中電控股有限公司

CLP Holdings Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 00002)

CLP 中電

Quarterly Statement 2023 (January – March)

To Shareholders:

The operations of CLP Holdings Limited (the Company) for the three months ended 31 March 2023 are summarised in this Quarterly Statement.

Hong Kong

Electricity sales in Hong Kong increased by 2.6% from the same period a year ago to 7,016 gigawatt hours (GWh) in the first three months of 2023. The rise in sales reflected an economic rebound as COVID-19 restrictions were lifted, triggering a surge in Commercial sector activity with significantly stronger demand from restaurants. The full return of government services and resumption of physical school classes following more than three years of the pandemic also boosted sales in the Infrastructure and Public Services sector. Demand in the Residential sector dropped as fewer people worked from home. The following table shows sales by sector in the first quarter, together with year-on-year changes:

	Sales by Sector (GWh)	Increase/ (Decrease)	% of Total Sales
Residential	1,791	(4.0%)	25%
Commercial	2,812	6.7%	40%
Infrastructure and Public Services	2,079	3.5%	30%
Manufacturing	334	1.2%	5%

To further ease the financial burden on customers during the post-pandemic economic recovery, a three-month special fuel rebate is provided by CLP Power Hong Kong Limited (CLP Power) from April to June, ensuring the monthly Fuel Cost Adjustment will not exceed the level in March. The rebate is the latest in a wide-ranging package of measures by CLP Power to soften the impact of high fuel costs. If international fuel prices this year continue to stabilise, it is expected to result in a downward trend in the Fuel Cost Adjustment soon, which will alleviate tariff pressure for customers.

Additional support totalling HK$110 million was made available to 150,000 underprivileged households, including 50,000 subdivided unit tenants, through the CLP Fuel Cost Subsidy Programme. The subsidies are part of a series of community programmes for 2023 supported by more than HK$200 million of funding from the CLP Community Energy Saving Fund. Other programmes include a HK$5 million initiative to carry out the rewiring needed to install individual electricity meters and improve the safety and living conditions of tenants in subdivided units.

CLP Power continued to focus on investments to decarbonise the electricity supply infrastructure. The offshore liquified natural gas (LNG) terminal using floating storage and regasification unit (FSRU) technology in southwestern waters is now in the final stage of commissioning, and a FSRU vessel arrived in April. The FSRU vessel is the largest of its kind in the world and is moored at the terminal's jetty. This new strategic gas facility is due to go into operation in mid-2023 and will enable Hong Kong to access competitively priced natural gas from international markets.

Development of a second new combined-cycle gas turbine generation unit at Black Point Power Station continued to progress, and the project is due to enter service in 2024. The unit will play a critical role in reducing carbon emissions and maintaining a reliable power supply in Hong Kong as the coal-fired generation units at Castle Peak A Power Station are progressively retired.

CLP Power continued to work with the Government to develop a proposal for an offshore wind farm in the southeastern waters of Hong Kong. The project has been included in CLP Power's Five Year Development Plan between 2024-2028 after technical studies confirmed its feasibility. The wind farm, if supported by the Government, would produce zero-carbon electricity on a significant scale and support Hong Kong's medium-term decarbonisation goals.

The Renewable Energy Feed-in Tariff scheme continued to encourage more customers to set up their own clean energy systems. The amount of renewable energy capacity approved rose to 342MW by the end of March, equivalent to the electricity used by around 81,700 residential customers in a year.

CLP Power's ongoing smart meter replacement programme is allowing a growing number of residential and business customers to benefit from the digitalisation of metering services. By the end of March, more than 1.84 million smart meters were connected, accounting for 66% of eligible homes and businesses.

CLP Power continued to support customers on the installation of new electric vehicle charging infrastructure, as more private residential estates in Hong Kong benefit from the Government's EV-charging at Home Subsidy Scheme (EHSS). By the end of March, CLP Power has completed preliminary assessments for 96% of 518 EHSS applications through its Eco Charge 2.0 programme, covering around 128,000 EV-enabled bays in the car parks of private residential blocks. In another initiative to promote electric transportation in Hong Kong, CLP Power is exploring potential partnerships with operators of electric ferries that are planning services under a pilot government programme.

CLP*e*, a wholly owned subsidiary of the Company providing integrated energy and infrastructure solutions, completed design works for Hong Kong's first zero-carbon electricity chiller system at Nina Tower, one of Hong Kong's tallest buildings, in the first quarter under an Energy-as-a-Service (EaaS) agreement with the building's owner Chinachem Group. Powered by artificial intelligence, the new water-cooled system will replace the existing air conditioning, improving energy efficiency and greatly reducing carbon emissions. CLP*e* will begin fitting the system in the second quarter and will operate and maintain it after it is completed in phases between 2024 and 2027. CLP*e* also started implementing a new cooling system in the 35-storey Shui On Centre office complex in Wanchai after signing an agreement with SOCAM Development Limited. The new system will be operated and maintained by CLP*e* after it is installed before the end of 2023.

In an initiative to cut carbon emissions from building sites in Hong Kong, CLP*e* is providing battery energy storage systems (BESS) to construction companies, allowing them to replace polluting diesel generators and reduce costs. More than 10 BESS orders were secured by CLP*e* in the first quarter since the service was launched in late 2022.

Mainland China

CLP China's investments in nuclear and renewable energy performed steadily, underpinning the business's ambition to expand its clean energy portfolio and capture opportunities from the decarbonisation of the Chinese economy.

Generation at Yangjiang Nuclear Power Station in Guangdong province increased year-on-year, while Daya Bay Nuclear Power Station continued to provide a reliable supply of zero-carbon energy to the province and to Hong Kong.

CLP China's wind and solar energy plants delivered a steady output. Hydro generation increased thanks to improved water resources at the Jiangbian plant in Sichuan. Construction of the 50MW Xundian II Wind Farm in Yunnan was completed with turbines connected to the grid despite challenging weather conditions. Construction work on the 150MW Bobai Wind Farm in Guangxi Zhuang Autonomous Region is expected to begin in the second quarter. Xundian II and Bobai are grid-parity projects designed to operate without government subsidies as the cost of providing renewable energy falls. CLP China continued to progress construction at the 80MW Jiangsu Gongdao Solar Farm, its first grid-parity solar project, which is due to enter service in the middle of 2023.

At the National People's Congress in March, the Central Government affirmed the country's path towards green transition and the importance of carbon reduction. CLP China is committed to exploring new renewable energy investment opportunities as the transition gathers pace with the shift in COVID-19 policies and government support for infrastructure spending bolstering growth in the Chinese economy. Increasing demand for sustainable energy infrastructure and solutions aligns with CLP*e*'s strategy to provide integrated EaaS services such as solar energy and centralised cooling to customers, particularly those in the Greater Bay Area.

Australia

EnergyAustralia continued to focus on strengthening the operation of its generation assets as wholesale electricity prices in Australia dropped from the high levels of 2022. Availability at Yallourn Power Station in Victoria was higher than during the same period in 2022 with a slight increase in generation output. As part of a programme to maintain the power station's performance ahead of its retirement in mid-2028, EnergyAustralia will conduct planned outages for two of the plant's units in the second half of the year and the other two units in 2024.

Mount Piper Power Station in New South Wales saw a year-on-year decline in output after the plant reduced generation to conserve fuel to make best use of it. Both units at the power station performed well, but fuel supply remains the key near-term constraint on generation. EnergyAustralia is renegotiating its contract with the coal supplier following an agreement to add a second mine, Airly, to support the Springvale mine. The operation of the mines is expected to improve and provide more coal later in 2023. Dispatch from EnergyAustralia's gas-fired assets dropped due to lower peaking demand in the market, while plants maintained high levels of reliability and availability.

To reflect rises in the cost of energy over the past year, EnergyAustralia increased electricity and gas tariffs for most customers. Retail competition also intensified in the latter part of the first quarter although EnergyAustralia's customer churn rate remains below market average. Amid the higher competitive intensity, retail customer accounts reduced by about 16,000, or around 0.6%, so far this year. The business remains committed to offering affordable energy services and protecting vulnerable customers from the impact of rising cost of living.

EnergyAustralia received planning approval from the Victorian Department of Transport and Planning in February for the construction of the 350MW Wooreen Energy Storage System. The project remains on schedule to reach final investment decision by year end. In New South Wales, construction continued on the 316MW gas and hydrogen peaking power station Tallawarra B, which is due to go into operation in time for the 2023/24 Australian summer.

India

Apraava Energy continued to expand its non-carbon operations and diversify its business in the first quarter to meet rising demand for clean energy in India.

Generation at its renewable energy portfolio was stable, with most wind and solar energy plants reporting solid operations. The first phase of the 251MW Sidhpur wind farm in the western state of Gujarat was commissioned in April and other phases of the project are expected to go into service by the third quarter of 2023.

In March, Apraava Energy won a contract to provide advanced metering infrastructure services in Assam. It will install smart meters for nearly 700,000 households in two regions of the northeastern state. Apraava Energy is also making progress on a smart meter contract in Gujarat after winning another auction.

The Kohima-Mariani Transmission Limited interstate transmission line in northeast India and the Satpura Transco Private Limited intrastate line in Madhya Pradesh state, both run by Apraava Energy, operated steadily. Reflecting its ongoing commitment to non-carbon investments, Apraava Energy in March won two interstate transmission projects in Rajasthan, enabling the development and operations of about 250km of new 400kV overhead transmission lines and a 2,500 megavolt ampere (MVA) pooling substation.

Jhajjar Power Station, the only coal-fired asset owned by the business, continued to perform well. One of the generating units at the power station underwent a major planned outage from the end of February to early April to further increase its efficiency.

Taiwan Region and Thailand

Operations at Ho-Ping Power Station in Taiwan Region remained stable, although its margins continued to be affected by elevated coal prices. In Thailand, Lopburi Solar Farm continued its steady operations.

Annual General Meeting (AGM)

The twenty fifth AGM of the Company was held on 5 May 2023 and the results of the poll were published on the websites of the Company and The Stock Exchange of Hong Kong Limited on the same day. Minutes of the AGM and the proceedings of the meeting will be available at the Investor Relations section on the Company's website at www.clpgroup.com as soon as practicable.

First Interim Dividend

Today, the Board of Directors of the Company declared the first interim dividend for 2023 of HK$0.63 per share, same as the 2022 first interim dividend, payable on 15 June 2023 to Shareholders registered as at 6 June 2023. The dividend of HK$0.63 per share is payable on the existing 2,526,450,570 shares in issue.

The Register of Shareholders will be closed on 6 June 2023. To rank for the first interim dividend, all transfers should be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 5 June 2023.

The Hon Sir Michael Kadoorie
Chairman of the Board of Directors

Hong Kong, 15 May 2023

The Directors of the Company as at the date of this Quarterly Statement are:

Non-executive Directors:	The Hon Sir Michael Kadoorie, Mr Andrew Brandler, Mr J.A.H. Leigh, Mr Philip Kadoorie and Mrs Yuen So Siu Mai Betty
Independent Non-executive Directors:	Sir Rod Eddington, Mr Nicholas C. Allen, Mrs Zia Mody, Ms May Siew Boi Tan, Ms Christina Gaw, Mr Chunyuan Gu and Mr Chan Bernard Charnwut
Executive Director:	Mr Richard Lancaster

This statement is also available at the Investor Relations section on the Company's website at www.clpgroup.com.

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You can ask for this Quarterly Statement in printed form or in a language version other than your existing choice.

You can ask to change[2] your choice of (a) language (English and/or Chinese); and/or (b) means of receipt (in printed form or by electronic means through our website) for the Company's future corporate communications.

You can make the above request(s) at any time, free of charge, by writing to the Company or the Company's Registrars, Computershare Hong Kong Investor Services Limited, or email to cosec@clp.com.hk or clp.ecom@computershare.com.hk.

If your shares are held in joint names, such notice must be specified and signed by all joint holders whose names stand on the Register of Shareholders of the Company in respect of the joint holding in order to be valid.

If you cannot access the corporate communications electronically, please ask us for a printed form and we will send these to you free of charge.

Notes: 1. Corporate communications refer to Interim/Annual Reports, Quarterly Statements, notices, documents or other shareholder publications of the Company (including any "corporate communication" as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

2. Your change request applies to the next batch of corporate communications if we have at least seven days written notice of your request, otherwise, it will apply to the subsequent batch of corporate communications.