

# Shareholder Value

## Our Goal:

- Create long-term and sustainable value for shareholders, the Company's ultimate owners.

## How We Achieve This:

- Investing in businesses and projects which leverage our core capabilities and provide long-term returns.
- Maintaining a healthy financial position, upholding our values in managing our businesses, and communicating with our shareholders on important issues.
- Recognising that we are the stewards of our shareholders' investments in the Company and we value their trust and confidence.

## Our Track Record:

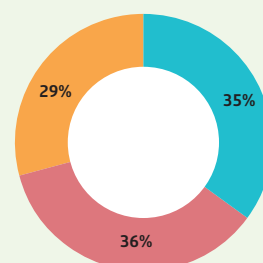
- Annual dividends have not decreased since 1960.
- Annualised rate of total shareholder return of 8.65% over the 10-year period (2010 to 2019).

## Our Shareholders

### Shareholding as at 31 December 2019

Size of Registered Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
500 or below	2,571	13.24	792,567	0.03
501 – 1,000	3,623	18.66	2,909,627	0.11
1,001 – 10,000	8,881	45.75	37,660,523	1.49
10,001 – 100,000	3,859	19.88	110,803,939	4.39
100,001 – 500,000	399	2.06	82,342,144	3.26
Above 500,000	79 <sup>1</sup>	0.41	2,291,941,770	90.72
<b>Total</b>	<b>19,412<sup>2</sup></b>	<b>100.00</b>	<b>2,526,450,570<sup>3</sup></b>	<b>100.00</b>

### Shareholding by Category<sup>4</sup>



- Interests associated with Kadoorie Family – our single largest shareholder group
- Institutional investors – many based in North America, UK, Europe and Asia
- Retail investors – mostly based in Hong Kong

#### Notes:

- Information on the [10 largest registered shareholders](#) in the Company is set out on our website. [🔗](#)
- Actual number of investors is much greater as many shares are held through intermediaries including Central Clearing and Settlement System of Hong Kong (CCASS).
- 54.57% of all our issued shares were held through CCASS.
- The Listing Rules required 25% public float was maintained throughout the year and up to 24 February 2020.

The scale of our shareholders' investment is reflected in the market capitalisation of CLP Holdings which stood at HK\$207 billion as at 31 December 2019. At this time our shares represented 1.67% by weighting of the Hang Seng Index (HSI), Hong Kong's leading listed companies index.

## Delivering Long-Term Value to Shareholders

### Share Price Performance – 2019

Highest closing price  
(22 February 2019)

**HK\$96.85**

Average closing price  
(increase of 1.8% over 2018)

**HK\$86.28**

Lowest closing price  
(2 September 2019)

**HK\$78.40**

Movement for 2019 **↓ 7.5%**

HK\$81.90 (31 December 2019)

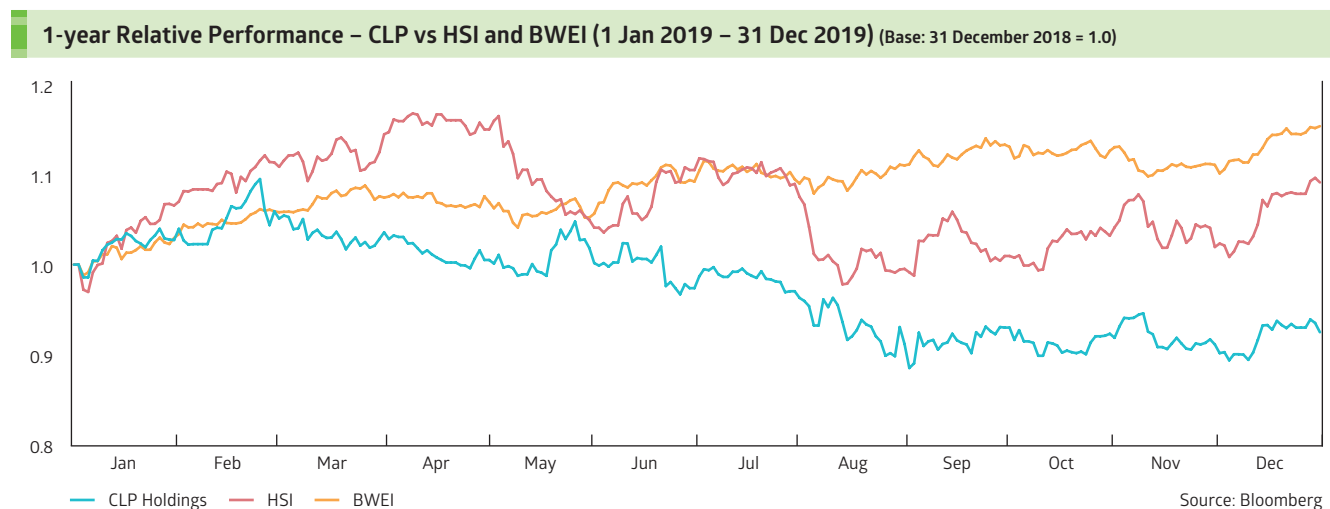
HK\$88.50 (31 December 2018)

## Shareholder Value

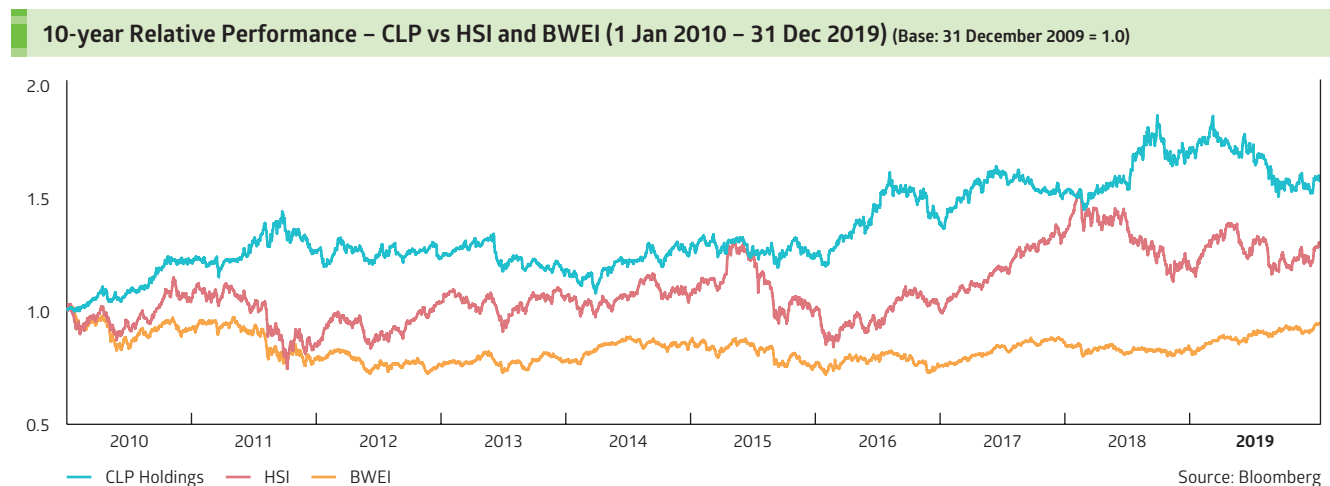
CLP Holdings' shares commenced 2019 in a positive trajectory and reached an all-time high closing price of HK\$96.85 on 22 February 2019. The stock declined following the 2018 annual results announcement in late February and continued on a softening trajectory for several months, weighed down by external and internal factors including negative market sentiment from trade tensions between China and the United States, ongoing civil unrest in Hong Kong, re-regulation of retail electricity prices in Australia, and constrained operations at our two largest power plants in Australia. The stock regained some ground in the fourth quarter and traded in a fairly constant range through to the end of the year.

CLP Holdings' share price finished the year down by 7.5% relative to the start of the year. By comparison, the HSI and the Bloomberg World Electric Index (BWEI) were up by 9.1% and 15.3% respectively.

This comparison is shown in the chart below.



The trend shown in the 10-year Relative Performance chart below represents the share price changes compared with the closing price 10 years ago.



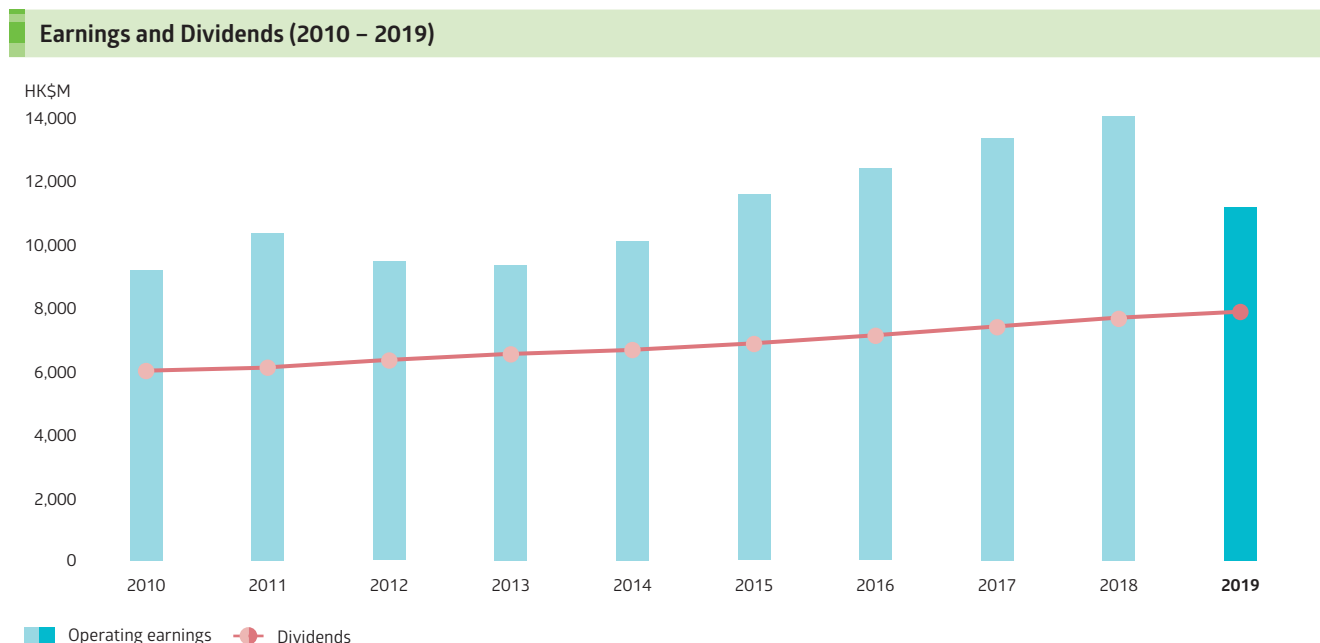
## Through Dividend Payments

CLP's Dividends Policy, adopted by the Board in February 2019, aims to provide reliable and consistent ordinary dividends with steady growth when supported by our earnings whilst ensuring that a solid financial position can be maintained to fund our business growth. In line with our established practice, our ordinary dividends are paid four times a year in each of the quarters.

[CLP's Dividends Policy](#) is available on the CLP website. [🔗](#)

Our shareholders, whether institutional or retail investors, have continued to emphasise the importance they attach to a consistent dividend stream with gradual growth from their investment in CLP shares. In fact, our annual dividends have not decreased since 1960 – a solid record maintained over the past 59 years.

The following chart demonstrates that we have maintained a stable dividend stream, despite fluctuations in earnings over the period.



### Past 10 years (2010-2019)

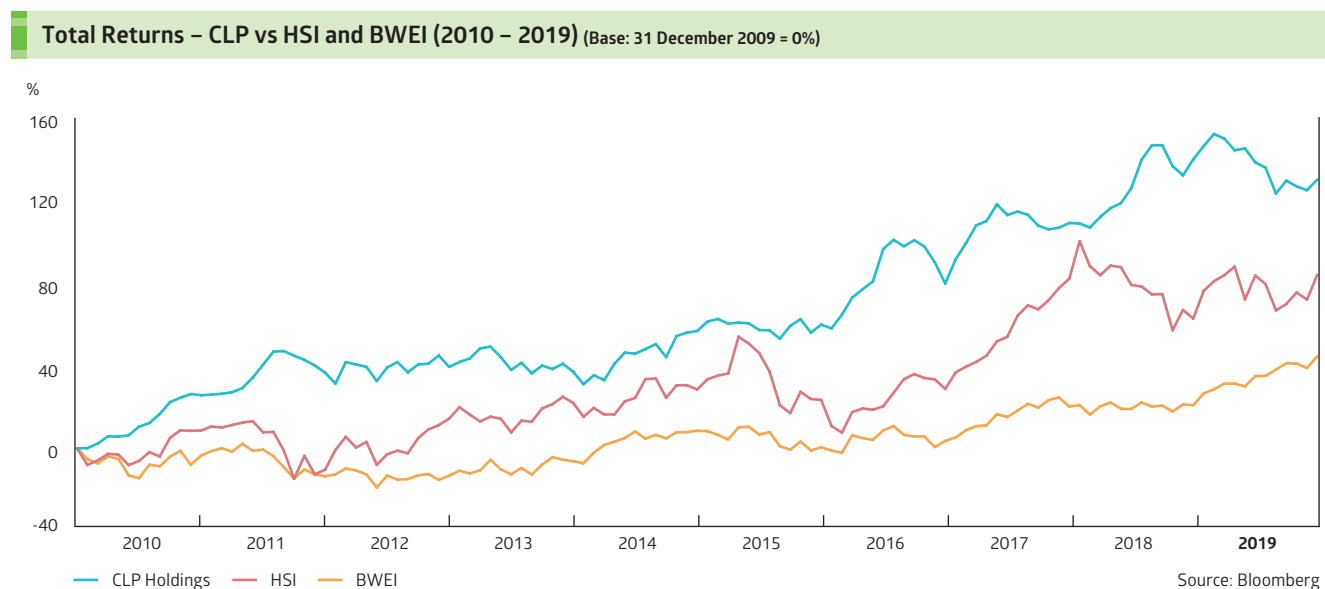
CLP has provided reliable and consistent ordinary dividend payments over the past 10-year period. There was a steady growth in our dividend payments over the last five years where the average year to year growth was around 3.3% and this has been supported by a corresponding increase in earnings other than in 2019 where earnings fell against 2018. For the past 10 years, the average year to year growth was approximately 2% and the dividend payouts were in the range of 55% to 66% of operating earnings, except for 2013 and 2019 when our payout ratio rose to 70% of operating earnings.

The total dividends declared for 2019 were HK\$3.08 per share representing an increase of 2.0% over the total dividends for 2018. The dividend payout ratio for 2019 was 70% of operating earnings.

## Shareholder Value

### Through Total Returns

Total returns to shareholders come from the combination of share price appreciation and dividend payments over time. During the 10-year period from 2010 to 2019, CLP provided an annualised rate of return of 8.65%, as compared with 6.26% for the HSI and 3.74% for the BWEI.



### CLP Shares – Investment Comparison

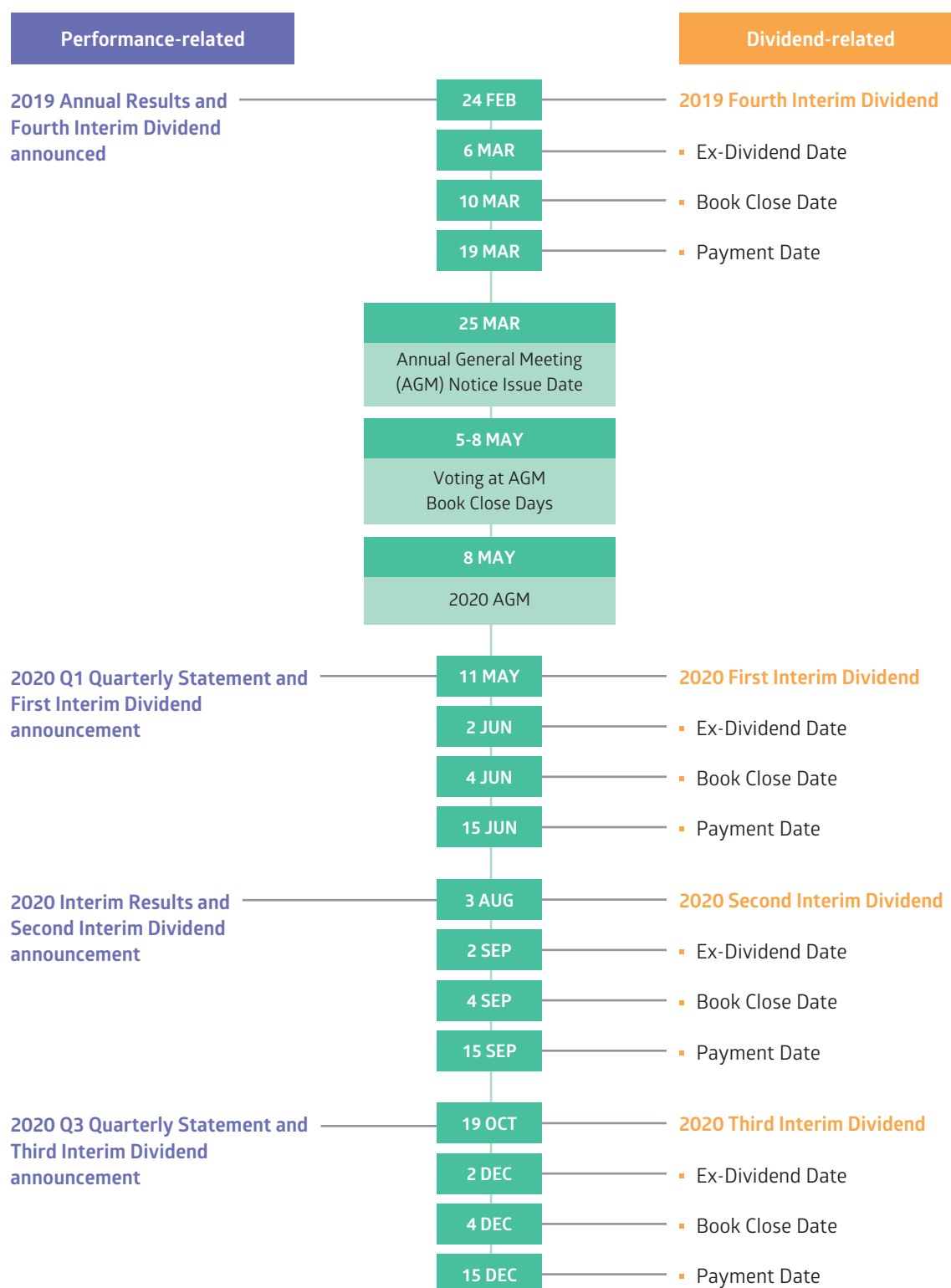
For reference only, we have set out below our share price performance and the performance of some comparable investments which our shareholders might make. We have assumed that during the period of 1, 5 and 10 years prior to 31 December 2019, an investor has put HK\$1,000 into each of these investments every year. We have then compared the total worth of these investments (including bonus shares and dividends or interest reinvested) at the end of each of the three periods.

Investment Returns	Total Investment Worth at 31 December 2019		
	1-Year Period HK\$	5-Year Period HK\$	10-Year Period HK\$
CLP	959	6,242	15,367
Tracker Fund of Hong Kong	1,129	6,458	14,957
Hong Kong and China Gas	1,054	7,010	17,360
Power Assets Holdings	1,101	5,861	15,497
HK Electric Investments	1,018	7,047	N/A
HK\$ 1-Year Fixed Deposits	1,023	5,240	10,697

Adapted from Bloomberg

## Key Dates for 2020

The following are the key shareholder-related dates and events:



Any changes to these dates will be published on our [website](#). 

Any shareholders who have questions or comments are most welcome to contact us by calling our shareholders' hotline on (852) 2678 8228 from 9 a.m. to 5 p.m. (Monday to Friday, excluding Hong Kong public holidays) or email to cosec@clp.com.hk (Company Secretary) or ir@clp.com.hk (Director – Investor Relations).