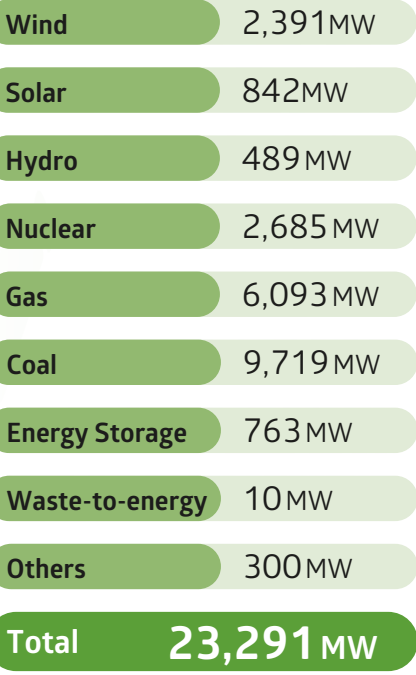


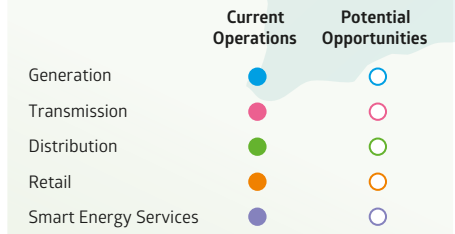
About the CLP Group

The CLP Group is one of the largest investor-owned power businesses in Asia Pacific with investments in Hong Kong, Mainland China, Australia, India, Taiwan Region and Thailand. Its business spans every major segment of the electricity value chain ranging from power generation, transmission and distribution to retail and smart energy services. CLP strives to embrace new opportunities and expand its horizons to meet the evolving needs of energy users in a world being reshaped by decarbonisation and digitalisation.

Generation and energy storage capacity by asset type



Note: Any minor discrepancies are due to rounding of figures.  
▶ See Our Portfolio on page 294 for more information



2023 Operating Earnings before Fair Value Movements

Hong Kong energy and related business

HK\$8,823 million

Mainland China

HK\$2,073 million

Australia

-HK\$182 million

India

HK\$301 million

Taiwan Region and Thailand

HK\$307 million

Other earnings and unallocated expenses

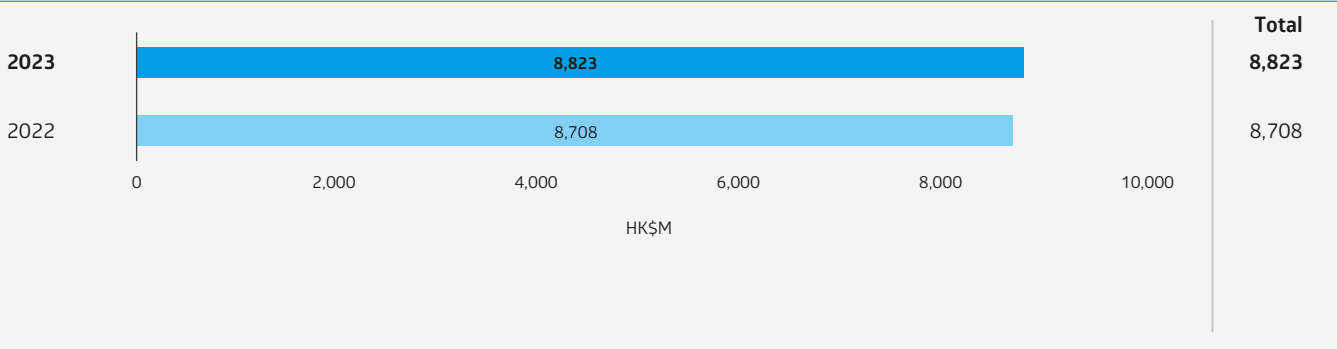
-HK\$1,195 million

Total  
**HK\$10,127 million**

Hong Kong



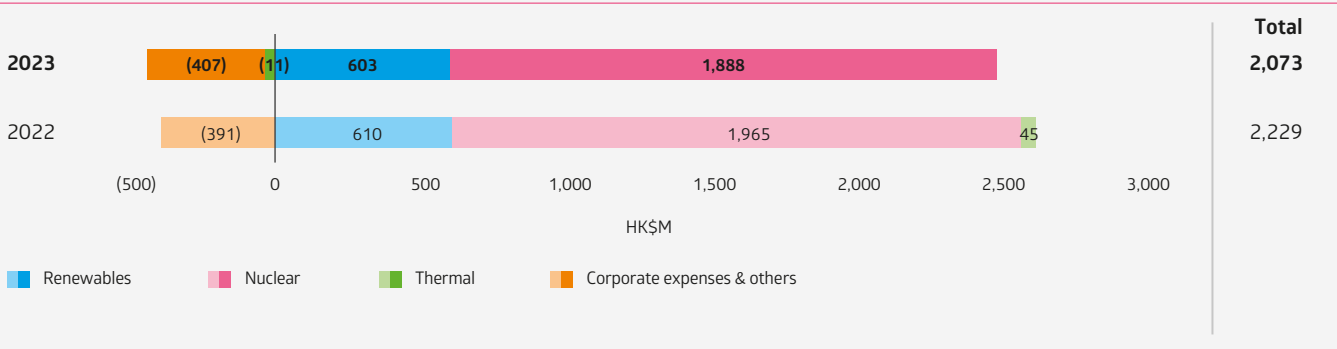
Hong Kong's electricity sector is regulated by the Scheme of Control Agreements and operated by two vertically integrated utility companies that serve different geographical areas of the city. CLP Power Hong Kong Limited, the larger of the two companies and a wholly owned subsidiary of the Group, provides a power supply of 99.999% world-class reliability to about 2.79 million customers in Kowloon, the New Territories and most of the outlying islands, serving more than 80% of the city's population.



Mainland China



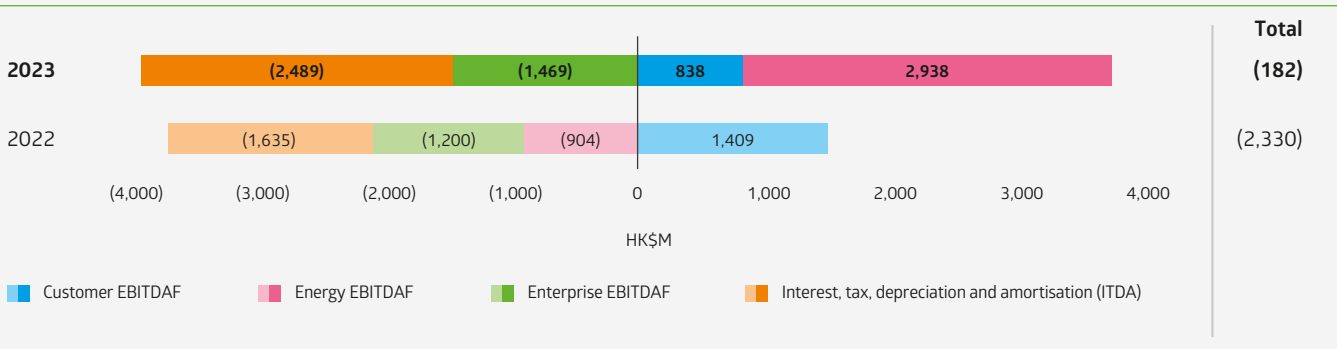
The electricity industry in Mainland China is largely state-controlled. Transmission and distribution are principally operated by two state-owned enterprises while generation is open for investment. As the country continues to open up its energy market, the provision of sustainable energy services to customers also presents great potential for private investments. CLP first entered the market in 1979 when the Group began providing electricity to Guangdong province. Today, CLP China is one of the largest external investors in the energy sector in Mainland China with over 50 power projects in 15 provinces, municipalities and autonomous regions, concentrating on low-carbon energy, including nuclear power and renewable energy, in addition to opportunities in smart energy services.



Australia



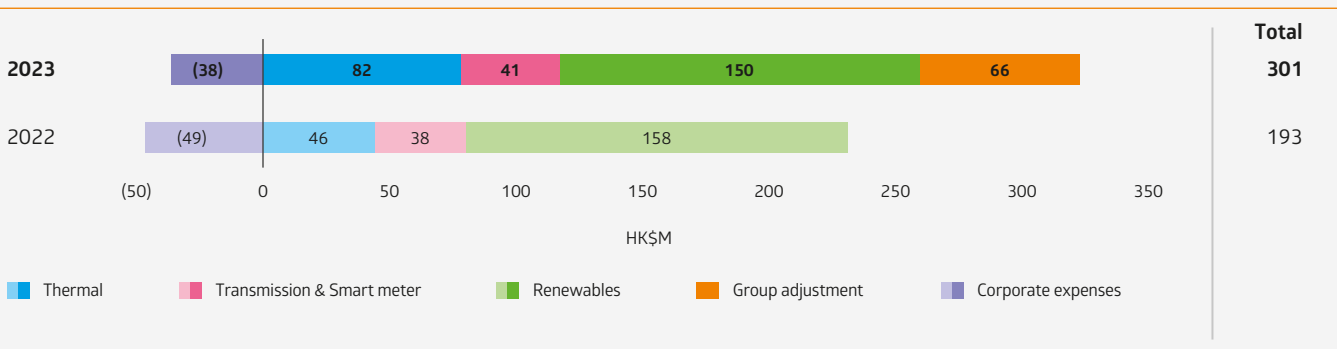
EnergyAustralia is one of the largest privately owned electricity generators under the National Electricity Market (NEM), a major gas and electricity retailer in New South Wales, Victoria, South Australia and the Australian Capital Territory, and an electricity retailer in Queensland. Private generators operating under the NEM and a number of government-owned assets provide generation services in a competitive wholesale market. The electricity retail market is partially regulated while the transmission and distribution segments remain substantially regulated.



India



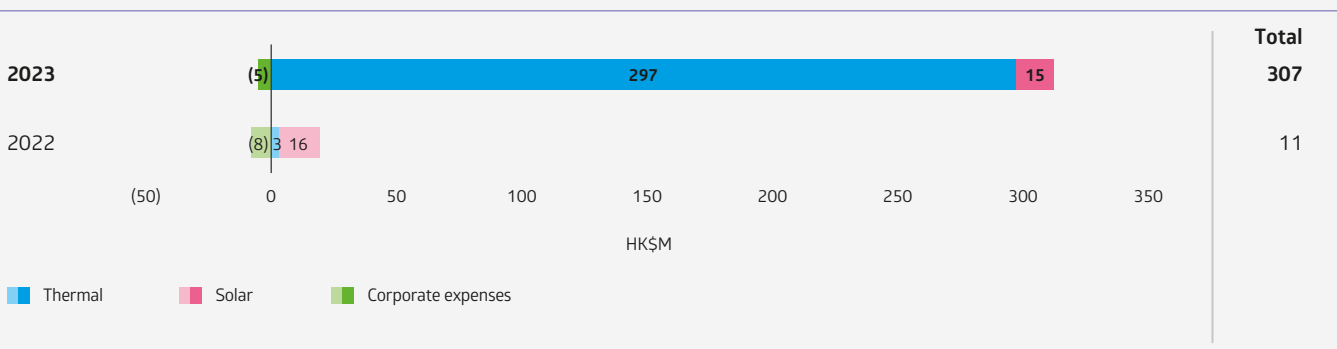
Much of the electricity industry in India has traditionally been owned and controlled by the Federal and State Governments. Since 2006, private companies have been encouraged to invest in the generation and increasingly transmission segments. On the distribution side, the Federal Government has recently progressed initiatives for more privatisation. Since entering the Indian market in 2002, CLP has built a diversified portfolio comprising wind, solar and supercritical coal generating facilities as well as transmission and advanced metering infrastructure assets. The business, a 50:50 joint venture between CLP and the Canada-based global investment group CDPQ, is operated under the Apraava Energy brand with a focus on clean energy, power transmission and other customer-focused energy businesses.



Taiwan Region and Thailand



CLP has minority interests in a solar project in Thailand and a coal-based generation plant in Taiwan region. The electricity industry is government-controlled in both markets.



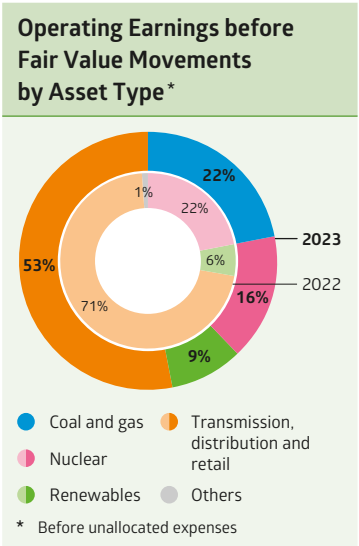
# Financial Highlights

Group operating earnings before fair value movements increased 33.2% to HK\$10,127 million attributable to dependable contributions from our core business in Hong Kong and Mainland China and significant improvement in overseas business. With the turnaround of fair value movements, from a loss of HK\$2,979 million to a gain of HK\$2,125 million, and after taking into account the items affecting comparability, mainly impairment of goodwill of the Customer business in Australia of HK\$5,868 million, total earnings came at HK\$6,655 million, a strong rebound from HK\$924 million for 2022.

	2023	2022	Increase / (Decrease) %
<b>For the year (in HK\$ million)</b>			
Revenue			
Hong Kong electricity business	50,630	50,600	0.1
Energy businesses outside Hong Kong	35,039	48,873	(28.3)
Others	1,500	1,189	
Total	87,169	100,662	(13.4)
Earnings			
Hong Kong energy business	8,536	8,445	1.1
Hong Kong energy business related <sup>1</sup>	287	263	
Mainland China	2,073	2,229	(7.0)
Australia	(182)	(2,330)	
India	301	193	56.0
Taiwan Region and Thailand	307	11	2,690.9
Other earnings in Hong Kong	(106)	(65)	
Unallocated net finance income / (costs)	43	(6)	
Unallocated Group expenses	(1,132)	(1,138)	
<b>Operating earnings before fair value movements</b>	<b>10,127</b>	<b>7,602</b>	<b>33.2</b>
Fair value movements	2,125	(2,979)	
<b>Operating earnings</b>	<b>12,252</b>	<b>4,623</b>	<b>165.0</b>
Items affecting comparability	(5,597)	(3,699)	
<b>Total earnings</b>	<b>6,655</b>	<b>924</b>	<b>620.2</b>
Net cash inflow from operating activities	23,567	12,734	85.1
<b>At 31 December (in HK\$ million)</b>			
Total assets	229,051	236,026	(3.0)
Total borrowings	57,515	59,217	(2.9)
Shareholders' funds	102,331	105,498	(3.0)
<b>Per share (in HK\$)</b>			
Earnings per share	2.63	0.37	620.2
Dividend per share	3.10	3.10	–
Shareholders' funds per share	40.50	41.76	(3.0)
<b>Ratios</b>			
Return on equity <sup>2</sup> (%)	6.4	0.8	
Net debt to total capital <sup>3</sup> (%)	31.6	32.0	
FFO interest cover <sup>4</sup> (times)	11	7	
Price / Earnings <sup>5</sup> (times)	25	154	
Dividend yield <sup>6</sup> (%)	4.8	5.4	

Notes:

- Hong Kong energy business related includes PSDC and Hong Kong Branch Line supporting SoC business
- 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
- FFO (Funds from operations) interest cover = Cash inflow from operations / (Interest charges + capitalised interest)
- Price / Earnings = Closing share price on the last trading day of the year / Earnings per share
- Dividend yield = Dividend per share / Closing share price on the last trading day of the year



Strategic Framework

Purpose

Vision

Mission

Power Brighter Tomorrows

Be a leading responsible energy provider, from one generation to the next.

Provide sustainable energy solutions to create value for shareholders, customers, employees and the wider community.

Strategy

Through our values and commitments, we work every day to grow our business and meet our strategic priorities: creating a **sustainable business portfolio**; **accelerating our response to climate change** for our business and the communities we operate in; **serving growing demand for energy solutions**; **leveraging technology** to deliver leading customer experiences and enhance operating performance; and **investing to build an agile and innovative workforce**.

► Read [CEO's Strategic Review](#) on page 16

Materiality assessment

Material topics

Transition to Net Zero

Energy Growth Opportunities

Energy Security and Reliability

A Safe, Future-Ready Workforce

Business Resilience

Community Stewardship

Megatrends analysis

► Read [Delivering Our Sustainability Agenda](#) on page 40

Strategic priorities

Continue to grow a sustainable business portfolio

Accelerate our response to climate change

Serve growing demand for energy solutions

Leverage technology for experience and performance

Invest to build an agile, innovative workforce

Key performance indicators

► See [Human Resources & Remuneration Committee Report](#) on page 157 on how remuneration is linked to performance indicators

HK\$6,655 million

Total earnings

2022 : HK\$924 million

HK\$10,127 million

Operating earnings before fair value movements

2022 : HK\$7,602 million

HK\$7,832 million

Dividends

2022 : HK\$7,832 million

79,512 million kWh

Electricity sent out

2022 : 87,360 million kWh

5.23 million

Retail customer accounts in Hong Kong and Australia

2022 : 5.21 million

5 cases

Environmental regulatory non-compliance

2022 : 6 cases

99.999%

Reliability in Hong Kong

2022 : 99.997%

78%

of Operating earnings from non-carbon generation assets, transmission, distribution and retail operations <sup>1</sup>

49%

of Capital investments in non-carbon generation assets, transmission, distribution and retail operations <sup>2</sup>

0.54 kg CO<sub>2</sub>e/kWh

Greenhouse gas emissions intensity

2022 : 0.55 kg CO<sub>2</sub>e/kWh

3,732 MW

Renewable energy capacity

2022 : 3,611 MW

Operating earnings by asset type <sup>1</sup>

3%

19%

16%

9%

53%

Total: HK\$11,606 million

Capital investments by asset type <sup>2</sup>

5%

19%

28%

5%

44%

Total: HK\$15,674 million

Notes: <sup>1</sup> Excluding fair value movements and before unallocated expenses.  
<sup>2</sup> On accrual basis.  
<sup>3</sup> For maintenance, upgrades and efficiency improvements only.  
<sup>4</sup> Any minor discrepancies are due to rounding of figures.

Initiatives and investments in new energy infrastructure and services

Adoption of new products and services

► Opening of new offshore LNG terminal in Hong Kong

► Forged partnerships with real estate management and property companies to support their decarbonisation with energy efficiency and sustainability solutions in the Greater Bay Area

► Apraava Energy entered the advanced metering infrastructure market with 2 contracts to install 3 million smart meters

► CLP China secured 4 renewable energy supply contracts including its largest Green Electricity Certificate contract and a 10-year corporate power purchase agreement to support customers' decarbonisation targets

► CLPe won more than 40 orders for battery systems at construction sites

► EnergyAustralia offers households with Solar Home Bundle solution to reduce emissions

74

CLP Power customer satisfaction score

2022 : 72

-17.6

Net Promoter Score for EnergyAustralia

2022 : -6.9

Smart meters over 2.23 million

connected for Hong Kong customers since 2018

0.78 million

connected for EnergyAustralia's customers as of end-2023

Digital adoption

► Over 2,500 business customers in Hong Kong for Smart Energy Online energy management platform

Feed-in Tariff scheme in Hong Kong

376 MW approved or connected to grid since May 2018

Renewable Energy Certificates sales in Hong Kong

over 170 GWh

Demand response programmes

over 180 MW maximum demand reduced in Hong Kong

356.2 MW

capacity contracted in Australia as of end-2023

0.06

Lost time injury rate

2022 : 0.1

8,041

Employees for CLP Group

2022 : 8,318

0.18

Total recordable injury rate

2022 : 0.25

44.1

Average training hours per employee

2022 : 46.2

29.1%

Women in leadership positions

2022 : 29.1%

13.3%

Women in engineering

2022 : 13.0%

27.2%

Female employees

2022 : 26.7%

45

Graduate trainees hired in Hong Kong

2022 : 41

8 CLP Holdings 2023 Annual Report

CLP Holdings 2023 Annual Report 9



## Creating Value for Stakeholders

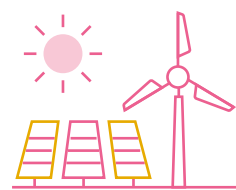
### How we create value

At CLP, we utilise various inputs to create value for shareholders, customers, employees and the wider community.

Inputs used	Financing	Resources and infrastructure	Talent and expertise	Technology
	<ul style="list-style-type: none"> <li>Shareholders' funds of HK\$102,331 million</li> <li>Total borrowings of HK\$57,515 million</li> </ul>	<ul style="list-style-type: none"> <li>Generation and energy storage capacity of 18,123 equity MW</li> <li>Long-term capacity and energy purchase agreements of 5,168MW</li> <li>250,177TJ of coal and 146,370TJ of gas consumed</li> <li>Transmission and high voltage distribution lines of over 17,000 km</li> <li>15,780 primary and secondary substations in Hong Kong</li> </ul>	<ul style="list-style-type: none"> <li>16,282 employees and contractors in our total workforce</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened technological capabilities to develop Energy-as-a-Service business model</li> <li>Digitalisation of operations</li> <li>Investments in technology companies and funds</li> <li>Partnerships with innovation accelerators</li> </ul>
	<b>Risks</b> <ul style="list-style-type: none"> <li>Financial risk</li> <li>Market and commercial risk</li> </ul>	<b>Risks</b> <ul style="list-style-type: none"> <li>Operational risk</li> <li>Market and commercial risk</li> <li>Transformation risk</li> </ul>	<b>Risks</b> <ul style="list-style-type: none"> <li>Operational risk</li> <li>Transformation risk</li> </ul>	<b>Risks</b> <ul style="list-style-type: none"> <li>Operational risk</li> <li>Transformation risk</li> </ul>

### What we do

We operate in different parts of the energy value chain in each of the markets we are in, tailoring our solutions based on the local context.

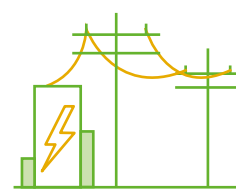


#### Generation

- Procure adequate and appropriate fuels and energy resources from diversified sources
- Design, build, operate and invest in centralised and decentralised generation facilities with increasing deployment of low-carbon energy sources
- Design, build, operate and enhance transmission networks to facilitate integration of more clean energy into the grid
- Design, build and operate distribution networks
- Integrate distributed energy resources into the grid



#### Transmission



#### Distribution

#### New technologies and digital applications



- Data analytics, artificial intelligence and Internet of Things (IoT) facilitate flexibility of entire energy system



#### Energy Orchestration

- Develop and deploy customer-oriented, technology-enabled energy services that help customers become active participants of a power system
- Widen and deepen customer relationships as an energy orchestrator to enable decarbonisation, electrification, energy efficiency and management, decentralised generation and storage

- Enable dynamic system balancing that integrates centralised and decentralised generation, and balances demand against different generation profiles to optimise cost efficiency, reliability and environmental performance



- Enable delivery of smarter and greener energy products and services

### Outputs

#### Competitive funding and attractive financial returns

- Total dividends of HK\$7,832 million to shareholders
- Solid liquidity position with access to cost-effective sources of sustainable financing

#### Reliable, reasonably priced and low-carbon electricity supply and sustainable energy solutions

- World-class supply reliability of 99.999% in Hong Kong
- 7.4% annual drop in 2024 Average Net Tariff in Hong Kong
- Greenhouse gas emissions intensity of electricity sold dropped to 0.54kg CO<sub>2</sub>e per kilowatt hour
- Diversified solutions to help customers decarbonise

#### Safe workplace and career progression

- 822 new recruits in core markets of Hong Kong and Mainland China
- 44.1 hours of internal and external training and development per employee on average
- Reduction in the Group's total recordable injury rate and lost time injury rate
- Staff expenses of HK\$4,749 million

#### Contribution to policy, business and economic development

- Current income tax of HK\$1,709 million
- Operating costs of HK\$58,633 million
- 2024–2028 five-year Development Plan approved by Hong Kong Government
- Supporting national- to city-level policymaking on energy transition

#### Positive social impact/ climate action conscious

- Donations of HK\$9 million
- Continued initiatives under CLP Community Energy Saving Fund to support people in need and improve energy efficiency
- Programmes to promote youth development and active ageing as well as to assist the underprivileged