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## NOTICE OF ANNUAL GENERAL MEETING

### Important Information

#### *Hybrid AGM*

The 2022 AGM of CLP Holdings Limited (the Company, or we) will be held in a hybrid format. There will be a **Principal Meeting Place** and the **Online AGM**.

#### *Online AGM*

With the current ongoing pandemic situation, we ask and invite Shareholders to join the Online AGM.

#### *Principal Meeting Place*

The Principal Meeting Place will be at the Company's Head Office and attendance will be limited to Directors and management working on the AGM arrangements or as required to form a quorum for the AGM.

#### *Government Requirements*

**Under the Hong Kong Government's gathering and social distancing laws and regulations that are in force as at the latest practicable date before the printing of this Notice of AGM (being 22 March), physical annual general meetings are not permitted. Annual general meetings can only be convened as virtual meetings held online. Accordingly, Shareholders are invited to join the Online AGM and attendance at the Principal Meeting Place will be restricted as explained above.**

#### *Possible Changes and Relaxation*

If, subsequent to the issuance of this Notice of AGM, the Governments' gathering and social distancing laws and regulations are relaxed such that physical annual general meetings are then permitted, the Company will consider whether a physical meeting at an additional location can be made available. If so, attendance is likely to be restricted and permitted on an advance registration basis. These arrangements will only be possible if there is sufficient time for the Company to notify Shareholders and administer the registration process.

Please refer to "Guidance Notes for the AGM" on page 5 for more details.

#### *Souvenirs*

As a token of appreciation for Shareholders' support, Shareholders who join the **Online AGM** or appoint the Chairman of the AGM as proxy (please retain copy of instructions as proof), will be entitled to **one set of Shareholder souvenir**. The Company will deliver these to eligible Shareholders after the AGM.

As the COVID-19 situation continues to evolve, Shareholders are reminded to check the websites of the Company ([www.clpgroup.com](http://www.clpgroup.com)) and The Stock Exchange of Hong Kong Limited (the Hong Kong Stock Exchange) ([www.hkexnews.hk](http://www.hkexnews.hk)) for announcements regarding any updates on the AGM arrangements.

Notice is hereby given that the twenty fourth AGM of the Shareholders of CLP Holdings Limited 中電控股有限公司 will be held at the Principal Meeting Place at the CLP Holdings Limited Head Office, 8 Laguna Verde Avenue, Hung Hom, Kowloon, Hong Kong (the Principal Meeting Place) and **online** on Friday, 6 May 2022, at 11:00 a.m. for the following purposes:

- (1) To receive the audited Financial Statements and the Reports of the Directors and Independent Auditor for the year ended 31 December 2021.
- (2) To re-elect Directors.
- (3) To re-appoint PricewaterhouseCoopers as Independent Auditor and authorise Directors to fix the Auditor's remuneration for the year ending 31 December 2022.

As special business, to consider and, if thought fit, pass with or without modification the following Resolutions as Ordinary Resolutions:

- (4) "Unless and until Shareholders otherwise determine in general meeting, the remuneration payable to the Non-executive Directors (including Independent Non-executive Directors) who serve on the Board and on the Board Committees of the Company shall be fixed at the levels as shown in the following table for the respective periods (i) 7 May 2022 to 6 May 2023; (ii) 7 May 2023 to 6 May 2024; and (iii) 7 May 2024 until the date of the Annual General Meeting in 2025, and that such remuneration shall accrue on a daily basis.

	<b>Proposed Annual Fees (w.e.f. 7 May 2022)</b> <i>HK\$</i>	<b>Proposed Annual Fees (w.e.f. 7 May 2023)</b> <i>HK\$</i>	<b>Proposed Annual Fees (w.e.f. 7 May 2024)</b> <i>HK\$</i>
<b>Board</b>			
Chairman	888,200	888,700	889,200
Vice Chairman	697,900	698,300	698,700
Non-executive Director	634,400	634,800	635,200
<b>Audit &amp; Risk Committee</b>			
Chairman	688,200	703,700	719,500
Member	492,200	502,700	513,500
<b>Finance &amp; General Committee</b>			
Chairman	449,900	449,900	449,900
Member	319,400	319,400	319,400
<b>Human Resources &amp; Remuneration Committee</b>			
Chairman	142,300	143,900	145,500
Member	101,300	102,800	104,300
<b>Sustainability Committee</b>			
Chairman	145,500	149,700	154,100
Member	104,400	107,000	109,600
<b>Nomination Committee</b>			
Chairman	41,100	42,100	43,100
Member	29,400	30,100	30,800
<b>Provident &amp; Retirement Fund Committee</b>			
Chairman	14,000	14,000	14,000
Member	10,000	10,000	10,000"

(5) "That:

- (a) subject to paragraphs (c) and (d) of this Resolution, a general mandate be and is hereby unconditionally granted to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to allot, issue and dispose of additional shares in the Company; to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers and to grant rights to subscribe for, or to convert any security into, shares in the Company;
- (b) the mandate in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and warrants which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the mandate in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue, or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) any scrip dividend or similar arrangement pursuant to the Articles of Association of the Company from time to time, or (iv) an allotment of shares made in accordance with a grant of the right to subscribe for, or convert any security into shares provided that the right has been approved in advance by a resolution of the Company whether conditionally or unconditionally, shall not exceed five per cent (5%) of the total number of shares of the Company in issue at the date of this Resolution (as such number of shares may be adjusted in the event of any subdivision or consolidation of shares after the date of this Resolution) and the said mandate shall be limited accordingly;
- (d) any shares of the Company to be allotted and issued (whether wholly or partly for cash or otherwise) pursuant to the mandate in paragraph (a) of this Resolution shall not be at a discount of more than ten per cent (10%) to the Benchmarked Price of such shares of the Company; and
- (e) for the purpose of this Resolution:

"Benchmarked Price" means the price which is the higher of:

- (i) the closing price of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited on the date of the agreement involving the relevant proposed issue of shares of the Company; or
- (ii) the average closing price as quoted on The Stock Exchange of Hong Kong Limited of the shares of the Company for the five trading days immediately preceding the earlier of:
  - (A) the date of announcement of the transaction or arrangement involving the relevant proposed issue of shares of the Company;
  - (B) the date of the agreement involving the relevant proposed issue of shares of the Company; or
  - (C) the date on which the price of the shares of the Company that are proposed to be issued is fixed.

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

(6) “That:

(a) a general mandate be and is hereby unconditionally given to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to purchase/buy back or otherwise acquire shares of the Company in issue in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate number of shares so purchased/bought back or otherwise acquired shall not exceed ten per cent (10%) of the total number of shares of the Company in issue at the date of this Resolution (as such number of shares may be adjusted in the event of any subdivision or consolidation of shares after the date of this Resolution).

(b) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

By Order of the Board  
**David Simmonds**  
Company Secretary

Hong Kong, 30 March 2022

## GUIDANCE NOTES FOR THE AGM

AGM-related information and materials referred to in this section can also be found at “General Meetings” under the “Investor Relations” section on the Company’s website ([www.clpgroup.com](http://www.clpgroup.com)).

As a token of appreciation for Shareholders’ support, Shareholders who join the **Online AGM** or appoint the Chairman of the AGM as proxy (please retain copy of instructions as proof), will be entitled to **one set of Shareholder souvenir**. The Company will deliver these to eligible Shareholders after the AGM.

### A. Hybrid AGM

1. The 2022 AGM will be a hybrid meeting. Due to the Hong Kong Government’s gathering and social distancing laws and regulations, Shareholders are invited to join the Online AGM but not the Principal Meeting Place. Shareholders attending and being entitled to vote at the Online AGM (if not attending as guests) will be counted towards the quorum.

### B. Our Online AGM

1. Both registered and non-registered Shareholders can participate in the Online AGM. You will be able to **view** a live webcast of the AGM, **submit questions**, and **cast vote** in near real-time through the online platform.
2. **Login details for registered Shareholders** – details regarding AGM arrangements and login details for joining the Online AGM are included in the Company’s notification letter sent to you on 30 March 2022. For corporate holders who wish to attend the Online AGM, please call the Company’s Registrars, Computershare Hong Kong Investor Services Limited (Computershare) on (852) 2862 8555.
3. **Login details for non-registered Shareholders** – if you wish to attend and participate in the Online AGM, **you should contact** your banks, brokers, custodians, nominees or HKSCC Nominees Limited through which your shares are held (collectively **the Intermediary**) and **instruct the Intermediary** to appoint you as proxy or corporate representative to attend the Online AGM and in doing so, you will be asked to provide your email address. Details regarding the Online AGM including the login details will be emailed to you by Computershare.
4. For enquiries, please call Computershare on (852) 2862 8555 for assistance.
5. Our step-by-step “Online User Guide” available on the Company’s website will guide you through the login process.

### C. Principal Meeting Place

1. The Principal Meeting Place will be at the Company’s Head Office and attendance will be limited to Directors and management working on the AGM arrangements or as are required to form a quorum for the AGM.

### D. Proxy Information and Voting Record Date

1. A Shareholder who is entitled to attend and vote at the AGM is entitled to appoint a proxy to exercise the Shareholder’s rights at the AGM. A Shareholder may also appoint separate proxies to represent respectively the number of the shares held by the Shareholder as specified in the proxy forms. A proxy may attend, speak and vote instead of the Shareholder and need not be a Shareholder of the Company.
2. Proxy forms for the AGM were sent to Shareholders on 30 March 2022. The proxy form is also available on the websites of the Company and the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Proxy forms must be completed, signed and deposited either at the Company’s Registrars, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or via email to [CLP2022.eproxy@computershare.com.hk](mailto:CLP2022.eproxy@computershare.com.hk), in each case, not less than 48 hours (excluding any part of a day that is a public holiday) before the time for holding the AGM. The email address provided herein is merely for receiving proxy forms relating to this AGM and will not be in use after the deadline for depositing the proxy forms.

3. In the case of joint holders of any share, the proxy form must be signed by all Shareholders whose names appear in the register of members. Where there are joint holders of any share, any one of the persons may vote at the AGM, either personally or by proxy, in respect of such share as if a sole holder; but if more than one of such joint holders be present at the AGM personally or by proxy, the person whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect of it.
4. For non-registered Shareholder, please liaise with your Intermediary where your shares are held on how to issue your voting instructions and the corresponding deadline.
5. Completion and return of the proxy form will not preclude a Shareholder from attending and voting at the AGM, or any adjournment or postponement.
6. The Register of Shareholders will be closed from 3 May 2022 to 6 May 2022, both days inclusive, during which period the registration of transfers of shares will be suspended. To be entitled to attend and vote at the AGM, all transfers should be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 29 April 2022.

#### **E. Questions for the Company Prior to the AGM**

1. If you wish to pose questions for the Company in advance of the AGM, these can be submitted to the Company by no later than 4 May 2022, 4:30 p.m. Contact information is as follows:

Address : 8 Laguna Verde Avenue, Hung Hom, Kowloon, Hong Kong  
Telephone : (852) 2678 8228  
Facsimile : (852) 2678 8390  
Email : cosec@clp.com.hk

2. We will endeavour to address these questions at the AGM, if time permits. Any questions not taken at the AGM will be answered in writing and made available on the Company's website post AGM.

#### **F. Bad Weather Arrangements**

1. In the event that a gale warning (tropical cyclone no. 8 or above) or black rainstorm warning is in effect at any time between 9:00 a.m. and 11:00 a.m. on the day of the AGM, the AGM may be postponed to a later date and/or time as determined by the Company.
2. If postponed, the Company will, as soon as practicable, post an announcement on its website and on the website of the Hong Kong Stock Exchange to notify Shareholders that the meeting has been postponed (however, a failure to post such a notice shall not affect the postponement of such meeting). Shareholders can call (852) 2678 8228 to enquire whether the meeting has been cancelled.
3. When the date, time and location of the rescheduled meeting has been fixed, the Company will post a further announcement on its website and on the website of the Hong Kong Stock Exchange to notify Shareholders of the date, time and location of the rescheduled meeting. At least seven clear days' notice shall be given of the rescheduled meeting.

## **G. Subsequent Updates on AGM Arrangements**

1. Shareholders will understand that the AGM arrangements as set out herein may need to change in response to the changes in the prevailing laws and regulations due to the evolving COVID-19 pandemic situation. The Company will closely monitor the situation and accordingly update the AGM arrangements via the following means:
  - (a) Announcement(s) to be posted on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.clpgroup.com](http://www.clpgroup.com)); and
  - (b) Media release.
2. If Shareholders have any enquiries on the arrangements for the AGM or the registration process, please contact us on (852) 2678 8228 or by email to [cosec@clp.com.hk](mailto:cosec@clp.com.hk) or contact Computershare on (852) 2862 8555.

## EXPLANATORY NOTES TO THE NOTICE OF AGM

### Re-election of Directors – Resolutions (2)

1. As at the date of the Notice of AGM (the Notice), Directors of the Company are:

Non-executive Directors: The Honourable Sir Michael David Kadoorie, Mr William Elkin Mocatta, Mr John Andrew Harry Leigh, Mr Andrew Clifford Winawer Brandler and Mr Philip Lawrence Kadoorie

Independent Non-executive Directors: Sir Roderick Ian Eddington, Mr Nicholas Charles Allen, Mrs Law Fan Chiu Fun Fanny, Mrs Zia Mody, Ms May Siew Boi Tan, Ms Christina Gaw and Mr Chunyuan Gu

Executive Director: Mr Richard Kendall Lancaster

2. In relation to Resolutions (2) in the Notice regarding re-election of Directors, the following Directors will retire at the AGM by rotation pursuant to Article 119 of the Company's Articles of Association: Mrs Zia Mody, Ms May Tan, Mr Philip Kadoorie, Sir Rod Eddington and Mr William Mocatta. All the retiring Directors, being eligible, offer themselves for re-election at the AGM.
3. The re-election of Directors will be individually voted on by Shareholders.
4. Ms May Tan, Mr Philip Kadoorie and Mr William Mocatta have interests in the shares of the Company. Such Directors' interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance are set out in the Directors' Report on page 204 of CLP Holdings' 2021 Annual Report and have remained unchanged as at 22 March 2022, being the latest practicable date prior to the printing of the Notice (latest practicable date).
5. The basis of determining Directors' emoluments and the amount of emoluments paid for the year ended 31 December 2021 to each of the Directors who stands for re-election at the AGM are set out in the Human Resources & Remuneration Committee Report on page 170 of CLP Holdings' 2021 Annual Report.
6. The biographical details (as at the latest practicable date) of each of the Directors who stand for re-election at the AGM are set out in Schedule 1 to the Explanatory Notes. In addition, their responsibilities and attendance at Board and Board Committee meetings are set out in the Corporate Governance Report on pages 116 to 121 of the Company's 2021 Annual Report. Our website also contains the comprehensive biographical details of all our Directors (as updated from time to time).
7. Independence of Independent Non-executive Directors subject to re-election

#### 7.1 Sir Rod Eddington

- (a) Sir Rod Eddington, who was first appointed on 1 January 2006, has served the Board for more than 16 years and reached the age of 72 before the 2022 AGM. Under the retirement age guideline in the Company's Board Diversity Policy, where a Non-executive Director (other than the Chairman) has reached the age of 72 years at the date of the relevant AGM, such Director will not be considered for re-election, unless the Board waived such requirement if the Board considers such Director has the skills, experience or capabilities that cannot be replaced at the relevant time.

- (b) The Nomination Committee considered this at length and endorsed for the Board's approval of the waiver of the retirement age requirement. In doing so, the Nomination Committee had due regard to the following:
- (i) Sir Rod has a unique background with in-depth experience in Hong Kong and Australia and a thorough understanding of the strategic issues concerning the CLP Group and, in particular, EnergyAustralia, which is now undergoing a period where it will need to address a number of fundamental issues and challenges for the business;
  - (ii) the Board would greatly benefit from Sir Rod's continued service on the Board at this very important juncture, with Sir Rod's insightful perspectives of the Australian business, the political and regulatory landscape and the strategic objectives of CLP and EnergyAustralia; and
  - (iii) the alternative of replacing Sir Rod with a new Independent Director to match the skillsets required for these strategic objectives would be most challenging having regard to the complexities of the Australian business and regulatory environment and the appreciation of CLP's investment thesis and approach in the Group's overseas business and EnergyAustralia.
- (c) The Board, based on the recommendation and endorsement of the Nomination Committee, decided to waive the retirement age guideline in relation to the re-election of Sir Rod Eddington; and concluded that he is still independent and should be recommended for re-election.
- (d) As recognised in CLP's Board Diversity Policy, the independence of Directors is a question of fact and is assessed with regard to all relevant factors concerned not just limited to the length of service. The Board is satisfied that the length of tenure of Sir Rod Eddington had not affected his independence considering that he has consistently been able to demonstrate his independence, impartiality and oversight of management on a broad range of issues concerning the Group. Management and the Board have been able to benefit from his ability to provide support and guidance and at times, constructive challenge and these are fundamental attributes of an effective Independent Non-executive Director that are greatly valued by Management. The Board is of the view that Sir Rod Eddington has continued to maintain his independence for the purposes of the independence guidelines as set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules).

## 7.2 Ms May Siew Boi Tan

Ms May Tan has held cross-directorship with Mr Nicholas C. Allen by serving on the boards of the Company and Link Asset Management Ltd (Link REIT). Ms May Tan stepped off the board and board committees of Link REIT on 31 January 2022. Given that each of them plays a non-executive role and holds less than 1% of the issued shares in each of the relevant companies, the Company considers that such cross-directorship would not undermine their independence with respect to their directorships at CLP Holdings. Shareholders may refer to the section "Disclosure of Conflict of Interest and Independence of Directors" in the Corporate Governance Report on page 127 of the Company's 2021 Annual Report for full details.

7.3 Each of the Independent Non-executive Directors (including Mrs Zia Mody, Ms May Tan and Sir Rod Eddington) has met the independence guidelines set out in Rule 3.13 of the Listing Rules and has also given to the Company an annual confirmation of his/her independence and as of the latest practicable date, the Company did not receive any notification from them that there has been a subsequent change of circumstances which affected their independence. These written confirmations also covered the immediate family members of each of the Independent Non-executive Directors. Having regard to the confirmations as well as the actual contributions that each of the Independent Non-executive Directors has made, the Board concluded that each of the Independent Non-executive Directors to be independent.

8. Save for the information referred to in paragraphs 4 to 7 above and set out in Schedule 1 to the Explanatory Notes, as at the latest practicable date, there is no other information that needs to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of Shareholders in respect of the Directors who stand for re-election at the AGM.

9. Board Diversity is important to CLP. The proposed re-election of Directors should be considered based on merit having regard to the experience, skills and expertise as well as the overall board diversity. More details about CLP Board Diversity are set out in the Corporate Governance Report on page 125 of the Company's 2021 Annual Report and in Schedule 2 to the Explanatory Notes.
10. Pursuant to Article 122 of the Articles of Association of the Company, if a Shareholder wishes to propose a person other than a Director of the Company for election as a Director at the AGM, he/she can deposit a written notice to that effect at the registered office of the Company for the attention of the Company Secretary. In order for the Company to inform Shareholders of that proposal, the written notice must state the full name of the person proposed for election as a Director, include the person's biographical details as required by Rule 13.51(2) of the Listing Rules, and be signed by the Shareholder concerned and that person indicating his/her willingness to be elected. The period for lodgement of such a written notice will commence no earlier than 31 March 2022 being the day after the despatch of the Notice and end no later than 29 April 2022 which is seven days prior to the date of the AGM. If the notice, either by post or by using electronic means, is received less than 15 clear days prior to the AGM, the Company will need to consider the adjournment of the AGM in order to allow Shareholders 14 clear days' notice of the proposal.

### Independent Auditor's Remuneration – Resolution (3)

11. In relation to Resolution (3) in the Notice regarding the authorisation of Directors to fix the Auditor's remuneration, Shareholders should note that, in practice, the amount of Auditor's remuneration for the year 2022 audit cannot be determined at the beginning of the financial year. This is because Auditor's remuneration for any given year varies, in particular by reference to the scope and extent of the audit work which is undertaken during that year.
12. In order to be able to charge the amount of Auditor's remuneration as operating expenses for the year ending 31 December 2022, Shareholders' approval to delegate the authority to the Directors to fix the Auditor's remuneration for the year ending 31 December 2022 is required at the AGM.
13. CLP Holdings recognises the Auditor's independence is a fundamental governance principle and in addition, PricewaterhouseCoopers (PwC) is required to give an annual confirmation on their independence. The lead audit partner of PwC is subject to rotation every seven years (as per The International Federation of Accountants rules on independence of external auditors). Ms Yee Shia Yuen was appointed as the new lead audit partner of CLP for the financial year 2021, after her predecessor retired from CLP's audit assignments upon the completion of seven years of service after the 2020 financial year-end audit.
14. In addition, PwC will not be engaged to perform non-audit work unless the non-audit work meets the criteria suggested in the Listing Rules and has been pre-approved by the Audit & Risk Committee or its delegates. There must be clear efficiencies and value-added benefits to CLP from the work being undertaken by PwC, with no adverse effect on the independence of their audit work, or the perception of such independence.
15. The work of PwC and the amount of remuneration paid to PwC for the year 2021 audit were reviewed by the Audit & Risk Committee, which comprises only Independent Non-executive Directors. In addition, the permissible audit related and non-audit services performed by PwC for the year 2021 were pre-approved by the Audit & Risk Committee or its delegates.
16. We summarise below the amount of remuneration paid to PwC for the audit and permissible audit related and non-audit services for the past three years:

	2021 HK\$M	2020 HK\$M	2019 HK\$M
Audit	41	39	39
Permissible audit related services (percentage to total)	9 (18.0%)	10 (20.0%)	7 (14.6%)
Permissible non-audit services (percentage to total)	1 (2.0%)	1 (2.0%)	2 (4.2%)
Total	51	50	48

(For these purposes, permissible audit related and non-audit services provided by PwC include any entity under common control, ownership or management with PwC or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally.)

#### Non-executive Directors' Remuneration – Resolution (4)

17. CLP Code on Corporate Governance issued on 28 February 2005 (updated in January 2019) provides that Non-executive Directors (NEDs) of the Company are paid fees in line with market practice based on a formal independent review undertaken no less frequently than every three years. Those fees were previously reviewed in 2019. The methodology adopted in the previous review and the resulting fees were approved by Shareholders at the AGM held on 6 May 2019. The resulting fees, which are currently paid to NEDs, are set out below:

	<b>Current Annual Fees</b> <i>HK\$</i>
<b>Board</b>	
Chairman	887,700
Vice Chairman	697,500
Non-executive Director	634,100
<b>Audit &amp; Risk Committee</b>	
Chairman	673,100
Member	481,900
<b>Finance &amp; General Committee</b>	
Chairman	449,900
Member	319,400
<b>Human Resources &amp; Remuneration Committee</b>	
Chairman	140,700
Member	99,800
<b>Sustainability Committee</b>	
Chairman	141,500
Member	101,900
<b>Nomination Committee</b>	
Chairman	40,200
Member	28,700
<b>Provident &amp; Retirement Fund Committee</b>	
Chairman	14,000
Member	10,000

18. At the beginning of 2022, management reviewed the level of fees payable to NEDs (the 2022 Review). The methodology adopted in the 2022 Review is the same as that used in the previous reviews. The 2022 Review takes into account the workload, scale and complexity of the business and the responsibility of NEDs in determining the remuneration of the Company's NEDs. The resulting fees from the 2022 Review were then benchmarked against the level of fees paid to non-executive directors of other leading Hong Kong listed companies included within the Hang Seng Index and other Hong Kong indices, as well as fees paid to non-executive directors of utility companies listed on exchanges in Hong Kong, the UK, Australia and New Zealand.

19. The methodology is aligned with the recommendations of "The UK Corporate Governance Code" last published in July 2018, as well as the recommendations contained in the Stock Exchange's Corporate Governance Code and associated Listing Rules, and includes:
  - (a) the application of an average of partner level hourly rates of professional services firms charged to CLP. Based on this, the average hourly rate of professional services firms has been increased from HK\$5,400 to HK\$5,620 for 2022;
  - (b) a calculation of the time spent by NEDs on CLP's affairs (including attendance and perusing papers); and
  - (c) an additional fee of 40% and 10% per annum for the Chairman and the Vice Chairman respectively.
20. Having regard to the possible year-to-year fluctuations in the time spent by NEDs (based on the data CLP has collected since 2004), it has been recommended to maintain the approach of the 2019 Review by taking the average time spent by NEDs over a longer duration of three periods (i.e. nine years), rather than over the three years immediately preceding the review, in order to smooth out the effect of short-term fluctuations in workload.
21. The following are the key observations from the 2022 workload review over the nine-year period as against the 2019 Review:
  - (a) there has been a slight increase in the working hours of the Board;
  - (b) moderate increases were recorded in the working hours of the Audit & Risk Committee, Human Resources & Remuneration Committee, Sustainability Committee and Nomination Committee;
  - (c) the working hours of the Finance & General Committee decreased; and
  - (d) there was a slight decrease in the working hours of the Provident & Retirement Fund Committee.
22. Accordingly, the indicative fees show a slight reduction in fees for the Finance & General Committee. This is driven by the reduction in the average working hours of the Committee over the nine-year period. Over the review period, this reduction can be attributed to the delivery of more succinct board papers and enhanced efficiency in the Committee's work especially from the period of 2017 onwards. Although there is a reduction in the average working hours over the nine-year period, in respect of the more recent three-year period, the working hours have increased over the preceding two-year period (for full details please refer to the 2022 Review available on the CLP website). This is in line with the expected pick up in workload for the Finance & General Committee in the 2019-2021 period and is anticipated to continue in the coming years. In these circumstances, Management considers it appropriate to hold the current fees for the Financial & General Committee unchanged.
23. There is also a slight decrease in the working hours of the Provident & Retirement Fund Committee, and Management propose that a nominal fee be continued to be maintained for this Committee which, in any event, is less than the indicative fees for this Committee based on its working hours.
24. The review methodology results in a modest increase in the proposed fees of the Audit & Risk Committee, Human Resources & Remuneration Committee, Sustainability Committee and Nomination Committee. Management considers that these increases are well justified because of the increasing demands on these committees in recent years; for the Audit & Risk Committee, in terms of increased oversight on risk management; for the Human Resources & Remuneration Committee, in terms of succession planning (both in the ordinary course and in anticipation of the business transformation-related changes and demands such as innovation and technology); for the Sustainability Committee, in terms of the rising need to manage the longer-term emerging sustainability issues concerning the Group, in particular, on climate change; and for the Nomination Committee, in terms of the growing demand on the continuous review of the composition, refreshment and independence of the Board, the monitoring of the nomination criteria and the ongoing application of the Board Diversity Policy.

25. The fee review takes place every three years and the methodology takes into account past and present data, rather than any forward-looking projections.
26. The application of this methodology, including the benchmarking exercise, has led management to propose a justifiable and measurable increase in the remuneration of the Company's NEDs. The increase is in line with an ongoing increase in the workload shouldered by the Board and Board Committees in recent years, albeit now measured over a longer duration of three review periods. As with the 2013, 2016 and the 2019 Reviews, it is recommended to spread the proposed increase over a period of three years from 2022 to 2024, as opposed to a full increase in the first year. Accordingly, the proposed fees for the next three years are as set out in Resolution (4) in this Notice.
27. The methodology and resulting level of fees proposed to be payable to the Company's NEDs in the 2022 Review have been reviewed by J.S. Gale & Co (JSG), external legal advisor, who have provided an opinion to the effect that the methodology adopted by CLP is reasonable and appropriate, has been fairly and consistently applied in all material respects and that the resulting proposed level of fees is reasonable and appropriate having regard to current corporate governance practices in Hong Kong and the UK.
28. The proposed level of fees has been considered and endorsed by the Human Resources & Remuneration Committee and the Board of the Company, and is being recommended to Shareholders for approval.
29. Further details of the methodology and resulting fees are set out in the Human Resources & Remuneration Committee Report on pages 173 to 175 of CLP Holdings' 2021 Annual Report. The 2022 Review which contains JSG's opinion is available on the CLP website and can be obtained on request to the Company Secretary.

#### **General Mandate to Issue 5% Shares at 10% Benchmarked Price Discount – Resolution (5)**

30. In relation to the general mandate referred to in Resolution (5) in the Notice, an Ordinary Resolution was passed at the AGM held on 14 May 2021 giving a general mandate to the Directors to issue up to five per cent (5%) of the total number of shares of the Company in issue and any shares of the Company to be allotted and issued pursuant to this general mandate shall not be at a discount of more than ten per cent (10%) to the Benchmarked Price of such shares of the Company. No shares have been issued pursuant to this mandate as at the latest practicable date. The general mandate will lapse at the conclusion of the forthcoming AGM, unless the mandate is renewed at that meeting.
31. The Company acknowledges the possible concern of some minority Shareholders with respect to possible dilution of their shareholding interest resulting from the exercise of the general mandate to issue shares, and has reaffirmed its commitment to use the mandate sparingly and in the interest of all our Shareholders. Accordingly, the Board has continued to propose to limit the general mandate to five per cent (5%) of the total number of shares of the Company in issue (rather than twenty per cent (20%) and without any increase for shares repurchased as permitted by the Listing Rules) as at the date of the Resolution passed by the Shareholders, and that any shares of the Company to be allotted and issued pursuant to this general mandate shall not be at a discount of more than ten per cent (10%) (rather than twenty per cent (20%) as permitted under the Listing Rules) to the Benchmarked Price of such shares of the Company unless and until there is a material change in circumstances or market condition.
32. The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Directors to issue shares for flexibility in raising capital as and when needed.

#### **Share Buy-back Mandate of 10% Shares in Issue – Resolution (6)**

33. In relation to the general mandate referred to in Resolution (6) in the Notice, an Ordinary Resolution was passed at the AGM on 14 May 2021 giving a general mandate to the Directors to repurchase shares of the Company on the Hong Kong Stock Exchange representing up to ten per cent (10%) of the total number of shares of the Company in issue. Up to the latest practicable date, no shares were bought back pursuant to this general mandate, which will lapse at the conclusion of the forthcoming AGM, unless the mandate is renewed at that meeting. The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Directors to buy back its own shares on an opportunistic basis for the enhancement of long-term shareholder value. Shareholders' attention is particularly drawn to the implication of share buy-backs under the Codes on Takeovers and Mergers and Share Buy-backs (Takeovers Code) as set out in the Explanatory Statement on Share Buy-back Mandate which accompanies the Notice.

## Recommendation

34. The Board of the Company considers that each of the Resolutions (1) to (6) as set out in the Notice is in the best interests of the Company and its Shareholders as a whole and, accordingly, recommends Shareholders to vote in favour of Resolutions (1) to (6) to be proposed at the AGM.

## Right to Demand a Poll

35. Pursuant to Articles 76(A) and 76(B) of the Articles of Association of the Company, a resolution put to the vote at the AGM shall be decided by way of a poll save that the Chairman of the AGM may in good faith, allow a resolution which relates to a purely procedural or administrative matter to be voted on by a show of hands. Where the Chairman allows a resolution which relates to a purely procedural or administrative matter to be voted on by a show of hands, a poll may be demanded at the AGM (before or upon the declaration of the result of the show of hands) by:
- (a) at least five Shareholders present in person or by proxy having the right to vote at the AGM;
  - (b) a Shareholder or Shareholders present in person or by proxy representing at least five per cent (5%) of the total voting rights of all the Shareholders having the right to vote at the AGM; or
  - (c) a Shareholder or Shareholders present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to at least five per cent (5%) of the total sum paid up on all the shares conferring the right.
36. The results of the poll will be published on the Company's and the Hong Kong Stock Exchange's websites not later than the business day following the AGM and in the Minutes of the AGM which will also be published on the Company's website.

## Schedule 1 – Biographical Details of Directors Standing for Re-election at the AGM

### 1. Mrs Zia Mody

Aged 65  
Independent Non-executive Director  
Member of Human Resources & Remuneration Committee  
Appointed on 2 July 2015

#### **Expertise**

- CLP market experience
- Global market experience
- Other industries
- Other listed board roles
- Professional (Legal)
- Related industry experience (Property)
- Risk & compliance
- Technology

#### **Titles, Qualifications and Education**

- Member of the New York State Bar by examination
- Advocate with the Bar Council of Maharashtra and Goa
- Bachelor of Laws, the University of Cambridge
- Master of Laws, Harvard Law School

#### **Other Major Offices**

- AZB & Partners (AZB) (Senior Partner)
- Ascendas Property Fund Trustee Pte. Ltd. (as trustee-manager of Ascendas India Trust<sup>#</sup>) (Independent Director, and member of Audit and Risk Committee and Investment Committee)

#### **Public Service**

- Cambridge India Research Foundation (Non-executive Director)
- ICCA Foundation, Inc. (the International Council for Commercial Arbitration) (Non-executive member of the Governing Board)
- J. B. Petit High School for Girls (Trustee)
- Observer Research Foundation (Non-executive trustee)

#### **Past Experience**

Mrs Mody worked as a corporate associate at Baker & McKenzie in New York for five years before establishing the Chambers of Zia Mody in India in 1984, which then became AZB in 2004. Mrs Mody's primary practice consists of Merger & Acquisition (M&A), Private Equity, Securities Law, Business Process Outsourcing related work and Litigation. She has practiced in the Indian Courts for over 10 years as a Counsel. She has also advised several International and Indian clients in significant M&A transactions.

Mrs Mody was a Member of the Godrej Committee on Corporate Governance, constituted by the Ministry of Corporate Affairs; the Nachiket Mor Committee on Comprehensive Financial Services for Small Businesses and Low-Income Households of the Reserve Bank of India; Confederation of Indian Industry – National Council; and the World Bank Administrative Tribunal, Washington DC.

#### **Relationships with any Directors, Senior Management or Substantial or Controlling Shareholders of the Company**

Mrs Mody has no financial or family relationships with any Directors, Senior Management or substantial or controlling Shareholders of the Company.

<sup>#</sup> The securities of these companies are currently listed on the Hong Kong Stock Exchange or overseas stock exchange(s).

2. Ms May Siew Boi Tan

Aged 66

Independent Non-executive Director

Member of Audit & Risk Committee, Finance & General Committee, Human Resources & Remuneration Committee, Nomination Committee and Sustainability Committee

Appointed on 7 August 2018

**Expertise**

- CLP market experience
- Company executive
- Global market experience
- Other industries
- Other listed board roles
- Professional (Accounting)
- Related industry experience (Property/Retail)
- Risk & compliance

**Titles, Qualifications and Education**

- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow of the Hong Kong Institute of Certified Public Accountants
- Graduated from the University of Sheffield

**Other Major Offices**

- JPMorgan China Growth & Income plc<sup>#</sup> (Independent Non-executive Director)
- Manulife Financial Corporation<sup>#</sup> (Independent Director, and member of Management Resources and Compensation Committee and Risk Committee)
- Anticimex New TopHolding AB (Board member)
- MSIG Insurance (Hong Kong) Ltd. (Director)

**Public Service**

Hong Kong Youth Arts Foundation (Executive Committee member)

**Past Experience**

Ms Tan was an Independent Non-executive Director of Link Asset Management Ltd.<sup>#</sup> (as manager of Link Real Estate Investment Trust) from February 2013 to January 2022. She was also an Executive Director of Standard Chartered Bank (Hong Kong) Ltd. and its Chief Executive Officer from July 2014 to February 2017. She joined Standard Chartered Bank in 2009 as Global Head, Equity Corporate Finance. She was previously the Chief Executive Officer of Cazenove Asia Ltd., and was a partner of Cazenove and Co. Cazenove Asia Ltd. (now known as Standard Chartered Securities (Hong Kong) Ltd.) became part of Standard Chartered Hong Kong in January 2009.

In public service, Ms Tan was the Chairman of The Hong Kong Association of Banks, the ex-officio member of Hong Kong Trade Development Council and a member of the Currency Board Sub-Committee of The Exchange Fund Advisory Committee of Hong Kong Monetary Authority. She was a member of the Listing Committee of The Stock Exchange of Hong Kong Ltd.<sup>#</sup> (from 2012 to 2015) and a member of the Takeovers and Mergers Panel and the Takeovers Appeal Committee of the Securities and Futures Commission (from 2001 to 2013). Ms Tan was also a Council Member (from 2008 to 2017) and the Vice Chairman (from 2012 to 2017) of Oxfam Hong Kong.

**Relationships with any Directors, Senior Management or Substantial or Controlling Shareholders of the Company**

Ms May Tan has no financial or family relationships with any Directors, Senior Management or substantial or controlling Shareholders of the Company.

<sup>#</sup> The securities of these companies are currently listed on the Hong Kong Stock Exchange or overseas stock exchange(s).

3. Mr Philip Lawrence Kadoorie

Aged 30  
Non-executive Director  
Member of Sustainability Committee  
Appointed on 7 August 2018

**Expertise**

- CLP market experience
- Global market experience
- Other industries
- Other listed board roles
- Related industry experience (Property)

**Titles, Qualifications and Education**

- Bachelor of Science in Communication, Boston University
- FAA Commercial Pilot's Licence (Helicopter)
- Intensive Putonghua course, Tsinghua University (Beijing)

**Other Major Offices**

- The Hongkong and Shanghai Hotels, Ltd.# (Non-executive Director)
- Sir Elly Kadoorie & Sons Ltd. (Director)
- Heliservices (Hong Kong) Ltd. (Director)
- Metrojet Ltd. (Director)

**Past Experience**

Prior to his appointment to the Board of The Hongkong and Shanghai Hotels, Ltd. in 2017, Mr Kadoorie completed various internships in commercial property companies, Schroders Bank in London and at CLP Group in Hong Kong.

**Relationships with any Directors, Senior Management or Substantial or Controlling Shareholders of the Company**

Mr Kadoorie is the son of The Hon Sir Michael David Kadoorie, Chairman of the Company. He is a Director of Sir Elly Kadoorie & Sons Ltd., overseeing a number of Kadoorie Family interests in Hong Kong and overseas and, as such, is associated with the substantial Shareholders of the Company.

# The securities of these companies are currently listed on the Hong Kong Stock Exchange or overseas stock exchange(s).

4. Sir Roderick Ian Eddington

Aged 72  
Independent Non-executive Director  
Member of Finance & General Committee  
Appointed on 1 January 2006

**Expertise**

- Board/board committees leadership
- CLP market experience
- Company executive
- Global market experience
- Other industries
- Other listed board roles
- Professional (Engineering)
- Related industry experience (Infrastructure/Property/Retail)
- Risk & compliance

**Titles, Qualifications and Education**

- Officer of the Order of Australia
- 1974 Rhodes Scholar, the University of Western Australia
- Doctor of Philosophy in the Department of Engineering Science, the University of Oxford

**Other Major Offices**

- Kirin Holdings Company Ltd.# (Independent Non-executive Director)
- John Swire & Sons (Australia) Pty Ltd. (Non-executive Director)
- JP Morgan Chase Bank N.A. (Non-executive Chairman (Asia Pacific Advisory Council))
- Lion Pty Ltd. (Non-executive Chairman)

**Past Experience**

Sir Rod Eddington was the Chief Executive of British Airways plc from 2000 until he retired on 30 September 2005. Prior to joining British Airways plc, Sir Rod Eddington has served as a Director of News Ltd., News Corporation's principal subsidiary in Australia, from 1998 until 2000, as Chairman of Ansett Holdings Ltd. and as a Director of each of Ansett Australia Ltd. and Ansett Australia Holdings Ltd. from 1997 until 2000. He has maintained a connection with Hong Kong from his previous directorships with Cathay Pacific Airways Ltd.#, Swire Pacific Ltd.# and Hong Kong Aircraft Engineering Company Ltd. (which was privatised by way of a scheme of arrangement on 29 November 2018) during the period from 1988 to 1996.

Sir Rod Eddington was also a Non-executive Director of 21st Century Fox# (until March 2019).

**Relationships with any Directors, Senior Management or Substantial or Controlling Shareholders of the Company**

Sir Rod Eddington has no financial or family relationships with any Directors, Senior Management or substantial or controlling Shareholders of the Company.

# The securities of these companies are currently listed on the Hong Kong Stock Exchange or overseas stock exchange(s).

5. Mr William Elkin Mocatta

Aged 69

Non-executive Director

Vice Chairman of the Board, Chairman of Finance & General Committee and Provident & Retirement Fund Committee; and  
Member of Human Resources & Remuneration Committee

Appointed on 16 January 1993\*

**Expertise**

- Board/board committees leadership
- CLP market experience
- Global market experience
- Other industries
- Other listed board roles
- Professional (Accounting)
- Related industry experience (Infrastructure/Power/Property/Retail)
- Risk & compliance

**Titles, Qualifications and Education**

- Fellow of the Institute of Chartered Accountants in England and Wales

**Major Positions Held with the Group**

- CLP Power Hong Kong Ltd. (Chairman)
- Castle Peak Power Company Ltd. (Chairman)
- CLP Properties Ltd. (Chairman)
- Hong Kong Pumped Storage Development Company, Ltd. (Chairman)

**Other Major Offices**

- The Hongkong and Shanghai Hotels, Ltd.# (Non-executive Director)
- Sir Elly Kadoorie & Sons Ltd. (Director)
- CK Hutchison Holdings Ltd.# (Alternate Director – Alternate to The Hon Sir Michael David Kadoorie)

**Relationships with any Directors, Senior Management or Substantial or Controlling Shareholders of the Company**

Mr Mocatta is a Director of Sir Elly Kadoorie & Sons Ltd., overseeing a number of Kadoorie Family interests in Hong Kong and overseas and, as such, is associated with the substantial Shareholders of the Company.

\* The date given is that of appointment to the Board of China Light & Power Company, Ltd., the holding company of the CLP Group prior to the Group Reorganisation in 1998. Mr Mocatta was appointed to the Board of CLP Holdings on 31 October 1997.

# The securities of these companies are currently listed on the Hong Kong Stock Exchange or overseas stock exchange(s).

## Schedule 2 – CLP Board Diversity

In addition to independence and gender, our concept of diversity incorporates a number of different aspects including but not limited to age, cultural and educational background, professional experience, business perspectives, skills, knowledge, ethnicity and length of service.

Our Board Diversity Policy also recognises that board diversity can be achieved without increasing the size of the Board and that a reduction in board size due to retirements without replacement can also be a way to further diversity. In 2021, our Board size slightly reduced from 14 to 13 due to the retirement of a former Executive Director.

In our 2021 Annual Report, we have set out our assessment of our Board Diversity with the current Board composition. We have set out below aspects of the Board Diversity for the Board on the assumption that the retiring Directors would be re-elected at the 2022 AGM.



### Length of service

Percentage of Directors having served the Board for over 10 years is at 46%



### Capacity

Representation of Independent Non-executive Directors will maintain at a strong level of 54%; and representation of Executive Director in the Board will remain at a relatively low level of 8%; thereby allowing greater representation of Independent and Non-executive Directors



### Gender

Gender diversity (female representation) will maintain at a high level of 31% amongst Hong Kong listed companies



### Nationality

The Board will remain reasonably diverse in terms of nationality, with Directors based in Hong Kong (11), Australia (1) and India (1) where CLP has major business and operations

The Board's expertise as a whole would be as follows:

<b>Expertise</b>	<b>Relevance to CLP</b>	<b>No. of Directors (Full Board of 13)<sup>(Note)</sup></b>
<b>Board/board committees leadership</b>	Board and governance leadership experience are regarded as a strategic asset to the Board and Board Committees	7
<b>CLP market experience</b> (Hong Kong/Mainland China (including Greater Bay Area)/ Australia/India/Southeast Asia & Taiwan)	Facilitates the review of CLP's business and financial operations and investments in the respective region	13
<b>Company executive</b>	Provides insights into executive leadership and the management of CLP's business and operations	7
<b>Global market experience</b>	Provides insights into the global economic trends and opportunities that CLP can explore	13
<b>Other industries</b>	Brings in other expertise applicable across different industries	12
<b>Other listed board roles</b>	Brings in good practices as a board and/or board committee member of listed companies	11
<b>Public administration</b>	Brings in experience in the areas of regulatory and stakeholder engagement	1
<b>Related industry experience</b> (Infrastructure/Power/Property/Retail)	Facilitates the review of CLP's business operations and investment opportunities in the related industries	13
<b>Risk &amp; compliance</b>	Risk and compliance as key governance responsibilities of the Board	9
<b>Technology</b>	Provides insights into the technological developments and the governance of cyber risks	4
<b>Professional</b>	Brings in oversight, advisory and operational experience in the respective field of profession	9
• <b>Accounting</b>		4
• <b>Engineering</b>		3
• <b>Legal</b>		2
<p>Note: Multiple professional background and experience may apply to a Director.</p>		

## EXPLANATORY STATEMENT ON SHARE BUY-BACK MANDATE

This Explanatory Statement includes information required under Rule 10.06(1)(b) of the Listing Rules to be given to Shareholders in connection with the proposed share buy-back mandate to be granted to the Directors of the Company.

### 1. Exercise of the Buy-back Mandate

- 1.1 Resolution (6) set out in the Notice will, if passed, give a general unconditional mandate to the Directors authorising the buy-back by the Company of up to ten per cent (10%) of the total number of shares of the Company in issue at the date of the AGM at any time from the passing of the Resolution until the conclusion of the next AGM of the Company, the expiration of the period within which the next AGM of the Company is required by law to be held, or at any time when the aforementioned mandate is revoked or varied by ordinary resolution of the Shareholders in general meeting, whichever occurs first (Relevant Period).
- 1.2 On the basis of 2,526,450,570 shares in issue as at the latest practicable date, if the buy-back mandate is exercised in full, this would result in up to 252,645,057 shares being bought back by the Company during the Relevant Period.

### 2. Reasons for Buy-backs

- 2.1 The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Directors to buy back its own shares. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement in the value of the shares and/or earnings per share and will only be made when the Directors believe that such buy-back will benefit the Company and its Shareholders.

### 3. Funding of Buy-backs

- 3.1 In buying back its own shares, the Company may only apply funds legally available for such purpose in accordance with the laws of Hong Kong and the Articles of Association of the Company. Such funds may include profits available for distribution and the proceeds of a fresh issue of shares made for the purpose of the buy-backs.
- 3.2 In the event that the buy-back mandate is exercised in full, there might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's Annual Report and Financial Statements for the year ended 31 December 2021). However, the Directors do not propose to exercise the buy-back mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or gearing level which in the opinion of the Directors is from time to time appropriate to the Company.

### 4. Status of Bought-back Shares

- 4.1 The Listing Rules provide that all the shares purchased by the Company are automatically delisted and the Company must ensure that the corresponding certificates are cancelled and destroyed. Under the Companies Ordinance, the shares so purchased in accordance with the proposed mandate will be regarded as cancelled.

## 5. Share Prices

- 5.1 The highest and lowest prices at which shares have been traded on the Hong Kong Stock Exchange during each of the previous 12 months and as at the latest practicable date were as follows:

	<b>Highest</b>	<b>Lowest</b>
	HK\$	HK\$
<b>2021</b>		
March	76.20	72.85
April	77.40	74.10
May	80.40	76.40
June	79.45	76.65
July	81.65	76.50
August	80.75	77.00
September	78.40	73.90
October	76.50	73.80
November	77.25	75.20
December	79.60	74.55
<b>2022</b>		
January	80.10	77.05
February	80.50	77.30
22 March (latest practicable date)	76.20	75.65

## 6. Disclosure of Interests

- 6.1 None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any shares to the Company or its subsidiaries under the buy-back mandate if such buy-back mandate is approved by Shareholders.
- 6.2 The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the buy-back mandate pursuant to the proposed resolution in accordance with the Listing Rules and the laws of Hong Kong.
- 6.3 No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell shares to the Company or have undertaken not to do so in the event that the buy-back mandate is approved by Shareholders.

## **7. The Codes on Takeovers and Mergers and Share Buy-backs**

- 7.1 If, as a result of share buy-backs by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, may be treated, as a result of share buy-backs by the Company, as having obtained or consolidated control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.
- 7.2 As at the latest practicable date, the Kadoorie Family interests in the Company (which included interests held through/ by (i) various discretionary trusts of which members of the Kadoorie Family are beneficiaries, (ii) the charities associated with the Kadoorie Family, and (iii) some members of the Kadoorie Family personally (collectively, the Parties)), amounted in aggregate to 885,928,074 shares, representing 35.0661% of the total number of shares of the Company in issue.
- 7.3 If the Parties' holding of voting rights in the Company increases by more than 2% from their lowest percentage holding in the 12 months ending on the date of an acquisition of shares or buy-back of shares by the Company, the Parties may be obliged to make a mandatory general offer under the Takeovers Code unless a waiver is granted by the Securities and Futures Commission. The Company does not presently envisage exercising the buy-back mandate to effect on-market share buy-backs in circumstances where this will trigger a mandatory general offer obligation on the part of the Parties under the Takeovers Code.

## **8. Buy-backs Made by the Company**

- 8.1 The Company has not repurchased any shares on the Hong Kong Stock Exchange in the six months prior to the date of the Notice.