

A Snapshot of CLP in 2015

About CLP Group

We are an investor and operator in the energy sector of the Asia-Pacific region. For over 100 years, we have powered Hong Kong's dynamic and spectacular growth and we continue to deliver a highly reliable supply of electricity to over 80% of the city's population. Today, our business spans across Mainland China, India, Southeast Asia and Taiwan, and Australia. Where we operate, we become part of the social and economic fabric of the local communities we serve, working together with them to achieve sustainable growth.

Business Description

Major Events

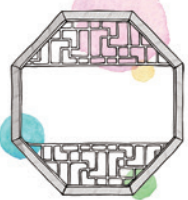
Hong Kong



CLP has a vertically-integrated regulated business in Hong Kong, which is the core of our operations. We generate, distribute and provide a world-class electricity supply with a reliability rate of over 99.999% to 2.48 million customers.

- Participated actively in the electricity market public consultation and recommended enhancement in future regulatory arrangement with increased focus on renewable energy, energy efficiency and conservation
- Submitted plans for adding gas-fired generation capacity at Black Point Power Station to support the Government's 2020 fuel mix targets
- Announced tariff reduction for 2016 reflecting success in costs control and decline in international fuel prices, following a one-off special fuel rebate in August
- Encouraged energy efficiency and conservation through the innovative "Power Your Love" programme

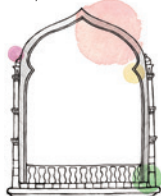
Mainland China



CLP has been in Mainland China's power industry since 1979. We are one of the largest external independent power producers with a focus on clean and low-carbon energy including nuclear and renewables.

- Commissioned Xicun Solar II in Yunnan and Sihong Solar in Jiangsu
- Continued construction of 198MW of wind power generation in Sandu I in Guizhou, and CLP Laizhou and Laiwu in Shandong; and obtained approval for Sandu II
- Carried on construction of Fangchenggang II in Guangxi
- Celebrated 30 years of partnership with China General Nuclear Power Corporation in Guangdong Daya Bay Nuclear Power Station
- Achieved platinum five-star rating from National Occupational Safety Association (NOSA) for three power projects

India



CLP has a broad portfolio of power generation that includes coal, gas and renewable energy in India. We are one of the largest foreign players in the Indian power industry and a leading wind project developer.

- Achieved better performance at Jhajjar power plant with availability exceeding 82%
- Doubled Paguthan's utilisation to over 11% with improved fuel supply
- Commissioned three wind farms with 190MW of combined capacity
- Issued first asset-specific corporate bond in India power sector to refinance Jhajjar's debts
- Issued first green bond by a power company in South Asia and Southeast Asia for wind projects in India

Southeast Asia and Taiwan



We entered the Southeast Asia power market in 1994. Currently, we have interests in Ho-Ping Power Station in Taiwan, the Lopburi solar project in Thailand and are co-developing two coal-fired projects in Vietnam.

- Achieved strong performance at Ho-Ping despite disruption by summer typhoons
- Benefited from solid contribution by Lopburi which performed reliably
- Signed a Financing Memorandum of Understanding with China Development Bank for Vinh Tan III in Vietnam in a ceremony witnessed by Chinese and Vietnamese state leaders

Australia



EnergyAustralia operates a retail-focused energy business serving 2.64 million accounts across southeast Australia supported by competitively-priced energy from its generation portfolio.

- Restructured EnergyAustralia with a new management team in place to transform the business into a leading low-cost energy retailer
- Achieved A\$100 million in cost savings ahead of schedule following the successful integration of two billing systems
- Increased number of mass market customer accounts to 2.62 million as a result of enhanced customer service
- Improved efficiency of key assets including the completion of a five-year maintenance programme at Yallourn Power Station on time and on budget, amidst a significantly oversupplied wholesale market
- Sold the Iona Gas Plant for A\$1,780 million (HK\$9,991 million), releasing funds to repay debts, hence reducing interest expense going forward

2015 In Figures

Earnings

Operating Earnings increased to

HK\$ **11,533** million

14.6% rise from 2014

Total Earnings

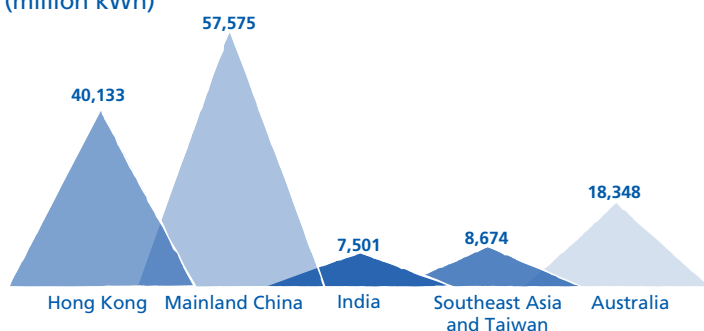
HK\$ **15,670** million
39.6% rise from 2014

Total Dividends

HK\$ **2.70** per share
3.1% increase from 2014

Business Activities

Total Sent Out from Power Stations in which CLP has Invested
(million kWh)



132,231 million kWh

78,975 million kWh on equity basis, including capacity purchases and long-term power contracts from facilities in which we hold an equity interest

14,963 km

transmission and high voltage distribution lines, and

14,245

primary and secondary substations in Hong Kong

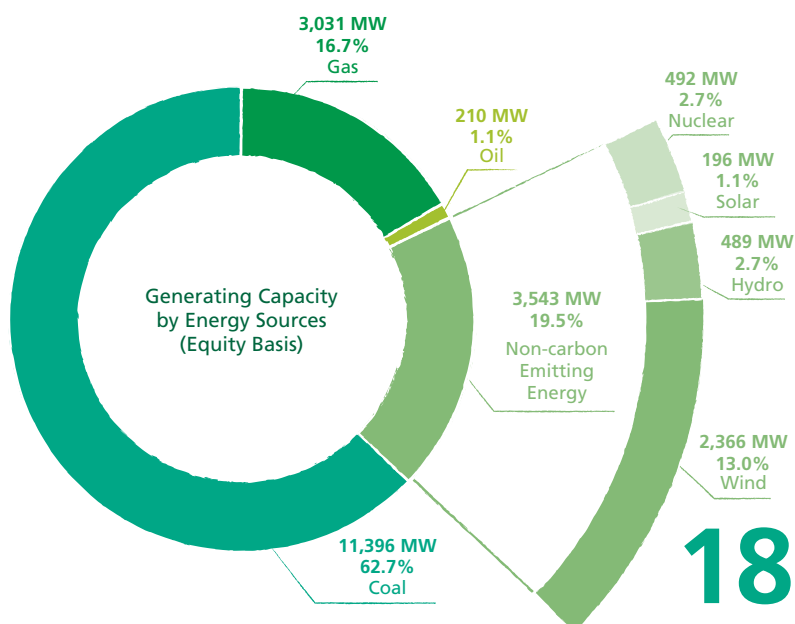
5.12 million

customer accounts serviced by CLP
(2.48 million in Hong Kong and 2.64 million in Australia)

1.32 minutes

unplanned customer minutes lost in Hong Kong

Climate Change



Non-carbon Emitting Energy

3,543 MW

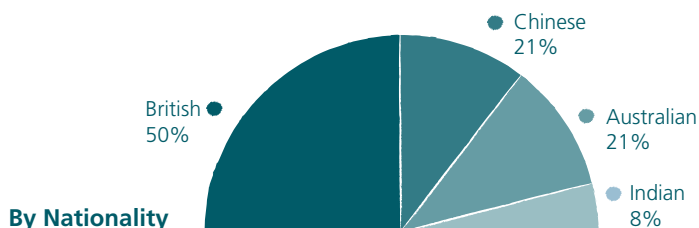
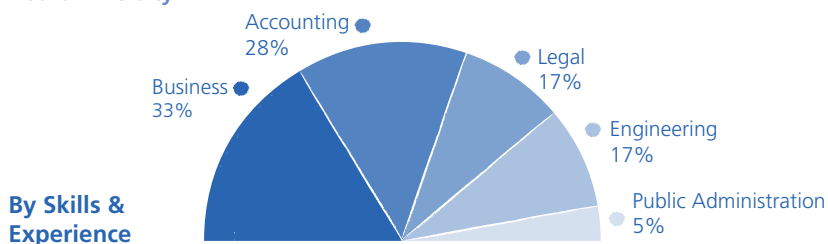
Renewable Energy

3,051 MW

18,180 Equity MW of generating capacity

Governance

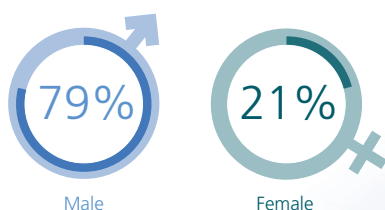
Board Diversity



Note:

The statistics are based on board members' passport nationality, which does not necessarily reflect their ethnic origin.

By Gender



Careers

7,360

 people

were employed by CLP across the Asia-Pacific region

Our People

Our Community

Our Operations

Our Environment

0.81

 kg CO₂ / kWh

carbon emission intensity of CLP's electricity generation
(2014: 0.84kg CO₂ / kWh)

16.8%

of CLP's generating capacity from renewable energy sources
(2014: 14.1%)

Looking for data from previous years?



Average Length of Service Years



Voluntary Turnover Rate (%)



Note:
1 Include permanent staff only.

Safety

Zero fatality

0.07^{LTIR}

0.25^{TRIR}

Lost Time Injury Rate (LTIR) and Total Recordable Injury Rate (TRIR) are industry standards for measuring safety performance.

Community Initiatives

Directly benefited

over **178,000** people

and **418** organisations

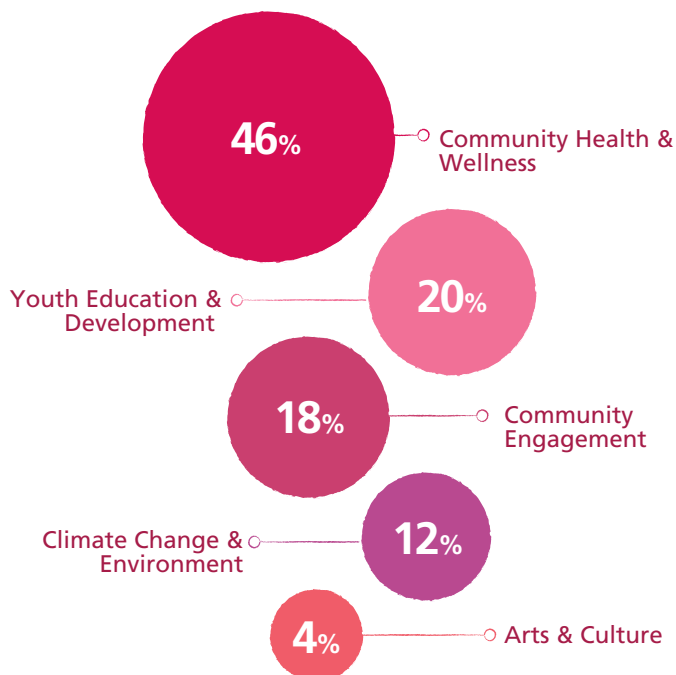
Implemented

620 activities

Staff volunteered

11,675 hours

Spending by Theme



Financial Highlights

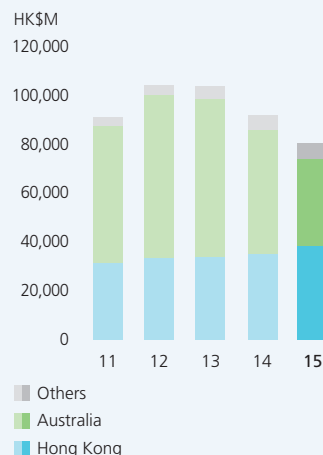
Operating earnings raised 14.6% to HK\$11.5 billion; total earnings increased by 39.6% to HK\$15.7 billion including the gain on sale of Iona Gas Plant in Australia of HK\$6.6 billion.

	2015	2014	Increase / (Decrease) %
For the year (in HK\$ million)			
Revenue			
Electricity business in Hong Kong	38,488	35,303	9.0
Energy businesses outside Hong Kong	41,757	56,633	(26.3)
Others	455	323	
Total	80,700	92,259	(12.5)
Earnings			
Hong Kong	8,276	7,777	6.4
Hong Kong related ¹	206	71	
Mainland China	1,977	1,579	25.2
India	612	270	126.7
Southeast Asia and Taiwan	312	297	5.1
Australia	836	756	10.6
Other earnings	(60)	(66)	
Unallocated net finance income/(costs)	17	(36)	
Unallocated Group expenses	(643)	(586)	
Operating earnings	11,533	10,062	14.6
Items affecting comparability			
Australian items including gain on sale of Iona Gas Plant and impairment provision for generation assets in 2015/Narrabri Coal Seam Gas Project in 2014	4,281	(881)	
Impairment provision for Beijing Yire Power Station in 2015/Dali Yang'er in 2014	(243)	(158)	
Revaluation gain on Argyle Street site	99	245	
Net gain on CAPCO and PSDC acquisitions	–	1,953	
Total earnings	15,670	11,221	39.6
Net cash inflow from operating activities	19,168	21,966	(12.7)
At 31 December (in HK\$ million)			
Total assets	203,964	214,663	(5.0)
Total borrowings	55,483	67,435	(17.7)
Shareholders' funds	93,118	88,013	5.8
Per share (in HK\$)			
Earnings per share	6.20	4.44	39.6
Dividends per share	2.70	2.62	3.1
Shareholders' funds per share	36.86	34.84	5.8
Ratios			
Return on equity ² (%)	17.3	12.8	
Total debt to total capital ³ (%)	34.0	39.6	
Net debt to total capital ⁴ (%)	32.4	38.0	
EBIT interest cover ⁵ (times)	10	6	
Price/Earnings ⁶ (times)	11	15	
Dividend yield ⁷ (%)	4.1	3.9	

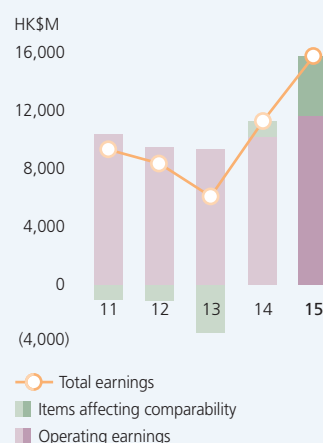
Notes:

- Hong Kong related included PSDC, Hong Kong Branch Line and sales to Guangdong from Hong Kong
- Return on equity = Total earnings / Average shareholders' funds
- Total debt to total capital = Debt / (Equity + advances from non-controlling interests + debt). Debt = Bank loans and other borrowings.
- Net debt to total capital = Net debt / (Equity + advances from non-controlling interests + net debt). Net debt = Debt - bank balances, cash and other liquid funds.
- Earnings before interest and taxes (EBIT) interest cover = Profit before income tax and interest / (Interest charges + capitalised interest)
- Price/Earnings = Closing share price on the last trading day of the year / Earnings per share
- Dividend yield = Dividends per share / Closing share price on the last trading day of the year

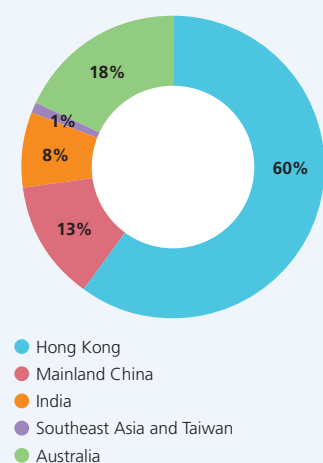
Revenue



Total Earnings

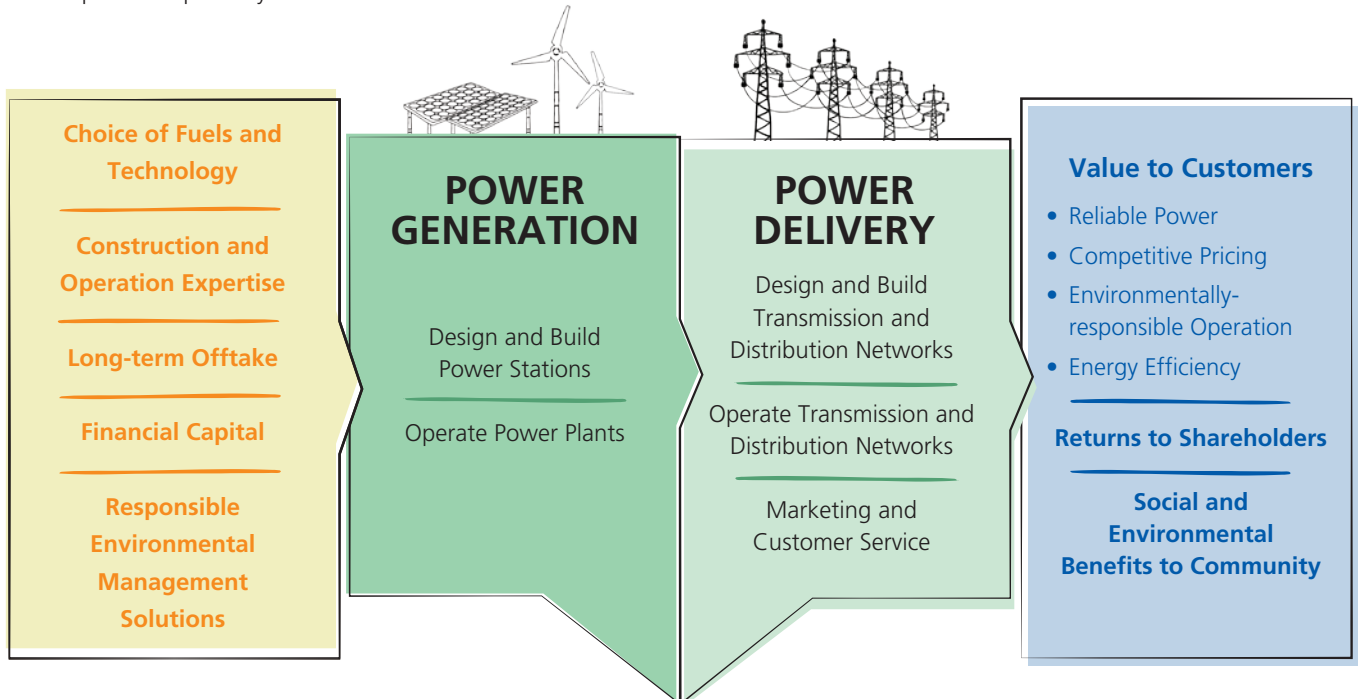


Total Assets in 2015



Our Business Model

CLP's core business is to provide electricity to customers reliably, at a competitive price and with the least environmental impact. To do this, we act in different roles across the electricity value chain, depending on local constraints and characteristics that vary in the markets in which we operate. We draw on various "capitals", namely choice of fuels and technology, expertise in power plant construction and operation, long-term power offtake, financial capital and environmentally-responsible solutions as inputs to help deliver power responsibly.



INVESTMENT STRATEGY

The electricity business requires a long-term view when it comes to investment. Given the profound changes in the regulatory and economic environment for our industry in recent years, we updated our investment strategy which was approved by the Board in 2014. The updated investment strategy, succinctly summarised as "Focus • Delivery • Growth", recognises the challenges in the current business climate and identifies future opportunities to position CLP Group in markets where it has scale, capability and competitive advantages. This will guide CLP in the coming decade.

CEO Outlining the Investment Strategy – Video



Hong Kong

CLP's Core Market. We are committed to building and growing here for the long term.

Southern China

Strategic Market in the long run. We are well-positioned for growth with established partnership network.

Mainland China & India

Primary Growth Markets. CLP will focus on renewables and high-efficiency coal generation.

Southeast Asia & Taiwan

Secondary Growth Market. We will seek opportunities in selected countries.

Australia

Value Restoration. We will focus on reducing costs and improving operational performance.