

6 May 2022

## CLP Holdings Convenes 2022 Annual General Meeting

### Opening Remarks from CLP Holdings Vice Chairman

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.

The past several months have been particularly challenging for Hong Kong and our thoughts remain with those affected by the pandemic. More than two years into managing the impact of COVID on our business, we have made it our priority to keep the lights on and to look after people – our colleagues, customers, and the communities we serve. We remain committed to this path in support of wider efforts to advance the safe reopening and recovery of the Hong Kong economy.

Turning now to the Group's financial performance. In 2021, the Group's operating earnings decreased 17.8% to HK\$9,517 million despite revenues having increased by 5.5% to HK\$83,959 million, total earnings fell 25.9% to HK\$8,491 million from 2020. The drop in total earnings was primarily due to high coal prices in Mainland China and significantly lower earnings from the generation operation of our business in Australia as well as several one-off charges including settlement in a long-running litigation and costs in ensuring the safe operation of the Yallourn mine following the damages caused by extreme weather. Notwithstanding this, the Board is confident in the Group's ability to maintain the integrity of its operations and approved a fourth interim dividend of HK\$1.21 per share, in line with the same period in 2020. Total dividends per share for 2021 were maintained at HK\$3.10.

2021 was CLP's 120th anniversary, a year in which we took the opportunity to reflect on our long history in Hong Kong while continuing to progress a range of initiatives that support the sustainable development of the Group. We unveiled our updated Climate Vision 2050 with a commitment to achieving net-zero emissions across our business by 2050 supported by a series of near-term commitments and our pathway to meeting this long-term target. In October last year, our new state-of-the-art gas-fired generating unit at Black Point Power Station was officially opened and this is a strong testament to our dedication to power Hong Kong with less carbon emission. We also continued the development of our Renewable Energy business in Mainland China and India as those markets rapidly evolve away from subsidies towards grid parity pricing for renewables.

The decarbonisation of CLP's electricity supply can also enable other sectors in the economy to reduce their carbon footprint. This, in turn, supports further growth in demand for electricity and energy services. We are already witnessing the growth opportunities created by a rise in the demand for smart, green energy services in the Greater Bay Area. CLP is working to leverage technology and our expertise in Hong Kong to bring sustainable energy solutions to a wider audience across the Greater Bay Area.

We ended 2021 with the Group's commitment to capital expenditure at a high level, mainly driven by the decarbonisation investments in Hong Kong, Mainland China, Australia and India. While these investments reflect our commitment to decarbonisation and confidence in the economic prospects of our markets, they also highlight the importance of partnerships given the significant capital required. The business model we have pursued in India of forming a partnership to bring in new capital to fund the required investments has proven effective and we believe this can be a model to replicate in other markets to draw on support from investors and financiers.

In 2021, we signed agreements for the development of a brand new building in the Kai Tak Development Area which will provide an exciting and truly modern head office for the CLP Group that advances our vision to create a Utility of the Future. The new head office project underlines our confidence in Hong Kong and commitment to continue to support the sustainable growth of our city. More recently, we have introduced and launched a new operating model for the Group as part of our transformation into a Utility of the Future. This relates to how we are structured and how we work together and aims to sharpen our focus on delivering decarbonisation and the opportunities that spring from the Greater Bay Area development.

As we look forward, the continuing impact of the pandemic and other challenges such as the volatile and higher fuel prices create short-term headwinds for our business. For the first few months of 2022, we have seen unfavourable non-cash fair value movements in forward energy contracts used by EnergyAustralia as economic hedges and the operating conditions remain challenging for the business. The surging fuel prices also create pressure on tariffs for our customers in Hong Kong, making prudent cost control ever more important. Despite this backdrop, we remain cautiously optimistic on the region's economic outlook, especially given the strengths of our position in our home market Hong Kong alongside our long-term commitment in Mainland China.

In the face of the challenges and opportunities ahead of us, our focus and priorities are well-defined. We will continue our efforts to accelerate the transition of our business to net zero emissions, work closely with our customers, partners and governments in our markets to support their decarbonisation efforts while leveraging technology with our engineering capabilities to serve the growing demand for energy solutions. Most important of all, we remain committed to building and organising an agile, innovative workforce with the right values and ability to thrive regardless of the external environment.

On behalf of the CLP Holdings Board of Directors and all our directors of our subsidiary and Joint Venture Companies, I would like to express our sincere thanks to all our staff in Hong Kong, Mainland China, India, Australia, Taiwan and Thailand for keeping the lights on during the pandemic. We are extremely proud of you.



CLP Holdings Vice Chairman Mr William Mocatta (centre), Chief Executive Officer Mr Richard Lancaster (left) and Deputy Company Secretary Mr Michael Ling (right) host CLP's 2022 AGM at the Company's Head Office today. The meeting is held in a hybrid format due to the current ongoing pandemic situation with shareholders joining online.

### **About CLP Group**

The CLP Group is one of the largest investor-owned power businesses in Asia Pacific with investments across Hong Kong, Mainland China, Australia, India, Southeast Asia and Taiwan. Hong Kong-listed CLP Holdings Limited is the holding company for the CLP Group, which has a diversified portfolio of generating assets that uses a wide range of fuels including coal, gas, nuclear and renewable sources.

Through CLP Power Hong Kong Limited, the Group operates a vertically integrated electricity supply business that provides a highly reliable supply of electricity to 80% of Hong Kong's population. In Mainland China, the CLP Group is the largest external independent power producer with a focus on low-carbon energy. In Australia, the Group's wholly-owned subsidiary EnergyAustralia is a leading integrated energy company, providing gas and electricity to about 2.43 million households and businesses. Aprava Energy (formerly known as CLP India), in which the Group owns 60%, is one of India's biggest renewable energy producers with operations in power generation and transmission.

CLP Holdings is included in the Global Dow – a 150-stock index of the world’s leading blue chip companies, the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), the Dow Jones Sustainability Asia Pacific 40 Index (DJSI Asia Pacific 40), the Hang Seng Corporate Sustainability Index Series and the FTSE4Good Index series.

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