PO LIN; HO PO WAN; HO SAU YAN; HO SHUET FONG; HO SUK CHE IVY; HO YIM LING MIMI; HO YIU WING; HUEN CHI HUNG; HUEN KIT YEE; HUEN MAN YEE; HUEN WING TONG; HUI SIU FONG; HUNG KWOK KEE IVAN; KO DIP SHIN; KO HON MAN ALAN; KUNG TAT WING; KWAN KWOK HANG SAM; KWAN LING LIN; KWAN SO MAN; KWOK CHI WAI DAVID; KWOK LAI BICK; KWOK SO KING; KWOK WAI KAY VICKY; KWONG SHUI KING; LAI AGNES MUI YING; LAI HUNG WAI; LAI SHIU FAN; LAI TAI WAI; LAI WAI YIN; LAM CHIN MING; LAM KA SING; LAM KAM CHING; LAM LOI YAU; LAM SHIU CHING; LAM SUI KIU; LAM SUI OI LINDA; LAU CHUN FAI DOUGLAS** (representing **HKSCC NOMINEES LIMITED**); **LAU LAI KUEN; LAU OI WAH AGNES; LAU SHUI YIN; LAU SHUK YIN; LAU SUK CHEONG PEGGIE; LAU YIP LEUNG; LAU YUE TING** (representing **HKSCC NOMINEES LIMITED**); **LAW HANG YAN; LAW HO FAI; LAW MAN ON; LAW PO MAN; LAW PO SHAN; LAW SAU MEI; LEE CHENG SUET CHUN HELEN; LEE KAM FUN; LEE KAM LING; LEE KAM PING; LEE KAM WAI; LEE LONG KIN** (representing **HKSCC NOMINEES LIMITED**); **LEE MEI YU ANNA; LEE OI CHUN; LEE SHUI YING; LEE WAN MAN MANDY; LEE YEE SHEUNG; LEUNG CHI KIN; LEUNG CHI WAI; LEUNG DICK KEI** (proxy for **CHUNG SIU WAI**);**

LEUNG KIN BONG; LEUNG LAI OI (proxy for CHAN CHING SEE); LEUNG MEI LING; LEUNG NGAI MAN; LEUNG SHUI FUN HELEN; LEUNG SHUK YIN; LEUNG WAI TAK; LEUNG WING CHEE; LEUNG WING CHUNG ERIK; LEUNG YUEN KWAN; LI MIU YING; LI SARAH SZE MAN (proxy for HONG KA PUI); LING CHUN HONG; LIU KIN FAI THOMAS; LIU WAI SUN (representing HKSCC NOMINEES LIMITED); LO SIU KEE; LO WAI MAN (representing HKSCC NOMINEES LIMITED); LO WING KEE; LOW KWONG TAI; MA JIN MING; MA JIN YUEN RODERICK; MA JIN YUNG KATHY; MA WAI MAN; MAK CHI WAI; MAK CHOY KAM FUNG; MAK KIT CHUNG; MO CHUNG SAN; MOK FUNG PING; NG CHU PING; NG KAM MING; NG LAI SHEUNG; NG MO CHUN ESTHER; NG SHIU LING; NG SUI CHUN; NG WAI HA; NG YUK HA; NGAN CHIU KI ADRIAN; PONG KIM MING; POON MAN WAH; RAHIM ZENA; SHAM CHI KIN; SHEK MEI LING; SHU CHIN KEE; SIN KA WA; SO FANNY WAI FAN; SO LAI MEE; SO LIKE CHEONG; SUEN YUN LING (proxy for TAI SING CHEONG); TAI SIU YING; TAM MEE YING; TAM WOON MUI CHRISTINA; TANG SHUI SUM; TO CHUN KEE ERIC; TO HAU PING SIMON; TO KIN LAI; TONG MAN HO; TONG SHIU TUNG; TSANG HING FAN CAREY; TSANG HING WAI; TSANG LAI KUEN; TSANG YEUNG KWONG; TSE KA YEE; TSE TIT KIN DAVID; TSUI SHEK HUNG; WAI NAI KEI; WAN OI LIN; WEI YEE MING ELAINE; WONG CHI HO HOWARD; WONG HO CHEUNG JOHN; WONG HO HON ABRAHAM; WONG HO MAY MAY; WONG KEE CHOY; WONG KOK FU; WONG KWOK TIM; WONG MAN CHI; WONG MAN YAN; WONG MEI HAN; WONG NGO MAN OWEN; WONG PANG CHUNG; WONG SAU HAN JULIUS; WONG SHING KWAN (proxy for LEE SHUK MUN); WONG SHUK YEE; WONG STELLA YUK OI; WONG TIM WAH; WONG WAI KIT; WONG YUK KWAN; WOO CHUNG HO; WOO KWOK CHOY; WU CHING YEE; WU YUEN FAT; YEUNG CHI LING; YEUNG HIU HO (proxy for LIU WING KEUNG); YEUNG MAN HIN; YEUNG SAU LIN; YEUNG SAU YU; YEUNG SUEN CHUN; YEUNG TUNG; YEUNG WAI KUEN; YEUNG WOO CHOW KWAI TERESA; YEUNG WUN CHING; YEUNG WUN CHING ANNIE; YIM LAI CHU ROWENA; YIP LILY (representing HKSCC NOMINEES LIMITED); YIP PUI HAR; YIP WAI MAN; YU SUI SHAN; YU WEI CHUN; YUE CHUNG HING MICHAEL; YUE WAI KIN; YUEN KAM KIN (representing HKSCC NOMINEES LIMITED); YUEN MAN SHAN and YUEN SIU HING CECILIA.

**Apologies** Apologies were received from **THE HON SIR MICHAEL KADOORIE** (Chairman of the Board); **MRS ZIA MODY** (Independent Non-executive Director) and **MR GEERT PEETERS** (Executive Director).

**In Attendance** **MR SEAN TUCKFIELD** (representative of **PRICEWATERHOUSECOOPERS** – Company Independent Auditor).

**MR JOHN GALE** (Company Legal Advisors) (also proxy for **LEUNG SHUK CHING JULIANA**).

**MR DEAN WU** (representative of **COMPUTERSHARE HONG KONG INVESTOR SERVICES LIMITED** – Company Registrars and poll scrutineer).

The Deputy Company Secretary welcomed all Shareholders joining the Annual General Meeting in person and online. He thanked the CLP Holdings' Directors for their attendance at the Annual General Meeting. He informed Shareholders that the Vice Chairman of the Board, Mr William Mocatta, would chair the Annual General Meeting and mentioned that consistent with the special arrangements for this Meeting, some Directors joined via video conference and online. He then introduced the Directors and Senior Management present on stage, followed by the other Directors and Senior Management joining the Meeting via video conference or by phone. The Deputy Company Secretary noted that over 100 Shareholders had joined online.

To celebrate CLP's 120<sup>th</sup> Anniversary, a short video featuring The Hon Sir Michael Kadoorie and Mr Philip Kadoorie was shown before the formal proceedings of the Meeting.

Mr William Mocatta started the Meeting by welcoming all the Shareholders. As Sir Michael Kadoorie had sent his apologies for this Meeting and, in his absence, Mr William Mocatta took the Chair of the Meeting. He then invited Mr Philip Kadoorie to read out the following personal message from Sir Michael Kadoorie:

"Dear Shareholders,

I much regret not being able to be present at our Annual General Meeting this year, the first one that I have missed as Chairman of CLP Holdings in many years. Regrettably, a family member's medical requirement has necessitated my absence from Hong Kong at this time. May I take this opportunity of wishing you all well with a good meeting today.

Michael Kadoorie"

**Quorum  
and Notice**

The Chairman of the Meeting thanked Mr Philip Kadoorie and noted that a quorum of Shareholders was present. The Notice convening the Meeting had been issued to Shareholders on 24 March 2021. With permission from all Shareholders present at the Meeting, the Notice was taken as read.

The Chairman of the Meeting then addressed the Meeting as follows:

"I would like to thank you all for your cooperation and understanding regarding the special arrangements that we have once again had to put in place for this year's Annual General Meeting. While I am pleased to see the situation improving in Hong Kong, health and safety is always our first priority and I am pleased to see so many of our Shareholders joining the online Meeting today. 2020 was an extraordinary year for all of us with profound impacts on the way we live and work. Our thoughts remain with those around the world affected by the pandemic. As an energy supplier, we have been focused on keeping the lights on and supporting our colleagues, customers, and the communities we serve to help them get through these challenging times.

“Managing through the pandemic highlighted once again the importance of good governance as an enabler of long-term value creation and preservation. With that in mind and as part of our ongoing efforts to ensure that we have the best Board we can to support us on our journey, we were delighted to welcome Ms Christina Gaw and Mr Chunyuan Gu to our Board in 2020. As required, they are standing for election at today’s Meeting.

“Turning now to the Group’s financial performance and our progress over the past year in developing our business for the future. Overall, the Group’s business performance in 2020 was broadly in line with 2019. Operating earnings increased by 4% to HK\$11,577 million while total earnings rose significantly to HK\$11,456 million from 2019 when an impairment of goodwill was booked in the Australian business. The Board approved a fourth interim dividend of HK\$1.21 per share, a 1.7% increase when compared with the fourth interim dividend in 2019. This brings the total dividends for 2020 to HK\$3.10 per share, a 0.6% increase when compared with 2019.

“While the world looks forward to a time when the worst impacts of the pandemic are behind us, climate change continues to present one of the greatest challenges we face. Globally we have seen an increasing momentum towards decarbonisation with China announcing carbon neutrality targets for 2060 and Hong Kong for 2050. At CLP, we achieved the interim carbon intensity target set out in our Climate Vision 2050, and we continue to work hard to decarbonise our generation portfolio. An important step in that direction was the decision for EnergyAustralia to bring forward the retirement of the Yallourn Power Station under an agreement with the Government of Victoria. This development will support the decarbonisation of the CLP Group portfolio at a faster pace which will be an important consideration as we look to further strengthen our Climate Vision 2050 targets this year.

“In our home market, we are focused on delivering high supply reliability while progressing investments for decarbonisation and digitalised customer services. We were able to achieve the target of generating about 50% of our electricity from natural gas in 2020 backed by the new gas-fired generation unit at Black Point Power Station. We are also making good progress on our strategic projects to further increase the use of natural gas in power generation and to enhance Hong Kong’s energy security and the sustainability of gas supply.

“We believe that innovation is the key to staying ahead of changing customer preferences and effectively adapting to a dynamic and, at times uncertain, business environment. In 2020 we continued to deepen customer engagement through smart meters and digital channels, equipping our customers with the most up-to-date technologies and products to help them adopt low-carbon lifestyles and promote the use of renewable energy.

“While Hong Kong remains at the heart of our business, Mainland China is another key market for the CLP Group. Our strategy for the Greater Bay Area is to pursue more diversified opportunities as a natural extension of our activities in Hong Kong. Together with India and Australia, this further diversifies our portfolio.

“The energy transition in combination with digitalisation provide strong drivers for investment across all our markets. In this regard, our strength in creating and working with strategic partnership will continue to be an important enabler as we move forward.

“Ladies and gentlemen, 2021 marks our 120<sup>th</sup> Anniversary. Twelve decades ago, we commenced operation with a single generating unit in Hong Kong and are now one of the largest power businesses in Asia Pacific. This is something that we can all be proud of and is a testament to the development of Hong Kong, the hard work and determination of our staff and the trust and confidence in the Company from our Shareholders over many years.

“I am confident that CLP’s long-term view and, our commitment to building a safe and sustainable business which cares for and supports our people, customers and communities, will continue to hold us in very good stead in the years ahead.”

**Call for a Poll**

The Chairman of the Meeting called for a poll on each of the resolutions submitted to the Meeting and noted that the number of shares held by each Shareholder or proxy would be counted in the voting on the resolutions set out in the Notice.

The Chairman of the Meeting invited Mr David Simmonds to formally propose the following resolutions, which were set out in the Notice:

“Resolution (1) – to receive the 2020 audited financial statements and the reports of the Directors and Independent Auditor;

“Resolution (2) – the election of Ms Christina Gaw and Mr Chunyuan Gu, who were appointed by the Board in 2020, and the re-election of Mr John Leigh, Mr Andrew Brandler, Mr Nicholas Allen, Mrs Fanny Law and Mr Richard Lancaster;

“Resolution (3) – the re-appointment of PricewaterhouseCoopers as Independent Auditor and the Directors be authorised to fix their remuneration;

“Resolution (4) – as a special resolution regarding the approval and adoption of the new Articles of Association in substitution for, and to the exclusion of, the current Articles of Association of the Company;

“Resolution (5) – as an ordinary resolution regarding the general mandate to issue new shares in the Company not exceeding 5% of the total shares in issue and such shares not to be issued at a discount of more than 10% to the benchmarked issue price; and

“Resolution (6) – as an ordinary resolution regarding the share buy-back mandate of up to 10% of the total shares in issue.”

**Independent Auditor’s Report**

The Independent Auditor’s Report was set out in the Company’s Annual Report. Mr Sean Tuckfield, a partner of PricewaterhouseCoopers, summarised the Independent Auditor’s Report as follows:

“PricewaterhouseCoopers’ report on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 includes confirmation that we have conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants, and that in our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the Hong Kong Companies Ordinance.”

The Chairman of the Meeting thanked Mr Tuckfield.

**Adoption of New Articles of Association**

The Chairman continued:

“Concerning Resolution (4), the Board proposes to ask Shareholders to adopt a new set of Articles of Association to incorporate provisions to improve the arrangements for convening and managing hybrid general meetings. In addition, other progressive changes are proposed to enable us to make better use of technology, when it’s well developed, to improve efficiencies at general meetings, and to improve the timeliness of the distribution of information to Shareholders. Details are set out in the Notice. The full text of the new Articles of Association with changes highlighted are available in English and Chinese on the Company’s website.”

The Chairman then asked if there were any questions on the resolutions. There were no questions from Shareholders.

**Voting Began**

As all the resolutions have been proposed, the Chairman of the Meeting continued:

“I confirm that those resolutions are put to the Shareholders for voting by poll now.”

**Questions and  
Answers**

As stipulated in the Notice, 15 minutes had been allocated for general questions and the Chairman of the Meeting invited Mr David Simmonds to read out questions from Shareholders who attended online or in person at the Meeting venue.

1. Reliability of energy supply – in Hong Kong, would there be power outages similar to that in Taiwan? If so, would there be any back-up remedial plan?

Mr Richard Lancaster thanked the Shareholder for this important and topical question. He explained that the extensive media coverage of the power outages in Taiwan reflected the importance of electricity supply in our societies. The blackouts in Taiwan were due to insufficient generating capacity to meet the demand for electricity because there were a number of simultaneous plant failures in the system, and the system was not robust enough with sufficient excess capacity to deal with those breakdowns.

He added that over the past few months, there were incidents such as energy/oil supplies in the East Coast of US being affected by a cybersecurity attack; and electricity supply in Houston affected by extreme weather conditions. All these events showed that electricity systems were quite vulnerable to unexpected weather conditions, cybersecurity attacks and power plant breakdown.

Mr Lancaster went on to explain that in preventing these problems, CLP planned our system carefully with a long-term view in mind. Power plant breakdowns could happen but we would ensure that our system would be robust enough that even when the two largest power plants in our system were unavailable, we could still be able to meet all our electricity demand.

He further noted that CLP takes cybersecurity very seriously. A comprehensive monitoring system and a good response plan have been put in place to deal with cybersecurity threats in order to prepare for the unexpected.

Equally, in dealing with extreme weather conditions, CLP had made extensive efforts in making its system as robust as it could possibly be by strengthening the loading for the transmission system, ensuring that our generating plants and all our facilities would be robust enough to cope with flooding, extreme weather, storms, and even ice storms.



2. Indian business – what is the short- and medium-term impact of COVID to the Indian business?

Mr Richard Lancaster commented that it was absolutely heartbreaking to see how rapidly and how extensively COVID had resurfaced in India just when things were starting to get much better; and that our hearts went out to all our colleagues in the Indian business and the entire population of such a large country which had been devastated by COVID.

He noted that our business was dedicated to maintaining reliable electricity supply and in doing the best that we could to support the communities through these difficult times. Our colleagues in India had been very focused on making sure that everything that we do there would be running as normal as it could possibly be. In addition, steps had been taken to support the local communities where we operate including the provision of urgent medical supplies.

From a business perspective, our electricity business had not been affected by COVID in the same way as that of the hotels, restaurants, and the airline sectors. For CLP, it was a matter of ensuring that we would be keeping the lights on and maintaining electricity supply as reliable as possible.

3. Hong Kong business – does the Scheme of Control Agreement need to be renewed with the Government every year.

Mr Richard Lancaster responded that the Scheme of Control Agreement is for a period of 15 years, and subject to review every five years. Therefore, every five years we would discuss with the Government on areas where the existing agreement could be enhanced taking into account all new developments in the market. The current Agreement's term was from 2018 to 2033.

4. Hong Kong business – what is the progress of the feasibility study of the offshore wind farm in Hong Kong? Is CLP exploring other renewable energy projects in Hong Kong at this time?

Mr Richard Lancaster responded that CLP was exploring offshore wind and other sources of renewable energy in Hong Kong. For instance, the Feed-in Tariff Scheme had been launched which encouraged private households and commercial establishments to install solar panels on the rooftops of their buildings and this scheme had been very successful. CLP received nearly 14,000 applications, and a vast majority of these had already been approved and nearly half of these had already been in operation. Although the amount was only small in CLP's total energy mix, it was quite an encouraging and significant development.

He added that CLP was looking at offshore wind projects as well. As land was scarce in Hong Kong, by putting wind turbines out in the sea, there was no need to take up valuable land which could be used for other purposes; offshore wind projects were becoming increasingly cost effective with higher potential output with the larger turbines. CLP first looked at offshore wind more than 10 years ago and at that time, we determined that it was technically and environmentally feasible, albeit at a very high cost. Since then, there had been tremendous developments in the offshore wind technology, so now we could install much larger turbines, meaning that fewer turbines would be needed to generate the same amount of electricity and at a much lower cost. Offshore wind had now reached the point where it would be economically viable; and we were reinstating that project and looking at how that could be taken forward in Hong Kong.

Mr Lancaster elaborated that for Hong Kong to decarbonise, we must turn to renewable energy and look at importing more nuclear power which was also carbon free. We need sufficient power and we need all of these options available to us to make our electricity system reliable, affordable and carbon free. We also had to think beyond the boundary of Hong Kong. With offshore wind there would be potential opportunities but were quite limited in Hong Kong. However, if we look a little bit further outside of Hong Kong's waters, we could also find opportunities for offshore wind generation that could be brought to Hong Kong. There would be opportunities to bring more nuclear power to Hong Kong. Looking at a longer term, the investments that we had made in natural gas could be repurposed to use green hydrogen, which was another carbon-free energy source. These would be the technologies that we could be looking at to support the Government's target of having Hong Kong decarbonised by 2050.

5. Hong Kong business – earlier this year the Government announced Hong Kong's roadmap on the popularisation of electric vehicles. What are the long-term policy objectives and plans to promote the adoption of electric cars and the associated supporting facilities in Hong Kong? Would CLP expect a greater increase in demand for electricity in the future? What role would CLP play in this plan, for example, the associated supporting facilities to be provided?

Mr Richard Lancaster explained that CLP had been a strong supporter of electric vehicles in Hong Kong for many years. Regarding the question about the impact of wider use of electric vehicles on electricity demand he noted that electric vehicles use less energy to travel the same distance than vehicles using petrol or diesel, as the electric motor was much more energy efficient. Therefore, even if a significant percentage of the vehicles in Hong Kong were electric vehicles, it would only increase the overall electricity demand marginally. However, where those vehicles would be charged and the locations of the chargers would be quite important as the local system could overload if not carefully planned.

CLP was also very interested in making sure that the development of the electric charging infrastructure was carefully planned. CLP had formed a joint venture called Smart Charge which was involved in the development of the rollout of electric vehicle charging facilities for private residents in Hong Kong, and ensuring that the technology used for electric vehicle charging was well coordinated and well planned and did not create bottlenecks and congestion in the distribution system.

6. Cybersecurity – a follow up question was raised as to what were the prevention measures adopted by CLP against possible cyberattacks, apart from the actions covering the physical aspects of security as explained earlier?

Mr Richard Lancaster acknowledged that the world of cyber criminals and the world of cyber threats were constantly evolving. We had stepped up our resources and strengthened our capabilities to monitor cyber threats, which could come in various ways. All these were things that we had to be constantly monitoring, partly through the use of technology; partly through raising the awareness of our staff. We also used a variety of third-party services to help us, including the best technology suppliers and the best service suppliers around the world. It remained a constant battle that CLP was facing; and we were doing everything that we could to prevent any impact on our IT system as well as our operating system.

7. Climate change – what is the impact of China’s carbon neutral policy on CLP? As the natural gas generation was becoming the new coal, are there any difficulties in obtaining finance from financial institutions?

Mr Richard Lancaster thanked the Shareholder for these very important questions. Firstly, in relation to China’s carbon neutrality targets - China had a target to become carbon neutral by 2060. CLP had been working to decarbonise its electricity portfolio for many years; in fact, going back to 2007 when we first launched our Climate Vision 2050, we started developing renewable energy in Mainland China as a way of helping us to decarbonise our electricity portfolio. Today, looking at our business in China, around 90% of our profits were generated either from renewable energy or from nuclear power. While we still have a number of legacy coal-fired joint ventures coming to the end of their lives, within the next decade, we would see a smooth transition towards a decarbonised business in Mainland China. This would set us ahead of an economy wide transition that China would be accelerating over the coming decades.

He further noted that CLP was making substantial investments in natural gas in Hong Kong as a way of accelerating the decarbonisation of its portfolio. The shift to using 50% natural gas in 2020 saw a significant reduction in Hong Kong's carbon emissions. Shifting from coal to natural gas would cut carbon intensity by half and it was a rapid way of decarbonising, but natural gas was still a fossil fuel with carbon emissions. We had been transparent in the financing of our natural gas investments; with the launch of energy transition bonds to finance these investments. In the longer term, natural gas itself would be a transition fuel to carbon-free hydrogen and the facilities were being built such that these could be repurposed to use hydrogen in the future. Natural gas would not become the new coal, it was viewed as a transition towards carbon-free hydrogen fueled generation.

8. Special dividends to Shareholders – would CLP consider making any offer to Shareholders, for instance, special dividends, to celebrate the 120<sup>th</sup> Anniversary of CLP?

Mr Richard Lancaster replied that the short answer to this question was no. The importance of the 120<sup>th</sup> Anniversary was about communicating the history of Hong Kong, and as could be seen from the video shown, Hong Kong had gone through tremendous challenges over its history; and it was going through another challenge today with COVID, which came on the back of another period of difficulties - the social unrest in 2019. The message of CLP's 120<sup>th</sup> Anniversary was that we need to look at our history, look at how well we had coped with challenges in the past and to look to a brighter future for Hong Kong.

9. Hong Kong business – was there any quantitative assessment of the Group's business in relation to the impact of decarbonisation in Hong Kong?

Mr Richard Lancaster explained that it was early days to assess this quantitatively. In order to decarbonise, significant investments in infrastructure would be needed to shift from fossil fuels to low-carbon energy production. It would have an impact on electricity tariffs but it would not be as much as people might fear because those investments would be made over time. The investments would be made in assets which had an asset life of many decades so the cost of those investments would be spread out over a long period of time. It was also coming at a time when our existing fossil-fuel assets were reaching the end of their economic lives. For instance, Castle Peak A Power Station, once we built the replacement natural gas infrastructure, we could close it down which will be right at the end of its life so there would not be any significant write-offs of these assets.

We had planned carefully over a long period of time and had in mind that our biggest cost at the moment would be the cost of the fuel that we purchased, therefore, as we shifted to renewable energy and more nuclear power, the fuel cost would be reduced. These details need to be agreed with the Government and approved through the Development Plans but broadly speaking, the impact on electricity tariffs would not be as high as people might fear.

10. Overseas business – has there been an assessment of the geopolitical risk exposure to our overseas businesses?

Mr Richard Lancaster explained that while CLP's key businesses outside of Hong Kong were Mainland China, India and Australia, CLP was refocusing its strategy towards the Greater Bay Area, as there are many opportunities in our home market and on our doorstep in the Greater Bay Area. With reference to the significant level of investments that CLP needed to decarbonise Hong Kong, this would result in investment opportunities in the neighbouring areas.

He emphasised that it was not to say that CLP would not be continuing to support its overseas businesses in India and Australia, which were going through the same energy transition as in Hong Kong and the Mainland China. However, given the wealth of opportunities in our home market, we would need to allocate our capital strategically. We had taken steps in India to continue to support India's energy transition along with a partner with the aim to grow that business, not as a 100%-owned business, but rather with a smaller share in a bigger business.

For the Australian business, CLP had made some announcements recently about the energy transition in Victoria with the early closure of the Yallourn Power Station; as well as the development of a new zero-carbon gas-fired generator in New South Wales. These were investments with a longer-term view. These could potentially be opportunities that we could develop with partners.

As regards the question of political stability in today's world, Mr Lancaster elaborated that the geopolitical environment was becoming much more complex. However, political and regulatory issues were elements that an energy company needed to be mindful of and always needed to be managing well.

11. Solar projects – would the progress of solar projects being accelerated within CLP?

Mr Richard Lancaster responded that over the years, CLP had invested in solar power in India and Mainland China. For Hong Kong, CLP had been supporting the development of the power purchase from private developers through the Feed-in Tariff Scheme. CLP had been very supportive of solar power and would continue to support.

There being no further questions from Shareholders, the Chairman of the Meeting closed the question time.

**Voting Closed** Shareholders present at the Meeting or participated online through live webcast were given sufficient time to cast their votes using the electronic voting system. After Shareholders had completed their voting, the Chairman of the Meeting then declared the poll closed.

The Chairman of the Meeting declared that the results of the poll would be published on the Company's and Stock Exchange's websites; as well as in the Minutes of the Annual General Meeting which would be published on the Company's website in due course.

**Conclusion** There being no further business, the Meeting concluded at 11:52 p.m.

**William Elkin Mocatta**  
*Chairman of the Meeting*

*Shareholders are advised that the proceedings of the Annual General Meeting can be viewed on the Investor Relations section of the Company's website at [www.clpgroup.com](http://www.clpgroup.com).*