

▮ The energy transition journey demands bold actions, and we stand ready to Power Brighter Tomorrows for our future generations. ▮

The Honourable Sir Michael Kadoorie
Chairman



Dear Shareholders,

I am pleased to report that CLP delivered on significant growth opportunities across the Group in 2023 navigating the persistent economic, financial and geopolitical complexities worldwide.

In 2023, the Group's operating earnings before fair value movements increased 33% year-on-year to HK\$10,127 million, underscoring the solid performance of most of our markets. Taking into account several one-off items including the HK\$5,868 million non-cash impairment of goodwill of EnergyAustralia's Customer business, total earnings were HK\$6,655 million, compared with HK\$924 million a year earlier.

The Board has declared a fourth interim dividend payment for 2023 of HK\$1.21 per share, same as 2022. Total dividends for 2023 were unchanged at HK\$3.10 per share. In line with our longstanding practice and policy on dividends, the Board struck a balance between the improvement of financial performance in 2023 and the Group's ongoing investment in the energy transition and decided to maintain the 2023 total dividends at the same level as last year. In 2024, we remain committed to build on the positive momentum established in 2023 to remunerate shareholders

in line with the evolution of earnings while ensuring that a solid financial position continues to back our business growth.

During 2023, encouraging growth and progress were achieved across all of our markets. Our five-year Development Plan was approved by the Hong Kong SAR Government, a milestone agreement that fortifies our commitment to meeting the energy demands essential for the long-term development of Hong Kong. These strategic investments will bolster economic growth, support the ongoing decarbonisation and reinforce Hong Kong's position as a smart, modern and resilient city. Notably, we took pride in successfully launching Hong Kong's first offshore LNG terminal in September that enhances the city's energy security and ensures a competitive gas supply for the benefit of our community.



Hong Kong SAR Government Chief Executive Mr John KC Lee (fourth from left) joins Chairman Sir Michael Kadoorie (fourth from right), CK Hutchison Holdings Limited Chairman Mr Victor TK Li (third from left), Secretary for Environment and Ecology Mr Tse Chin-wan (third from right) as well as directors and senior executives of the two power companies at the opening ceremony of the offshore LNG Terminal.



Hong Kong SAR Government Chief Secretary for Administration Mr Chan Kwok-ki (right) and Chairman Sir Michael Kadoorie (left) officiate at the opening ceremony of CLP Pulse, a cultural hub housed in CLP's revitalised historic clock tower building.

In Mainland China, our business exhibited a strong performance led by our nuclear fleet, and an accelerated expansion of our renewable portfolio. A robust project pipeline and the commissioning of a new wind farm and a solar facility in China during 2023 underscores our commitment in meeting the country's escalating demand for renewable energy. In November, I led a delegation of CLP board members and senior management to Beijing, where we had the honour of meeting the Director of Hong Kong and Macao Affairs Office, Mr Xia Baolong. We were deeply encouraged by Mr Xia's recognition of our longstanding commitment to Hong Kong and China as well as his full confidence in the future of CLP's business.

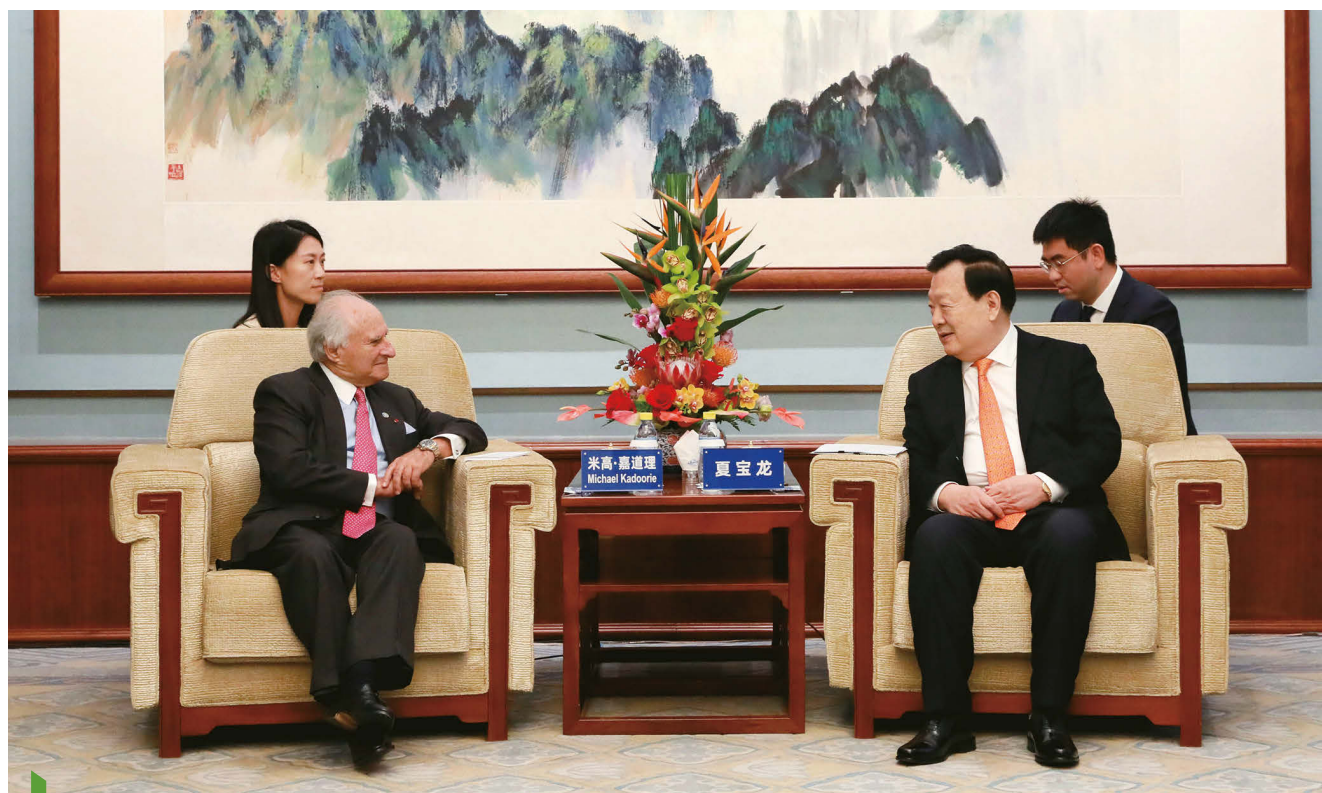
Our Indian joint venture, Apraava Energy, made substantial progress in 2023, particularly in non-carbon projects. The planned 300MW wind farm in Karnataka state, the commencement of partial operations at the Sidhpur wind project in Gujarat state, the continued growth of its transmission assets and the venture into smart meter business underscore a strategy to pursue diversified investments along the electricity supply chain.

Although the energy retail market in Australia has become increasingly challenging, EnergyAustralia improved its operational performance significantly in 2023 in the wake

of the 2022 energy crisis, while supporting record numbers of customers seeking assistance in managing cost of living pressure. CLP remains committed to participating in the energy transition in Australia, and building a strong and sustainable business through the opportunities arising from this journey.

Looking to the future, decarbonisation stands as the foremost priority for our business and [Climate Vision 2050](#), our blueprint for achieving net-zero greenhouse gas emissions by mid-century, remains one of, if not the main cornerstone of our strategy. Late last year, we conducted a review to make sure that this blueprint stays aligned with the latest developments in our businesses as well as the external risks and uncertainties we face. Based on the concerted and diligent efforts within the Group to accelerate the decarbonisation of our portfolio, we have strengthened our 2030 greenhouse gas targets to further enhance our progress. The leadership team at CLP is committed to ensuring we move ahead with the requisite speed and agility needed to achieve these strengthened targets and seize the opportunities before us. 🌐

As the threat of climate change looms larger, we have witnessed extreme weather events rising in frequency and intensity. This often puts to test the resilience of our



Director of Hong Kong and Macao Affairs Office Mr Xia Baolong (front row right) expresses full confidence in the future of CLP's business in a meeting with Chairman Sir Michael Kadoorie (front row left).

operations and the capability of our teams to respond. I would like to express my heartfelt gratitude to our dedicated teams across all markets who have consistently delivered service excellence, particularly during testing circumstances. Hong Kong endured two extreme weather events in quick succession in September when Super Typhoon Saola – the most powerful storm in five years – was followed by the heaviest rainstorm since records began 140 years ago which brought landslides and flooding across the city. The extraordinary professionalism and dedication our teams displayed during these adverse weather events enabled us to maintain a reliable power supply and minimise the impact on customers.

Our success over a long history has been predicated not just on results, but on how we have achieved them. This philosophy was formally embedded in CLP's Value Framework two decades ago, which encompasses how we treat our people, our relationships with customers, investors, business partners, governments and the wider community. To support the Group's purpose to Power Brighter Tomorrows, we recently updated our Value Framework, simplifying our values into the three core values of Care, Excellence and Responsibility. We also brought these values to life for our people by introducing expectations of their day-to-day work and for our stakeholders by explaining how we run our business. We believe these changes will not only empower our colleagues to achieve peak performance but will also distinctly articulate our promises and obligations to our employees, customers, shareholders, business partners and society at large.

In June, I announced the appointment of Mr T.K. Chiang as Chief Executive Officer of CLP Holdings. T.K. brings with him a wealth of experience and expertise gained over 30 years with the Group. Prior to being elevated to CEO, T.K. was Managing Director of CLP Power. Stepping into this role is Mr Joseph Law, a seasoned professional who has held various senior management positions since joining CLP in 2001, culminating in his most recent role as Managing Director of CLP China. Both T.K. and Joseph have a deep connection with CLP and are strongly committed to the company's core values and culture. Another example that reflects the deep bench of talent in our executive team is the appointment of Mr Alexandre Keisser to succeed Mr Nicolas Tissot as Chief Financial Officer on 1 April. Mr Keisser joined the Group as Managing Director of CLPe Solutions in 2018, before taking on his current role as Chief Officer – International Business last year. And I wish to thank Mr Tissot for his contributions to CLP since he joined us in 2020.

Our Group is well-positioned to navigate the many opportunities and uncertainties that lie ahead. The energy transition journey demands bold actions, and we stand ready to Power Brighter Tomorrows for our future generations.

On behalf of the entire Board, thank you for your continued support.



The Honourable Sir Michael Kadoorie
Hong Kong, 26 February 2024