

CLP Holdings 2021 Interim Results Analyst Briefing

2 August 2021

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Agenda

Overview & Strategy

Richard Lancaster

Chief Executive Officer

Financial Performance & Outlook

Nicolas Tissot

Chief Financial Officer



First Half Overview



CLP has joined the Government's Outreach Vaccination Programme to facilitate employees to get vaccinated against COVID-19 on company premises

Investing in the energy transition across our portfolio



Progress on decarbonisation



Safe and reliable operations and customer service



Sustained investment to reduce carbon emissions



Pursue growth with a focus on non-carbon investments in the Greater Bay Area



New, flexible, clean energy projects to support the energy transition




Low carbon investment along the electricity supply chain

Lower Operating Earnings, dependable Dividend, reliable Operations

Operating Earnings & Op. EPS

HK\$5,698 million

HK\$2.26 per share


7.0% 

Dividend & Yield

1st & 2nd interim dividend HK\$0.63

Dividend yield ⁽¹⁾ 4.0%

Generation

Electricity sent out 44.9TWh 8.5%

In Operation ⁽²⁾	24.2GW	0.7	↑
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Category	Capacity (GW)	Share (%)	Change
Under Construction ⁽²⁾	0.7GW	0.1	↑

Customers

Reliability in Hong Kong ⁽³⁾ 0.97 0.29 

Customer | Hong Kong 2.687m 37k 

Accounts	Australia	2.435m	17k	↓
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Financial Performance & Outlook

Commission of Laiwu III Wind
Farm, Shandong, Mainland China,
in September 2020

Financial Performance Highlights


Revenue

HK\$40,729 million

5.2% 


EBITDAF ⁽¹⁾

HK\$12,953 million

1.6% 


ACOI ⁽¹⁾

HK\$8,379 million

2.8% 


Operating Earnings ⁽¹⁾

HK\$5,698 million

7.0% 


Total Earnings

HK\$4,615 million

23.2% 

Capital Investment ⁽²⁾

HK\$5,960 million

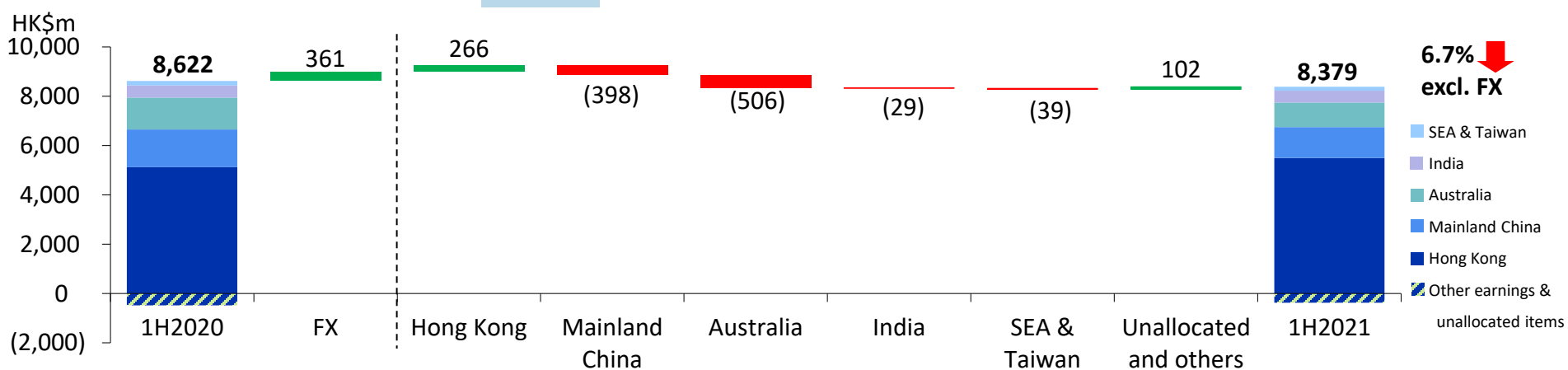
3.3% 

Hong Kong higher while Mainland China, Australia & one-offs lead earnings lower

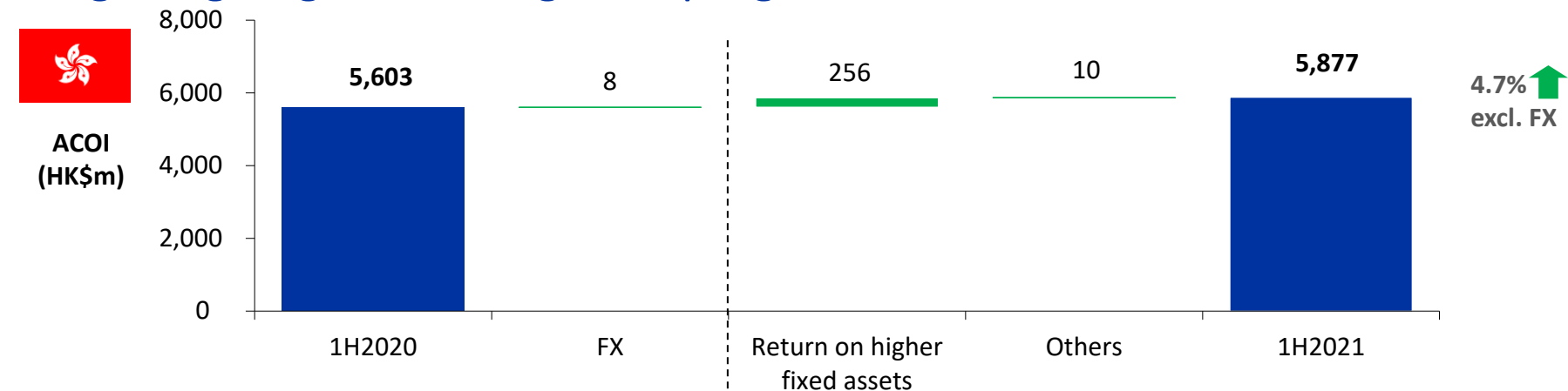
HK\$M	1H2021	1H2020	Change
<u>Operating Earnings</u>			
Hong Kong electricity and related activities	4,019	3,853	↑ 4.3%
Mainland China	962	1,253	↓ 23.2%
Australia	837	1,194	↓ 29.9%
India	111	108	↑ 2.8%
Southeast Asia and Taiwan	152	183	↓ 16.9%
Other earnings and unallocated items	(383)	(462)	↑ 17.0%
<u>Operating Earnings</u>	5,698	6,129	↓ 7.0%
Items affecting comparability ⁽¹⁾	(1,083)	(119)	
<u>Total Earnings</u>	4,615	6,010	↓ 23.2%

Hong Kong higher, thermal earnings lower in Mainland China and overseas

HK\$m	1H2021	1H2020	
Hong Kong electricity and related activities	5,877	5,603	Higher earnings and progress on decarbonisation
Mainland China	1,250	1,533	Steady operations but high coal prices compress margins
Australia	996	1,284	Declining wholesale electricity prices drive earnings down
India	476	499	Major maintenance at Jhajjar more than offset higher renewables contribution
Southeast Asia and Taiwan	158	183	Ho-Ping earnings reduced on lower energy tariff
Other earnings and unallocated items	(378)	(480)	Largely driven by the net fair value gains on Innovation investments
ACOI	8,379	8,622	2.8% decrease (6.7% decrease excluding FX)



Hong Kong: Higher earnings and progress on decarbonisation



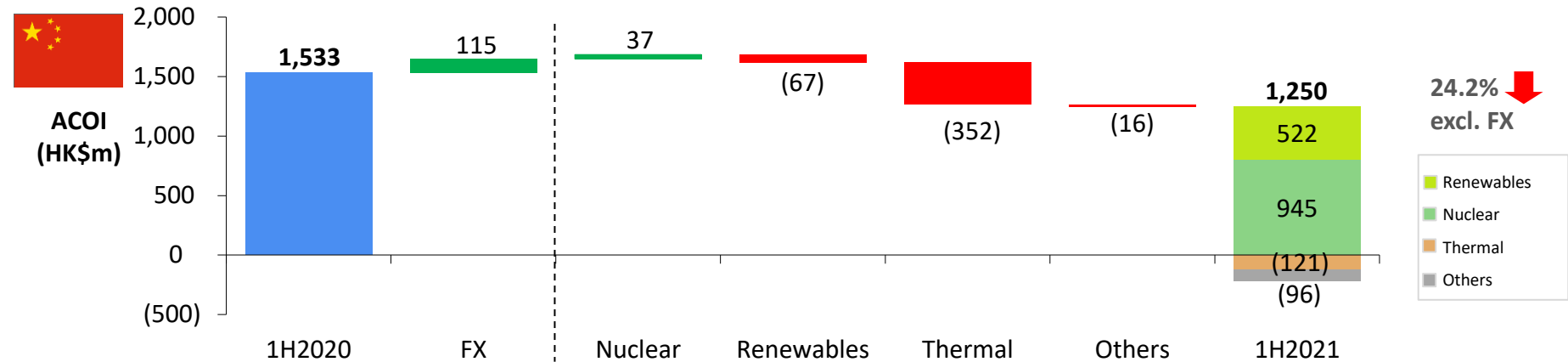
Performance

- **ACOI:** Up 4.7% reflecting increased investment in fixed assets
- **Capex: HK\$4.8 bn:** T&D HK\$2.1 bn; Generation HK\$2.7 bn
- **Local Sales up 4.4%:** Higher sales to all sectors
- **Decarbonisation:** 1st CCGT (D1) on-line, D2 construction commenced, Offshore LNG Terminal progressed
- **Smart City:** Milestones include >1 million smart meters & >100MW of feed-in tariff projects connected

Outlook

- **Progress major project investments** under the current 5-year Development Plan for 2018-2023
- **Accelerate transformation:** Digitalisation, renewable energy, energy efficiency & conservation initiatives
- **Maintain highly reliable power supply**, and support our customers, communities and employees
- **Continue to engage with Government** on plans to decarbonise the electricity sector by 2050, leveraging on closer integration with the Greater Bay Area

Mainland China: Steady operations but high coal prices compress margins



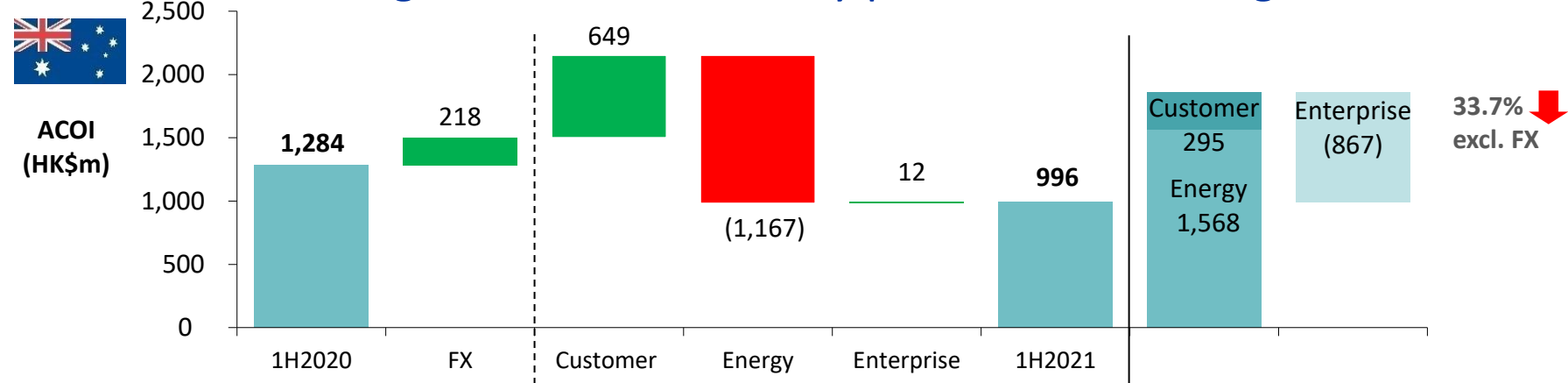
Performance

- **ACOI down 24.2%:** Higher nuclear & wind partially offset lower thermal and hydro
- **Nuclear:** >70% of Mainland China earnings. Higher YJ generation offset by DB planned refuelling outage
- **Renewables:** Lower hydro partially offset by new earnings from Laiwu III Wind and solar steady
- **Thermal:** Lower due to higher coal costs and higher costs as Shandong assets approach their end of life
- **Continuing delay in payment of national subsidies** for renewables impacting cash flow

Outlook

- Develop **energy infrastructure** initiatives and **energy-as-a-service** opportunities in the Greater Bay Area
- **Market competition** anticipated to continue with increased pressure on margins on thermal
- Actively participate in the evolution of **market regulations and carbon trading**
- **Pursue opportunities** resulting from carbon neutral targets of Hong Kong and Mainland China as Hong Kong and the **Greater Bay Area integration** accelerates

Australia: Declining wholesale electricity prices drive earnings down



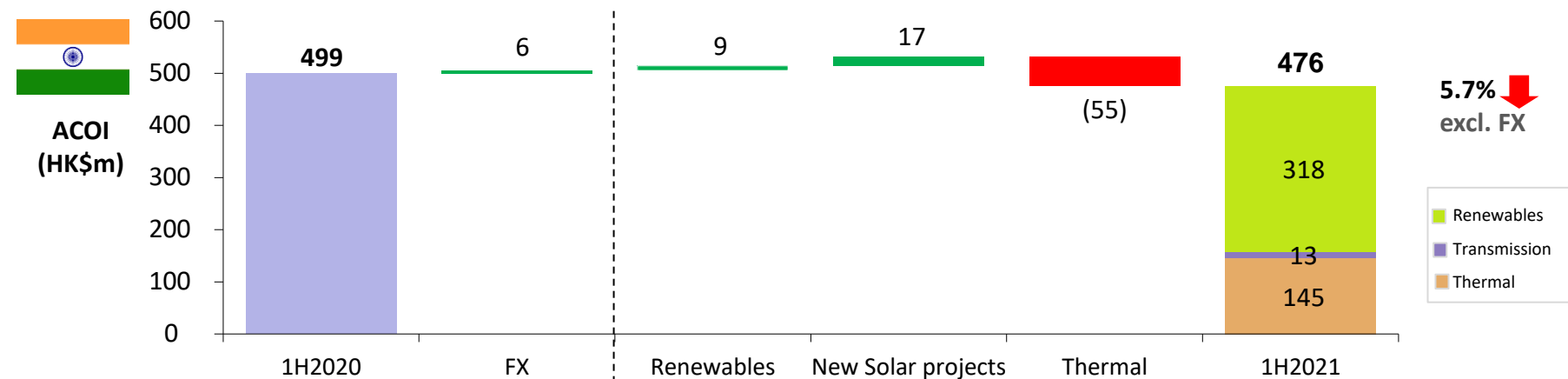
Performance

- **ACOI:** 33.7% down after FX as Energy segment declines, partially offset by Customer cost improvements
Customer: Lower energy procurement & hedging costs and lower bad debt. Slight reduction in customer accounts. Continuing emphasis on operational efficiency and cost reductions
- **Energy:** Margins declined as anticipated on lower wholesale prices and higher gas supply costs. Accelerated depreciation on Yallourn early closure & restriction in operations after extreme rainfall also impacted ACOI

Outlook

- Progress assessment of **Morwell River Diversion** to ensure safe operation at the Yallourn coal mine following exceptional rainfall
- Continued pressure on wholesale margins from **lower forward prices** and **high gas supply costs**
- Longer term: Continuing emphasis on **service excellence** and progressing towards a lower emission portfolio including **Wooreen Battery, Tallawarra B, Kidston pumped hydro storage and customer-based distributed resources**, and planning for the **early closure of Yallourn**

India: Major maintenance at Jhajjar more than offset higher renewables contribution



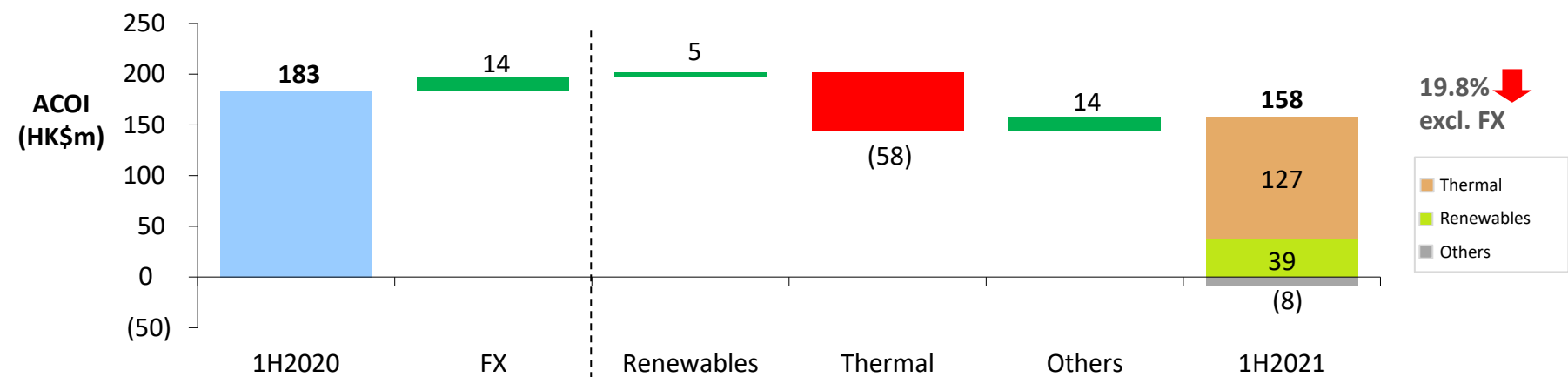
Performance

- **Wind:** Higher wind generation & interest received on delayed payment from renewable debtors in 1H2021
- **Solar:** Full 6-month contribution from two new solar projects totalling 48MW
- **Thermal:** Lower capacity tariff & higher O&M costs at Jhajjar due to major planned maintenance
- **Transmission:** Reliable operation with stable earnings

Outlook

- **Renewable receivables:** Continue to pursue outstanding receivables
- **New projects:** Progress Sidhpur wind farm construction & acquire inter-state transmission asset
- **Continue investments in non-carbon assets** along the electricity supply chain

SEA & Taiwan: Ho-Ping earnings reduced on lower energy tariff



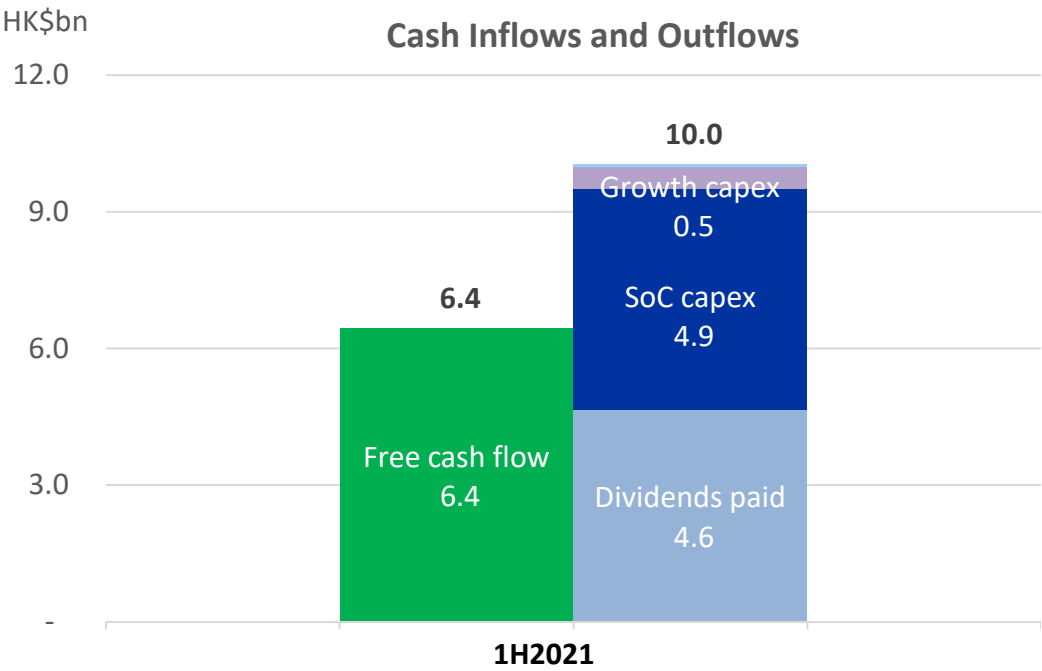
Performance

- **Renewables:** Stable earnings with steady solar resource
- **Thermal:** Lower earnings from Ho-Ping reflecting lower energy tariff & lower generation
- **Others:** Lower development expenditure

Outlook

- **Thermal:** Margins for the balance of 2021 under pressure as coal prices continue to rise
- **Lopburi Solar:** Reduction in contribution from late 2021 following tariff reduction under the PPA
- **Renewables:** Explore opportunities in the region

Sound Cash Flow Generation



- Cash flow generation similar to 1H2020, following the normal yearly profile
- Dividend paid at HK\$4.6 bn
- Total capital investment of HK\$5.4 bn
 - HK\$4.9 bn SoC capex for network improvement and decarbonisation in Hong Kong
 - HK\$0.5 bn growth capex for development and upgrade of generation assets in Australia, and construction of wind projects in Mainland China and India

Strong financial position

Net Debt

HK\$47.9 billion

Net Debt/Total Capital

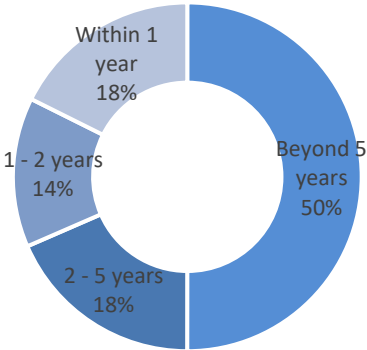
27.4%

Credit Ratings

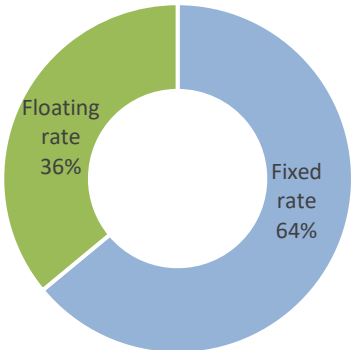
	S&P	Moody's
CLP Holdings	A Stable	A2 Stable
CLP Power HK	A+ Stable	A1 Stable
CAPCO	AA- Stable	A1 Stable

- Strong financial position
 - Healthy level of net debt and net debt/total capital ratio
 - Credit ratings reaffirmed in May and June
 - Undrawn debt facilities of HK\$29.3bn
 - Bank balances of HK\$8.6bn
- Net debt increased HK\$5.3bn to HK\$47.9bn in line with usual seasonal trend
- Successful financing initiatives with CAPCO's US\$300m Energy Transition Bond and CLP Power Hong Kong's US\$300m bond
- Geographical regions are self-funding – non-recourse to CLP Holdings
- All foreign currency bonds swapped into Hong Kong dollars, longer tenure and higher proportion of fixed rate borrowings mitigate foreign exchange and interest rate risks

Debt Maturity



Debt Composition

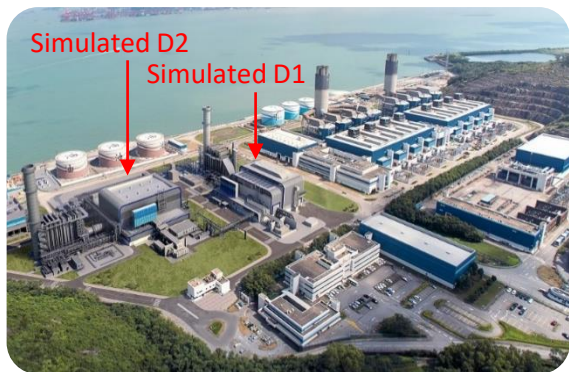


Corporate Video – A Clear Blue Sky:

You and I. Together, we can
help Hong Kong towards its goal
of carbon neutrality by 2050,
creating clearer bluer skies



Accelerating the decarbonisation journey in Hong Kong

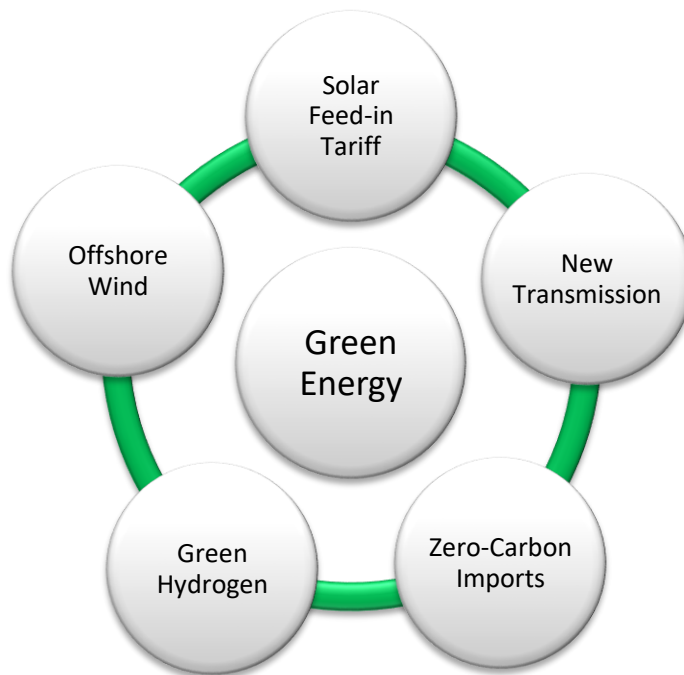


Construction of D1 & D2 CCGTs



Construction of the Offshore LNG terminal

Towards Carbon Neutral by 2050



Clean Energy Transmission System



Potential Offshore Wind Farm

Leveraging Hong Kong capabilities and connecting with the Greater Bay Area



Potential Offshore
Wind Farm



Clean Energy
Transmission System

Low carbon generation



Smart energy
technologies



CLP joins CSG Energy Innovation
Equity Investment Fund in GBA



Clean energy and smart city
technology

Investments & Partnerships



Integrated Smart Incremental
Distribution Network



District Cooling



LNG Bunkering
in HK



Data Centres

Energy Infrastructure



Corporate
PPA



Distributed
Energy



E-Transportation



Energy Management



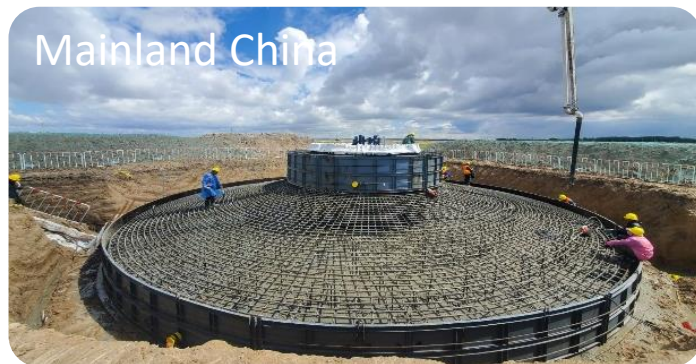
Home Concierge in HK

Energy as a Service

Developing decarbonisation solutions for customers



Investing in the Energy Transition across our Operations



Mainland China

Qian'an III (100MW) wind project with
5MW battery storage, Jilin, Mainland China



India

Mahidad wind farm,
Gujarat, India

Sidhpur (252MW) wind project
in Gujarat, India



Australia

Battery Storage at Ballarat,
Victoria, Australia

Committed Wooreen (Jeeralang) 350MW
four-hour battery, Victoria, Australia



Australia

Tallawarra plant,
NSW, Australia

Tallawarra B open cycle gas/hydrogen
fired power plant 316MW, NSW, Australia

Building the Utility of the Future



Customer Centricity

Decarbonisation

Digitalisation

Workforce Transformation

New Business Models

Questions and Answers

Installation of solar panel system by CLPe Solutions at campus of the English Schools Foundation (ESF), smart meter installation and the purchase of CLP Renewable Energy Certificates by Rosewood Hong Kong (clockwise from left)



Appendices

A new CLP E-Playground
in Tai Po offers a new
dimension in learning for young
people curious about the electricity
that powers their daily lives



CLP Group – Financial Highlights

	1H2021	1H2020	Change
Operating earnings (HK\$M)	5,698	6,129	-7.0%
Total earnings (HK\$M)	4,615	6,010	-23.2%
Operating earnings per share (HK\$)	2.26	2.43	-7.0%
Total earnings per share (HK\$)	1.83	2.38	-23.2%
Dividends per share (HK\$)			
First interim dividend	0.63	0.63	-
Second interim dividend	0.63	0.63	-
Total interim dividends	1.26	1.26	-
Capex (HK\$M) - Cash basis			
SoC Capex	4,861	4,722	+2.9%
Other Capex	1,099	1,047	+5.0%
Revenue (HK\$M)	40,729	38,701	+5.2%
Leverage	30 Jun 2021	31 Dec 2020	
Net Debt (HK\$M)	47,912	42,640	+12.4%
Net Debt/Total Capital (%)	27.4%	25.1%	+2.3%

CLP Group – Operating Highlights

	1H2021	1H2020	Change
Safety (Total Recordable Injury Rate) ⁽¹⁾	0.20	0.25 ⁽¹⁾	-0.05
Electricity sent out (TWh) ⁽²⁾	44.9	41.4	+8.5%
Generation and Storage Capacity (GW) ⁽²⁾			
Total in Operation	24.2	23.5	+0.7
Non-Carbon Emitting ⁽³⁾	6.0	6.0	-
Committed / Under Construction	0.7	0.6	+0.1
Customer Accounts (Thousand)			
Hong Kong	2,687	2,650	+37
Australia	2,435	2,452 ⁽⁴⁾	-17
Hong Kong local electricity sales (TWh)	16.4	15.7	+0.7
Reliability in Hong Kong (minutes lost pa) ⁽⁵⁾			
Excluding Typhoon Mangkhut	0.97	1.26	-0.29
Including Typhoon Mangkhut	9.74	10.03	-0.29

(1) 2020 Figures were revised to reflect the reclassification of two cases & minor adjustments to the number of hours worked. From 2021, the figures are for work-related injury only.

(2) Equity basis plus long-term capacity and energy purchase arrangements. Includes battery discharge capacity

(3) Non-carbon emitting includes wind, hydro, solar and nuclear

(4) Prior year adjustments

(5) Unplanned customer minutes lost - average of the past 36 months

Earnings for Hong Kong and Items affecting comparability

HK\$M	1H2021	1H2020
Local electricity business	3,885	3,751
PSDC and Hong Kong Branch Line	134	102
Hong Kong electricity and related activities	4,019	3,853
HK\$M	1H2021	1H2020
Australia – Litigation Settlement	(777)	-
Australia – Provision for Morwell River Diversion solution	(265)	-
Hong Kong – Revaluation loss on investment property	(41)	(119)
Items affecting comparability	(1,083)	(119)

Australia Litigation Settlement

- Litigation Settlement. For further details see page 25 of the Hong Kong Stock Exchange Announcement “CLP Holdings Limited 2021 Interim Results Announcement” which can be found [here](#)



Australia Provision for Morwell River Diversion solution

- Provision for ensuring safe operation at the Yallourn coal mine following exceptional rainfall for EnergyAustralia. Further information see page 25 of the Hong Kong Stock Exchange Announcement “CLP Holdings Limited 2021 Interim Results Announcement” which can be found [here](#)

Hong Kong Revaluation loss on investment property

- Retail portion of the Laguna Mall in Hong Kong

Reconciliation of Operating Earnings to ACOI

HK\$M	1H2021	1H2020	Change
Operating Earnings (Attributable to CLP)	5,698	6,129	 7.0%
Exclude:			
Fair value adjustments	264	397	
Net finance costs ⁽¹⁾	(925)	(880)	
Income tax expense	(1,571)	(1,576)	
Non-controlling interests	(449)	(434)	
ACOI	8,379	8,622	 2.8%

(1) Included the distribution to perpetual capital securities holders

Adjusted Current Operating Income or ACOI

- ACOI equals EBIT excluding items affecting comparability and fair value adjustments, and includes the Group's share in net earnings from joint ventures and associates

Fair value adjustments

- Predominantly favourable movement as a result of EnergyAustralia's energy derivative contracts impacted by lower forward electricity prices in both periods

Net finance costs ⁽¹⁾

- Moderate increase in net finance cost mainly attributable to higher average debt level partly offset by lower average interest rates

Income tax expense

- Higher tax from higher earnings from Hong Kong, mostly offset by lower tax from lower earnings from Australia

Non-controlling interests

- CSG's 30% share of CAPCO
- CDPQ's 40% share of CLP India

CLP Group – Reconciliation of Operating Earnings and ACOI

HK\$M	Hong Kong electricity and related	Mainland China	Australia	India	SEA & Taiwan	Other earnings & unallocated items	Group total
1H2021							
Operating Earnings (as per Segment Information in Annual Report)	3,905	1,096	837	111	152	(403)	5,698
Reallocation of PSDC & HK Branch Line	134	(134)	-	-	-	-	-
Reallocation of Other earnings	(20)	-	-	-	-	20	-
Operating Earnings (as per Management Reporting in this presentation pack)	4,019	962	837	111	152	(383)	5,698
Add back							
Non-controlling interests	371	2	-	76	-	-	449
Net finance costs *	530	127	63	201	-	4	925
Income tax expense	950	159	367	88	6	1	1,571
Fair value adjustments #	7	-	(271)	-	-	-	(264)
ACOI	5,877	1,250	996	476	158	(378)	8,379
1H2020							
Operating Earnings (as per Segment Information in Annual Report)	3,639	1,355	1,194	108	183	(350)	6,129
Reallocation of PSDC & HK Branch Line	102	(102)	-	-	-	-	-
Reallocation of Other earnings	112	-	-	-	-	(112)	-
Operating Earnings (as per Management Reporting in this presentation pack)	3,853	1,253	1,194	108	183	(462)	6,129
Add back							
Non-controlling interests	355	5	-	74	-	-	434
Net finance costs/(income) *	523	119	32	227	-	(21)	880
Income tax expense	857	156	470	90	-	3	1,576
Fair value adjustments #	15	-	(412)	-	-	-	(397)
ACOI	5,603	1,533	1,284	499	183	(480)	8,622

* Including net fair value loss/(gain) on debt related derivative financial instruments, and other net exchange loss/(gain) on financing activities and distribution to perpetual capital securities holders

Including net fair value loss/(gain) on non-debt derivative financial instruments relating to transactions not qualifying as hedges and ineffectiveness of cash flow hedges

CLP Group – Cash Flow and Financial Structure

HK\$M	1H2021	1H2020
<u>Cash Flow</u>		
EBITDAF	11,423	12,628
Less: Items affecting comparability	1,530	119
Recurring EBITDAF	12,953	12,747
Less: Movement in SoC items	(3)	(432)
Less: Movement in working capital & others	(4,501)	(3,963)
Funds from operations	8,449	8,352
Less: Tax paid	(1,902)	(1,858)
Less: Net finance costs paid	(948)	(1,003)
Less: Maintenance capex	(567)	(465)
Add: Dividends from joint ventures & an associate	1,413	1,265
Free Cash Flow	6,445	6,291
<u>Capital Investments</u> ⁽¹⁾		
• SoC capex ⁽²⁾	4,861	4,722
• Maintenance capex ⁽²⁾	567	465
• Growth capex ⁽²⁾	483	248
• Others ⁽³⁾	49	126
• Acquisitions of businesses	-	208
Total (including Maintenance capex)	5,960	5,769
Total (excluding Maintenance capex)	5,393	5,304
<u>Dividend paid</u>	4,649	4,598

Cash Flow

- Higher free cash flow mainly reflected improved SoC inflows on higher sales and favourable working capital movements offset by higher maintenance capex in Australia

Capital Investments

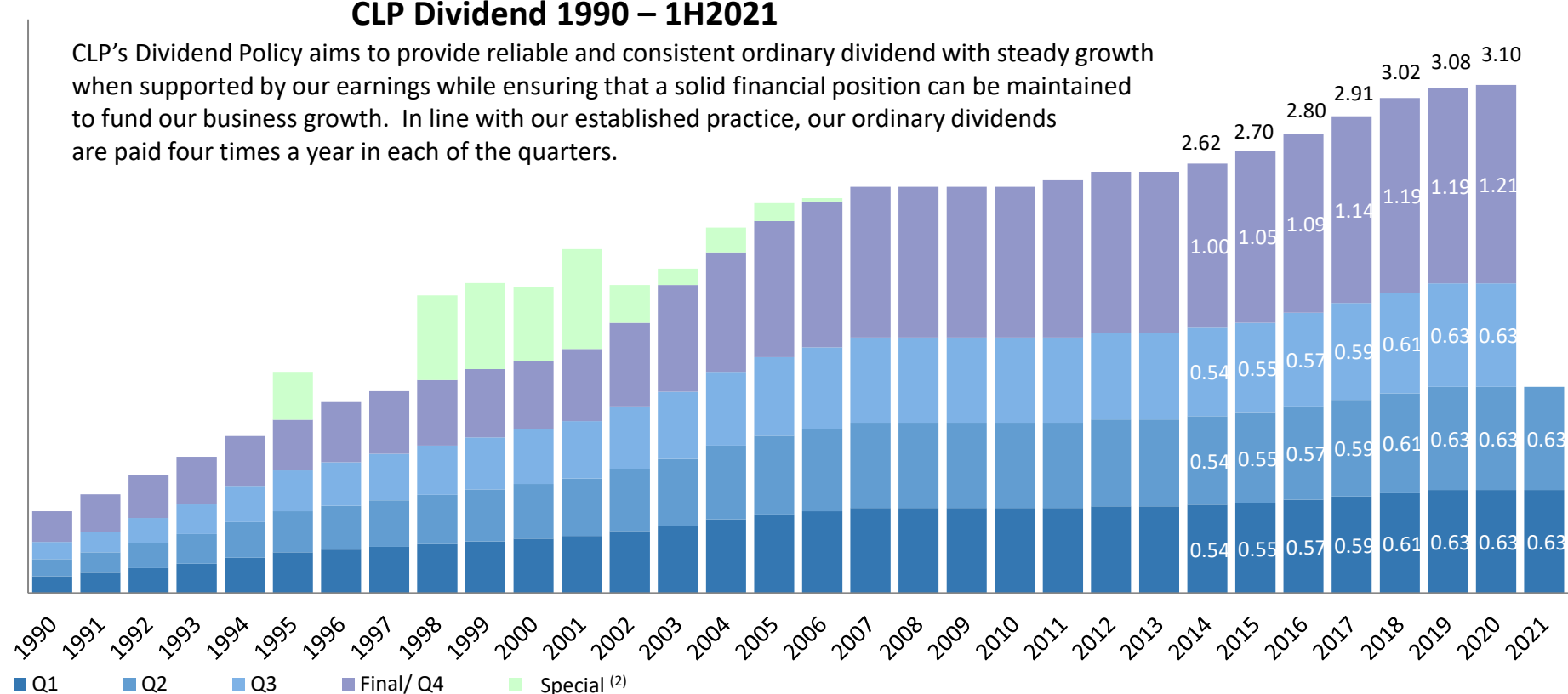
- HK\$4.9 billion SoC capex related to enhancement of transmission and distribution networks and generation facilities including construction of CCGT units and Offshore LNG Terminal
- Growth capex mainly included our investments in renewable projects in Mainland China and India, as well as commencement of construction works for Tallawarra B and turbine upgrade at Mount Piper in Australia
- Maintenance capex mainly works at Yallourn and Ecogen in Australia
- Other capex mainly related to intangible additions in Australia offset by capital repayment after divestment of two minority-owned wind projects in China

- Capital investments include fixed assets, right-of-use assets, investment property, intangible assets, investments in and advances to joint ventures and associates, and acquisition of business/asset
- Capital expenditure on fixed assets and right-of-use assets are analysed into
 - SoC capex - capital expenditure related to the SoC business
 - Growth capex - capital expenditure for additional generation capacity
 - Maintenance capex - capital expenditure other than the above
- Capital investments on intangibles assets and investments in and loans to joint ventures and associates

CLP Group – Dividend⁽¹⁾ History

CLP Dividend 1990 – 1H2021

CLP's Dividend Policy aims to provide reliable and consistent ordinary dividend with steady growth when supported by our earnings while 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.



(1) Dividend adjusted for one bonus share issued for every five existing shares in 1993 and 2001

(2) Special dividends mainly relate to major property development and one additional interim dividend due to change of accounting year in 1999

CLP Group – Financial Obligations at a Glance

HK\$M

HONG KONG

Total borrowings of CLPP, CAPCO & PSDC

Minus: Bank balances and liquid funds

Net Debt – Hong Kong

OUTSIDE HONG KONG

Total borrowings of India and Mainland China subsidiaries
(non-recourse to CLPH)

Minus: Bank balance and liquid funds

Net debt – Outside Hong Kong

CONSOLIDATED total borrowings

Minus: Consolidated bank balance and liquid funds

Consolidated Net debt

Total Debt/Total Capital

Net Debt/Total Capital

30 Jun 2021

31 Dec 2020

45,860

(4,633)

41,227

10,630

(3,945)

6,685

56,490

(8,578)

47,912

30.8%

27.4%

43,449

(6,598)

36,851

10,899

(5,110)

5,789

54,348

(11,708)

42,640

30.0%

25.1%

Increase in the Group's net debt to total capital was mainly due to higher net debt to finance capital expenditure for business growth

CLP Group – Credit Ratings

	CLP Holdings		CLP Power		CAPCO		EnergyAustralia
	S&P	Moody's	S&P	Moody's	S&P	Moody's	S&P
<u>Long-term Rating</u>							
Foreign Currency	A	A2	A+	A1	AA-	A1	BBB+
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Local Currency	A	A2	A+	A1	AA-	A1	BBB+
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable
<u>Short-term Rating</u>							
Foreign Currency	A-1	P-1	A-1	P-1	A-1+	P-1	-
Local Currency	A-1	P-1	A-1	P-1	A-1+	P-1	-

In May and June 2021, S&P and Moody's affirmed the credit ratings of CLP Holdings, CLP Power Hong Kong and CAPCO with stable outlooks.



CLP Holdings: Ample liquidity in the Group at 30 June 2021

- Undrawn facilities HK\$29.3 billion, bank balances HK\$8.6 billion.

Scheme of Control – Climate Action Financing: Successful financing for CCGT D2 project

- CAPCO issued a US\$300 million (HK\$2.3 billion) 10-year, 2.125% energy transition bond in February. The bond carried a 0.875% credit spread over 10-year US Treasury Notes. The spread was the narrowest of all 10-year bonds previously offered by the CLP Group and reportedly the tightest among all non-public sector debt offerings by corporations in Hong Kong. The Energy Transition Bond was more than 4.6 times over-subscribed with over US\$1.4 billion in orders from investors globally.
- CAPCO executed HK\$5.3 billion one- and three-year energy transition revolving loan agreements with four banks at attractive interest rates.

Scheme of Control – Cost effective financing arrangements

- CLP Power Hong Kong issued a US\$300 million (HK\$2.3 billion) 10-year, 2.25% bond in July. The bond was competitively priced at 0.9% credit spread over 10-year US Treasury Notes at the time of issuance. This offering was more than 1.6 times over-subscribed with over US\$500 million in orders from investors globally.
- Issued a A\$24 million (HK\$144 million) 15-year private bond at a 2.99% coupon rate.

Mainland China: Continued financing at competitive terms

- Arranged a RMB300 million (HK\$360 million) two-year offshore revolving bank loan facility and a RMB587 million (HK\$705 million) 15-year onshore non-recourse project loan facility at competitive terms.

EnergyAustralia: Successful refinancing and healthy liquidity position

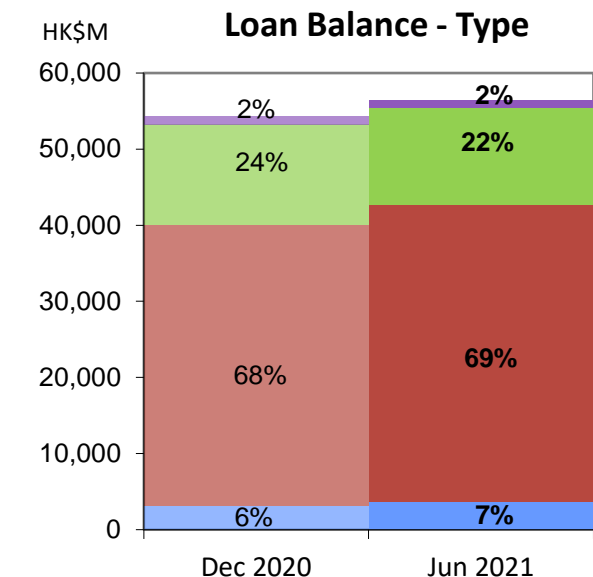
- Extended the maturity dates of a A\$300 million (HK\$1.7 billion) working capital facility by three years to June 2024 and a A\$400 million (HK\$2.3 billion) bank guarantee and reimbursement facility by three years to March 2024 at competitive terms.
- Maintained a bank balance equivalent to HK\$1.8 billion with a zero debt balance at the end of June 2021.

India: Supporting business portfolio expansion

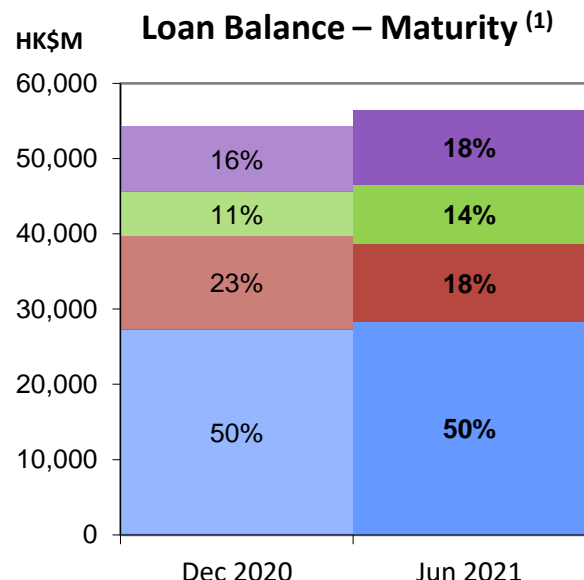
- Arranged Rs12.9 billion (HK\$1.3 billion) of bank facilities, mainly to support development of renewable energy projects, at competitive interest rates.

Remark: The proceeds of all foreign currency bonds issued so far this year in Scheme of Control business were fully swapped into Hong Kong dollars at favourable fixed rates to fully mitigate foreign exchange and interest rate risks.

CLP Group – Loan Balances by Type and Maturity

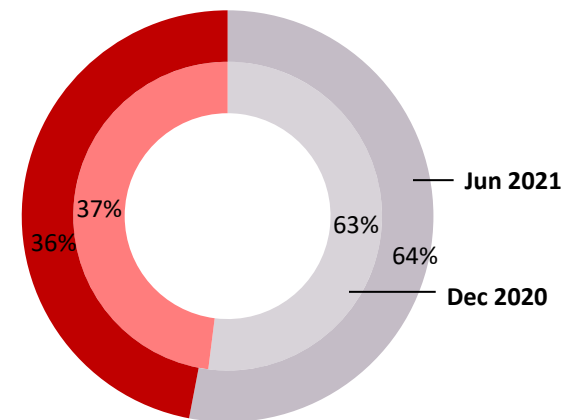


■ Export Credit Loan
■ Term Loans
■ Medium Term Notes / Private Placement / Bonds
■ Money Market Line



■ Within 1 year
■ 1 - 2 years
■ 2 - 5 years
■ Beyond 5 years

Proportion of debt on fixed and floating rate



■ Floating rate ⁽²⁾ ■ Fixed rate

- 1) The maturity of revolving loans is in accordance with the maturity dates of the respective facilities instead of the current loan drawdown tenors
- 2) For floating rate borrowings, if assuming 1% increase in interest rate and based on outstanding debt balance as at 30 June 2021, the additional interest payment is around HK\$205 million per annum
- 3) CLP continues to obtain debt (re)financing at very cost effective interest rates. Some representative examples in 1H2021 are highlighted on slide 35 of this presentation pack ("CLP Group – Highlights of Financing Activities")

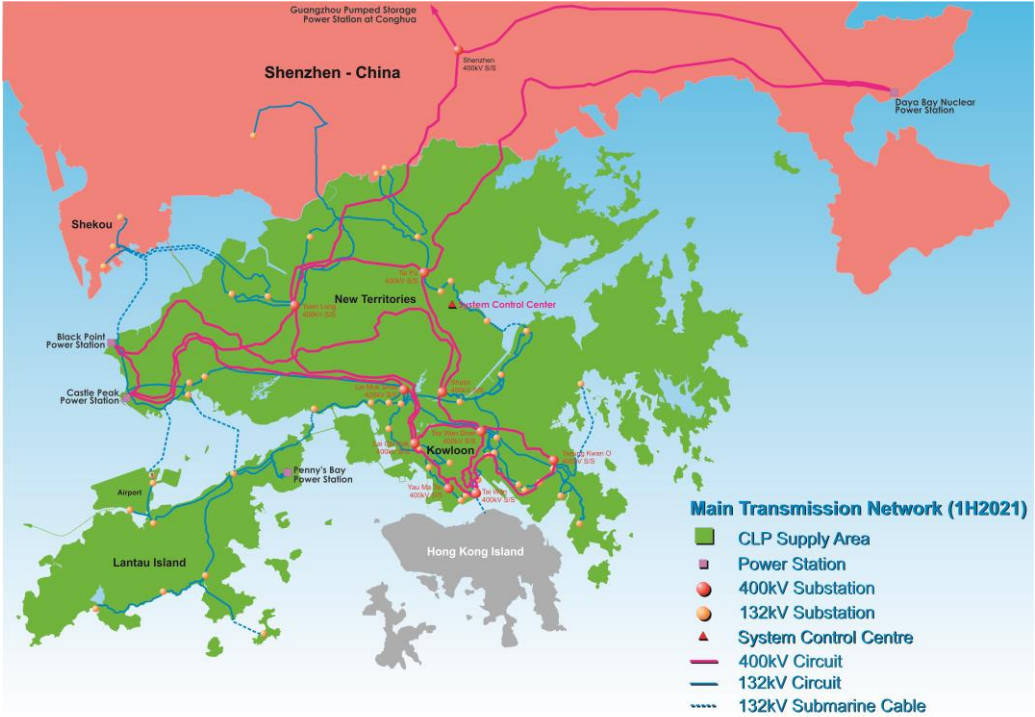
Hong Kong – Growing Business Scale

Generation	Transmission	Distribution	Retail
10,420 MW generation portfolio	> 16,300 km of transmission and high voltage distribution lines	236 primary and > 15,100 secondary substations	16,421 GWh sold and 2.69 million customer accounts

During 1H2021:

- Local electricity sales increased 4.4% to 16,421GWh as compared with 1H2020
- No. of customer accounts increased by 37k to 2,687k as compared with 1H2020
- Major infrastructure projects ongoing
- A new 550MW gas-fired generation unit at Black Point Power Station was commissioned in 2020
- Construction of a second CCGT unit at Black Point continued to make good progress. Early civil works are progressing well and engineering, procurement and construction contracting is under way
- The seventh unit of gas turbine upgrade project at Black Point Power Station completed with 25MW generation capacity added (175MW added in total)
- Over 50 km of new transmission and high voltage distribution lines & 70 new substations added

We generate, transmit and distribute electricity to over 80% of Hong Kong’s population in Kowloon, the New Territories and on Lantau Island



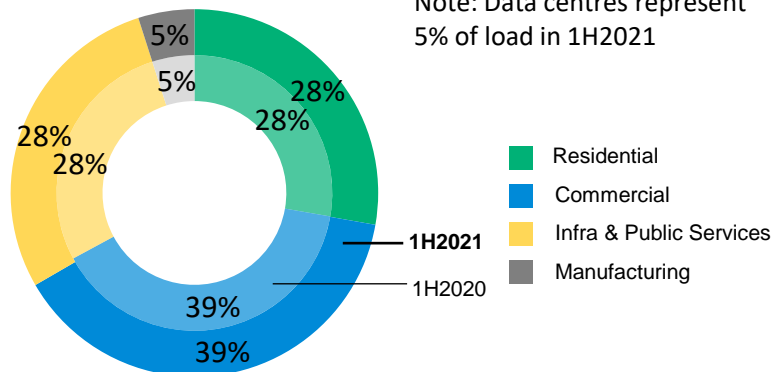
Hong Kong – Electricity Sales and Capex

Electricity Sales

GWh	1H2021	1H2020	Change
Residential	4,561	4,361	4.6%
Commercial	6,383	6,195	3.0%
Infrastructure & Public Services	4,666	4,396	6.1%
Manufacturing	811	777	4.4%
Total Local Sales	16,421	15,729	4.4%

Sales Mix

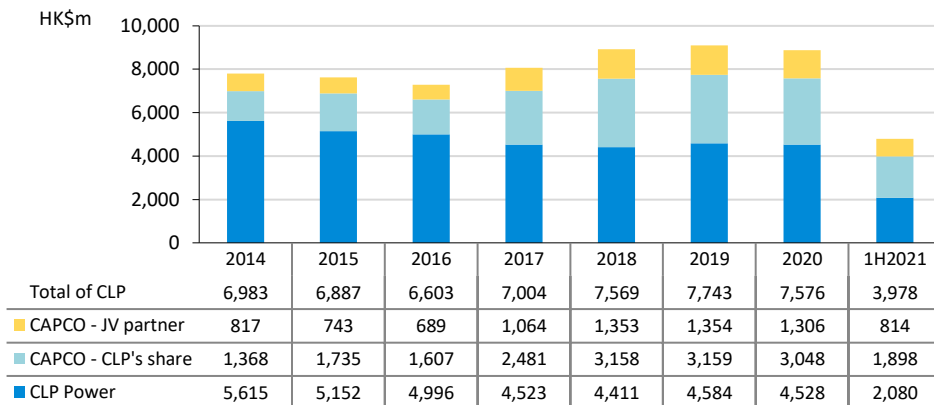
Note: Data centres represent 5% of load in 1H2021



Capital Expenditure (Accrual basis)

HK\$M	1H2021	1H2020	Change
CLP Power Hong Kong	2,080	1,854	12.2%
CAPCO *	2,712	2,318	17.0%
Total Capex	4,792	4,172	14.9%

* Including CAPCO's 70% share of fixed asset additions in Hong Kong LNG Terminal Limited

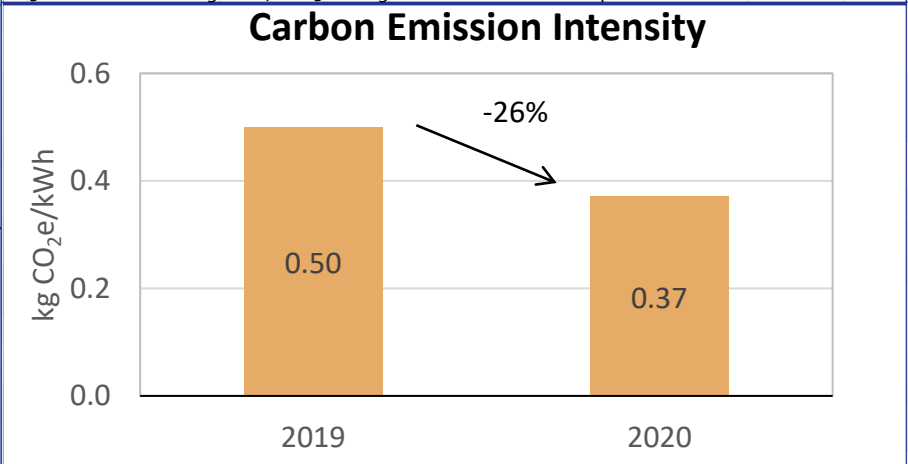
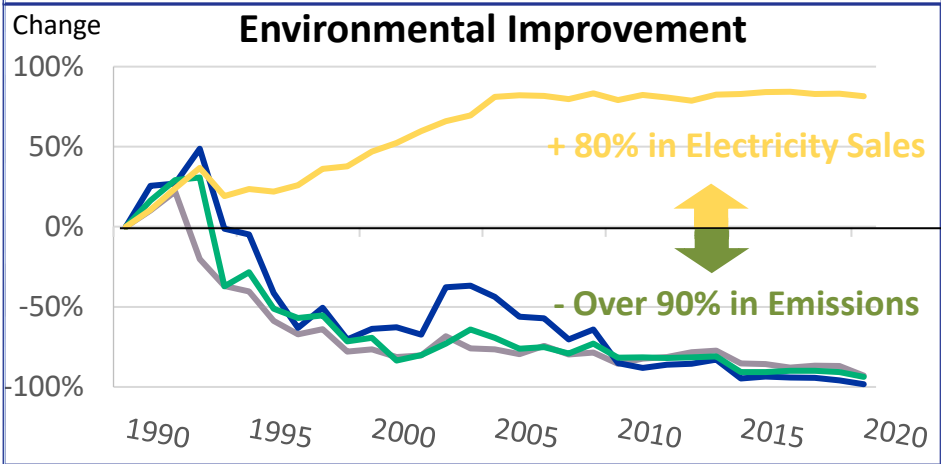
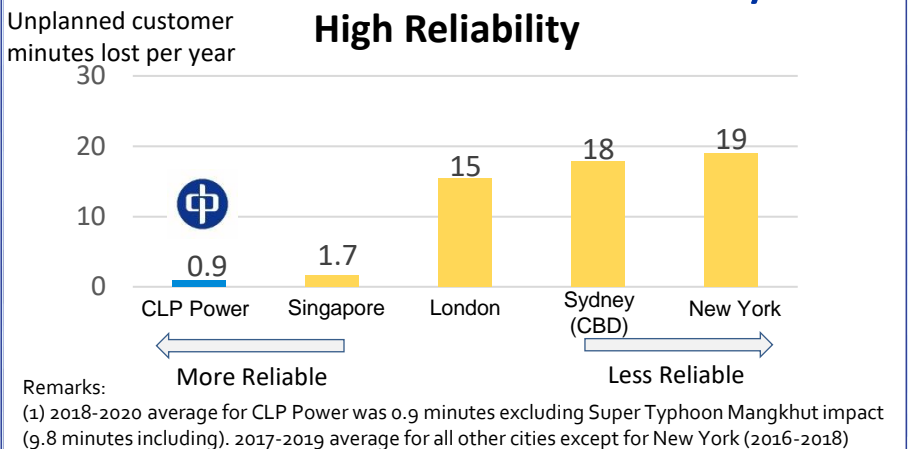
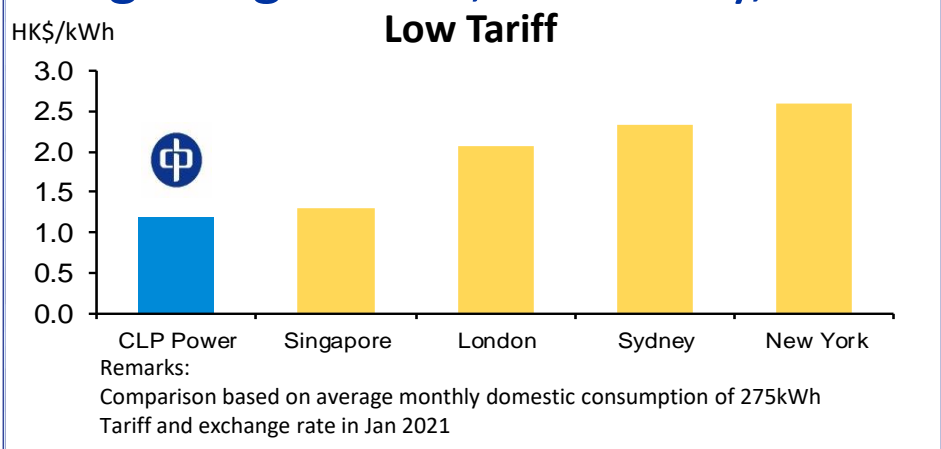


Total Capital Expenditure in line with Development Plan (DP)

Capex incurred in 2018 DP from Oct 2018 to Jun 2021: HK\$25.4bn

Capex approved under the 2018 DP from Oct 2018 to Dec 2023: HK\$52.9bn

Hong Kong – Tariff, Reliability, Environmental and Carbon Intensity



Mainland China – Financials (HK\$)



HK\$M	Operating/Total Earnings		ACOI	
	1H2021	1H2020	1H2021	1H2020
Renewables	320	341	522	538
- Wind	231	217	322	298
- Hydro	(18)	27	19	74
- Solar	107	97	181	166
Nuclear	869	804	945	870
- Daya Bay	425	469	447	494
- Yangjiang	444	335	498	376
Thermal	(129)	196	(121)	211
- Shandong	(200)	(14)	(200)	(12)
- Guohua	(54)	6	(54)	7
- Fangchenggang	125	204	133	216
Operating & development expenditure	(98)	(88)	(96)	(86)
Operating earnings /ACOI	962	1,253	1,250	1,533
Total earnings	962	1,253		

The average foreign exchange rates used to convert Mainland China Segment earnings to Hong Kong dollars are 1.09746 for 1H2020 and 1.19963 for 1H2021. Note that in the ACOI variance analysis presented in the body of the presentation 1H2020 earnings are adjusted for changes in foreign exchange before year on year variance in underlying performance is illustrated.

Mainland China – Financials (Local Currency)

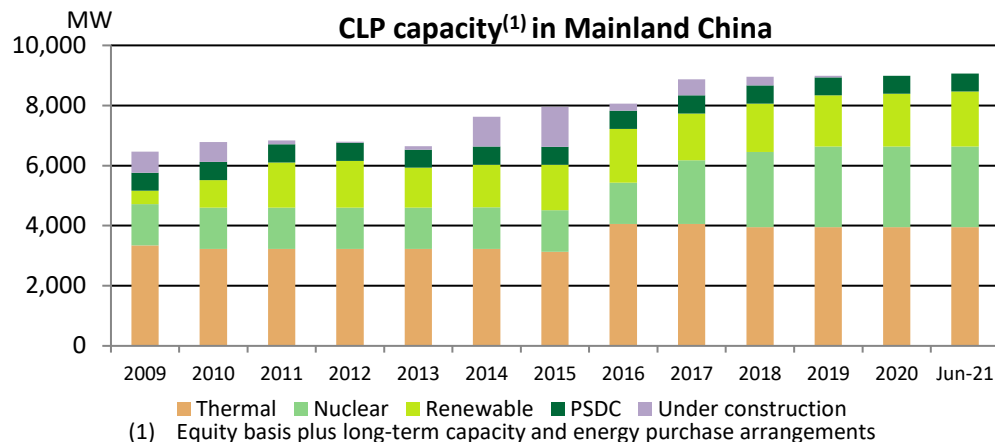


RMB'M	Operating/Total Earnings		ACOI	
	1H2021	1H2020	1H2021	1H2020
Renewables	267	311	435	490
- Wind	193	198	268	272
- Hydro	(15)	25	16	67
- Solar	89	88	151	151
Nuclear	724	732	788	793
- Daya Bay	354	427	373	450
- Yangjiang	370	305	415	343
Thermal	(107)	179	(101)	192
- Shandong	(166)	(13)	(167)	(11)
- Guohua	(45)	6	(45)	6
- Fangchenggang	104	186	111	197
Operating & development expenditure	(82)	(80)	(85)	(78)
Operating earnings /ACOI	802	1,142	1,037	1,397
Total earnings	802	1,142		

Mainland China – Performance and Capacity

Earnings and performance

- Higher earnings from Yangjiang were mainly due to higher generation, while lower earnings from Daya Bay were mainly due to planned refuelling outage in March and April 2021
- Lower earnings from renewables mainly due to lower hydro resource and loss on divestment of its minority-owned 24.5% interest in the aging Mazongshan and Qujiagou wind farms in the Liaoning province in March 2021, partially offset by the contribution from Laiwu III Wind commissioned in September 2020
- Earnings from Fangchenggang remained positive, benefitting from higher demand as well as rewards for active participation in market sales and final settlement of excess generation. This is offset by higher coal costs due to ongoing government measures to control local production
- Total receivables relating to the unpaid renewables national subsidy from our subsidiaries increased to HK\$2,189 million (Dec 2020: HK\$1,774 million). Consistent with the experience in past few years we expect higher settlements in the 4th quarter
- End of co-operation period of minority owned Shiheng coal (370 equity MW, part of our Shandong assets) by end of 2021 when the asset will be transferred to the majority shareholder



Business development opportunities

- CLP's first grid-parity windfarm in China, Qian'an III Wind (100MW with 5MW battery storage system) in Jilin commenced site construction in March 2021, target for full commissioning by 1H2022
- Fangchenggang Incremental Distribution Network (through TUS-CLP joint venture) began electricity supply to customers and is building customer base steadily as well as broadening its range of services
- In June, CLP secured a contract to upgrade the centralised cooling system at Po Park Shopping Plaza in Guangzhou, and to operate cooling services until 2036. It is the first integrated cooling system provisioning and services project for CLP in the Greater Bay Area
- Actively explore smart energy projects (centralised cooling, data centre, EV charging) in line with our strategy in the Greater Bay Area

Mainland China – Market Sales in 1H2021



- >90-100% market sales
- >50-90% market sales
- >20-50% market sales
- No market sales

Market sales are prevailing in various forms in different provinces in Mainland China. Overall around 56% of our share of generation volumes were under market sales in 1H2021 (1H2020: 49%). Directionally market sales in Mainland China will continue to increase.

Note: Daya Bay Nuclear not included in the calculation of market sales ratio

Province	Projects with Market Sales (Equity MW)
Guangxi	FCG Thermal (1,806MW)
Yunnan	Xundian Wind (50MW) Xicun Solar (84MW) Dali Yang_er Hydro (50MW)
Inner Mongolia	Zhungeer Thermal (257MW)
Sichuan	Jiangbian Hydro (330MW)
Gansu	Jinchang Solar (85MW)
Liaoning	Suizhong Thermal (564MW) Lingyuan Solar (17MW)
Hebei	Sanhe Thermal (220MW)
Tianjin	Panshan Thermal (207MW)
Jilin	Qian'an Wind (99MW) Changling II Wind (22MW) Datong Wind (24MW) Shuangliao Wind (48MW)
Shandong	Penglai Wind (48MW) CLP Laizhou Wind (99MW) Laiwu Wind (149MW) Shiheng Thermal (370MW) Weihai Wind (31MW) Laizhou Wind (18MW) Guohua Wind (194MW)
Guangdong	Yangjiang Nuclear (1,108MW)

Australia – Financials



Australia

	HK\$m		Local Currency (A\$m)	
	1H2021	1H2020	1H2021	1H2020
EBITDAF (before items affecting comparability)	2,127	2,267	363	444
Depreciation & Amortisation	(1,131)	(983)	(189)	(192)
ACOI				
Customer (Retail)	295	(303)	49	(59)
Energy (Wholesale)	1,568	2,338	270	458
Enterprise (Corporate)	(867)	(751)	(145)	(147)
Total	996	1,284	174	252
Fair value adjustments ⁽¹⁾	271	412	45	81
Net finance costs	(63)	(32)	(11)	(6)
Income tax expense	(367)	(470)	(63)	(92)
Operating Earnings	837	1,194	145	235
Litigation Settlement ⁽²⁾	(777)	-	(130)	-
Provision for Morwell River Diversion solution ⁽³⁾	(265)	-	(46)	-
Total earnings	(205)	1,194	(31)	235

- (1) Fair value adjustments have been mainly driven by falling forward prices which favourably impact derivative contracts in both periods.
- (2) Litigation Settlement. For further details see page 25 of the Hong Kong Stock Exchange Announcement “CLP Holdings Limited 2021 Interim Results Announcement” which can be found [here](#)
- (3) Provision for ensuring safe operation at the Yallourn coal mine following exceptional rainfall. For further details see page 25 of the Hong Kong Stock Exchange Announcement “CLP Holdings Limited 2021 Interim Results Announcement” which can be found [here](#)

The average foreign exchange rates used to convert Australian Segment earnings to Hong Kong dollars are 5.1068 for 1H2020 and 5.9721 for 1H2021. Note that in the ACOI variance analysis presented in the body of the presentation 1H2020 earnings are adjusted for changes in foreign exchange before year on year variance in underlying performance is illustrated.

Australia – Customer Operations

Customer Account Numbers (000s)	1H2021			1H2020 ⁽²⁾		
	Electricity	Gas	Total	Electricity	Gas	Total
Mass Market	1,583.0	843.9	2,426.9	1,599.2	842.8	2,442.0
Commercial & Industrial	7.7	0.2	7.9	9.7	0.3	9.9
Total Account Numbers	1,590.7	844.1	2,434.8	1,608.9	843.1	2,451.9
Weighted Average Mass Market ⁽¹⁾	1,585.5	844.2	2,429.7	1,605.0	844.2	2,449.2
Sales Volume & Revenue	1H2021		1H2020			
	Electricity (TWh)	Gas (PJ)	Electricity (TWh)	Gas (PJ)		
Mass Market	4.4	15.2	4.9	14.6		
Commercial & Industrial	3.7	2.1	4.0	5.0		
Total Sales Volume	8.1	17.3	9.0	19.6		
Sales Revenue (A\$m)	1,747.2	422.9	2,005.9	452.1		

Customer
Churn

Customer Churn and Accounts



Customer
Accounts
(million)

- Mass Market Customer accounts have been reasonably stable and fallen 0.6%, with losses of 15,100.
- Churn rates remain broadly flat compared to 1H2020, however there has been an increase in move home churn offset by a similar decrease in change of retailer churn.

Australia – Customer Operations

Supporting customers experiencing hardship –

- 20.6k customers utilising EnergyAssist programme



15 Ombudsman complaints/
10k accounts

- 76% reduction since 1H2015
- 19% reduction since 1H2020

Go Neutral, Largest certified carbon neutral programme for electricity customers



- 293.3k Go Neutral electricity customers, 16% increase on 1H2020
- 78.3k Go Neutral gas customers, 89% increase on 1H2020

59% of bills issued in 1H2021 were E-bills

- Compared with 1% in 1H2015
- Improving 6pts since 1H2020



28.6pts improvement in customer satisfaction since 2015



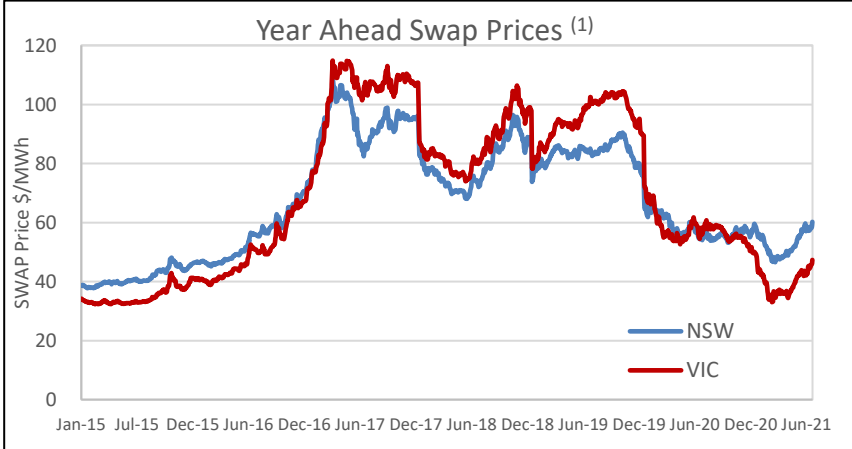
- 3.0pts improvement on 1H2020



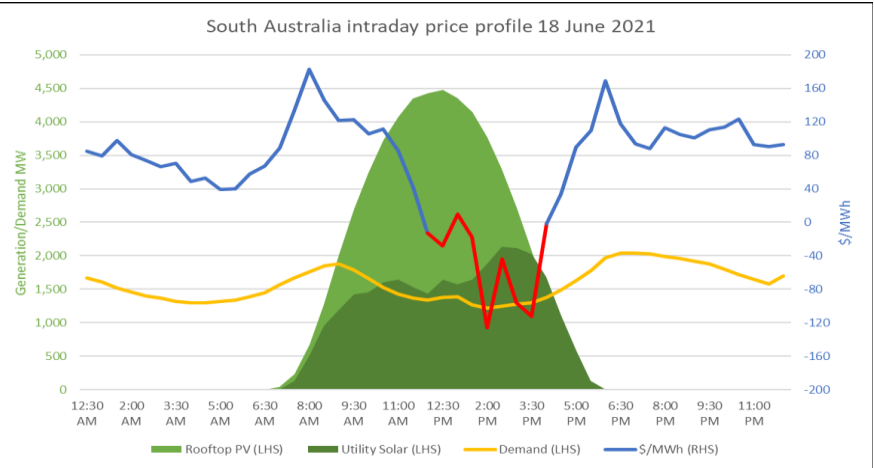
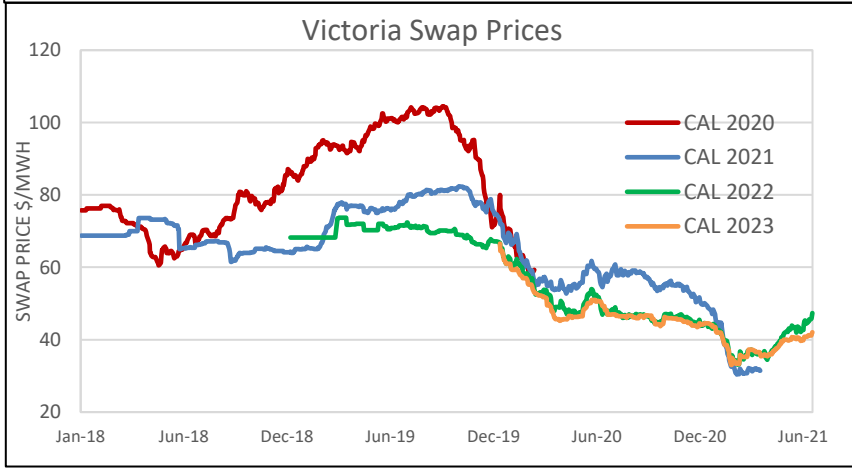
Behind the meter supply

- 93.5MW Demand Response capacity with Commercial & Industrial customers
- Project underway to deploy 5,000 household batteries

Australia – Wholesale Market Conditions



- Contrasting wholesale prices in 1H2021 with low summer prices resulting from cooler summer temperatures and increased renewables, and high winter prices impacted by less coal generation due to outages across the National Electricity Market.
- Low forward prices expected to continue with potential volatility from an ageing fleet.
- Focus remains on asset availability, reliability and efficiency of existing fleet whilst completing major maintenance, alongside new flexible generation ahead of major coal retirements including progressing construction of Tallawarra B and planning for Wooreen Battery.



(1) Prices presented are the calendar year flat contract price

India – Financials



	HK\$m		Local Currency (Rs M)	
	1H2021	1H2020	1H2021	1H2020
Renewables	318	288	3,004	2,756
Thermal (Jhajjar)	193	258	1,823	2,468
Thermal (Paguthan & Corporate)	(48)	(60)	(453)	(574)
Transmission	13	13	123	124
ACOI	476	499	4,497	4,774
Renewables	83	58	784	555
Thermal (Jhajjar)	42	65	397	622
Thermal (Paguthan & Corporate)	(17)	(19)	(161)	(182)
Transmission	3	4	28	38
Operating/Total earnings	111	108	1,048	1,033

The average foreign exchange rates used to convert Indian Segment earnings to Hong Kong dollars are 0.10452 for 1H2020 and 0.10586 for 1H2021. Note that in the ACOI variance analysis presented in the body of the presentation 1H2020 earnings are adjusted for changes in foreign exchange before period on period variance in underlying performance is illustrated.

India – Performance and Projects

Performance and recent acquisition

- As COVID-19 cases rose sharply in the second wave of the pandemic in India this year, CLP India strengthened its efforts to protect the health and safety of employees and maintain reliable operations in support of customers. Increased precautions including contact tracing and testing have been implemented in CLP India's operations. CLP Group and CLP India provided support for relief efforts in local communities, including the procurement of oxygen and other critical medical supplies
- The KMTL transmission asset (251km in Manipur, Nagaland and Assam States) is fully commissioned and all requisite approvals from Government agencies and procurers have been received. Certain other conditions precedents are pending and takeover of the assets is expected during the second half of the year
- Major overhaul at Unit 1 at Jhajjar was completed successfully and without any lost time injuries in 1Q2021

Expanding our renewable generation portfolio

- The project progress at Sidhpur had been severely affected due to the upsurge in the COVID-19 cases in the second wave which had resulted in lockdown of villages around the site. The situation improved towards the end of May 2021. Wind turbine generator foundation works commenced in July 2021
- Total receivables relating to revenue from our renewable energy projects is HK\$844 million (Dec 2020: HK\$771 million). Average life of overdue receivables reduced by receipt of long dated payments. While there are delays in receiving revenue, we continue to receive payments and there is no history of default
- Our partnership with CDPQ has brought long-term strategic backing & additional resources to support continuing growth
- We are actively exploring further potential opportunities for acquisitions and investments in renewable energy and transmission, as the Government continues to implement energy industry reforms

Southeast Asia & Taiwan – Financials



SEA & Taiwan

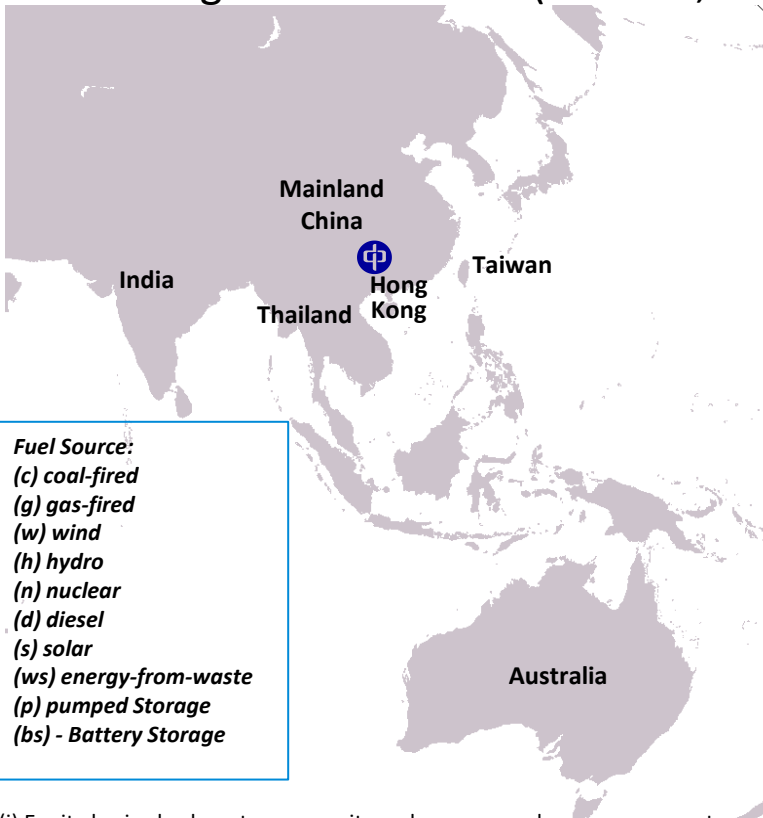
	HK\$		Local Currency	
	1H2021 HK\$M	1H2020 HK\$M	1H2021 M	1H2020 M
ACOI				
Thermal	127	172	NT\$458	NT\$665
Renewables	39	33	THB159	THB137
Operating expenditure	(7)	(9)	-	-
Development expenditure	(1)	(13)	-	-
Total	158	183		
Operating earnings				
Thermal	127	172	NT\$458	NT\$665
Renewables	33	33	THB133	THB137
Operating expenditure	(7)	(9)	-	-
Development expenditure	(1)	(13)	-	-
Total	152	183		

The average foreign exchange rates used to convert SEA & Taiwan Segment earnings to Hong Kong dollars are 0.2445 and 0.2584 for 1H2020 and 0.2504 and 0.2775 for 1H2021 for Thai Baht and New Taiwan Dollars respectively. Note that in the ACOI variance analysis presented in the body of the presentation 1H2020 earnings are adjusted for changes in foreign exchange before year on year variance in underlying performance is illustrated

CLP Group – Generation and Storage Portfolio⁽ⁱ⁾ – 30 Jun 2021

19,867 Equity MW and 5,035MW Long Term Purchase (total 24,902MW)

AUSTRALIA	total	5,419MW*
<u>Operational</u>		
Yallourn	1,480 / 1,480	(c)
Mount Piper ⁽ⁱⁱ⁾	1,430 / 1,430	(c)
Hallett	235 / 235	(g)
Newport	500 / 500	(g)
Jeeralang	440 / 440	(g)
Tallawarra	420 / 420	(g)
Wind Projects	693 / 560*	(w)
Solar Projects #	362 / 294*	(s)
Battery Projects ⁽ⁱⁱⁱ⁾	55 / 55*	(bs)
Minor Project	22 / 4	(g)
INDIA	Total	1,890 MW
<u>Operational</u>		
Jhajjar	1,320 / 792	(c)
Paguthan	655 / 393	(g)
Wind Projects	924 / 555	(w)
Solar Project #	250 / 150	(s)
TAIWAN	total	264 MW
<u>Operational</u>		
Ho-Ping	1,320 / 264	(c)
THAILAND	total	21 MW
<u>Operational</u>		
Lopburi Solar #	63 / 21	(s)



Fuel Source:
 (c) coal-fired
 (g) gas-fired
 (w) wind
 (h) hydro
 (n) nuclear
 (d) diesel
 (s) solar
 (ws) energy-from-waste
 (p) pumped Storage
 (bs) - Battery Storage

HONG KONG	total	8,243MW*
<u>Operational</u>		
Castle Peak A&B	4,108 / 4,108*	(c)
Black Point C&D1 ⁽ⁱⁱ⁾	3,225 / 3,225*	(g)
Penny's Bay	300 / 300*	(d)
Energy-from-Waste	10 / 10*	(ws)
<u>Under Construction</u>		
Black Point D2	600 / 600*	(g)
MAINLAND CHINA	total	9,066 MW*
<u>Operational</u>		
Daya Bay	1,968 / 1,577*	(n)
Yangjiang	6,516 / 1,108	(n)
Pumped Storage	1,200 / 600*	(p)
Fangchenggang I & II	2,580 / 1,806	(c)
SZPC	3,060 / 900	(c)
Guohua	7,470 / 1,248	(c)
Hydro Projects	509 / 489	(h)
Wind Projects ^(iv)	1,354 / 910	(w)
Solar Projects #	328 / 328	(s)
<u>Under Construction</u>		
Wind Project	100 / 100*	(w)

(i) Equity basis plus long-term capacity and energy purchase arrangements. Includes battery discharge capacity

(ii) Gas turbine upgrade of Mount Piper and Black Point Power Station Units C3 and C4

(iii) Including Gannawarra (25MW/50MWh) and Ballarat (30MW/30MWh)

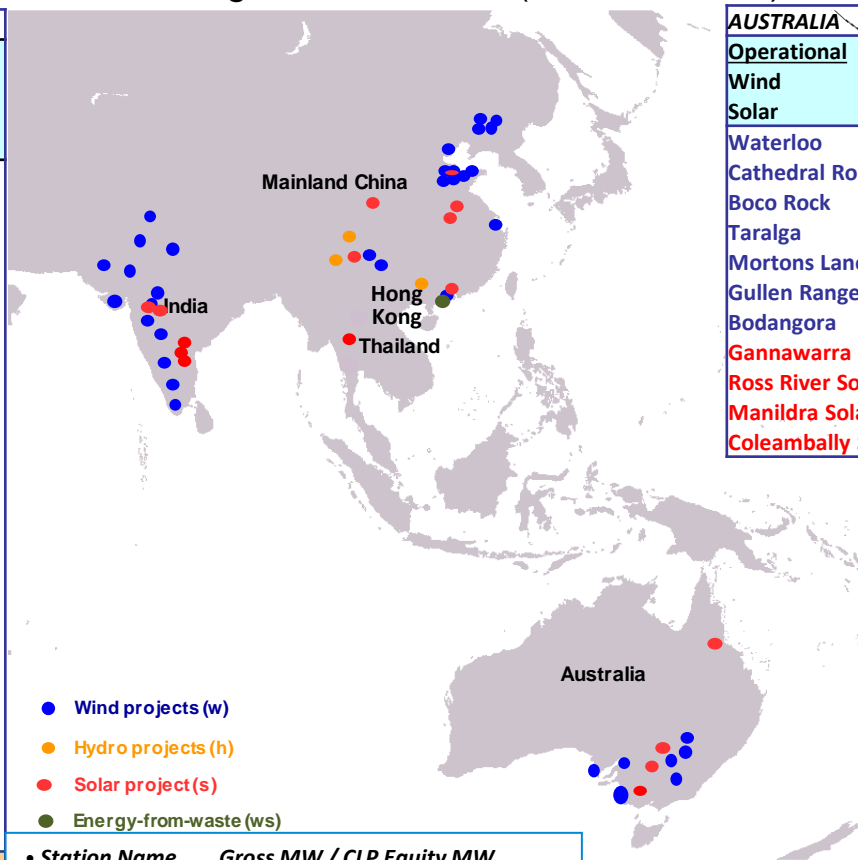
(iv) Divestment of Qujiagou and Mazongshan

• **Station Name** **Gross MW / CLP Equity MW**
 * including long-term capacity and energy purchase
 # Solar projects in AC output

CLP Group – Renewable Generation Portfolio – 30 Jun 2021

2,593 Equity MW and 825 MW Long Term Purchase (total 3,418MW) - 14% of CLP total generation portfolio

MAINLAND CHINA	1,828 MW
Operational	
Wind	910 MW
Hydro	489 MW
Solar	328 MW
Weihai I & II	69 / 31
Nanao II & III	60 / 15
Shuangliao I & II	99 / 48
Datong	50 / 24
Laizhou I	41 / 18
Changling II	50 / 22
Guohua Wind	395 / 194
Qian'an I & II	99 / 99
Penglai I	48 / 48
Chongming I	48 / 14
Laiwu I, II & III	149 / 149
Xundian I	50 / 50
Sandu I	99 / 99
CLP Laizhou I & II	99 / 99
Jiangbian Hydro	330 / 330
Huaiji Hydro	129 / 110
Dali Yang_er Hydro	50 / 50
Jinchang Solar #	85 / 85
Xicun I & II Solar #	84 / 84
Sihong Solar #	93 / 93
Huai'an Solar #	13 / 13
Lingyuan Solar #	17 / 17
Meizhou Solar #	36 / 36
Under Construction	
Wind	100 MW
Qian'an III	100 / 100



- Wind projects (w)
- Hydro projects (h)
- Solar project(s)
- Energy-from-waste (ws)

• **Station Name** **Gross MW / CLP Equity MW**
 * including long-term capacity and energy purchase
 # Solar projects in AC output

AUSTRALIA	854 MW*	INDIA	705 MW
Operational		Operational	
Wind	560 MW	Wind	555 MW
Solar	294 MW	Solar	150 MW
Waterloo	111 / 56*	Khandke	50 / 30
Cathedral Rocks	64 / 32	Samana I & II	101 / 60
Boco Rock	113 / 113*	Saundatti	72 / 43
Taralga	107 / 107*	Theni I & II	100 / 60
Mortons Lane	20 / 20*	Harapanahalli	40 / 24
Gullen Range I	166 / 166*	Andhra Lake	106 / 64
Bodangora	113 / 68*	Sipla	50 / 30
Gannawarra Solar #	50 / 50*	Bhakrani	102 / 61
Ross River Solar #	116 / 93*	Mahidad	50 / 30
Manildra Solar #	46 / 46*	Jath	60 / 36
Coleambally Solar #	150 / 105*	Tejuva	101 / 60
		Chandgarh	92 / 55
		Veltoor Solar #	100 / 60
		Gale Solar #	50 / 30
		Tornado Solar #	20 / 12
		CREPL Solar #	30 / 18
		DSPL Solar #	50 / 30
THAILAND		total	21 MW
Operational			
Lopburi Solar #		63 / 21	
HONG KONG		total	10 MW
Operational			
West New Territories			
Landfill		10/10	

CLP Group – Generation and Storage Capacity⁽¹⁾ by Fuel Mix

24,902 MW Attributable to CLP Group

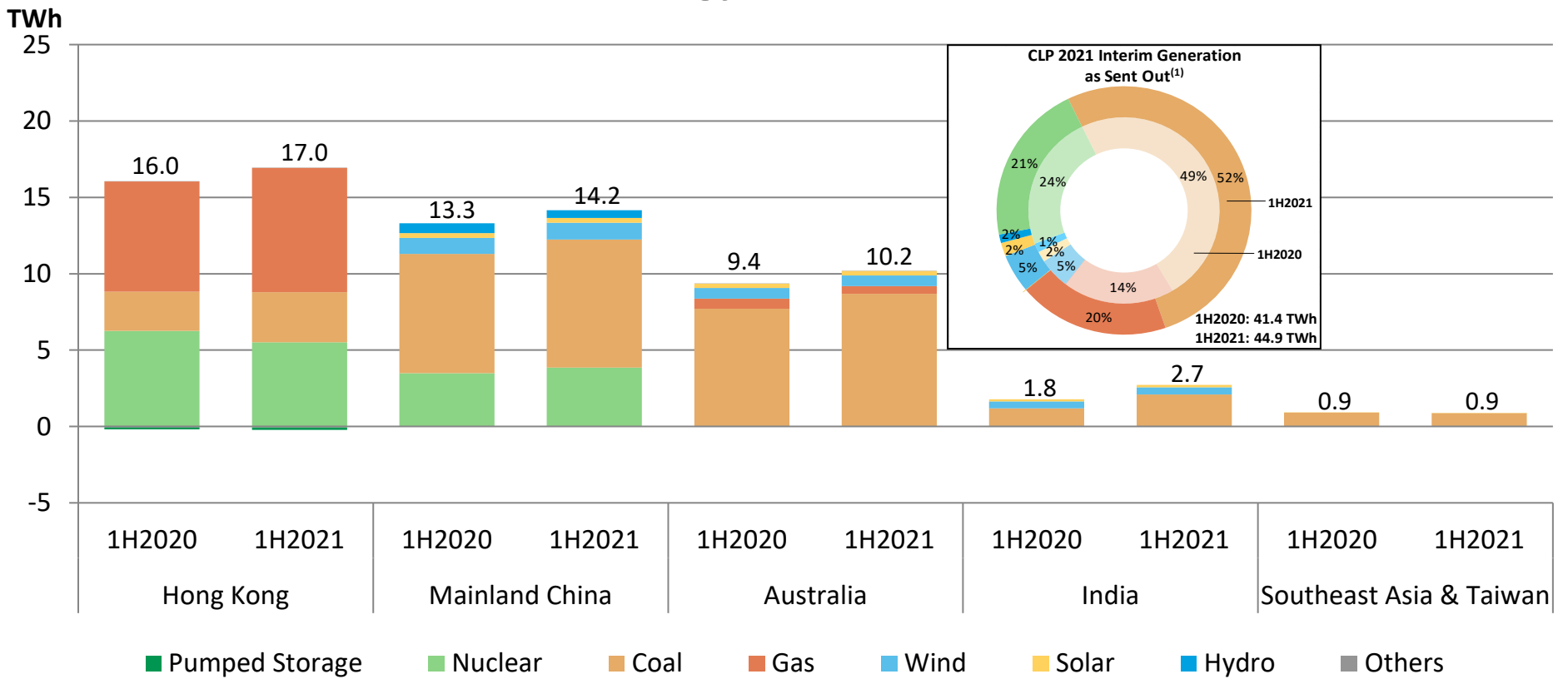
<i>Capacity by Energy Type</i>	Total		<i>Operational</i>		<i>Under construction</i>	
	MW	%	<i>MW</i>	<i>%</i>	<i>MW</i>	<i>%</i>
	(a) + (b)		(a)		(b)	
Coal	12,027	48%	12,027	48%	-	-
Gas	5,817	23%	5,217	21%	600	2%
Nuclear	2,685	11%	2,685	11%	-	-
Wind	2,125	9%	2,025	8%	100	<1%
Hydro	489	2%	489	2%	-	-
Solar	793	3%	793	3%	-	-
Others	965	4%	965	4%	-	-
Total	24,902	100%	24,202	97%	700	3%

(1) Equity basis plus long-term capacity and energy purchase arrangements. Includes battery discharge capacity

Note: Individual items and totals are rounded to the nearest appropriate number. Some totals may not add down the page due to rounding of individual components

CLP Group – Energy Sent Out – 1H2021

Energy Sent Out⁽¹⁾



(1) Equity basis plus long-term capacity and energy purchase arrangements.
Includes battery discharge capacity

Additional Resources

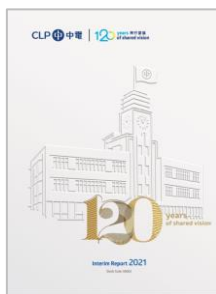
Annual Report 2020



Sustainability Report 2020



Interim Report⁽¹⁾ 2021



Introductory Pack August 2021



Annual Results Presentation February 2021



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(1) To be published in August 2021

