

7 May 2015

## CLP holds Annual General Meeting today



CLP's AGM is traditionally the highest attended annual general meeting of any Hong Kong listed company. This year was no exception, with a record number of 1,230 shareholders present at the assembly.

### **Chairman's Opening Remarks**

Ladies and gentlemen, thank you for coming to this media briefing. As you have read from our annual report, we reported strong financial results in 2014, which was a result of much improved performance across the board. Our operating earnings were HK\$10,062 million, an 8.1% increase over 2013. Taking into account one-off items including the net gain on CAPCO and PSDC acquisitions, total earnings were up 85.2% to HK\$11,221 million.

In this briefing, I wish to focus on the Hong Kong electricity business, which remains the largest single source of earnings for CLP and its shareholders.

As you know, on March 31 the Government launched a three-month public consultation on the future development of the electricity market and its regulatory framework in Hong Kong. This is a vitally important issue that we should not take lightly as its outcome will affect Hong Kong for generations to come. Self-evidently, then, it's crucial that we get it right.

So I hope and trust there will be a serious, intelligent and informed debate over the consultation period. We at CLP will most certainly be contributing in a positive and constructive way in support of that objective.

Electricity supply is an essential service to everyone in society and the infrastructure required to ensure reliable and timely delivery to customers takes time to plan and build – often a decade or more – and requires huge capital outlays. It follows that certainty in regulatory regime and reasonable returns on investment are critical in ensuring that sufficient funds are available to deliver the high quality, safe, reliable and environmental electricity supply expected by the community.

We support Government's endorsement of its four policy objectives for our industry – safety, reliability, environmental performance and reasonable tariffs.

We also take note of Government's long term goal of introducing competition. We will certainly work closely with the Government and our community to see how to achieve the goal without compromising the world-leading standards of service and reliability that we have enjoyed for so long.

Living in the world's freest economy, Hong Kong people know that competition is good for business and consumers. But the fact is that competition is not a panacea for all problems. That's why in the case of the highly complex and capital intensive energy industry we need to clearly define what problem or problems we need to fix before rushing to a solution. Overseas experience suggests that there is no one size fits all solution in the electricity market; every country and territory – including Hong Kong – has its unique characteristics and challenges.

We appreciate community aspirations in looking for change. This has been the driving force behind our professional team in ensuring we provide our customers with a high quality, safe, reliable and environmental electricity service at reasonable cost. This is a key component in ensuring Hong Kong's long-term social and economic development.

At the same time we should recognise that the Scheme of Control has served Hong Kong well over the past five decades, delivering results and balancing competing objectives. Other regulatory models in effect around the world have been less effective in delivering energy policy objectives than has been the case here in Hong Kong under the Scheme of Control. The merits of it are evident from our stellar performance which has always been envy of our overseas counterparts. Today, we have one of the most reliable electricity supplies in the world at 99.999% – above that in the US or the UK. At the same time our tariffs are around 24% lower than Singapore, 42% lower than London and 56% lower than New York. In fact, our basic tariff today is lower than what it was in 1998. It is very difficult to find examples globally which rival this achievement.

CLP has been serving Hong Kong for over a century. Our values align with those of the community we serve. We are constantly looking for improvement so that we can continue to deliver reliable and affordable electricity to meet needs of our community while at the same time reducing our environment impact by moving to an ever cleaner fuel mix. We welcome the opportunities to join with the community in framing the most appropriate and workable regulatory arrangement that will deliver the best long-term value for Hong Kong in the years and decades to come.

Thank you.

### **About CLP Group**

CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange, is the holding company for the CLP Group, one of the largest investor-owned power businesses in Asia Pacific. Through CLP Power Hong Kong Limited, it operates a vertically-integrated electricity supply business providing a highly-reliable supply of electricity to 80% of Hong Kong's population.

Outside Hong Kong, CLP holds investment in the energy sector in Mainland China, India, Southeast Asia, Taiwan and Australia. Its diversified portfolio of generating assets uses a wide range of fuels including coal, gas, nuclear and renewable sources. CLP is one of the largest external investors in the Mainland's renewable energy sector. In India, it is the largest foreign investor in the power sector and the biggest independent power producer in wind energy, foreign or domestic. In Australia, its wholly-owned subsidiary EnergyAustralia is one of the largest integrated energy companies, providing gas and electricity to 2.6 million customers.

CLP is listed in the Global Dow – a 150-stock index of the world's leading blue-chips, the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), the Dow Jones Sustainability Asia Pacific 40 Index (DJSI Asia Pacific 40) and Hang Seng Corporate Sustainability Index Series.

- Ends -

**For media enquiries, please contact:**

Ms Justine Lau  
Public Affairs Manager  
CLP Power Hong Kong Limited  
Tel: (852) 2678 8963  
Pager: (852) 7116 3131 A/C 7736  
Email: [justine.lau@clp.com.hk](mailto:justine.lau@clp.com.hk)