2023 AGM
Questions and Answers

For the Questions and Answers session, a number of questions were submitted by Shareholders, the Chairman and management had addressed some of these during the allocated time and the discussion of these are recorded in the AGM minutes. For the questions that were not addressed at the AGM, the responses are set out below.

Q. How did EV business contribute to CLP's financial performance?

Electrification of transport is key to the decarbonisation of the wider economy and CLP is working to support increasing e-mobility demand across our markets as part of the Group's efforts to grow our business.

In Hong Kong, electric vehicles (EV) continued to gain popularity, accounting for around two-thirds of new private cars licenced in Hong Kong. In support of the Government's EV-charging at Home Subsidy Scheme, CLP Power is supporting the installation of EV charging-enabled infrastructure for customers through its Eco Charge 2.0 programme. By the end of June 2023, CLP Power has completed preliminary assessments for around 95% of 500-plus applications for Government funding, which cover around 130,000 EV-enabled bays in the car parks of private residential blocks. CLP Power is also supporting the Government in enabling electric public transportation trials, working with public transport operators such as Kowloon Motor Bus Co. (1933) Limited to promote electric transportation.

Outside of Hong Kong, CLP*e*, a subsidiary of CLP Holdings providing integrated energy and infrastructure solutions, has formed a joint venture with Qingdao TGOOD Electric Company Limited to jointly invest in EV charging infrastructure network in Mainland China. The business focuses on cities including Shenzhen, Zhuhai and Dongguan, and currently there are around 150 charging stations in operation with over 4,600 charging points.

EnergyAustralia and e-mobility company SEA Electric announced a strategic partnership last year to accelerate the transition to clean energy for truck fleets in Australia. The partnership aims to provide SEA Electric customers with end-to-end solutions, including EV charging infrastructure and expert advice on access to rooftop solar energy and batteries. EnergyAustralia also formed a partnership with solar energy company Planet Ark Power to provide smart energy charging solutions for the transport industry.

While e-mobility remains a key focus for CLP Group, we do not currently disclose financial details for this part of our business.

Q. Is there a room to limit the rise in electricity tariff in future or even lower tariff in Hong Kong?

At a time of elevated and volatile energy prices globally, Hong Kong is inevitably affected. We understand everyone is concerned about electricity tariff, and CLP Power has maintained the Basic Tariff at the same level in 2023 for the third consecutive year by continuing with stringent cost control measures. Our diversified fuel mix and source, including nuclear energy, which is relatively stable in price, also helped mitigate tariff pressure for customers.

International coal and oil prices have fallen from higher levels and we can see signs of a stabilising trend, which is a positive development for our customers and the community. We are hopeful that this trend will continue.

We will closely monitor the trend of international fuel prices, continue to control fuel costs, and try to minimise the impact of fuel cost increases on customers.

Q. When will EnergyAustralia attain financial independence?

CLP remains a long-term investor in Australia. We remain confident in our ability to deliver long-term shareholder value through EnergyAustralia.

EnergyAustralia is committed to supporting the energy transition in the country. This will require significant funding and there are capital resources available in the market. Understanding the value of partnerships based on our experience across the Group, we continue to evaluate the potential of forging partnership in Australia to support our strategic priorities in that market.

In the first half of 2023, EnergyAustralia showed signs of progressive initial recovery in a less volatile market environment and as a result of measures taken to improve the operations of its coal-fired power stations. We expect the overall performance of the business to pick up in the second half of the year.

Q. When will CAPEX requirements start to regress?

CLP's investments remain focused on the core markets of Hong Kong and Mainland China. In Hong Kong, CLP Power is working constructively with the Government on the Interim Review of the Scheme of Control Agreement. Later this year, CLP Power aims to finalise discussions over the new Development Plan for investments covering the 2024 – 2028 period. These will underpin the capital-intensive investments required to achieve energy security and support the Government's development and infrastructure plans.

In Mainland China, we have continued to build up a development pipeline of renewable energy projects, and will continue to explore new opportunities to expand our clean energy portfolio in support of the Central Government's dual carbon targets of peaking emissions by 2030 and achieving carbon neutrality by 2060.

At the same time, CLP will maintain a diversified portfolio across the Asia Pacific, leveraging on partnerships to strengthen our position and contribute to the energy transition in both Australia and India. CLP has built a successful partnership with CDPQ in India to jointly explore the many non-carbon opportunities offered by the country. This business model of bringing in new capital has proven to be effective and we are open to replicating this model in other markets to draw on support from investors and financiers.

Q. When will all customers have smart meters installed? Can time of use be implemented afterwards?

CLP Power has connected more than two million smart meters in Hong Kong by the end of June 2023, covering 72% of residential customers and small and medium businesses. CLP Power will replace traditional meters with smart meters for all customers by 2025.

Smart meters provide customers more visibility over their electricity consumption, empowering them to manage their energy use more efficiently and increasing their awareness for energy saving.

Additionally, smart meters also help lower peak electricity demand and reduce carbon emissions. Since 2020, CLP Power has invited residential customers with smart meters to make slight adjustments to their consumption behaviour and reduce their energy use during peak demand periods on hot summer days. From May until mid-Aug 2023, two energy saving events were held and as many as 950,000 households were invited to join the events. As a result, a total of 410,000 kilowatt hours (kWh) of electricity was saved over a period of four

hours, which is equivalent to a reduction of 160 tons of carbon emissions.

We will continue to review our services to meet the needs of the customers and the community.

Q. *How can you work on risk management on maintaining stable power supply? As recently another electricity supply company caused disruption of power supply in a district in Hong Kong island, which led to other service's need for repairing follow up.*

CLP is committed to a highly reliable electricity supply for customers. Exceptional power supply reliability is essential for Hong Kong, where over 50% of people live and work above the 15th floor and more than 71,000 elevators are in operation daily. The world-class electricity supply provided by CLP Power is a testament to its ongoing efforts to maintain operational excellence across the electricity supply chain from generation, transmission and distribution. Our strategy is to incorporate advanced and the most relevant technologies to improve the performance of our power system. For example, online condition monitoring systems have been introduced to conduct round-the-clock health checks for transmission transformers and switchgears. Automatic restoration systems help increase supply resilience by automatically isolating sections of 11kV overhead lines affected by external factors such as lightning strikes, and shifting to other sources for immediate supply restoration.