Financial Review

Our strategy guides our investments to grow the business sustainably.

CLP Group's Financial Results and Position at a Glance

Our Strategy to Power Brighter Tomorrows

Decarbonisation is the foremost priority for our business and we remain resolute in our mission to enable an orderly transition to a net-zero future, while ensuring we maintain a secure and reliable energy supply. We are also committed to creating a future-ready workforce, deploying new and emerging technologies to support the progressive decarbonisation of our portfolio, and delivering cutting-edge energy solutions to meet the evolving needs of our customers, driving positive change in the communities in which we operate.

Progress in Executing Our Strategy

Decarboning Hong Kong's electricity supply remained a priority. Our new D2 gas-fired generation unit at Black Point Power Station went into operation in April, further accelerating the transition of our power supply. The ongoing upgrade of Clean Energy Transmission System (CETS) is on track enabling the future import of more zero-carbon energy from Mainland China. We also took significant steps forward in expanding our renewable portfolio in Mainland China, with construction beginning on the Sandu II and Juancheng wind farms as well as Yixing and Huai'an Nanzha solar projects. Meanwhile, Bobai Wind Farm was fully connected to the grid in January 2025 while work on Guanxian Wind Farm began in the same month. Construction of several solar and wind projects with a combined capacity of 560MW are due to start soon.

EnergyAustralia won the support for two battery storage projects under the Federal Government's new Capacity Investment Scheme, significantly boosting its investments in flexible and reliable electricity infrastructure to support Australia's energy transition. In India, Apraava Energy sustained a rapid pace of low carbon energy development. Solar farms with a combined capacity of 550MW are under construction while work on a 300MW wind project is due to begin soon. Expansion of transmission and advanced metering infrastructure (AMI) projects is also underway.

Maintaining Adequate Resources to Support our Strategy

Free cash flow represents the cash that can be used by a company after taking care of its operations. It can be used to remunerate equity and debt holders and to grow the business.

Strong operating cash inflow from the Scheme of Control (SoC) business continued to be the key source of funds for our capital investment programme and dividend payments in 2024. Our free cash flow also benefited from the improved operational performance of EnergyAustralia. During the year, we continued to carry out sustainable financing activities for specific projects under Climate Action Finance Framework and arrange Emission Reduction-Linked bank facilities with performance targets linked to emissions levels for general corporate purposes.

Where We Stand

- HK$4.6 billion of our capital investments on an accrual basis was spent on building our decarbonisation portfolio
- We accelerated our support for the development of reliable, convenient electric vehicle (EV) charging infrastructure and services to meet rising demand in the private and commercial transport sectors
- Nearly 70% of operating earnings before fair value movements and unallocated expenses were generated from non-carbon generation assets, transmission, distribution and retail operations
- Backed by strong investment grade credit ratings, adequate liquidity remains to meet the operational needs and support growth

Earnings and Dividends

CLP's Dividends Policy aims to provide reliable and consistent ordinary dividends with steady growth when supported by our earnings whilst ensuring that a solid financial position can be maintained to fund our business growth.

The Group's financial performance, and ultimately the Group's operating earnings, are of paramount importance in CLP's ability to stick to the Group's Dividends Policy. The solid financial performance for the year together with our robust financial position and healthy liquidity levels resulted in an increase in total dividends per share for 2024 to HK$3.15.

More analysis on the value we created for our shareholders can be found on pages 38 and 39.

Last Year's Statement of Financial Position

Working capital	2023 HK$M
Trade and other receivables	13,650
Trade payables and other liabilities	(20,306)
Cash and cash equivalents	5,182
Others	(1,503)
	(2,977)
Non-current assets	
Capital assets	
Fixed assets, right-of-use assets and investment property	161,663
Goodwill and other intangible assets	12,854
Interests in joint ventures and associates	21,898
	196,415
Others	5,706
	202,121
Debts and other non-current liabilities	
Bank loans and other borrowings*	(57,515)
Others	(29,247)
	(86,762)
Net assets	112,382
Equity	
Shareholders' funds	
Share capital and other reserves	25,456
Retained profits	84,216
Translation reserve	(7,341)
	102,331
Non-controlling interests (NCI) and perpetual capital securities (PCS)	10,051
	112,382

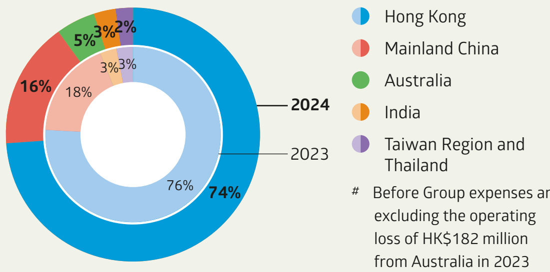
* Including current and non-current portions

	2023	2024	Change
Closing exchange rate			
RMB / HK$	1.0956	**1.0588**	↓ 3.4%
A$ / HK$	5.3200	**4.8084**	↓ 9.6%
Average exchange rate			
RMB / HK$	1.1033	**1.0827**	↓ 1.9%
A$ / HK$	5.1962	**5.1372**	↓ 1.1%

Statement of Profit or Loss

	2023 HK$M	2024 HK$M
Revenue	87,169	**90,964**
Operating expenses	(66,431)	**(67,789)**
Other charges	(5,868)	**–**
EBITDAF of the Group	14,870	**23,175**
Share of results of joint ventures and associates, net of tax	3,196	**2,655**
Consolidated EBITDAF	18,066	**25,830**
Depreciation and amortisation	(8,594)	**(9,276)**
Fair value movements	3,040	**1,004**
Net finance costs	(1,869)	**(2,019)**
Income tax expense	(2,973)	**(2,821)**
Profit for the year	7,670	**12,718**
Attributable to NCI and PCS holders	(1,015)	**(976)**
Earnings attributable to shareholders	6,655	**11,742**
Excluding: Items affecting comparability	5,597	**(94)**
Operating earnings	12,252	**11,648**
Excluding: Fair value movements (after tax and NCI)	(2,125)	**(699)**
Operating earnings before fair value movements	10,127	**10,949**

Operating Earnings before Fair Value Movements by Region #



\# Before Group expenses and excluding the operating loss of HK$182 million from Australia in 2023

Statement of Changes in Equity

	Attributable to Shareholders HK$M	Attributable to NCI and PCS holders HK$M
Balance at 1 January 2024	102,331	10,051
Profit for the year	11,742	976
Exchange differences on translation	(2,474)	–
Cash flow hedges and costs of hedging	68	38
Other comprehensive income and other movements	214	8
Reclassification of PCS to other borrowings	6	(3,887)
Dividends and distributions paid	(7,832)	(1,123)
Balance at 31 December 2024	**104,055**	**6,063**

Statement of Cash Flows

	2024 HK$M
EBITDAF of the Group	**23,175**
SoC items	**789**
Working capital movements	**441**
Non-cash items	**773**
Funds from operations	**25,178**
Interest received	**209**
Tax paid	**(2,247)**
Cash inflow from operating activities	**23,140**
Capital investments	
Capital expenditure	**(18,099)**
Additions of other intangible assets	**(663)**
Investments in and loans to joint ventures	**(11)**
	(18,773)
Dividends received and others	**2,557**
Cash outflow from investing activities	**(16,216)**
Net repayments of borrowings	**4,955**
Interest and other finance costs paid ^	**(1,904)**
Dividends paid to shareholders	**(7,832)**
Dividends to NCI and others	**(2,259)**
Cash outflow from financing activities	**(7,040)**
Net decrease in cash and cash equivalents	**(116)**
Cash and cash equivalents at 1 January	**5,182**
Effect of exchange rate changes	**(90)**
Cash and cash equivalents at 31 December	**4,976**
Free Cash Flow	
Funds from operations	**25,178**
Less: tax paid	**(2,247)**
Less: net finance costs paid ^	**(2,496)**
Less: maintenance capital expenditure (capex)	**(1,923)**
Add: dividends from joint ventures and associates	**2,429**
	20,941
Capital Investments	
SoC capex	**11,171**
Growth capex	**2,409**
Maintenance capex	**1,923**
Acquisition of asset	**3,023**
Other capex	**247**
	18,773

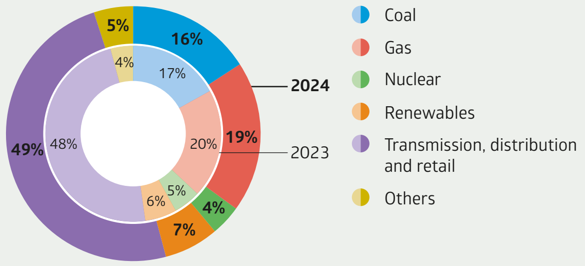
^ Including distributions paid to PCS holders

This Year's Statement of Financial Position

Working capital	2024 HK$M
Trade and other receivables	**14,114**
Trade payables and other liabilities	**(19,788)**
Cash and cash equivalents	**4,976**
Others	**(1,418)**
	(2,116)
Non-current assets	
Capital assets	
Fixed assets, right-of-use assets and investment property	**169,532**
Goodwill and other intangible assets	**12,445**
Interests in joint ventures and associates	**20,674**
	202,651
Others	**4,223**
	206,874
Debts and other non-current liabilities	
Bank loans and other borrowings*	**(65,154)**
Others	**(29,486)**
	(94,640)
Net assets	**110,118**
Equity	
Shareholders' funds	
Share capital and other reserves	**25,696**
Retained profits	**88,242**
Translation reserve	**(9,883)**
	104,055
NCI	**6,063**
	110,118

* Including current and non-current portions, and PCS of HK$3,883 million

Capital Assets by Asset Type



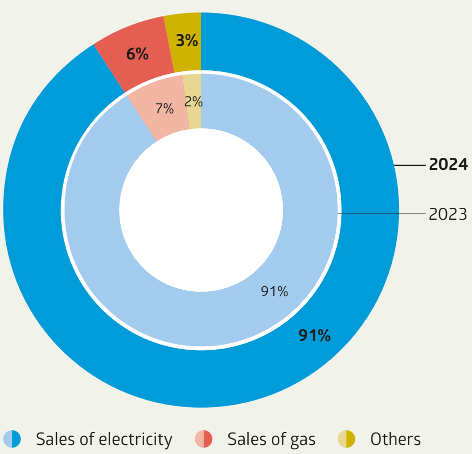
Analysis on Financial Results

Revenue (2024: HK$90,964 million; 2023: HK$87,169 million; ↑ 4.4%)

	2024 HK$M	2023 HK$M	Increase / (Decrease) HK$M	%
Hong Kong	**52,048**	52,119	(71)	(0.1)
Australia	**37,097**	33,190	3,907	11.8
Mainland China and others	**1,819**	1,860	(41)	(2.2)
	90,964	87,169	3,795	4.4

- Hong Kong: Steady revenue from SoC with more units sold as higher temperatures fuelled power demand. Infrastructure developments, rising inbound tourism, expansion of data centres and electric transport also contributed to higher electricity consumption. This was offset by lower Fuel Cost Adjustment charged as the international fuel prices continued to soften; lower revenue from the sale of Argyle Street properties (-HK$271 million)
- Mainland China and others: Revenue from Mainland China decreased slightly due to a lower average Renminbi exchange rate and reduced revenue from Jinchang Solar and Qian'an Wind attributable to higher grid curtailment, largely offset by better resources at Huaiji Hydro and the full year contribution in 2024 from Xundian II Wind and Yangzhou Gongdao Solar since their commissioning in March and September 2023 respectively

Revenues by Nature



- Australia

  Excluding the exchange rate impact of HK$0.4 billion resulting from a weaker Australian dollar, revenue increased by HK$4.3 billion:

  - Energy: Increased significantly by HK$4.0 billion predominantly driven by the higher wholesale spot prices in 2024, higher generation from Mount Piper Power Station due to a more consistent coal supply following a multi-mine agreement with the supplier, contribution from Tallawarra B Power Station since its commercial operations began in June and higher generation from other gas-fired plants

	2024	2023
Generation (GWh)		
Yallourn	**7,598**	7,687
Mount Piper	**7,010**	5,360
Average pool price (A$/MWh)*		
Victoria	**82.1**	54.8
New South Wales	**130.9**	95.9

* Represented the 12-month average pool prices in relevant states published by Australian Energy Market Operator (AEMO)

  - Customer: Increased by HK$0.3 billion mainly due to slightly higher average tariffs in 2024, partially offset by higher discounts for customers amid continuing cost of living pressures, intense market competition and lower Commercial & Industrial customers usage

	2024	2023
Electricity sales (TWh)		
Mass Market	**8.9**	8.9
Commercial and Industrial	**4.9**	5.9
Gas sales (PJ)		
Mass Market	**28.6**	28.1
Commercial and Industrial	**1.6**	2.5

Consolidated EBITDAF * (2024: HK$25,725 million; 2023: HK$23,611 million; ↑ 9.0%)

	2024 HK$M	2023 HK$M	Increase / (Decrease) HK$M	%
Hong Kong	**18,864**	18,029	835	4.6
Mainland China	**3,396**	3,737	(341)	(9.1)
Australia	**3,774**	2,307	1,467	63.6
India	**343**	306	37	12.1
Taiwan Region and Thailand	**261**	309	(48)	(15.5)
Corporate	**(913)**	(1,077)	164	15.2
	25,725	23,611	2,114	9.0

* Excluding items affecting comparability

- Hong Kong: Higher EBITDAF mainly reflected higher permitted return on higher average **SoC** net fixed assets from capital investments and increase in electricity sales, partly offset by one-off recognition of five-year energy saving and renewable energy connection incentives in 2023
- Mainland China: Lower **nuclear** earnings due to lower market-based tariff and higher operating and maintenance expenses at Yangjiang, and major outages at Daya Bay in the first half of 2024; **renewable** earnings slightly lower than 2023 attributable to lower generation from Jinchang Solar and Qian'an Wind due to higher grid curtailment, partly compensated by higher water resources at Huaiji driving more output; profit (2023: loss) from **coal-fired** projects mainly driven by lower operating and maintenance expenses and stabilising fuel prices at Guohua project; realisation of translation gains (HK$68 million) upon early termination of a joint venture agreement; higher expenses to support the growth trajectory of renewable energy projects
- Australia: Higher contribution from **Energy** business attributable to higher realised prices and more generation from Mount Piper Power Station after receiving a more consistent coal supply, partly offset by higher fuel costs; unfavourable performance of **Customer** business predominantly driven by higher discounts for retail customers under cost of living pressures and intense competition as well as lower Commercial & Industrial customers usage
- India: Higher Apraava Energy's results mainly contributed by higher **Jhajjar**'s tariff and revised tariff for **transmission** project; lower earnings from **renewable** energy projects due to reduced wind resources affecting output
- Taiwan Region and Thailand: Lower share of profit of **Ho-Ping** Power Station from lower generation and remedial costs incurred due to the earthquake in April and lower recovery of coal costs; performance of **Lopburi** Solar remained stable
- Corporate: Lower transformation and digital related expenses

Items Affecting Comparability

	2024		2023	
	Before Tax HK$M	After Tax & NCI HK$M	Before Tax HK$M	After Tax & NCI HK$M
Hong Kong	**–**	**(11)**	109	87
Mainland China	**–**	**–**	(85)	(115)
Australia	**–**	**–**	(5,868)	(5,868)
India	**105**	**105**	299	299
	105	**94**	(5,545)	(5,597)

- Hong Kong: Lower gain on sale of Argyle Street properties with fewer units sold in 2024 and higher revaluation loss of retail portion of Laguna Mall in line with the property market trend
- India: One-off income recognition to recover compensation for additional costs incurred in prior years towards operating the flue gas desulfurisation unit (2023: One-off income relating to delayed payment charges on disputed and long outstanding trade receivables and additional capacity charge)

Favourable Fair Value Movements (2024: HK$1,004 million; 2023: HK$3,040 million)

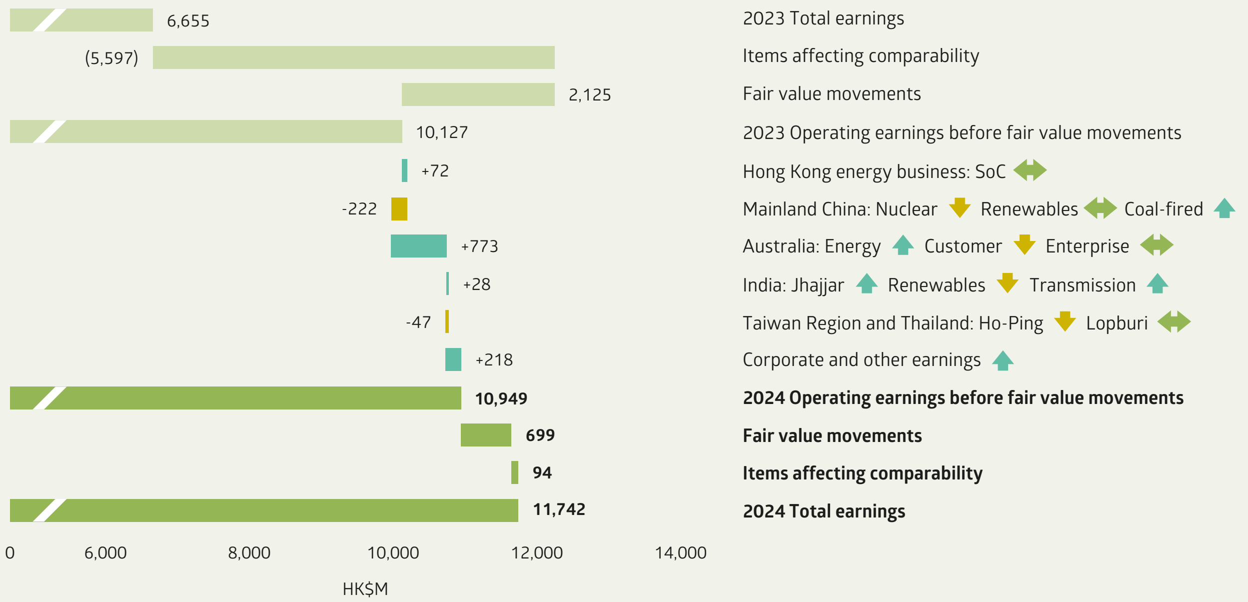
- Predominantly related to the fair value movements of EnergyAustralia's forward energy contracts for which hedge accounting was not applied
- Lower fair value gain mainly driven by higher 2023 fair value gain from significant roll off of out-of-the-money energy contracts and unfavourable impact on the net sold position of the contracts caused by higher 2024 forward electricity price

Net Finance Costs, Taxation, and Depreciation & Amortisation (ITDA) (2024: HK$14,116 million; 2023: HK$13,436 million; ↑ 5.1%)

	2024 HK$M	2023 HK$M	Increase / (Decrease) HK$M	%
Hong Kong	**9,263**	8,619	644	7.5
Mainland China	**1,334**	1,399	(65)	(4.6)
Australia	**3,498**	3,405	93	2.7
Others	**21**	13	8	61.5
	14,116	13,436	680	5.1

- Hong Kong: Higher depreciation upon the commissioning of D2 gas-fired generation unit at Black Point in April 2024 and the offshore LNG terminal in July 2023; higher interest expenses driven by higher interest rates and loan balances to finance the operating assets; increased tax charge in line with the increase in EBITDAF for SoC operations
- Mainland China: Lower interest driven by reduced interest rates upon refinancing; lower profits led to the decrease in profits tax
- Australia: Higher depreciation and amortisation attributable to the capitalisation of outage costs and additional asset decommissioning costs for Yallourn Power Station in 2023; reduced tax charge as a result of lower fair value gains on forward energy contracts

Total Earnings (2024: HK$11,742 million; 2023: HK$6,655 million; ↑ 76.4%)
Operating Earnings before fair value movements (2024: HK$10,949 million; 2023: HK$10,127 million; ↑ 8.1%)



Analysis on Financial Position

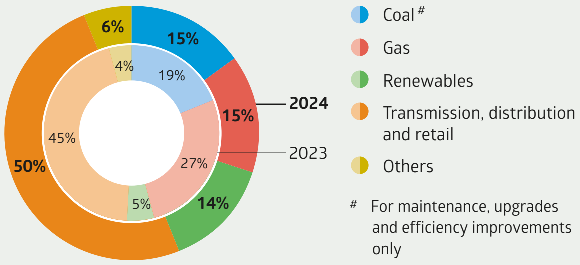
Fixed Assets, Right-of-Use Assets and Investment Property (2024: HK$169,532 million; 2023: HK$161,663 million; ↑ 4.9%)
Goodwill and Other Intangible Assets (2024: HK$12,445 million; 2023: HK$12,854 million; ↓ 3.2%)

	Fixed Assets, Right-of-Use Assets and Investment Property HK$M	Goodwill and Other Intangible Assets HK$M	Total HK$M	Breakdown SoC Assets HK$M	Breakdown Non-SoC Assets HK$M
Balance at 1 January 2024	161,663	12,854	174,517	136,482	38,035
Additions	15,308	663	15,971	10,799	5,172
Acquisition of new headquarters	3,705	–	3,705	–	3,705
Depreciation and amortisation	(8,577)	(699)	(9,276)	(5,620)	(3,656)
Translation differences and others^	(2,567)	(373)	(2,940)	(668)	(2,272)
Balance at 31 December 2024	**169,532**	**12,445**	**181,977**	**140,993**	**40,984**

^ Mainly depreciation of Australian dollar and Renminbi and disposal of fixed assets

- SoC: Invested HK$7.4 billion for development / enhancement of the transmission and distribution networks, enhancement of CETS, establishment of substations and the ongoing installation of smart meters; and HK$2.9 billion for the completion of construction of D2 gas-fired generation unit at Black Point which commenced operation in April and improvement works of the existing generation plants
- Mainland China: Capital additions of HK$2.4 billion mainly for the construction and development of new renewable energy projects including Bobai, Sandu II and Juancheng Wind, Guanxian battery storage, Yixing and Huai'an Nanzha Solar
- Australia: Excluding the HK$1.5 billion exchange rate impact from a weaker Australian dollar, HK$2.1 billion additions mainly related to the capital works for Yallourn and Mount Piper and generation capacity upgrade at Tallawarra A Power Station

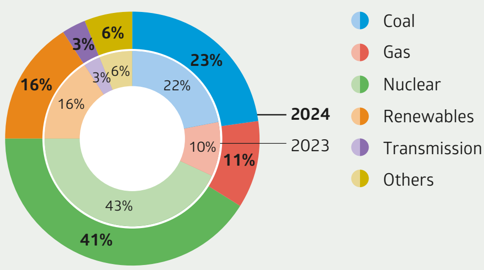
Capital Additions by Asset Type



Interests in Joint Ventures and Associates (2024: HK$20,674 million; 2023: HK$21,898 million; ↓ 5.6%)

- Mainland China: Reduction in interests mainly driven by translation losses from Renminbi (HK$437 million) and dividend declared by nuclear projects
- India: Share of results of Apraava Energy (HK$451 million) offset by translation losses from Indian Rupee (HK$121 million) and dividend declared
- Taiwan Region and Thailand: Share of results (HK$259 million) of Ho-Ping offset by translation losses from New Taiwan dollar (HK$122 million) and dividend declared

Interests in Joint Ventures and Associates by Asset Type



Derivative Financial Instruments
Assets (2024: HK$2,034 million; 2023: HK$2,250 million; ↓ 9.6%)
Liabilities (2024: HK$2,573 million; 2023: HK$3,377 million; ↓ 23.8%)

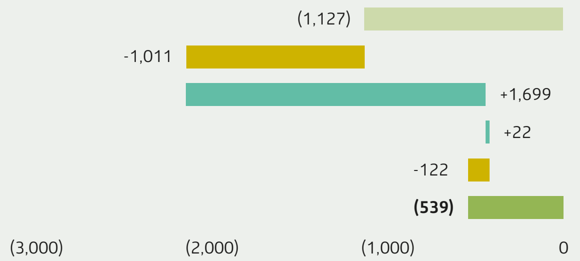
Derivative financial instruments are primarily used to hedge foreign exchange, interest rate and energy price risks. At 31 December 2024, the fair value of these derivative instruments was a net deficit of HK$539 million, representing the net amount payable if these contracts were closed out at year end.

- Hong Kong: Decrease in derivative liabilities for cross currency interest rate swaps mainly due to the close-out of the out-of-the-money swaps upon settlement of a Japanese Yen Medium Term Note being hedged
- Australia: Increase in derivative assets for forward energy contracts attributable to higher forward prices as compared with last year-end, resulting in fair value gain of EnergyAustralia's bought energy contracts credited to equity (+HK$1.3 billion), partially offset by fair value loss of sold energy contracts charged to profit or loss (-HK$0.5 billion), together with the settlement (-HK$0.6 billion) of energy contracts during the year

	Notional Amount		Derivative Assets / (Liabilities)	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M
Forward foreign exchange contracts	**27,723**	29,093	**(1)**	(147)
Interest rate swaps and cross currency interest rate swaps	**35,314**	31,915	**(1,674)**	(2,069)
Energy contracts #				
Cash flow hedges			**1,016**	1,594
Not qualified for hedge accounting			**120**	(505)
			(539)	(1,127)

The aggregate notional volumes of the outstanding energy derivatives at 31 December 2024 were 140,495GWh (2023: 220,161GWh) and 8.3 million barrels (2023: 11.3 million barrels) and 4,571TJ (2023: 2,407TJ) for electricity, oil and gas respectively.

Movements in Derivative Financial Instruments (HK$M)



Trade and Other Receivables (2024: HK$14,114 million; 2023: HK$13,650 million; ↑ 3.4%)
Trade Payables and Other Liabilities (2024: HK$19,788 million; 2023: HK$20,306 million; ↓ 2.6%)

Trade Receivables / Payables by Region

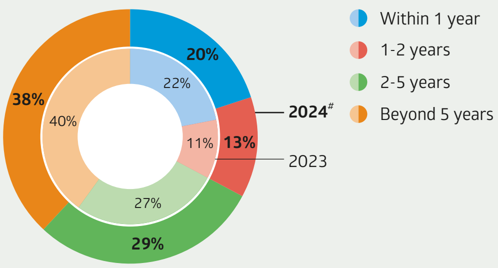
- Hong Kong: Receivable remained at similar level in line with stable operations; decrease in payables (-HK$0.9 billion) attributable to the settlement of capex liabilities for mega projects such as the offshore LNG terminal and D2 unit at Black Point
- Mainland China: Higher accrued renewable national subsidies from sales during the year and increase in dividend receivable (HK$0.8 billion) from GNPJVC; with a robust pipeline of new renewable energy projects, both down payment made and capex liabilities increased
- Australia: Excluding the exchange rate impact from a weaker Australian dollar, lower accrued retail revenue from reduced sales volumes; higher wholesale spot prices in 2024 leading to the increases in both accrued generation revenue for Energy business and payables for electricity purchases in Customer business; higher payables also driven by increased accrued capex and network charges

Bank Loans and Other Borrowings (2024: HK$61,271# million; 2023: HK$57,515 million; ↑ 6.5%)

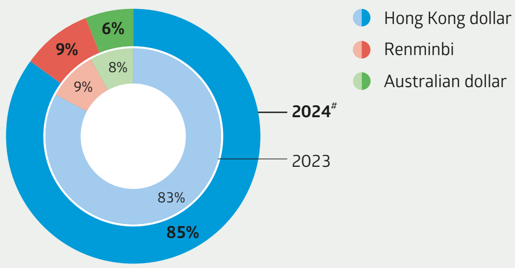
- Major new financing activities in the year:
  - Hong Kong: Arranged HK$5.8 billion of emission reduction-linked bank loan facilities, an inaugural A$500 million (HK$2.6 billion) three-year public bond in the Australian market and HK$4.8 billion of energy transition loan facilities under the Climate Action Finance Framework was executed for refinancing at competitive interest margins. In addition, the US$500 million (HK$3.9 billion) perpetual capital securities were redeemed using the proceeds from the new issuance of US$500 million (HK$3.9 billion) in January 2025
  - Mainland China: Obtained a total of RMB2.5 billion (HK$2.7 billion) revolving loan facility with favourable market pricing to support new renewable energy projects. The facility will be effective in tranches. Executed a total of RMB4.9 billion (HK$5.2 billion) project loan facilities for five renewable energy projects at competitive interest rates
  - Australia: Refinanced A$150 million (HK$721 million) of syndicated loan facilities, A$830 million (HK$4.0 billion) of bank guarantee facilities and arranged A$350 million (HK$1.8 billion) of three-year working capital facilities during the year
  - CLP Holdings: Refinanced HK$9.3 billion facilities during the year
- Net debt to total capital ratio increased slightly from 31.6% to 33.0%# driven by higher net debt to support capex payments in Hong Kong for decarbonisation projects and other business needs
- In 2024, Standard & Poor's and Moody's affirmed all the credit ratings of CLP Holdings (A and A2), CLP Power (A+ and A1) and CAPCO (AA- and A1) with stable outlooks; Moody's affirmed the Baa2 credit rating of EnergyAustralia with a stable outlook

More details of financing activities and credit ratings can be found on pages 55 to 57.

Loan Balances by Maturity



Loan Balances by Currencies *



* Adjusting the effect of hedging transactions

Perpetual capital securities of HK$3,883 million at 31 December 2024 were reclassified from equity to other borrowings upon the issuance of redemption notice to the holders in December 2024, with the subsequent refinancing by the new perpetual capital securities in January 2025. For the above analysis, the amount remained as equity on a consistent basis with 2023.

Analysis of Financial Obligations

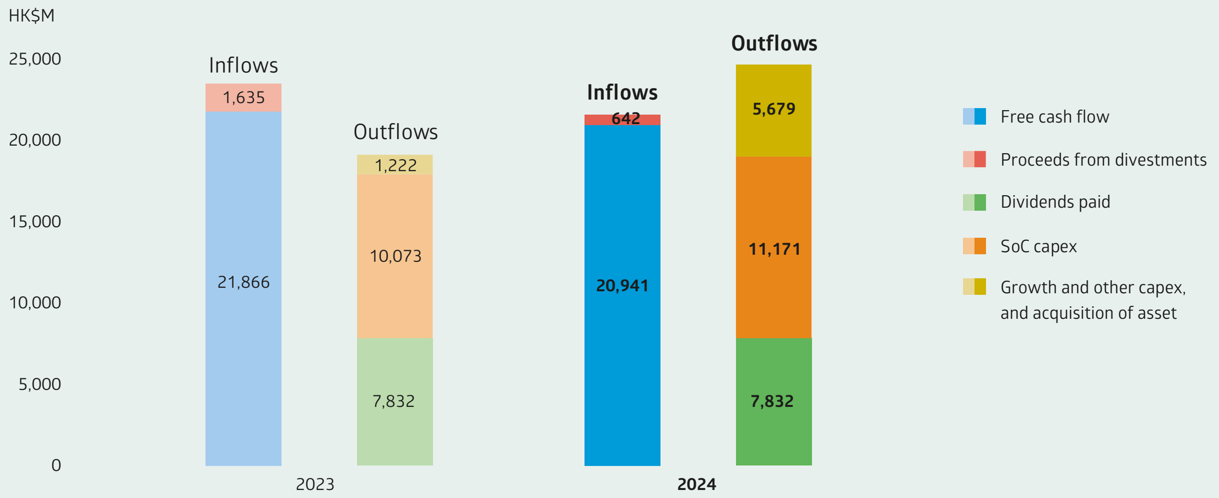
Consolidated financial statements are prepared to show the effect as if the parent and all of its subsidiaries were one entity by consolidating their financial statements on a line-by-line basis. In contrast, under the equity method of accounting, interests in joint ventures and interests in associates are accounted for on the basis of proportionate sharing of net assets (i.e. assets minus liabilities). As a result, the debts of our joint ventures and associates are not included as part of the debts shown in our consolidated statement of financial position. To enhance the transparency to readers, the diagram below illustrates the financial obligations of the CLP Group, as well as those of our joint ventures and associates.

CLP				**2024 HK$M**	2023 HK$M
	Consolidated	Debts of CLP Holdings and Subsidiaries	Debts of subsidiaries are non-recourse to CLP Holdings.	**61,271#**	57,515
				+	
	Equity Accounted	Share of Debts of Joint Ventures and Associates	These debts are non-recourse to CLP Holdings and its subsidiaries. The share of debts is calculated by reference to the Group's shareholdings in the relevant joint ventures and associates.	**10,421**	10,908

Excluding perpetual capital securities of HK$3,883 million

Analysis of Cash Flow

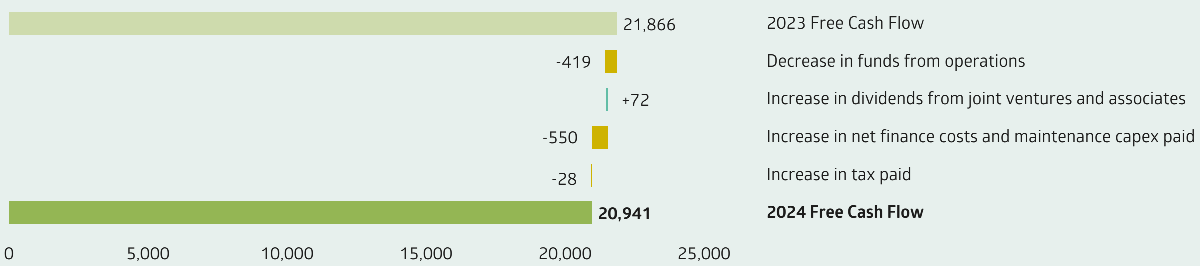
Analysis of Inflows and Outflows



Free Cash Flow (2024: HK$20,941 million; 2023: HK$21,866 million; ↓ 4.2%)

- Free cash flow decreased by HK$0.9 billion attributable to:
  - Hong Kong: Lower cash inflow from SoC operations (-HK$1.7 billion) primarily due to lower fuel costs collected from customers compared to 2023
  - Mainland China: Robust dividends from our nuclear associates
  - Australia: Increase in cash flow from operations (+HK$1.2 billion) attributable to the improved operational performance of Energy business, slightly offset by higher maintenance capex
- Capital investments include:
  - HK$11.2 billion of SoC capex mainly related to capital works for the generation fleet and enhancement / development of the transmission and distribution networks, enhancement of CETS, establishment of substations and smart meter installation
  - HK$2.4 billion of growth capex related to the construction of renewable energy projects in Mainland China; HK$3.0 billion paid for the new headquarters

Movements in Free Cash Flow (HK$M)



Broader Perspective

	2024	2023	2022	2021	2020
Performance Indicators					
EBITDAF[1] (HK$M)	**25,830**	18,066	16,586	22,880	25,254
Operating earnings before fair value movements (HK$M)	**10,949**	10,127	7,602	9,867	11,254
Operating earnings (HK$M)	**11,648**	12,252	4,623	9,517	11,577
Total earnings (HK$M)	**11,742**	6,655	924	8,491	11,456
Return on equity (%)	**11.4**	6.4	0.8	7.5	10.5
Operating return on equity[2] (%)	**11.3**	11.8	4.2	8.5	10.6
Financial Health Indicators					
Undrawn facilities (HK$M)	**30,982**	30,881	31,633	28,076	25,737
Total borrowings[3] (HK$M)	**61,271**	57,515	59,217	58,215	54,348
Fixed rate borrowings to total borrowings[3] (%)	**51**	57	52	61	63
FFO interest cover (times)	**11**	11	7	12	13
FFO to debt[3, 4] (%)	**42.4**	43.9	23.1	35.9	45.8
Net debt to total capital[3] (%)	**33.0**	31.6	32.0	28.1	25.1
Debt / Capitalisation[3, 5] (%)	**37.1**	35.3	41.2	29.3	30.0
Shareholders' Return Indicators					
Dividend per share (HK$)	**3.15**	3.10	3.10	3.10	3.10
Dividend yield (%)	**4.8**	4.8	5.4	3.9	4.3
Dividend payout[6] (%)	**68.3**	63.9	169.4	82.3	67.7
Total return to shareholders[7] (%)	**3.9**	4.7	2.6	5.8	5.2
Price / Earnings (times)	**14**	25	154	23	16
Price / Operating earnings[8] (times)	**14**	13	31	21	16
Cash Flows and Capital Investments					
FFO (HK$M)	**25,178**	25,597	13,555	20,223	24,418
Free cash flow[9] (HK$M)	**20,941**	21,866	11,080	16,793	20,418
Capital investments (HK$M)	**18,773**	12,844	16,009	14,163	11,691
Capital expenditure	**15,076**	11,776	14,553	12,431	10,586
Investments in joint ventures and associates, and additions to intangible assets	**674**	1,068	1,118	731	909
Acquisitions of businesses / assets	**3,023**	–	338	1,001	196

Notes:

1 EBITDAF = Earnings before interest, taxes, depreciation and amortisation, and fair value movements. For this purpose, fair value movements include fair value gains or losses on non-debt related derivative financial instruments relating to transactions not qualifying as hedges, ineffectiveness and discontinuation of cash flow hedges

2 Operating return on equity = Operating earnings / Average shareholders' funds

3 Perpetual capital securities of HK$3,883 million at 31 December 2024 were reclassified from equity to other borrowings upon the issuance of redemption notice to the holders in December 2024, with the subsequent refinancing by the new perpetual capital securities in January 2025. For the above indicators, the amount remained as equity on a consistent basis with previous years

4 FFO to debt = FFO / Average debt; debt = bank loans and other borrowings

5 Capitalisation = Closing share price on the last trading day of the year × number of issued shares at the end of the year

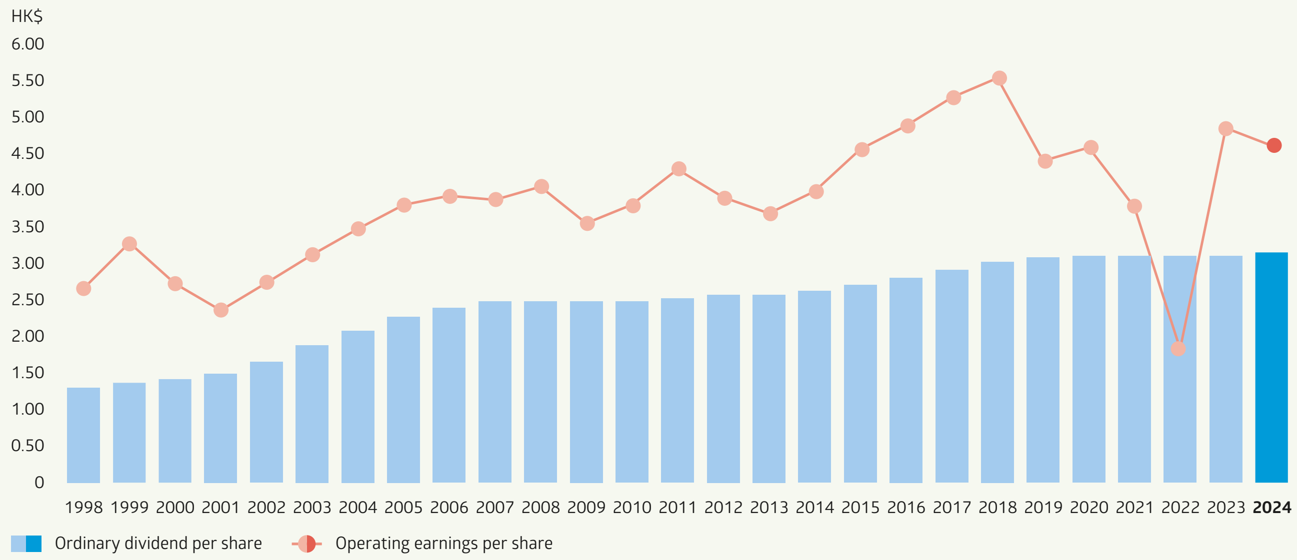
6 Dividend payout = Dividend per share / Operating earnings per share

7 Total return to shareholders representing the 10-year annualised rate of return from the combination of share price appreciation and dividend payments

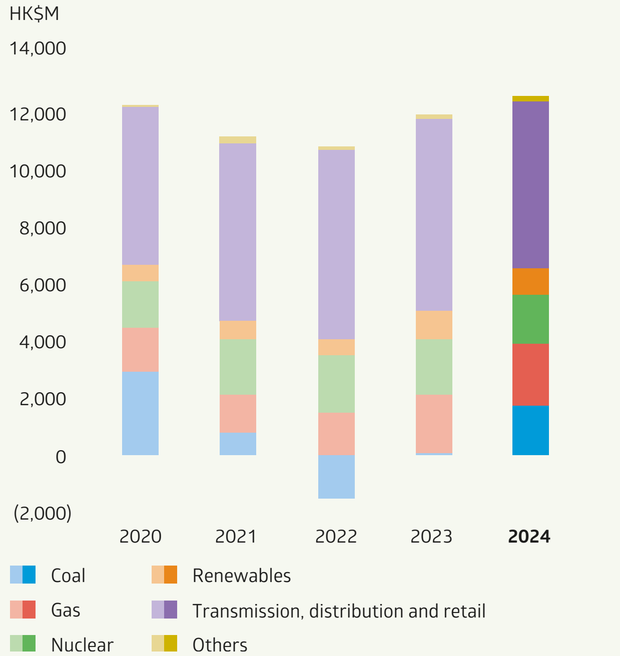
8 Price / Operating earnings = Closing share price on the last trading day of the year / Operating earnings per share

9 Free cash flow = FFO – income tax paid + interest received – interest and other finance costs paid – maintenance capital expenditure paid + dividends received from joint ventures and associates

Operating Earnings and Dividend per Share



Operating Earnings before Fair Value Movements by Asset Type *



* Before unallocated expenses

Capital Investments