

3 May 2024

CLP Holdings Convenes 2024 Annual General Meeting

Chairman's Opening Remarks

Good morning ladies and gentlemen, welcome to the 2024 CLP Holdings Annual General Meeting.

Starting with the Group's 2023 financial performance. CLP delivered a very solid performance against a volatile global backdrop in 2023 with strong earnings contributions coming from our core businesses in Hong Kong and Mainland China. The Group's operating earnings before fair value movements increased 33% year-on-year to HK\$10.1 billion. Total earnings were HK\$6.6 billion after taking into account one-off items including the HK\$5.9 billion non-cash impairment of goodwill of EnergyAustralia's Customer business. This was a significant increase from the total earnings of HK\$924 million for 2022.

The Board recognised the improvement in the financial performance of the Group and in balancing the Group's ongoing investment in the energy transition, the Board decided to maintain the 2023 total dividends at HK\$3.10 per share. The Board is guided by and adheres to our dividend policy which aims to provide reliable and consistent ordinary dividends with steady growth when supported by our earnings and at the same time, ensuring that a solid financial position can be maintained to fund our business growth.

In 2023, we achieved growth and progress across the Group amidst the persistent economic, financial and geopolitical complexities. This was made possible with the commitment and professionalism of our people and I wish to thank all of them wherever they may be based.

In Hong Kong, we are very pleased that our Five-Year Development Plan was approved by the Hong Kong Government. The agreement reached with the Government is an important milestone to enable CLP to continue the decarbonisation journey and to deliver a world-class electricity supply to our customers. It also underlines our commitment to deliver on the energy demands essential to the long-term development of Hong Kong. Under the Development Plan for the next five years, CLP will be making strategic investments to strongly support Hong Kong's economic and infrastructural development and to reinforce our position as a smart, modern and resilient city.

Another proud milestone for CLP and Hong Kong is the launch of Hong Kong's first offshore liquefied natural gas (LNG) terminal. This is a joint venture owned by CLP's Castle Peak Power Company Limited and Hongkong Electric. The floating storage and regasification unit vessel moored at the terminal in Hong Kong waters is the largest of its kind in the world. These facilities provide us with the access to a diversified supply of competitively priced gas from international markets.

Hong Kong is our home market and the operational excellence of our service to our customers will always be the top priority and focus. With regards to the recent operational events in our

supply area, our people are always committed to working tirelessly to ensure the safety and reliability of our system in good weather and in extreme weather, managing our assets responsibly and pro-actively responding to events including those caused by factors out of our control. We are well aware that electricity concerns us all. We will strive to work with our customers and community so that Hong Kong can continue to enjoy the safety and reliability of this essential service.

Our business in Mainland China performed well in 2023 with excellent earnings contributions coming from the two nuclear power stations. Yangjiang's generation was at a record high and Daya Bay continued to provide the highly reliable supply of zero-carbon energy to Hong Kong. Our renewable energy assets in China maintained steady performance in terms of output and earnings. At the same time, we are accelerating the expansion of our renewables portfolio to meet China's increasing demand for zero-carbon energy.

Turning to India, our joint venture Apraava Energy made substantial progress in 2023 in the development of non-carbon projects to support India's decarbonisation and to meet the rising demand for power. The business succeeded in bidding for new wind, solar and transmission projects and in entering the advanced metering infrastructure sector. The joint venture delivered increased operating earnings of HK\$301 million to CLP in 2023, an increase of over 50% from 2022.

Although EnergyAustralia had a difficult year in 2022, the business significantly improved its operational performance in 2023. We booked an impairment of the goodwill of the Customer business which reflected a more challenging outlook for the retail energy market in Australia. The overall performance of the business in 2023 was on a path of recovery and the business will continue to focus on making further progress through strengthening its operational performance.

Looking to the future, decarbonisation presents both uncertainties and opportunities for us and is a top priority for our business. Earlier this year, we published the revised Climate Vision 2050 which is the blueprint of the Group's transition to a net-zero greenhouse gas emissions business by mid-century.

Following an extensive review process in 2023, we strengthened our greenhouse gas emissions intensity target for 2030 to bring it closer to the goal of limiting global warming to 1.5°C, while maintaining existing commitments including phasing out coal before 2040.

On the Group's leadership front, we appointed Mr T.K. Chiang as our new CLP Holdings Chief Executive Officer and I would like to thank our former CEO, Mr Richard Lancaster, for his service and commitment to CLP over many years, with the past 10 years as CEO.

The CEO transition has been a smooth process with T.K. taking up the CEO role formally in October last year. I also wish to thank Mr Nicolas Tissot our former Chief Financial Officer and to welcome Mr Alex Keisser who became our new CFO on 1 April this year.

At the Board level, we welcome Ms Wang Xiaojun Heather who joined our Board as our new independent Non-executive Director in May last year and Mr Diego González Morales who recently joined our board in April as our new Non-executive Director.

On behalf of the Board, I would like to express my gratitude to Mr John Leigh who retired from our Board in March 2024 after a distinguished career in CLP management and as a Non-executive Director. At the conclusion of today's AGM, two other Directors will be stepping down whom I wish to pay tribute to.

Mr Richard Lancaster will step down following his retirement as CEO and Mrs Zia Mody who will retire as an Independent Non-executive Director after more than eight years of service on our Board. The Board and I have benefited immensely from your wise counsel in and outside of the boardroom.

To conclude, I had the honour of meeting Mr Xia Baolong, Director of the Hong Kong and Macao Affairs Office in November. Mr Xia Baolong recognised CLP's longstanding commitment to our core markets in Hong Kong and China. This is very encouraging for us as an organisation and reinforces our confidence in the future of CLP's business. Under the leadership of the Board and the new executive team, our Group is well positioned to deliver on our purpose of Powering Brighter Tomorrows.



More than 800 shareholders participated in the 2024 AGM in person and online.



Directors of CLP Holdings welcome shareholders at the 2024 AGM today.



Chairman Sir Michael Kadoorie (second from left) addresses questions from shareholders. Besides him are Vice-chairman Mr Andrew Brandler (left), Chief Executive Officer Mr T.K. Chiang (third from left), Executive Director and former CEO Mr Richard Lancaster (second from right) and Independent Non-executive Director Mr Nicholas Allen (right).

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, Taiwan Region and Thailand. 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. The CLP Group is one of the largest external investor in the energy sector in Mainland China. The Group's wholly-owned subsidiary EnergyAustralia is a leading integrated energy company in Australia, providing gas and electricity to about 2.44 million households and businesses. Apraava Energy, in which CLP has a 50% interest, is one of India's biggest renewable energy producers with operations in power generation and transmission.

CLP Holdings is included in the Global Dow – an index of the world's leading blue-chip companies, in addition to sustainability-focused indices including the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), the Hang Seng Corporate Sustainability Index Series and the FTSE4Good Index series.

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