

A Snapshot of CLP in 2017

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 has expanded to Mainland China, India, Australia, Southeast Asia and Taiwan. Where we operate, we become part of the social and economic fabric of the local communities, working together with them to achieve sustainable growth.

HONG KONG

CLP runs 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 2.56 million customers.



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.



INDIA

We have a broad generation portfolio in India covering coal, gas and renewables. We are one of the largest foreign players in the Indian power industry and a leading wind project developer.



SOUTHEAST ASIA AND TAIWAN

We entered the Southeast Asia power market in 1994. Currently, we have interests in a solar project in Thailand and a coal-based generation plant in Taiwan. We are also co-developing two coal-fired projects in Vietnam.



AUSTRALIA

EnergyAustralia operates a customer-focused energy business serving 2.62 million accounts across southeast Australia, supported by competitively-priced energy from its generation portfolio.



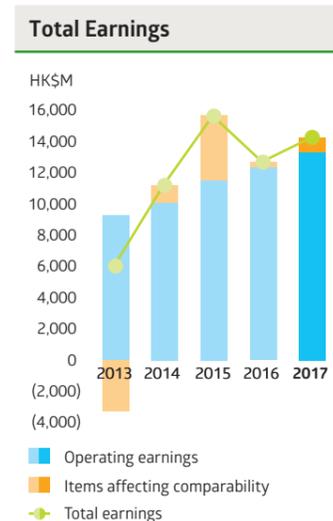
Financial Highlights

Group operating earnings increased 7.9% to HK\$13,307 million, mainly driven by a 16.3% increase in the contribution from businesses outside Hong Kong; total earnings increased 12.1% to HK\$14,249 million.

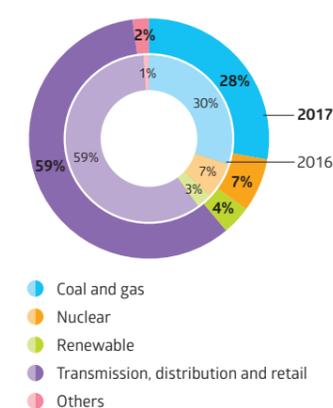
	2017	2016	Increase / (Decrease) %
For the year (in HK\$ million)			
Revenue			
Hong Kong electricity business	39,485	37,615	5.0
Energy businesses outside Hong Kong	52,101	41,459	25.7
Others	487	360	
Total	92,073	79,434	15.9
Earnings			
Hong Kong electricity business	8,863	8,640	2.6
Hong Kong electricity business related ¹	335	203	
Mainland China	1,238	1,521	(18.6)
India	647	469	38.0
Southeast Asia and Taiwan	160	274	(41.6)
Australia	2,738	1,849	48.1
Other earnings in Hong Kong	(65)	62	
Unallocated net finance (costs) / income	(2)	33	
Unallocated Group expenses	(607)	(717)	
Operating earnings	13,307	12,334	7.9
Items affecting comparability			
Property revaluation and transaction	369	497	
Reversal of tax provision	573	83	
Impairment and provision reversal	-	(203)	
Total earnings	14,249	12,711	12.1
Net cash inflow from operating activities	24,417	23,676	3.1
At 31 December (in HK\$ million)			
Total assets ²	228,151	206,233	10.6
Total borrowings	57,341	51,646	11.0
Shareholders' funds	108,697	98,010	10.9
Per share (in HK\$)			
Earnings per share	5.64	5.03	12.1
Dividends per share	2.91	2.80	3.9
Shareholders' funds per share	43.02	38.79	10.9
Ratios			
Return on equity ³ (%)	13.8	13.3	
Net debt to total capital ⁴ (%)	27.8	29.5	
EBIT interest cover ⁵ (times)	11	10	
Price / Earnings ⁶ (times)	14	14	
Dividend yield ⁷ (%)	3.6	3.9	

Notes:

- Hong Kong electricity business related includes PSDC, Hong Kong Branch Line and sales to Guangdong from Hong Kong
- Comparative figure has been reclassified to conform with current year's presentation. Details are set out in Note 1 of the Significant Accounting Policies to the Financial Statements.
- Return on equity = Total earnings / Average shareholders' funds
- Net debt to total capital = Net debt / (Equity + advances from non-controlling interests + net debt). Debt = Bank loans and other borrowings. 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

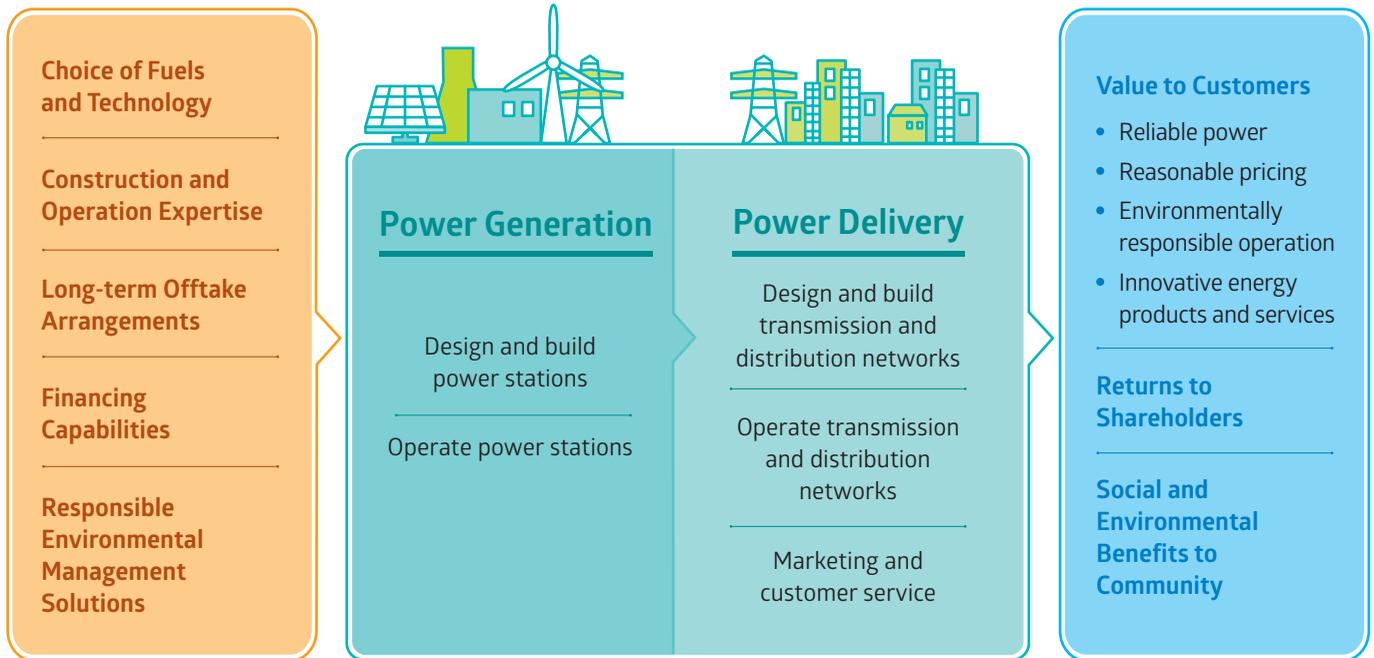


Operating Earnings (Before Unallocated Expenses) by Asset Type



Our Business Model

CLP aims to power the sustainable development of communities in which we operate by providing reliable and safe electricity to our customers at a reasonable price with minimum impact to the environment. In transition to a smarter and greener future, we recognise the rising importance of helping our customers manage their electricity use more efficiently. To deliver these promises, we draw on our resources, experience and talent while utilising the latest technologies and adhering to the highest standard of governance. The results are not only better choices and quality services for our customers, but also values for all our stakeholders. The following diagram depicts how our business model works.



Innovation and Technology

Technology advances are changing the way we do business. We are committed to applying the latest, proven technology and innovation to our operations to enhance our performance. At the same time, by developing new products and services, the door will be open for us to tap into new markets and areas.

Corporate Governance

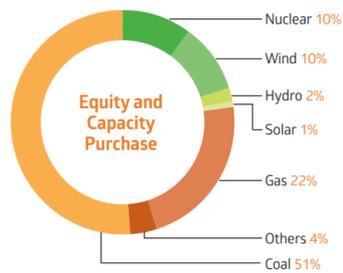
We conduct our affairs in an ethical, transparent and accountable manner. This is because we recognise good corporate governance does not only promote the interests of our stakeholders but also sustainability of our business. CLP's "Do the Right Thing" culture helps us uphold our credibility and reputation. Under the oversight of our Board, our Corporate Governance Framework guides us in applying effective governance policies and ensuring transparent shareholder communications.

2017 In Figures

At CLP, we utilise a range of capitals, which represent stores of value that can be built up, transformed or depleted in the production of goods or services, to create value for our stakeholders over time. The following diagram shows the key capitals we used and the value we created for different parties, society and the environment in 2017.



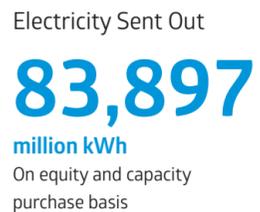
CLP's Inputs



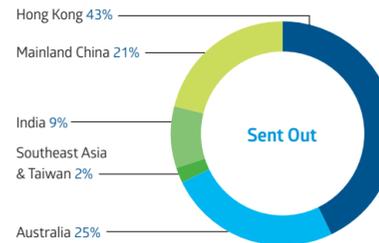
15,678 km of transmission and high voltage distribution lines, and **14,715** primary and secondary substations in Hong Kong



Value Created



Over **99.999%** supply reliability in Hong Kong



1.57 minutes unplanned customer minutes lost in Hong Kong (average of the past 3 years)



Directly benefitted over **439,000** people and **451** organisations



Carbon Intensity	Non-carbon Emitting Energy	Renewable Energy
0.69 kg CO ₂ /kWh	5,699 MW 23.2% of CLP's portfolio	3,211 MW 13.1% of CLP's portfolio



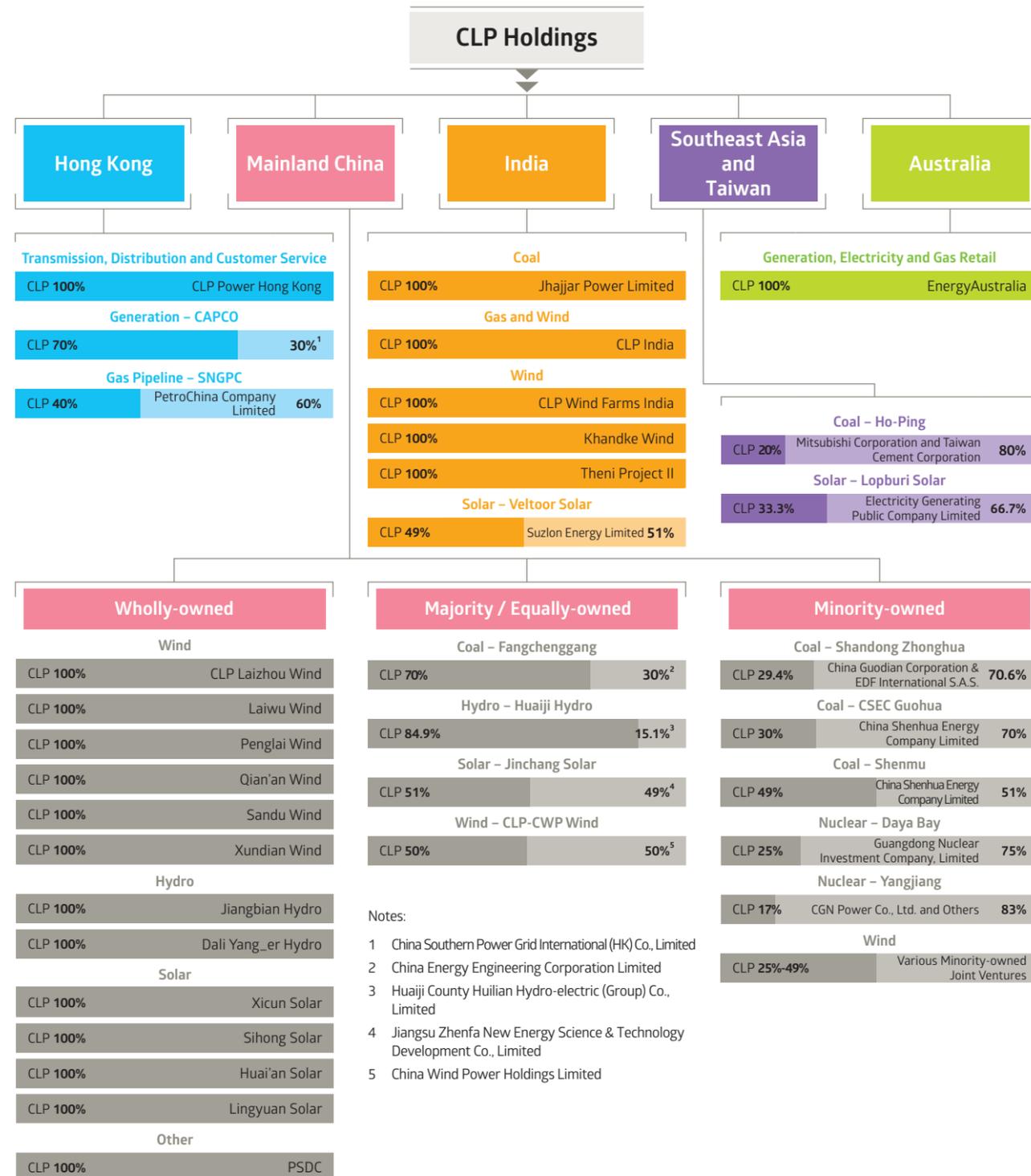
Notes:

- 1 Represents earnings attributable to shareholders (before depreciation, amortisation and deferred tax) for the year retained.
- 2 Netted with finance income and include payments made to perpetual capital securities holders.

Our Portfolio

as at 31 December 2017

We operate a diversified portfolio of generation assets across five Asia-Pacific markets, using coal, gas, nuclear, wind, hydro and solar. In addition to generation facilities where we hold equity interests, our portfolio includes long-term offtake arrangements. As at 31 December 2017, our equity generation capacity that was in operation and under construction stood at **19,395MW**, while our long-term capacity purchase amounted to **5,159MW**. Among them, renewable energy accounted for **2,751MW** and **461MW** respectively. Our business also includes over 15,600 kilometres of transmission and distribution lines, and energy retail activities that serve about 5.2 million electricity and gas customer accounts.



Generation capacity by market (equity basis and capacity purchase arrangements)

Hong Kong	7,483MW
Mainland China	8,872MW
India	2,948MW
Southeast Asia and Taiwan	285MW
Australia	4,966MW
Total	24,554MW

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Hong Kong		
Gross MW / CLP Equity MW		
Equity	Fuel type	Investments
100%		CLP Power Hong Kong Limited (CLP Power Hong Kong) Owns and operates a transmission and distribution system which includes: <ul style="list-style-type: none"> 555 km of 400kV lines, 1,646 km of 132kV lines, 22 km of 33kV lines and 13,455 km of 11kV lines 66,938 MVA transformers, 232 primary and 14,483 secondary substations in operation and provides electricity and customer service
70%	 	Castle Peak Power Company Limited (CAPCO) 7,483 / 5,238MW CAPCO owns and CLP Power Hong Kong operates: <ul style="list-style-type: none"> Black Point Power Station (3,075MW), one of the world's largest gas-fired combined-cycle power stations comprising seven 312.5MW units and one 337.5MW unit, with another new 550MW unit under construction and expected to commence operation before 2020 Castle Peak Power Station (4,108MW), comprising four 350MW coal-fired units and another four 677MW units. Two of the 677MW units can use gas as a backup fuel. All units can use oil as a backup fuel Penny's Bay Power Station (300MW), comprising three 100MW diesel-fired gas turbine units mainly for backup purpose CAPCO is a joint venture between CLP Power Hong Kong and China Southern Power Grid International (HK) Co., Limited
40%		ShenGang Natural Gas Pipeline Company Limited (SNGPC) Owns and operates the Hong Kong Branch Line, comprising a 20-km pipeline and the associated gas launching and end stations, which transports natural gas from PetroChina's Second West-East Gas Pipeline in Shenzhen Dachan Island to Black Point
Capacity Purchase¹ CLP Power Hong Kong purchases its power from CAPCO, Hong Kong Pumped Storage Development Company, Limited (PSDC) and Guangdong Daya Bay Nuclear Power Station (GNPS). These sources of power (including projects under construction) amount to 9,463MW (CAPCO: 7,483MW, PSDC: 600MW, GNPS: about 1,380MW) for serving our Hong Kong business		

Mainland China		
Gross MW / CLP Equity MW		
Equity	Fuel type	Investments
25%		Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) 1,968 / 492MW Owns Guangdong Daya Bay Nuclear Power Station (GNPS) with Guangdong Nuclear Investment Co., Ltd. GNPS is equipped with two 984MW Pressurised Water Reactors. 70% of electricity generated is supplied to Hong Kong, with the remaining 30% sold to Guangdong ² .
17% ³		Yangjiang Nuclear Power Co., Ltd. (Yangjiang Nuclear) 6,516 / 1,108MW Owns Yangjiang Nuclear Power Station with CGN Power Co., Ltd. and Guangdong Yudean Group Co., Ltd. The power station comprises six 1,086MW generating units, of which four units are in commercial operation and the other two units are currently under construction with targeted commissioning in 2018 and 2019 respectively.
70%		CLP Guangxi Fangchenggang Power Company Limited (Fangchenggang) 2,580 / 1,806MW Owns and operates a two-phased project at Fangchenggang in Guangxi with China Energy Engineering Corporation Limited. Phase I includes two 630MW supercritical coal-fired units. Phase II includes two 660MW ultra-supercritical coal-fired units
49%		CLP Guohua Shenmu Power Company Limited (Shenmu) 220 / 108MW Owns Shenmu Power Station (220MW) in Shaanxi with China Shenhua Energy Company Limited
30%		CSEC Guohua International Power Company Limited (CSEC Guohua) 7,470 / 1,248MW⁴ Owns interests in five coal-fired power stations with China Shenhua Energy Company Limited: <ul style="list-style-type: none"> 100% of Beijing Yire⁵ 50% of Suizhong I and II (3,760MW) in Liaoning 65% of Panshan (1,060MW) in Tianjin 65% of Zhungeer II and III (1,320MW) in Inner Mongolia 55% of Sanhe I and II (1,330MW) in Hebei, a 30MW retrofit expansion was completed in 2017
29.4%		Shandong Zhonghua Power Company, Ltd. (SZPC) 3,060 / 900MW Owns four coal-fired power stations in Shandong with China Guodian Corporation and EDF International S.A.S.: <ul style="list-style-type: none"> Heze II (600MW) Liaocheng I (1,200MW) Shiheng I and II (1,260MW)

Notes:

- Relates to power purchase from these power stations in which CLP has equity or operational control.
- Agreement has been reached to increase the proportion of supply to Hong Kong to slightly above 70% in 2014 and to about 80% from 2015 to 2018, with the remainder continuing to be sold to Guangdong.
- 17% equity interest in Yangjiang Nuclear was acquired from CGN Power Co., Ltd. on 12 December 2017.
- The 1,248 equity MW attributed to CLP, through its 30% equity interest in CSEC Guohua, takes into account that CSEC Guohua holds varying equity interests in the generating assets included in the 7,470 gross MW.
- The Beijing Yire power station ceased operation on 20 March 2015.

Mainland China (cont'd)		
Gross MW / CLP Equity MW		
Equity	Fuel type	Investments
50%		CLP-CWP Wind Power Investment Limited (CLP-CWP Wind) 99 / 24MW⁶ Owns two wind farms in Liaoning in a joint venture with China Wind Power Holdings Limited: <ul style="list-style-type: none"> 49% of Qujiagou Wind Farm (49.5MW) 49% of Mazongshan Wind Farm (49.5MW)
100%		CLP (Kunming) Renewable Energy Co., Ltd. (Xundian Wind) 50 / 50MW Owns and operates Xundian I Wind Farm (49.5MW) in Yunnan
100%		CLP (Laiwu) Renewable Energy Limited (Laiwu Wind) 99 / 99MW Owns and operates two wind farms in Shandong: <ul style="list-style-type: none"> Laiwu I Wind Farm (49.5MW) Laiwu II Wind Farm (49.5MW)⁷
100%		CLP (Laizhou) Renewable Energy Limited (CLP Laizhou Wind) 99 / 99MW Owns and operates two wind farms in Shandong: <ul style="list-style-type: none"> CLP Laizhou I Wind Farm (49.5MW) CLP Laizhou II Wind Farm (49.5MW), which is under construction⁸
100%		CLP (Penglai) Wind Power Ltd. (Penglai Wind) 48 / 48MW Owns and operates Penglai I Wind Farm (48MW) in Shandong
100%		CLP (Sandu) Renewable Energy Limited (Sandu Wind) 198 / 198MW Owns and operates two wind farms in Guizhou: <ul style="list-style-type: none"> Sandu I Wind Farm (99MW) Sandu II Wind Farm (99MW), which is expected to commence construction in 2018⁸
45%		Huadian Laizhou Wind Power Company Limited (Huadian Laizhou Wind) 41 / 18MW Owns Huadian Laizhou I Wind Farm (40.5MW) in Shandong in a joint venture with Huadian Power International Corporation Limited
25%		Huaneng Shantou Wind Power Company Limited (Nanao Wind) 60 / 15MW Owns two wind farms in Guangdong in a joint venture with Guangdong Wind Power Company Limited and Huaneng Renewables Corporation Limited: <ul style="list-style-type: none"> Nanao II Wind Farm (45MW) Nanao III Wind Farm (15MW)
49%		Jilin Datang Wind Joint Ventures (Jilin Datang Wind) 148 / 73MW Owns three wind farms in Jilin together with China Datang Corporation Renewable Power Company Limited: <ul style="list-style-type: none"> Datong Wind Farm (49.5MW) Shuangliao I Wind Farm (49.3MW) Shuangliao II Wind Farm (49.5MW)
100%		Qian'an IW Power Company Limited (Qian'an Wind) 99 / 99MW Owns and operates two wind farms in Jilin: <ul style="list-style-type: none"> Qian'an I Wind Farm (49.5MW) Qian'an II Wind Farm (49.5MW)
49%		Shandong Guohua Wind Joint Ventures (Shandong Guohua Wind) 395 / 194MW Owns eight wind farms in Shandong together with Shenhua Renewable Company Limited: <ul style="list-style-type: none"> Dongying Hekou Wind Farm (49.5MW) Lijin I Wind Farm (49.5MW) Lijin II Wind Farm (49.5MW) Rongcheng I Wind Farm (48.8MW) Rongcheng II Wind Farm (49.5MW) Rongcheng III Wind Farm (49.5MW) Zhanhua I Wind Farm (49.5MW) Zhanhua II Wind Farm (49.5MW)
45%		Shandong Huaneng Wind Joint Venture (Shandong Huaneng Wind) 69 / 31MW⁹ Owns two wind farms in Shandong in a joint venture with Huaneng Renewables Corporation Limited: <ul style="list-style-type: none"> Weihai I Wind Farm (19.5MW) Weihai II Wind Farm (49.5MW)
29%		Shanghai Chongming Beiyuan Wind Power Generation Company Limited (Shanghai Chongming Wind) 48 / 14MW Owns Chongming Wind Farm (48MW) in Shanghai in a joint venture with Shanghai Green Environmental Protection Energy Co., Ltd. and CPI New Energy Holding Company Limited
45%		Sinohydro CLP Wind Power Company Limited (Changling Wind) 50 / 22MW Owns Changling II Wind Farm (49.5MW) in Jilin in a joint venture with Sinohydro Renewable Energy Company Limited

Notes:

- The 24 equity MW attributed to CLP, through its 50% equity interest in CLP-CWP Wind, takes into account that CLP-CWP Wind holds varying equity interests in the generating assets included in the 99 gross MW.
- Commenced commercial operation in October 2017.
- It will be operated by CLP upon completion.
- Changdao Wind Farm ceased operation in 2017.

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Mainland China (cont'd)		Gross MW / CLP Equity MW
Equity	Fuel type	Investments
100%		CLP Sichuan (Jiangbian) Power Company Limited (Jiangbian Hydro) 330 / 330MW Owns and operates Jiangbian Hydropower Station (330MW) in Sichuan
100%		Dali Yang_er Hydropower Development Co., Ltd. (Dali Yang_er Hydro) 50 / 50MW Owns and operates Dali Yang_er Hydropower Station (49.8MW) in Yunnan
84.9%		Huaiji Hydropower Joint Ventures (Huaiji Hydro) 129 / 110MW Owns and operates 12 small hydropower stations in Guangdong with Huaiji County Huilian Hydro-electric (Group) Co., Ltd.
100%		CLP Dali (Xicun) Solar Power Co., Ltd. (Xicun Solar) 84 / 84MW ¹⁰ Owns and operates two solar power stations in Yunnan: · Xicun I Solar Power Station (42MW) · Xicun II Solar Power Station (42MW)
100%		Huai'an Gangfa PV Power Company Limited (Huai'an Solar) 13 / 13MW ¹¹ Owns and operates Huai'an Solar Power Station (12.8MW), which commenced operation in June 2017
51%		Jinchang Zhenxin PV Power Company Limited (Jinchang Solar) 85 / 43MW ¹² Owns and operates Jinchang Solar Power Station (85MW) in Gansu with Jianguo Zhenfa New Energy Science & Technology Development Co., Ltd.
100%		Sihong Tianganghu PV Power Co., Ltd. (Sihong Solar) 93 / 93MW ¹³ Owns and operates Sihong Solar Power Station (93.4MW) in Jiangsu
100%		CLP (Lingyuan) Hejiagou New Energy Company Limited (Lingyuan Solar) 17 / 17MW ¹⁴ Owns Lingyuan Solar Power Station (17MW), which commenced construction in July 2017 ⁸
100%		Hong Kong Pumped Storage Development Company, Limited (PSDC) 1,200 / 600MW Holds the right to use half of the 1,200MW pumped storage capacity of Phase I of the Guangzhou Pumped Storage Power Station until 2034; PSDC has no equity interest in the power station

India		Gross MW / CLP Equity MW
Equity	Fuel type	Investments
100%		CLP India Private Limited (CLP India) 705 / 705MW Owns and operates two projects in Gujarat: · Paguthan Power Station , a 655MW combined-cycle gas-fired power plant designed to run on natural gas with naphtha as alternate fuel · Samana I Wind Farm (50.4MW)
100%		CLP Wind Farms (India) Private Limited (CLP Wind Farms India) 774 / 774MW Owns and operates the following wind projects: · Andhra Lake Wind Farm (106.4MW) in Maharashtra · Bhakrani Wind Farm (102.4MW) in Rajasthan · Chandgarh Wind Farm (92MW) in Madhya Pradesh · Harapanahalli Wind Farm (39.6MW) in Karnataka · Jath Wind Farm (60MW) in Maharashtra · Mahidad Wind Farm (50.4MW) in Gujarat · Samana II Wind Farm (50.4MW) in Gujarat · Saundatti Wind Farm (72MW) in Karnataka · Sipla Wind Farm (50.4MW) in Rajasthan · Tejuva Wind Farm (100.8MW) in Rajasthan · Theni I Wind Farm (49.5MW) in Tamil Nadu

Notes:

10 Gross / CLP Equity MW are expressed on an alternating current (AC) basis. If converted to direct current (DC), they are equivalent to 100/100MW.

11 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 15/15MW.

12 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 100/51MW.

13 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 110/110MW.

14 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 20/20MW.

India (cont'd)		Gross MW / CLP Equity MW
Equity	Fuel type	Investments
100%		CLP Wind Farms (Khandke) Private Limited (Khandke Wind) 50 / 50MW Owns and operates Khandke Wind Farm (50.4MW) in Maharashtra
100%		CLP Wind Farms (Theni - Project II) Private Limited (Theni II) 50 / 50MW Owns and operates Theni II Wind Farm (49.5MW) in Tamil Nadu
100%		Jhajjar Power Limited (JPL) 1,320 / 1,320MW Owns and operates Jhajjar Power Station (1,320MW) in Haryana, which comprises two 660MW supercritical coal-fired units
49% ¹⁵		SE Solar Limited (SE Solar) 100 / 49MW ¹⁶ Owns and operates Veltoor Solar (100MW) in Telangana with Suzlon Energy Limited ¹⁷

Southeast Asia and Taiwan		Gross MW / CLP Equity MW
Equity	Fuel type	Investments
20%		Ho-Ping Power Company (HPC) 1,320 / 264MW Owns the 1,320MW coal-fired Ho-Ping Power Station in Taiwan. CLP's 20% interest is held through OneEnergy Taiwan Ltd, a 50:50 project vehicle with Mitsubishi Corporation. Taiwan Cement Corporation owns the remaining 60% interest in HPC
33.3%		Natural Energy Development Co., Ltd. (NED) 63 / 21MW Owns a 63MW solar farm in Lopburi Province in Central Thailand. NED is a joint venture company in which CLP has 33.3% shareholding. Electricity Generating Public Company Limited has the remaining 66.7%

Australia		Gross MW / CLP Equity MW
Equity	Fuel type	Investments
100% ¹⁸	 	EnergyAustralia 5,087 / 4,505MW Owns and operates a retail-focused energy business, supported by its generation portfolio in Victoria, South Australia and New South Wales, comprising the following facilities ¹⁹ : · Cathedral Rocks Wind Farm (66MW) (50% equity) · Hallett Gas-fired Power Station (203MW) · Mount Piper Coal-fired Power Station (1,400MW) · Narrabri (20% equity) (2C contingent resource of up to 1,797PJ) · Pine Dale Black Coal Mine · Tallawarra Gas-fired Power Station (420MW) · Wilga Park Gas-fired Power Station (16MW) (20% equity) · Yallourn Coal-fired Power Station (1,480MW) and Brown Coal Open-cut Mine · Ecogen (966MW) offtake from Newport and Jeeralang Gas-fired Power Stations ²⁰
Long-term Offtake ²¹		· Boco Rock Wind Farm (113MW) 100% offtake · Gullen Range Wind Farm (165.5MW) 100% offtake · Mortons Lane Wind Farm (19.5MW) 100% offtake · Taralga Wind Farm (107MW) 100% offtake · Waterloo Wind Farm Stage 1 (111MW) 50% offtake

Notes:

15 CLP India has an option to acquire Suzlon Group's remaining 51% stake one year after the commissioning of the project.

16 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 120/58.8MW.

17 94MW of the project were commissioned as at 31 December 2017.

18 Except those specified without 100% equity interest.

19 The Cathedral Rocks Wind Farm, Narrabri and Wilga Park Gas-fired Power Station are not operated by EnergyAustralia.

20 EnergyAustralia makes fixed payments to cover operating and capital expenditure and is liable for fuel costs in exchange for dispatch rights and the economic benefit of electricity sales from the Newport and Jeeralang Power Stations.

21 Long-term offtake relates to power purchase from power stations in which CLP has neither equity nor operational control.