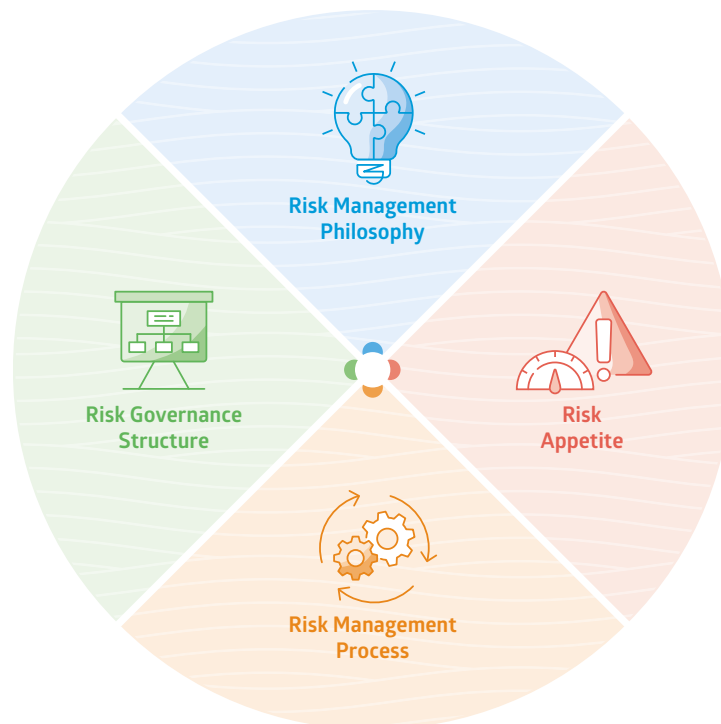


Risk Management Report

An effective risk management framework steers the company to pursue its purpose, values, strategy and culture, empowering the business to capitalise on opportunities and secure long-term growth and success.

CLP's Risk Management Framework

In line with international standards and best practices, CLP defines risk as the effect of uncertainty on objectives. The effect can be positive, negative or both, and can result in opportunities and threats. CLP aims to identify risks early so threats can be understood, managed, mitigated, transferred or avoided while opportunities can be captured where appropriate. This demands a proactive approach and an effective Group-wide risk management framework. CLP's risk management framework comprises four key elements:



CLP's Risk Management Philosophy

CLP recognises that risk management is the responsibility of everyone within the organisation, and that cultivating and embedding risk awareness into the overarching culture is critical to implementing the Group's risk management framework. Risk management is therefore integrated into all business and decision-making processes, including strategy formulation, business development, business planning, capital allocation, investment decisions, internal control and day-to-day operations. Risks and opportunities alike are viewed holistically.

CLP has clear risk management objectives:

- ❖ At a **strategic level**, CLP focuses on the identification and management of material risks inherently associated with the pursuit of the Group's strategic and business objectives. In seeking opportunities for growth and transformation, CLP aims to optimise risk and return decisions through diligent and independent review processes.
- ❖ At an **operational level**, CLP seeks to identify, analyse, evaluate and mitigate operational hazards and threats while enhancing and capturing opportunities for operational improvement where appropriate. It does this to create a safe, healthy, efficient and environmentally friendly workplace for employees and contractors that ensures public safety and health and minimises environmental impact, as well as securing asset integrity and adequate insurance.



CLP's Risk Appetite

CLP's risk appetite represents the nature and extent of the risks the Group is willing to undertake in pursuit of its strategic and business objectives. In line with CLP's Value Framework and the expectations of stakeholders, the Group takes only reasonable risks that fit its strategy and capability, are diligently evaluated and managed and do not expose the Group to:

- ❖ Hazardous conditions affecting the health and safety of employees, contractors and the general public;
- ❖ Material financial losses impacting the financial viability and strategy execution of the Group;
- ❖ Material breaches of external regulations that could lead to fines or loss of critical operational and business licences;
- ❖ Material damage to the Group's reputation and brand;
- ❖ Business or supply interruptions that could lead to severe impact on the community, or
- ❖ Severe environmental incidents.

CLP has established risk profiling criteria in the form of a matrix with a spectrum of consequences and likelihood that aligns with its risk appetite. This facilitates the evaluation of consequences and likelihood for each identified risk. A risk rating is then generated combining these two factors to allow for risk prioritisation and decision-making. Non-financial consequence categories as outlined above are considered along with financial consequences.



CLP's Risk Governance Structure

CLP's risk governance structure adopts the **Five Lines of Assurance** approach. It:

- ❖ Assigns clear roles and responsibilities and facilitates implementation with guidelines and tools; and
- ❖ Facilitates risk escalation and provides assurance to the board.

The approach is explained below:



Five Lines of Assurance

| | |
|---|---|
| <p>1 Risk and Control Ownership</p> | <p>Business Units, Functional Units and Individuals:</p> <ul style="list-style-type: none"> ❖ Are responsible for identifying and assessing key risks in their areas of responsibility, making effective risk management decisions, establishing and implementing risk mitigation strategies, balancing opportunities and threats, and promoting risk awareness; ❖ Carry out risk management activities and reporting in their day-to-day operations, and ensure that risk management processes and mitigation plans follow good practices and guidelines established by the Group; and ❖ Appoint risk managers or coordinators to facilitate communication, experience sharing and risk reporting. |
| <p>2 Control and Monitoring</p> | <p>Group Functions:</p> <p>Departments responsible for Finance, Risk Management and Internal Control*, Business Development and Asset Management Oversight, Tax, Operations, Digital, Legal, Human Resources and Sustainability:</p> <ul style="list-style-type: none"> ❖ Establish relevant Group-wide policies, standards, procedures and guidelines; and ❖ Oversee the risk and control activities of business units relevant to their respective functions. <p>(* See the role of Group Risk Management and Internal Control below)</p> |
| <p>3 Independent Assurance</p> | <p>The Group Internal Audit:</p> <ul style="list-style-type: none"> ❖ Carries out independent appraisal of the effectiveness of the risk management and internal control systems. |
| <p>4 Management Oversight and Communication</p> | <p>The CEO and the Group Executive Committee:</p> <ul style="list-style-type: none"> ❖ Provide leadership and guidance for the balance of risks and controls; ❖ Review and report to the Board through the Audit & Risk Committee on the material risks affecting the Group, as well as their potential impact, their evolution and mitigating measures; and ❖ Ensure a review of the effectiveness of the risk management and internal control systems is conducted at least annually and provide confirmation of this to the Board through the Audit & Risk Committee. |
| <p>5 Board Oversight</p> | <p>The Audit & Risk Committee acting on behalf of the Board:</p> <ul style="list-style-type: none"> ❖ Evaluates and determines the nature and extent of the risks the Board is ready to endorse in pursuit of the Group's strategic objectives; ❖ Oversees management of risk identification, reporting and mitigation efforts; and ❖ Ensures an appropriate and effective risk management and internal control systems is established and maintained. |

Group Risk Management and Internal Control

The Group Risk Management function is tasked with:

- ❖ Implementing the Group's Risk Management Framework and ensuring alignment across the Group;
- ❖ Providing assurance to the Board on the effectiveness of the risk management systems;
- ❖ Managing regular risk reviews and risk reporting processes of the Group;
- ❖ Facilitating risk assessment for projects seeking endorsement by the CLP Holdings Investment Committee; and
- ❖ Promoting risk culture through communication and experience sharing.



CLP's Risk Management Process

Assessing **strategic context and emerging trends** throughout the risk management process

- CLP recognises certain external challenges and opportunities could have impact its business and the markets in which it operates. The company continuously assesses and adapts to these developments by adjusting its strategy where necessary as part of its risk management process (see **External challenges and opportunities** below).

External challenges and opportunities

The Group's strategic direction in navigating external challenges and opportunities guides its risk identification and prioritisation, while insights from risk management shape its strategic responses. This continuous assessment ensures that both strategic planning and risk management remain current, relevant and effective. The components of this dynamic and reiterative process include:

- Understanding the external environment and megatrends** which may have significant implications for CLP's business and markets. These global trends encompass political, economic, social, environmental and technological factors which could rapidly evolve, changing the context in which the Group operates.
- Climate Vision 2050** is the Group's blueprint and strategy for the transition to net-zero greenhouse gas emissions by 2050 and has been instrumental in informing CLP's business strategy and guiding investment decisions. [Climate Vision 2050](#) is also an integral part of CLP's broader climate strategy, which covers key considerations around scenario analysis and long-term climate risks and opportunities identification, among other factors. It guides CLP in managing these issues.
- Material Topics** are identified, revalidated and updated through a three-year double materiality assessments cycle. CLP undertook a comprehensive assessment in 2024 to identify the megatrends, material topics and sustainability-related risks and opportunities most likely to impact CLP's business and stakeholders. The material topics emerging from these assessments inform CLP's strategy and reporting on managing sustainability-related risks and leveraging sustainability-related opportunities. This integrated approach embeds material topics into CLP's risk and opportunity management processes.

An **integrated process** is key to embedding risk considerations at all levels of CLP and across all activities

- The process is integrated into business and decision-making processes across the organisation, including strategy formulation, business development, business planning, capital allocation, investment decisions, internal control and day-to-day operations. This helps provide a holistic view of both risks and opportunities, enabling CLP to make optimal decisions that balance risk and reward.

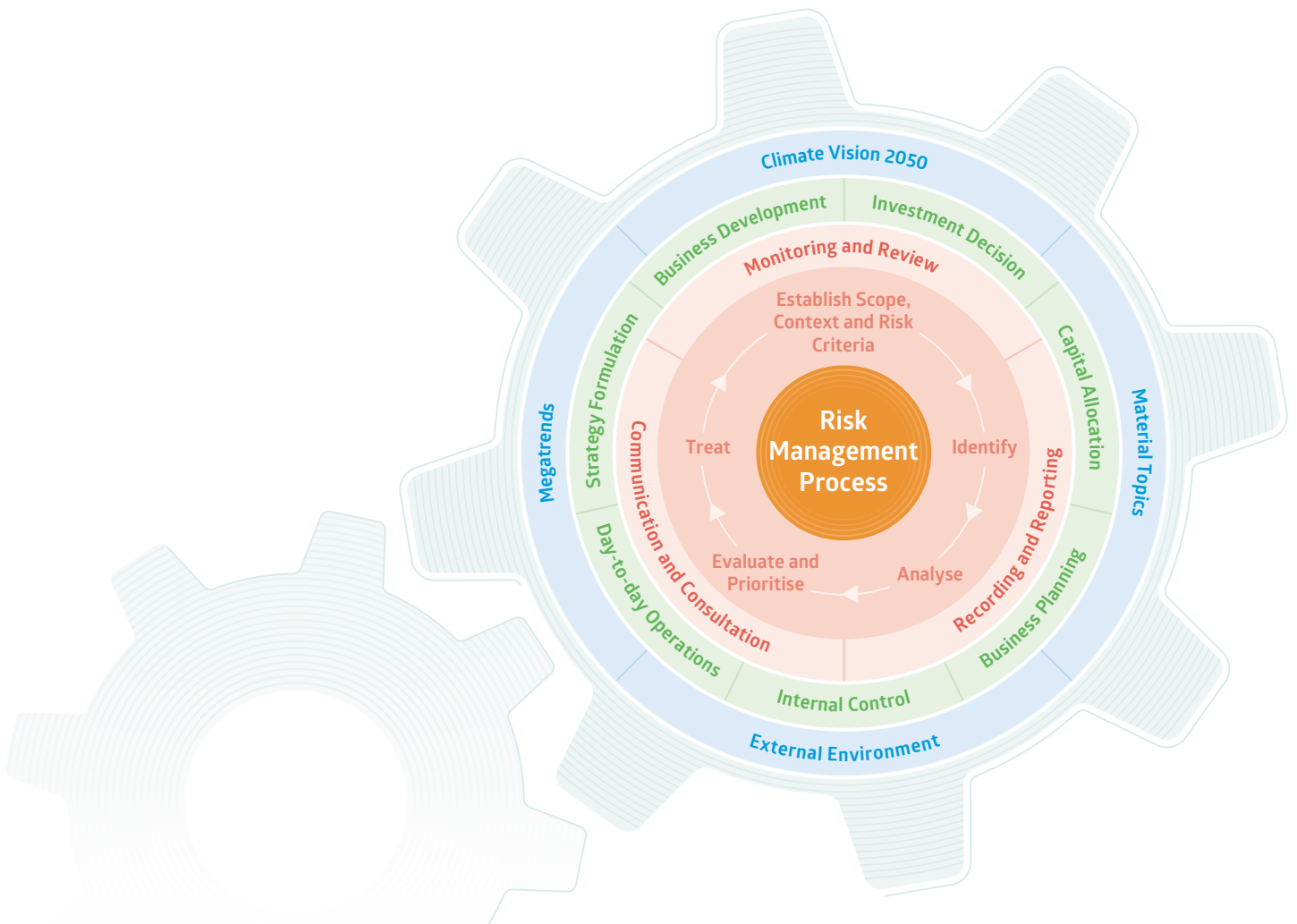
An **end-to-end** risk management from the initial identification of risks to ongoing monitoring and review

➤ **Risk identification, assessment and treatment processes include:**

- ✓ **Establishing the scope, context and risk criteria** relevant to the business processes in different business units and Group functions;
- ✓ **Identifying risks** based on relevant, appropriate, up-to-date information;
- ✓ **Analysing risks** with detailed consideration of risk sources, consequences, likelihood, events, scenarios and existing controls and their effectiveness;
- ✓ **Evaluating and prioritising risks** against the established risk criteria and allocating management efforts; and
- ✓ **Treating risks** by formulating and selecting option plans, implementing controls, and assessing the effectiveness of controls.

➤ **To maintain effective risk management, the following steps take place within and throughout the risk management process:**

- ✓ **Communication and Consultation:** A continuous and interactive process, involving communication and consultation with stakeholders.
- ✓ **Recording and Reporting:** Processes and outcomes are documented and reported to facilitate communication and provide information for decision-making.
- ✓ **Monitoring and Review:** Regular monitoring and review according to the established risk governance structure and process.



How CLP Identifies, Assesses and Manages Sustainability-related and Climate-related Risks

Sustainability-related and climate-related risks are integrated into CLP's risk governance and risk management process along with all other types of risks, forming a crucial component of the Group-wide Risk Management Framework. The company identifies these risks through its annual materiality assessments and a comprehensive series of top-down and bottom-up risk review processes. Climate scenario analysis and assessment of relevant physical and transition risks are also conducted in line with Climate Vision 2050. As with other material risks, CLP applies a consistent risk matrix to evaluate sustainability-related and climate-related risks with oversight and assurance from management to the Board.

How CLP Identifies, Assesses and Manages Sustainability-related and Climate-related Opportunities

CLP identifies sustainability-related and climate-related opportunities through its annual materiality assessment, the regularly updated Climate Vision 2050 strategy, business planning processes and ongoing monitoring of market developments. Climate scenario analysis provides insights into potential opportunities, especially in response to the evolution of the energy system and market. Opportunities are considered in areas such as expanding renewable energy and other low-carbon electricity, offering energy efficiency services, supporting electrification and advancing battery storage. In assessing opportunities, factors such as commercial viability, partnership potential, alignment with climate targets and future market demand are considered. Each business unit monitors, evaluates and captures opportunities specific to their market as part of their business performance reviews. Potential investment opportunities are subjected to a series of opportunity management processes, including business development, business planning, investment decisions and capital allocation.



Risk management is an integral part of CLP's business and decision-making processes – Examples

Quarterly Risk Review Process

An integrated top-down and bottom-up risk review process

CLP adopts an integrated top-down and bottom-up risk review process across the organisation to enable:

- (1) Comprehensive identification and prioritisation of all material risks throughout the Group;
- (2) Containment of material risks at the appropriate managerial level;
- (3) Effective risk dialogue among the management team; and
- (4) Proper governance of risk mitigation efforts.

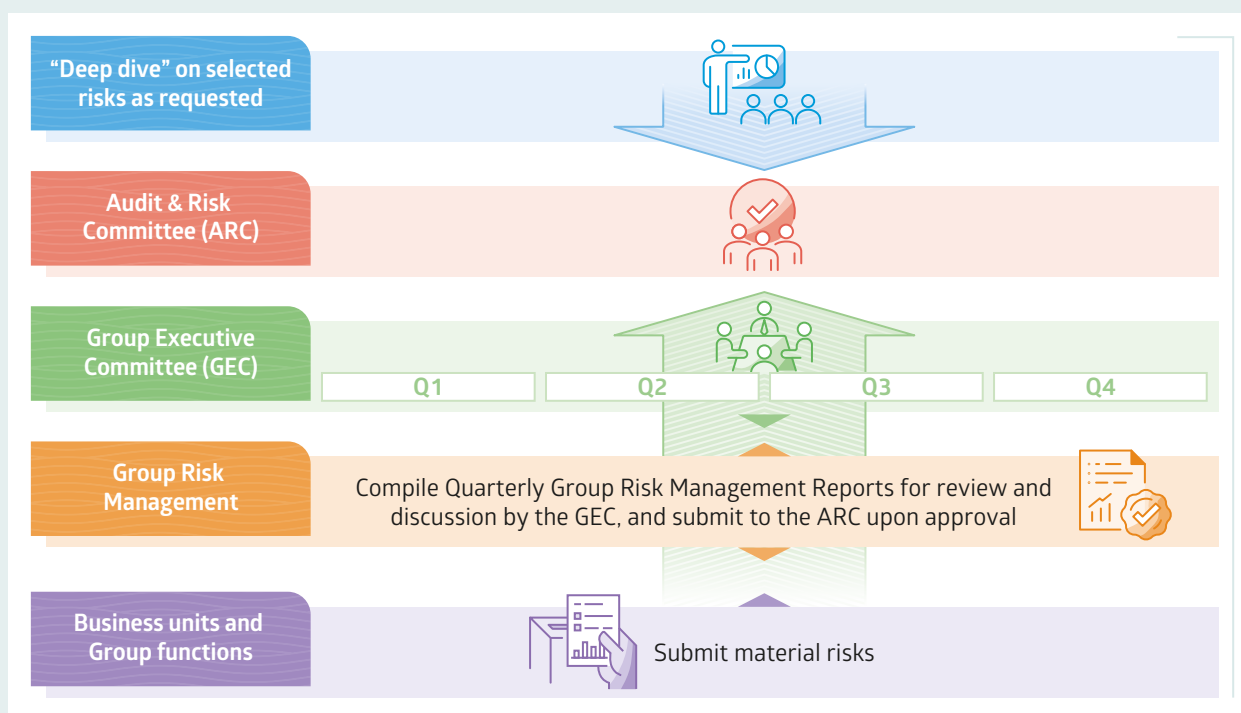
Top-down Process

- ❖ At Group Risk Management quarterly meetings, members of the Group Executive Committee examine the top-tier risks along with any other material risks that are relevant to the business. This dialogue offers an opportunity for management to identify and respond to emerging risks early and to share risk insights.
- ❖ In particular, emerging risks* are identified and characterised by observing changes in organisational contexts. They typically emerge as new circumstances or conditions not previously recognised, or as evolutions in the profiles of established risks. Group Risk Management facilitates the identification of emerging risks from both internal and external sources.
- ❖ Emerging risks that are identified as material are cascaded and further assessed and monitored by relevant business units or Group functions.

(*See page 133 for the Emerging Risks to the Group)

Bottom-up Process

- ❖ CLP's business units and relevant Group functions are required to submit their material risks identified through their risk management process to Group Risk Management on a quarterly basis.
- ❖ Through a diligent process of filtration, calibration, prioritisation and consultation, Group Risk Management compiles a Quarterly Group Risk Management Report for review and discussion in the Group Risk Management Meeting. The final report is submitted to the Audit & Risk Committee on a quarterly basis.
- ❖ More in-depth presentations on selected risks are given to the committee for more detailed review.



Risk Review for Investment Projects

- ❖ CLP adopts a multi-gated system of project appraisals throughout development and investment cycles.
- ❖ Investment opportunities or projects seeking endorsement by the CLP Holdings Investment Committee are reported through the Project Investment Opportunities process, managed by the Business Development & Asset Management Oversight team of Group Finance.
- ❖ CLP requires an independent, multi-disciplinary review of any investment proposal. Independent risk appraisal by Group Risk Management is part of the investment review process.
- ❖ Group Risk Management ensures a detailed project risk assessment is carried out for each investment project. Comprehensive checklists and worksheets are used to identify risks, formulate mitigation measures and assess risk levels. Material risks and associated mitigations are highlighted and discussed at the Investment Committee chaired by the CEO.

Risk Management Integrated with Internal Control Systems

- ❖ Risk management is closely linked to CLP's Integrated Framework of Internal Control. Key controls are subject to testing to assess their effectiveness. Details on Internal Control are set out in the Corporate Governance Report on pages 120 to 124.

Risk Management in the Business Planning Process

- ❖ At CLP, risk management is integrated into strategy and business planning by departments and business units across the Group.
- ❖ As part of the annual business planning process, business units are required to identify all material risks that may impact the delivery of their business strategy and objectives. Overarching strategic risks to the Group are also reviewed. Identified risks are evaluated with the same set of risk criteria as the quarterly risk review process. Plans to mitigate the identified risks are then developed. The material risks listed on pages 135 to 139 have been set out in CLP's 2025 business planning process.

Emerging Risks to the Group

Emerging risks are often characterised by high uncertainty, volatility, complexity and ambiguity, making them challenging to manage. The following describes two emerging risks considered material to the Group and the steps taken to mitigate them:

Supply chain disruption from geopolitical tensions and sanctions

The nature of CLP's business and the operating regions expose the Group to market volatility. Escalating geopolitical friction resulting in trade sanctions, the imposition of tariffs and commodity price fluctuations directly and indirectly impact our global supply chain reliability. This imminent risk is assessed by the Group as material from operational, reputational and financial perspectives.

To reduce the risk of supply interruption, the Group implements mitigation measures, including rigorous due diligence assessments on suppliers' sustainability profiles, continuous evaluation of our key counterparties to safeguard against the impact of sanctions and diversification of our supply of critical equipment and fuel resources, as well as digital infrastructure and services. CLP continually explores diversification options and develops strategies on vendor sourcing to minimise potential impacts.

Increasing adoption of artificial intelligence solutions

CLP's increasing adoption of artificial intelligence (AI) solutions presents complex operational and regulatory compliance challenges. When assessing these risks, CLP considers that data privacy breaches, discriminatory bias in AI output, overreliance on AI and lack of solution transparency are significant issues. The complexity is further intensified by varying regulatory frameworks in different operating regions.

The Group has implemented a set of guiding principles to govern the responsible use and deployment of AI. These principles emphasise accountability, purposeful use, ethical design, and importance of reliability, explainability, and transparency in AI solutions. The Group has planned developments in AI governance, including a Group-wide AI policy that sets out AI standards and requirement that business units deploy risk assessment of AI use cases. Knowledge building through education programmes and targeted communications have also been introduced to enhance AI literacy across the organisation. These measures are complemented by use of approved technology to ensure secure and effective AI deployment across the Group's operations.

Material Risks to the Group

As an investor and operator in the energy sector of the Asia-Pacific region, CLP's risk profile is categorised into five key risk areas: operational, market and commercial, regulatory, financial and transformation. The top-tier risk profile is summarised on pages 135 to 139:

Material Topics

The impact of sustainability-related topics on the business and its stakeholders is reviewed regularly through an annual materiality assessment. The review process detailed on pages 42 to 48 helps align the Group's strategy with its purpose and responds to the evolving needs of stakeholders, uncovering emerging ESG challenges and opportunities for consideration in the risk reviews and opportunity management processes.

Following the latest assessment, six material topics were identified:



**Net-Zero
Transition**



**Energy
Growth
Opportunities**



**Digital
Innovation and
Cybersecurity**



**Future-Ready
Workforce**



**Operational
and Supply
Chain Resilience**



**Community
Stewardship**

The top-tier risk tables on pages 135 to 139 illustrate the links between the material risks and the material topics.

Climate-related Risks and Opportunities

In accordance with the HKFRS S2 Climate-related Disclosures standard, climate-related risks and opportunities have been classified into three major categories:



**Climate-Related
Transition Risks**

Risks that arise from efforts to transition to a lower-carbon economy that entail policy, legal, technological, market and reputational risks, and could carry financial implications for a business, such as increased operating costs, asset impairment due to new or amended climate-related regulations or shifting consumer demands and the development and deployment of new technology.



**Climate-Related
Physical Risks**

Risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk), and could carry financial implications for a business, such as costs resulting from direct damage to assets or the indirect effects of supply chain disruption.



**Climate-Related
Opportunities**

Climate-related opportunities are the potential business opportunities resulting from the effects of climate change. Efforts to mitigate and adapt to climate change can produce climate-related opportunities for a business, such as investment opportunities in renewable energy, broader revenue streams and the adoption of new technologies.

CLP recognises the wide-ranging implications of climate change and considers climate-related risks a combination of standalone risks and drivers for other material risks. As illustrated in CLP's top-tier risk tables on pages 135 to 139, climate-related transition risks and physical risks have been identified as standalone risks, categorised respectively under Regulatory Risk and Operational Risk. The tables also depict other material risks associated with either climate-related transition or physical risk drivers, or a combination of the two, as well as climate-related opportunities.

Material Risks to the Group (continued)

Operational Risk













CLP's operations are exposed to a variety of operational risks relating to Health, Safety and Environment (HSE) incidents and compliance, physical security, plant performance, data privacy, cyber security attacks on operational technology (OT) and information technology (IT) systems, project delivery and extreme weather events resulting from climate change.

CLP Power's D2 combined-cycle gas turbine generation unit went into service in April 2024 and progress was made on the Clean Energy Transmission System (CETS), reducing the residual risk of major project delays.

CLP recognises the phenomenal growth opportunities from AI as well as uncertainties over implementation and regulations. Prudent governance principles have therefore been adopted to ensure the responsible integration of AI into business processes.

CLP manages operational risk by:

- a) Executing targeted Group-wide initiatives to minimise the risk of serious injuries and fatalities (SIF);
- b) Reinforcing operations and systems to maintain a high operational and emissions performance;
- c) Performing regular drills to test plans for emergency responses, crisis management, disaster recovery and business continuity;
- d) Using a range of climate scenarios to formulate strengthened plans and site-specific mitigation measures to cope with the heightened risks of extreme weather events;
- e) Enforcing a Group-wide Project Management Governance System to facilitate the delivery of high-quality projects;
- f) Imposing Group-wide cyber security policies and standards with appropriate controls, technologies and practices at all levels, while cultivating a cyber resilience culture across the Group; and
- g) Establishing AI adoption principles, governance framework and risk assessment processes for the development of AI solutions.

| Group Top-Tier Risks – Operational | Related Material Topics | Climate-related Drivers | Change in 2024 | Additional References |
|--|---|---|----------------|------------------------|
| 1. Major HSE incidents |  |  | ◀ ▶ | Pages 75, 290-293 |
| 2. Cybersecurity attack – OT systems |  | — | ◀ ▶ | Page 69 |
| 3. Cybersecurity attack – IT systems |  | — | ◀ ▶ | Page 69 |
| 4. Major projects delay / cost overrun |  |  | ▼ | Pages 18, 52 |
| 5. Major failure – generation assets |  |  | ◀ ▶ | Pages 22-23, 67, 76-77 |
| 6. Climate-related physical risk |  |  | ◀ ▶ | Pages 53, 76-77 |
| 7. Adoption of AI solutions |  |  | New | Pages 66-67, 78, 133 |

▲ Risk level increased ▼ Risk level decreased ◀ ▶ Risk level remains broadly the same

Material Risks to the Group (continued)

Market & Commercial Risk

Market & Commercial risk refers to significant changes in market conditions and potential losses arising from inadequate gross margins and the non-performance of trading partners or counterparties. It is important to ensure our trading partners and counterparties are reliable, financially healthy and willing to abide by contracts. Currently, delays in the collection of receivables, fuel supply interruptions and tariff adjustment challenges are key market and commercial risks impacting CLP.

CLP manages market & commercial risk by:

- a) Regularly reviewing business operations including but not limited to plant reliability and efficiency, hedging strategies, business planning approaches and company capital structures;
- b) Assessing pricing strategy constantly to manage customer churn in the Australian market;
- c) Implementing strategies to manage wholesale and retail positions;
- d) Complying with Energy Risk Policy and ensuring energy market transactions are subject to continuous oversight; and
- e) Diversify fuel sources and fuel procurement strategies to secure a stable supply of fuel at competitive prices while establishing contingency plans for potential supply disruptions.

| Group Top-Tier Risks – Market and Commercial | Related Material Topics | Climate-related Drivers | Change in 2024 | Additional References |
|--|-------------------------|-------------------------|----------------|-----------------------|
| 8. Coal supply shortage – Australia | | | ◀ ▶ | Page 22 |
| 9. Wholesale price volatility – Australia | | | ◀ ▶ | Pages 22, 65, 274 |
| 10. Tariff adjustment challenge – Hong Kong | | | ◀ ▶ | Pages 18, 65 |
| 11. Gas supply security – Hong Kong | | | ◀ ▶ | Pages 18, 79 |
| 12. Delayed national renewable energy subsidies – Mainland China | — | — | ◀ ▶ | Page 21 |

Material Risks to the Group (continued)

Regulatory Risk

More stringent performance targets – including the new penalty scheme for large-scale electricity supply interruption and enhanced information disclosure requirements – alongside potential adverse regulatory changes present an on-going regulatory risk exposure for the SoC business in Hong Kong.

The Group's Australian business continued to face regulatory challenges which may restrict its margin recovery and increase the complexity and cost of market operations. Increased scrutiny from key regulators presents significant regulatory compliance challenges.

In Mainland China, power sector reforms have resulted in a gradual evolution towards spot market-based trading with varying pace and implementation of the rules in different provinces. Increased grid curtailment may result in lower dispatch and revenue.

Geopolitical tensions between China and its major trading partners may bring new challenges to CLP's business, including efforts to enhance supply chain resilience and capture growth opportunities in India.

As CLP progresses its strategy to address climate challenges, the pace of change in government policies, regulations, technologies and market structures could be faster than the Group's responses.



CLP manages regulatory risk by:

- a) Mobilising internal resources to ensure monitoring and timely responses to regulatory changes, while maintaining regulatory compliance and oversight;
- b) Promoting engagement by CLP's leadership team with policymakers and key government officials in Hong Kong, Mainland China, Australia and India;
- c) Working constructively with governments to advocate CLP's support for the net-zero transition;
- d) Providing stakeholders and the public with a more detailed understanding of the Group's operations through different platforms;
- e) Reinforcing CLP's efforts to care for the community and exploring new subsidy schemes under the CLP Community Energy Saving Fund;
- f) Regularly reviewing CLP's Climate Vision 2050 and progressively phasing out remaining coal-fired generation assets before 2040;
- g) Strategically capturing transition opportunities in the wind and solar energy sector;
- h) Upgrading CLP Power's Clean Energy Transmission System (CETS) to allow for the import of more zero-carbon energy;
- i) Continuously evaluating the procurement strategy to maintain sustainability and liaise with suppliers to mitigate sanction risk exposure; and
- j) Conducting supply chain reviews for assets on imported equipment and spares, while exploring alternative sources and localisation opportunities.

| Group Top-Tier Risks – Regulatory | Related Material Topics | Climate-related Drivers | Change in 2024 | Additional References |
|---|-------------------------|-------------------------|----------------|------------------------|
| 13. Regulatory changes – Hong Kong | | | ◀ ▶ | Pages 19, 58-59, 63-64 |
| 14. Regulatory changes – Mainland China | | | ◀ ▶ | Pages 20-21, 59 |
| 15. Regulatory changes – Australia | | | ◀ ▶ | Pages 21-22, 65 |
| 16. Regulatory compliance – Australia | | — | ◀ ▶ | Page 22 |
| 17. Geopolitical and sanctions risk | | — | ◀ ▶ | Pages 14, 78-79, 133 |
| 18. Climate-related transition risk | | | ◀ ▶ | Pages 24, 49-57 |

Material Risks to the Group (continued)

| Financial Risk | |
|--|--|
| <p>CLP's investments and operations, which are long term in nature, are exposed to financial risks in the areas of cash flow and liquidity, credit and counterparty risks, interest rate risks and foreign currency risks. These risks are further heightened by ongoing global economic uncertainty. Group-level earnings may also be impacted by mark-to-market fair value movements. Volatile foreign exchange and equity markets have further affected the cost of securing financing.</p> <p>CLP Power issued an inaugural A\$500 million, three-year public bond in the Australian market in July 2024 and a US\$500 million perpetual bond on HKEX in January 2025. These diversified funding sources enhance the company's resilience against potential market volatility.</p> | <p>CLP manages financial risk by:</p> <ul style="list-style-type: none"> a) Timely review and replenishing of liquidity, maintaining investment grade credit ratings and preserving a healthy capital structure; b) Taking pre-emptive action for early completion of major financings on preferential terms; c) Securing debt funding diversity and maintaining an appropriate mix of committed credit facilities; d) Maximising the use of local funding options; e) Hedging most transactional foreign currency exposures in line with CLP's Treasury Policy; f) Pursuing a natural hedge strategy by matching the currency of revenue, cost and debt and ensuring project level debt financing is denominated in and swapped to a functional currency; g) Controlling financial counterparty exposure by transacting only with creditworthy and pre-approved financial institutions, allocating exposure limits based on banks' credit standing and ensuring non-recourse to CLP Holdings for counterparties of CLP Holdings' subsidiaries and affiliates; and h) Maintaining good, trustworthy relationships with capital providers including banks and bondholders. |

| Group Top-Tier Risks – Financial | Related Material Topics | Climate-related Drivers | Change in 2024 | Additional References |
|---|---|---|----------------|--------------------------|
| 19. Availability of competitive funding |  |  | ◀ ▶ | Pages 36, 55-57, 275-277 |
| 20. Financial market volatility | — | — | ◀ ▶ | Pages 272-275, 278-280 |
| 21. Default of Group's financial counterparties | — | — | ◀ ▶ | Pages 56, 275 |

Material Risks to the Group (continued)



Transformation Risk

CLP is advancing on a journey to a net-zero future and executing a portfolio of transformation programmes to support its strategic objectives.

The transformative journey involves complex and continuous implementations that present execution risk across people, processes and technology. The Group is simultaneously improving its customer engagement and experience, cost effectiveness, system flexibility and reliability, and strengthening its capabilities.

CLP manages transformation risk by:

- a) Strong coordination and leadership of strategic digital transformation initiatives;
- b) Building excellence in change management capabilities to raise operational resilience and agility;
- c) Stepping up recruitment of professionals across all markets and improving people development;
- d) Evolving to more agile operating models to enable business units to respond more quickly to customers and growth opportunities; and
- e) Refreshing CLP's Value Framework through a series of top-down and bottom-up employee engagement activities.

| Group Top-Tier Risks – Transformation | Related Material Topics | Climate-related Drivers | Change in 2024 | Additional References |
|---|---|-------------------------|----------------|-----------------------|
| 22. Digital transformation |  | — | ▲ | Pages 23, 66 |
| 23. Organisation capability development |  | — | ◀▶ | Pages 70-75 |

Effectiveness Review of Risk Management and Internal Control Systems

CLP adopts the Five Lines of Assurance approach to coordinate and optimise its risk and assurance efforts as described on pages 126 to 127 of this report. Combined assurance includes Board oversight by the Audit & Risk Committee, management oversight by the CEO and the Group Executive Committee, independent assurance by internal audit, control and monitoring by Group functions and risk and control ownership by business units. It should be acknowledged that CLP's risk management and internal control systems are designed to manage rather than eliminate the risk of failure in achieving our strategic and business objectives and can only provide reasonable, not absolute, assurance against material loss or misstatements.

The Audit & Risk Committee on behalf of the Board has reviewed the effectiveness of the Group's risk management and internal control systems during the period covered by this Annual Report. The details of the effectiveness review are described in the Corporate Governance Report on page 123 and the Audit & Risk Committee Report on pages 143 to 144.



Alexandre Jean Keisser
Chief Financial Officer
Hong Kong, 24 February 2025

Audit & Risk Committee Report

The Members of the Audit & Risk Committee are appointed from the Independent Non-executive Directors by CLP Holdings' Board of Directors. This Committee comprised the following Members during the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period):

Members

Ms May Siew Boi Tan
(Chairperson)

Mr Nicholas C. Allen

Mr Chunyuan Gu

Ms Wang Xiaojun Heather

Mrs Kung Yeung Yun Chi Ann
(appointed in October 2024)

[Biographies](#) of the Members are set out in the "Board of Directors" section on page 82 and on our website.

The Committee works closely with the auditors and management-level group functions and, in addition to the Members, regular attendees at the Committee's meetings are:

- ❖ Chief Executive Officer – Mr T.K. Chiang;
- ❖ Chief Financial Officer – Mr Alexandre Keisser, appointed with effect from 1 April 2024;
- ❖ Chief Financial Officer – Mr Nicolas Tissot, handed over his executive responsibilities on 31 March 2024, became an Advisor to the CEO as part of the transition and left the CLP Group on 30 June 2024;
- ❖ Chief Strategy, Sustainability and Governance Officer – Mr David Simmonds;
- ❖ Senior Director & Group Controller – Mr Pablo Arellano;
- ❖ Senior Director – Group Internal Audit (GIA) – Mr Eric Chan;
- ❖ Joint Company Secretary – Mr Michael Ling; and
- ❖ Independent Auditor – the engagement partner and others from PwC.

Other members of management attended the Committee meetings from time to time to make presentations and discuss matters of interest to the Committee.

Meetings and Attendance

During the Period, the Committee held six meetings in 2024 and another two meetings in 2025. The Chairperson met regularly and individually with each of PwC, the Senior Director – GIA and the CFO. The Committee meetings include scheduled sessions in the absence of management for the Committee Members and PwC, as well as sessions for Committee Members only. Two private meetings between Committee Members and PwC were held and six sessions for Committee Members only were held during the Period.

Individual attendance of Members for the 2024 meetings is set out in the Corporate Governance Report on page 107.

EnergyAustralia

CLP's wholly owned subsidiary, EnergyAustralia, has its own board of directors that includes independent non-executive directors. The EnergyAustralia board has an audit and risk committee (ARC) and its members are EnergyAustralia's non-executive directors independent of EnergyAustralia's management.

The Committee's work with respect to the operations of EnergyAustralia is strengthened and supplemented by the work of EnergyAustralia ARC. There is an open invitation between this Committee and the EnergyAustralia ARC for members to attend the other committee's meetings.

During the Period, the Chairperson of the Committee participated in seven EnergyAustralia ARC meetings which included the additional meeting held in January 2024 for the consideration of key accounting judgement in relation to the impairment for the full-year 2023 financial statements of EnergyAustralia. The Chairman of EnergyAustralia ARC participated in two meetings of the Committee.

Apraava Energy

Apraava Energy is 50% owned each by CLP and Caisse de dépôt et placement du Québec (CDPQ). Apraava Energy's board of directors comprises three representatives from each of CLP and CDPQ and is chaired by CLP's CFO. Apraava Energy has an audit committee that comprises two representatives from each of CLP and CDPQ and is chaired by CLP's CFO.

As a 50:50 joint venture, the Committee's oversight with respect to the operations of Apraava Energy is supplemented by the GIA's review and reporting on Apraava Energy's internal audit reviews. The internal audit results and findings of Apraava Energy are periodically reported to the Committee by GIA.

Highlights of the Committee's Work

The Committee devoted considerable time in overseeing the financial reporting for the Group, reviewing the GIA reports and monitoring some of the material risks faced by the Group.

The following table provides an overview of how the Committee spent its time during the Period:

| | 2024 | | | | | | 2025 | |
|--|------|-----|-----|-----|-----|-----|------|-----|
| | Jan | Feb | May | Jun | Jul | Nov | Jan | Feb |
| Risk Management, Internal Control and Compliance | | | | | | | | |
| Quarterly risk management report | | ◆ | ◆ | | ◆ | ◆ | | ◆ |
| In depth briefing on heightened risk topics | | | | | | | | |
| ◆ Cybersecurity | | | ◆ | | | ◆ | | |
| ◆ ERP project | | ◆ | | ◆ | | | | |
| ◆ EnergyAustralia Mount Piper coal supply risks | | | ◆ | | | | | |
| ◆ EnergyAustralia hedging strategy review | | | | ◆ | | | | |
| ◆ CLP Power operational related incidents | | | | | ◆ | ◆ | ◆ | |
| ◆ CLP China renewables subsidies update | | | | | | | ◆ | |
| Internal control review update | | ◆ | | ◆ | | ◆ | | ◆ |
| Management's general representation letter | | ◆ | | | ◆ | | | ◆ |
| Outstanding internal audit issues | | ◆ | ◆ | ◆ | ◆ | ◆ | | ◆ |
| Legal and regulatory compliance | | ◆ | | | ◆ | | | ◆ |
| Annual and Interim Financial Reports | | | | | | | | |
| Annual and Interim financial statements and reports | | ◆ | | | ◆ | | | ◆ |
| Assessment of critical accounting judgements | ◆ | ◆ | | ◆ | ◆ | | ◆ | ◆ |
| ESG data and materiality assessment assurance | | ◆ | | | | ◆ | | ◆ |
| Internal and External Auditing | | | | | | | | |
| Internal audit results and audit issues | | ◆ | ◆ | ◆ | ◆ | ◆ | | ◆ |
| Ethics and controls commitment surveys | | | ◆ | | | | | |
| PwC's audit report, audit plan and audit progress | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Audit fees and non-audit engagements by auditors | ◆ | ◆ | | | ◆ | | | ◆ |
| Corporate Governance | | | | | | | | |
| Corporate governance trends, developments and related policies | | | ◆ | | ◆ | ◆ | ◆ | |
| Code of Conduct and whistleblowing cases | | ◆ | ◆ | ◆ | ◆ | | | ◆ |
| Continuing connected transactions | | ◆ | | | | | | ◆ |

Summary of Work Done

In addition to the Highlights of the Committee's Work for the Period, the table below explains the work carried out by the Committee and how it discharged its responsibilities for the Period.

| Areas of Focus | |
|---|---|
| Risk Management, Internal Control and Compliance | |
| Effectiveness of risk management and internal control systems | <p>The Committee received and reviewed management's periodic internal control reports and the Group's quarterly risk management reports. As part of the review of the half-year and full-year financial statements, the Committee examined and received the General Representation Letters from the CEO and CFO (see page 123 for further details regarding the General Representation Letters).</p> <p>The Committee's monitoring of the risk management and internal control systems was supported by the review work and reporting by GIA and by the independent auditor's report of their testing of the control environment of the Group.</p> <p>During the Period, no internal control issue that would be material to the integrity of the financial statements was identified.</p> <p>The Committee analysed and was satisfied that the Group's risk management and internal control systems were effective and adequate for the Period.</p> |
| Deep dive briefings | <p>Having regard to the nature of the risks and the potential exposure for the Group, management presented deep dive briefings on the following topics:</p> <ul style="list-style-type: none"> ❖ Cybersecurity – The Committee was updated on the key Group cybersecurity initiatives and progress update. The Group's operating model and capabilities and the cybersecurity framework were introduced. The Committee also examined the cyber threat landscape, noting the increasing aggression of ransomware and the 2025-2026 cybersecurity strategy. ❖ ERP project – The Committee discussed with management the status of the ERP project including its progress and financials, key messages on the project risks. The Committee noted the Board level governance oversight through a newly established ERP Panel and the Committee would continue to monitor the risks and financial reporting implications associated with the project; whereas the ERP Panel would have primary oversight on the readiness, implementation and overall management of the project. ❖ EnergyAustralia Mount Piper coal supply risks – The Committee and management discussed the risks associated with coal supply for Mount Piper and highlighted the status and mitigation measures for the water treatment issues at the coal supply mine. The Committee was also updated on the progress of this matter. ❖ EnergyAustralia hedging strategy review – The Committee and management discussed the new electricity hedging strategy, the areas for improvement in risk governance, reporting and metrics. The Committee acknowledged the necessity of continued management and improvement of risk controls and reporting measures. ❖ CLP Power operational related incidents – There were a number of operational issues that had emerged in the course of the Period. The Committee requested a contemporaneous update and briefing of these matters from management and the Committee provided oversight on how the associated issues should be addressed and remediated. ❖ CLP China renewables subsidies update – The outstanding renewables subsidies of the CLP China business was a key audit matter in the 2023 Independent Auditor's Report. The Committee and management discussed the status of the outstanding subsidies, the ongoing recoverability and the associated accounting treatment. |

Areas of Focus

Risk Management, Internal Control and Compliance

| | |
|------------------------------|--|
| Reporting on risk management | The Committee provided input into the Group risk management reporting and an area of focus that would require close monitoring on the part of management is the operational resilience of the business's critical infrastructure. |
| Cybersecurity | The Committee continued to maintain a strong focus on the risks associated with cybersecurity having regard to the impending laws on critical infrastructure which would have an important cybersecurity element. |
| Compliance | <p>As part of the review of the half-year and full-year financial statements, the Committee considered a comprehensive legal and regulatory report on the Group covering key regulatory compliance issues and legal cases for each region of the Group.</p> <p>The Committee acknowledged that the only exception to compliance with all the mandatory disclosure requirements and principles, code provisions and recommended best practices of the Corporate Governance Code is that CLP does not publish quarterly financial results (as a recommended best practice); and the Committee supported the considered reasons for this exception (please refer to page 97).</p> |

Annual and Interim Financial Reports

| | |
|---|---|
| Annual Reports and Interim Report | The Committee reviewed the 2023 and 2024 Annual Reports and the 2024 Interim Report and on the recommendations from the Committee, these were approved by the Board. |
| 2024 Financial Statements – accounting judgements | <p>Management and PwC presented to the Committee the key judgements with material accounting impact. These included the review of the carrying values of the Group's generation assets and EnergyAustralia's energy retail business and account receivables for the renewable projects in Mainland China.</p> <p>The Committee critically assessed these and found the judgements put forward to be acceptable for the issues presented.</p> |
| ESG data and materiality assessment assurance | The Committee considered and acknowledged the independent consultant's report on the ESG data assurance in respect of the 2023 and 2024 identified ESG metrics disclosed in the Annual Report, Sustainability Report and CLP's Climate Vision 2050 . The Committee was briefed on the scope of the ESG data assurance with the selected ESG performance indicators and some of the key changes. Furthermore, the Committee was briefed on the 2024 materiality assessment and the results from the assurance. |

Internal and External Auditing

| | |
|----------------|--|
| Internal audit | <p>The Committee received and considered two types of reports from the Senior Director – GIA and they are:</p> <ul style="list-style-type: none"> a) audit reports which provide independent appraisal of the audit unit's compliance with prescribed policies and procedures, and evaluation of the effectiveness of the overall controls; and b) special review reports which focus on new business areas and emerging risks, where control advisory is provided. <p>For the year 2024, a total of 17 audits and 8 special reviews were completed. Two audit reports carried a not satisfactory audit opinion.</p> <p>None of the control weaknesses identified had a material impact on the financial statements.</p> |
|----------------|--|

Areas of Focus

Internal and External Auditing

| | |
|--|---|
| Internal audit function | <p>The Committee reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the GIA function as well as the accounting and financial reporting functions of the Group.</p> |
| Financial Statements – auditor’s opinion | <p>For both the 2023 and 2024 financial statements, PwC presented the auditor’s opinion on the financial statements and the Key Audit Matters that had material impacts on the financial results and position of the Group. The Key Audit Matters identified were considered and reviewed by the Committee.</p> |
| Fees to independent auditor and its re-appointment | <p>The Committee reviewed the following fees payable to PwC:</p> <ul style="list-style-type: none">❖ audit fees for 2023 and 2024 for approval by the Board; and❖ permissible audit related and non-audit services provided by PwC for 2023 and 2024. <p>The Committee also reviewed and approved the fees relating to the PwC’s specific non-audit service engagement. The Committee also reviewed the proposed permissible audit related and non-audit services to be provided by the external auditor in the coming year.</p> <p>At the 2024 AGM, over 99% of the shareholders voting supported the re-appointment of PwC and they were re-appointed as independent auditor for 2024.</p> <p>Having considered PwC’s performance and independence as CLP’s independent auditor, the Committee recommended to the Board that PwC be re-appointed as independent auditor for 2025 and this will be considered by shareholders at the forthcoming AGM. PwC also issued a letter of independence to the Committee.</p> <p>Ms Yee Shia Yuen has been the lead audit partner for CLP since the financial year 2021, after her predecessor retired from CLP’s audit assignments upon the completion of seven years of service after the 2020 financial year-end audit. This rotation is consistent with The International Federation of Accountants rules on independence of external auditors. The Committee supports this approach for it believes that changing the lead audit partner regularly ensures the independence, objectivity and fresh perspectives the Committee requires in CLP’s independent auditor.</p> <p>Further details of the fees payable to PwC and the assessment of their independence can be found on page 119.</p> |

Areas of Focus

Corporate Governance

| | |
|-----------------------------------|--|
| Corporate governance practices | <p>The Committee received a report from management on Corporate Governance Policies and Practices Review covering the review of the shareholders' communication policy, Code of Conduct, whistleblowing policy, policy and procedure for gifts and entertainment, anti-fraud policy and policy on making political contributions.</p> <p>The Committee took particular note of the updates regarding a series of corporate governance related changes under the Listing Rules that will come into effect on 1 July 2025 and areas where specific changes or actions may need to be made or taken to address certain specific new requirements.</p> |
| Continuing connected transactions | <p>The Committee considered the work carried out by PwC on the annual reporting and confirmation of continuing connected transactions as required by the Listing Rules.</p> |
| Culture-related | <p>The Committee received and considered the periodic updates on the breaches of the Code of Conduct. None of the 31 breaches in 2024 were material to the Group's financial statements or overall operations. The breaches were mainly related to issues of workplace behaviour and individuals' ethics and integrity. None of the reported Code of Conduct violations involved employees at the grade level of senior manager or above.</p> <p>The Committee analysed the findings of the 2023 ethics and controls commitment surveys for the employees and took note that the results for 2023 were positive and in general, were either at the same level or better than the results of the previous year.</p> |

Responsibilities

Primary Responsibilities

The Committee's primary responsibilities include:

- ❖ satisfying itself that good accounting, audit principles, risk management, internal controls and ethical practices are applied on a consistent basis throughout the CLP Group (without limiting the primary responsibilities of all the business unit managers throughout the Group);
- ❖ assuring adequate risk management and internal control systems are in place and followed and where deficiencies are found, appropriate remedial actions are taken in a timely manner;
- ❖ assuring appropriate accounting principles and reporting practices are followed;
- ❖ performing the corporate governance duties described further in this Report and fulfilling the functions conferred on the Committee by the CLP Code;
- ❖ satisfying itself that the scope and direction of external and internal auditing are adequate; and
- ❖ reviewing and making sure the assurance of the sustainability data in the [Sustainability Report](#) is appropriate.

Accountability

The Committee is accountable to the Board. The Chairperson reports to the Board at the Board meetings in which the half-year and full-year financial statements are considered and this would cover key issues considered by the Committee in the course of the review of the preparation of the financial statements.

Terms of Reference

The Committee's terms of reference follow international best practice and they also comply with the HKICPA's "A Guide for Effective Audit Committees" and the Corporate Governance Code. Full [terms of reference](#) can be found on CLP's and the Hong Kong Stock Exchange's websites.

Audit & Risk Committee Effectiveness

The Company Secretary evaluated the performance and effectiveness of the Committee during 2024 and the Committee was pleased to note that the Company Secretary concluded that the Committee was performing its responsibilities in an effective manner in accordance with its terms of reference. The evaluation was supported by a survey on the work and focus of the Committee that was completed by the Committee Members and management who have frequent interaction with the Committee. The CLP Holdings Board also endorsed the Company Secretary's evaluation.

Looking Ahead

Over the past year, we saw how certain operational issues brought other underlying issues to the fore. The Group is entrusted with the operation of critical infrastructures in different markets and in particular, in our home market Hong Kong. This has always been an important focus for management and the Committee, and would undoubtedly continue to be a focus for the coming year.



May Siew Boi Tan

Chairperson, Audit & Risk Committee

Hong Kong, 24 February 2025

Sustainability Committee Report

The Sustainability Committee is chaired by an Independent Non-executive Director and comprises seven Non-executive Directors, five of whom including the Chair are Independent Non-executive Directors. Members of the Sustainability Committee are appointed by CLP Holdings' Board of Directors to oversee CLP's sustainability matters, and during the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period), the Committee Members are:

Members

Mr Chunyuan Gu

(Independent
Non-executive Director)
(the Chairman)

Mr Nicholas C. Allen

(Independent
Non-executive Director)

Ms May Siew Boi Tan

(Independent
Non-executive Director)

Ms Christina Gaw

(Independent
Non-executive Director)

Mr Bernard Chan

(Independent
Non-executive Director)

Mr Andrew Brandler

(Non-executive Director
and Vice Chairman of
the Board)

Mr Philip Kadoorie

(Non-executive Director)

[Biographies](#) of the Members are set out in the "Board of Directors" section on page 82 and on our website.

The governance of sustainability is integrated in the CLP Group's corporate governance structures – from Board-level Committees to management-level group functions and business units (please refer to page 98 of the Corporate Governance Report on "CLP's Approach to Sustainability-related Disclosures").

The Sustainability Committee holds the primary role of overseeing the management of the Group's sustainability matters.

The Committee is supported by the management-level Sustainability Executive Committee which in turn provides oversight of management's implementation of sustainability-related strategies, policies and goals. Membership of the Sustainability Executive Committee has been expanded since early 2025 to include all Members of, and senior executives with standing invitations to join meetings of, the Group Executive Committee ([biographies](#) of which are set out on pages 89 to 91 and on our website). The Group Sustainability Department reports to and seeks guidance from this Committee and the Sustainability Executive Committee on a range of sustainability matters including climate action, embedding sustainability practices into business strategies and planning, emerging sustainability risks and opportunities, and sustainability and climate-related reporting.

Regular attendees at the Committee's meetings include members of the Sustainability Executive Committee, the Director – Group Sustainability (Mr Hendrik Rosenthal) and Joint Company Secretary (Mr Michael Ling).

Meetings and Attendance

The Committee meets as frequently as required and the Committee met five times during the Period.

Highlights of the Committee's Work

It is worth highlighting as an area that continues to evolve and develop, there has been considerable expectation and anticipation from CLP's stakeholders on how CLP approaches the corporate disclosures under the International Sustainability Standards Board's IFRS S1 and IFRS S2 standards. With guidance from the Committee, management has spent considerable time in preparing the Group's disclosures in this regard.

The following table provides an overview of how the Committee spent its time during the Period:

| | 2024 | | | | 2025 |
|---|------|-----|-----|-----|------|
| | Jan | Feb | Sep | Nov | Feb |
| Climate Change-related Matters | ◆ | ◆ | ◆ | ◆ | ◆ |
| Other Sustainability Matters – risks, opportunities and emerging issues | ◆ | | ◆ | ◆ | |
| Sustainability Reporting / Indices Performance | | ◆ | ◆ | ◆ | ◆ |
| Sustainability Governance | ◆ | | | ◆ | ◆ |
| Health, Safety, Security and Environment | ◆ | | | ◆ | ◆ |
| Community, Charitable and Environmental Partnerships and Initiatives | | ◆ | | | ◆ |

Summary of Work Done

In addition to the Highlights of the Committee's Work for the Period, the table below explains the work carried out by the Committee and how it discharged its responsibilities for the Period.

Areas of Focus

Climate Change-related Matters

Climate change-related developments and risks

The Committee received a presentation from management on the emerging trend in avoided emissions measurement and disclosure. There was a discussion on the role of avoided emissions, and how it could help organisations articulate climate benefits through energy service offering. The plan to continue monitoring the annual avoided emissions was endorsed by the Committee.

The Committee was also updated on the Hong Kong Taxonomy for Sustainable Finance and the strategy to update CLP's Climate Action Finance Framework (CAFF).

Areas of Focus

Other Sustainability Matters – risks, opportunities and emerging issues

| | |
|-----------------------------------|---|
| Voluntary carbon markets | The Committee received briefings from international experts on the latest trends and insights, strategic motivation, key opportunities and execution blueprints of the carbon markets. The potential significance of these markets to utilities was also explained. |
| Sustainable Procurement Programme | The Committee was briefed on the update regarding the Sustainable Procurement Programme, including the progress and achievements made on sustainable procurement in 2024, the process on the assurance compliance, the sustainable procurement framework and the proposed targets for CLP's supply chain. |
| Materiality assessment | The Committee considered and endorsed the materiality assessment for 2024. The Committee took note that there were changes with some new material topics and sub-topics defined for 2024 and that KPMG would provide an assurance report on CLP's materiality assessment process. |
| Human rights due diligence | The Committee acknowledged the outcomes of the human rights due diligence initiative along with its corresponding improvement plan. There was a discussion on considerations for the Group Labour Standards and human rights and that the right balance should be struck as between local and international requirements and standards. |

Sustainability Reporting / Indices Performance

[Sustainability reporting standards](#)



The Committee considered and endorsed the approach to reporting on sustainability-related disclosures for the Annual Report and Sustainability Report. A new reporting initiative for 2024 was to shift some of the evergreen disclosures to the CLP website to ensure a more focused coverage on CLP's latest developments and performances, while streamlining the disclosures in the Sustainability Report.

The Committee also endorsed the sustainability-related disclosures of the 2024 Annual Report to be prepared in accordance with the HKFRS S1 and HKFRS S2 reporting standards and the Hong Kong Stock Exchange's ESG Reporting Code.

The Committee also reviewed and endorsed the contents of the [2024 Sustainability Report](#).

Sustainability-related targets

The Committee considered and approved the proposed sustainability-related targets that would be reflective of the Group's material sustainability topics in the ESG spectrum for disclosure in the 2024 Sustainability and Annual Reports.

Areas of Focus

Sustainability Reporting / Indices Performance

Performance on external sustainability indices

As a standing item, the Committee was briefed on, and monitored, CLP's performance on the external sustainability indices.

The Committee analysed CLP's performance ratings under the key sustainability indices. The Committee acknowledged the evolving assessment and benchmarking initiatives and requirements, and reviewed the relevance and potential implications for CLP.

Sustainability Governance

Annual review of resources for sustainability

The Committee observed that going forward there would be increasing reporting requirements as new system on reporting emerges. The Committee was satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget for ESG performance and reporting. The Committee also reviewed and noted the updated Terms of Reference for the Sustainability Executive Committee.

Health, Safety, Security and Environment

Health, Safety and Environment Strategy & update

The Committee considered and endorsed the CLP 2025-2027 Group Health, Safety and Environment (HSE) Strategy. The Committee also received the management's update on Group HSE covering areas regarding governance, digital platforms, assurance programme, capability building, performance, group programmes and risks. The Committee also received an update on CLP's HSE performance for the year 2024.

Community, Charitable and Environmental Partnerships and Initiatives

Community initiatives

The Committee reviewed management's report on the community initiatives undertaken by CLP in 2024 and gave their support on the 2025 programme highlights.

Responsibilities

Primary Responsibilities

The Committee's key responsibilities are:

- ❖ to review, endorse and report to the Board on CLP's sustainability-related strategy and to oversee the implementation of said strategy at the CLP Group;
- ❖ to review and evaluate the adequacy and effectiveness of the CLP Group-level frameworks insofar as they relate to sustainability matters;
- ❖ to review and report to relevant Board Committees on key international, regional and / or local sustainability trends, benchmarking against peers, sustainability risks and opportunities and other emerging issues;
- ❖ to review and evaluate the organisation's long-term corporate strategy through the perspectives of the Group's sustainability risks and opportunities, goals, targets, priorities and performance;
- ❖ to oversee, review and evaluate the CLP Group's sustainability performance in terms of internationally-recognised metrics relevant to the industry, as well as the requirements of sustainability indices and ratings and the desirability of CLP's inclusion in those indices and ratings;
- ❖ to review and advise the Board on CLP's public reporting with regard to its performance on sustainability matters;

- ❖ to monitor compliance with any applicable laws and regulations of the jurisdictions in which CLP operates as regards sustainability-related disclosures; and
- ❖ to oversee CLP's community, charitable and environmental partnerships, strategies and related Group-level policies and make recommendations to the Board on any changes to those partnerships, strategies and policies.

Accountability

The Committee is accountable to the Board. The Committee is authorised by the Board to investigate all matters that fall within its terms of reference.

The objectives of the Committee are to oversee management and advise the Board on matters required to enable the CLP Group:

- to operate on a sustainable basis for the benefit of current and future generations;
- to achieve sustainable growth having regard to the Group's impact on its value chain;
- to effectively manage the Group's sustainability-related risks and opportunities; and
- to disclose and communicate the Group's sustainability progress and objectives.

Terms of Reference

The [terms of reference](#) of the Committee were updated in January 2024 and are set out on CLP's and the Hong Kong Stock Exchange's websites.

Looking Ahead

At CLP, we value the importance of sustainability and we also recognise that for our stakeholders, of equal importance is how we report on our sustainability practices. We are pleased with the positive feedback from our stakeholders regarding our sustainability-related reporting such as our CLP's [Climate Vision 2050](#) and our approach to double materiality. In the coming year ahead, we would welcome stakeholders' feedback on our disclosures regarding the HKFRS S1 and HKFRS S2 standards as we continue to review this on an ongoing basis.



Chunyuan Gu

Chairman, Sustainability Committee
Hong Kong, 24 February 2025

Nomination Committee Report

The Members of the Nomination Committee are appointed by CLP Holdings' Board of Directors and the majority of which are Independent Non-executive Directors. This Committee comprised the following Members during the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period):

Members

Mr Nicholas C. Allen
(Independent
Non-executive Director)
(the Chairman)

The Hon Sir Michael Kadoorie
(Non-executive Director and
Chairman of the Board)

Ms May Siew Boi Tan
(Independent
Non-executive Director)

[Biographies](#) of the Members are set out in the "Board of Directors" section on page 82 and on our website.

In addition to the Members, the regular attendees at the Committee's meeting include:

- ❖ Chief Executive Officer – Mr T.K. Chiang;
- ❖ Chief Strategy, Sustainability and Governance Officer – Mr David Simmonds; and
- ❖ Joint Company Secretary – Mr Michael Ling.

Summary of Work Done

The Committee met once during the Period. In addition, Committee Members considered and dealt with a number of important matters outside of the scheduled meeting by circulation. These matters included setting the desired profile for the potential candidate for an Independent Non-executive Director as well as the Members meeting and interviewing the then potential candidate Mrs Kung Yeung Yun Chi Ann which led to the formal appointment.

Areas of Focus

Board nominations and
Board refresh

Appointment of Mrs Kung Yeung Yun Chi Ann as Independent Non-executive Director

The Committee considered and endorsed the nomination of a new Independent Non-executive Director for the Board's approval. The search process was conducted by Korn Ferry, an independent consulting firm.

Mrs Kung Yeung Yun Chi Ann was considered as the leading candidate having regard to her over 30 years of experience in the banking industry with extensive knowledge and experience of financial services.

The Committee considered how Mrs Kung's profile would complement the Board Members' skills, experience and background, in particular, that she would be able to strengthen the financial and accounting expertise on the Audit & Risk Committee.

Appointment of Mr Diego Alejandro González Morales as Non-executive Director

The Committee endorsed the appointment of Mr Diego González Morales as a Non-executive Director with effect from 1 April 2024. The Committee considered his broad, cross-functional corporate expertise spanning the financial services, healthcare, energy and entertainment industries and that he is a director representing Sir Elly Kadoorie & Sons Limited.

Areas of Focus

| | |
|--|---|
| <p>Board Committees refresh</p> | <p>The Committee considered the evolving demands of the Board Committees and the changes in the Board composition in 2024. Having due regard to the unique experience, expertise and background of the Directors concerned, the Committee reviewed and endorsed the following appointments for the relevant Board Committees for approval by the Board:</p> <ul style="list-style-type: none"> ❖ appointment of Mr Diego González Morales as a Member of the Finance & General Committee with effect from 1 April 2024; ❖ appointment of Mrs Kung Yeung Yun Chi Ann as a Member of the Audit & Risk Committee and the Finance & General Committee with effect from 22 October 2024; and ❖ appointment of Mr Philip Kadoorie as a Member of the Finance & General Committee with effect from 1 January 2025. <p>The Committee endorsed Ms Christina Gaw to step off the Finance & General Committee with effect from 27 February 2024 and in doing so, the Committee considered the desire to balance her interests in the affairs in and outside of CLP Holdings.</p> <p>Details of the Board Committees composition are set out in the Corporate Governance Report on page 107.</p> |
| <p>Board Diversity Policy, diversity aspects of the Board and independence mechanism</p> | <p>Since the last update of the Board Diversity Policy in late 2022, the Committee continued to undertake an annual review of the Policy and considered the market developments and expectations from institutional shareholders and proxy advisors regarding Board diversity; and concluded that no further change to the Policy was needed for 2024.</p> <p>The Committee also considered management’s findings on the annual review of the existing diversity aspects of the Board for 2024. The Committee reaffirmed the commitment to the continuous Board refresh exercise with the view of enhancing the Board’s diversity in terms of gender, length of service, age distribution, independence and the alignment between the Group’s strategic direction and Directors’ skills and experience. Full analysis of the diversity aspects of the Board can be found in the Corporate Governance Report on pages 110 and 111.</p> <p>The Committee endorsed the annual review of the implementation and effectiveness of the independence mechanism and its disclosure.</p> |
| <p>Regulatory-related</p> | <p>The Committee undertook the review and assessment of the following regulatory-related matters:</p> <ul style="list-style-type: none"> ❖ the nomination of Directors for election and re-election at the 2025 AGM, with assessment on the tenure (especially for Independent Non-executive Directors who have served for more than nine years), the retirement age guideline, time commitment, attendance at Board and Committee meetings, overboarding and cross-directorships or significant links of the Independent Non-executive Directors; ❖ the independence of Independent Non-executive Directors; ❖ the training and continuous professional development of Directors; and ❖ Directors’ time commitment and contribution to the Board to discharge their responsibilities. |

Responsibilities

Primary Responsibilities

The Committee's primary responsibilities include:

- ❖ reviewing the Board structure and composition, and the Board Diversity Policy including the gender diversity target on an annual basis;
- ❖ making recommendations to the Board on Directors appointment and re-appointment and succession planning;
- ❖ supporting the Company's regular evaluation of the Board's performance;
- ❖ assessing the implementation and effectiveness of the independence mechanism annually, the independence of the Independent Non-executive Directors, and each Directors' time commitment and contribution to the Board and whether Directors are spending sufficient time performing their duties; and
- ❖ reviewing and monitoring the training and continuous professional development of Directors.

Nomination Policy

Embedded in the Committee's terms of reference is the Nomination Policy for Directors. The Policy (set out below) stipulates the key nomination criteria and principles of the Company for the nomination of Directors and provides what the Committee should do in order to give effect to this Policy:

- 1 review and monitor the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board on an annual basis, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- 2 identify and nominate qualified individuals for appointment as additional Directors or to fill Board vacancies as and when they arise. The criteria to be adopted by the Board in considering each individual shall be their ability to contribute to the effective carrying out by the Board of its responsibilities set out in the CLP Code in particular those described in paragraphs II.B.36 and 37;
- 3 make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the Chairman and the CEO; and
- 4 make recommendations to the Board with particular regard to ensuring a substantial majority of the Directors on the Board being independent of management.

Accountability

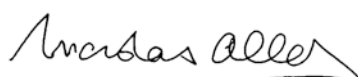
The Committee is accountable to the Board. The Committee is authorised by the Board to investigate all matters that fall within its terms of reference. The objectives of the Committee are to recommend to the Board on the structure, size and composition of the Board and on the nomination of Directors, having regard to the independence and quality of the nominees and ensuring that the nominations are fair and transparent.

Terms of Reference

The terms of reference of the Committee were amended effective from 1 January 2025 in accordance with the amendments to the Corporate Governance Code regarding the scope of work of the Committee, primarily relate to the additional responsibilities in maintaining a board skills matrix and in supporting the regular Board's performance review. The [terms of reference](#) of the Committee are set out on the CLP's and the Hong Kong Stock Exchange's websites.

Looking Ahead

2024 saw a number of Directors retire from the Board and the appointment of new Directors joining the Board. This is a testament to our commitment to the gradual refresh of the Board's composition and the emphasis is on taking a progressive approach with due regard to the Group's strategic focus and needs. At the same time, we will always strive to identify the most suited candidate for CLP and timing is always key. Taking all these into consideration, it requires well considered forward planning and will continue to be a key focus of this Committee.



Nicholas C. Allen

Chairman, Nomination Committee
Hong Kong, 24 February 2025

Human Resources & Remuneration Committee Report

The Human Resources & Remuneration Committee (HR&RC) comprises five Non-Executive Directors, four of whom including the Chair are Independent Non-Executive Directors. Members of the HR&RC are appointed by the CLP Holdings' Board of Directors to oversee major human resources and pay issues. During the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period), the Committee members are:

Members

Mr Nicholas C. Allen

(Independent
Non-executive Director)
(the Chairman)

Ms May Siew Boi Tan

(Independent
Non-executive Director)

Mr Chunyuan Gu

(Independent
Non-executive Director)

Ms Wang Xiaojun Heather

(Independent
Non-executive Director)

Mr Andrew Brandler

(Non-executive Director and
Vice Chairman of the Board)

Mrs Zia Mody

(Independent
Non-executive Director)
(retired on 3 May 2024 after
conclusion of the 2024 AGM)

There is no Executive Director on the HR&RC.

[Biographies](#) of the Members are set out in "Board of Directors" section on page 82 and on our website.

In addition to the Members, regular attendees at the Committee's meetings include:

- ❖ Chief Executive Officer – Mr T.K. Chiang;
- ❖ Chief Human Resources Officer – Ms Eileen Burnett-Kant; and
- ❖ Joint Company Secretary – Mr Michael Ling.

Meetings and Attendance

During the Period, the HR&RC held four meetings in 2024 and one meeting in 2025.

Highlights of the Committee's Work

On behalf of the Board, the HR&RC scrutinises the remuneration policies applied within the CLP Group, including the remuneration of Non-executive Directors, and as delegated by the Board, the determination of the remuneration of the Executive Directors and of Senior Management. It also reviews the management development and succession plans for executive levels and major changes to human resources policies and organisation in the light of current trends and business requirements.

Important areas of work for the Committee this year were commencement of a strategic review to align Remuneration Policy with delivery of CLP's strategy, as it evolves over time; the review and update of CLP's strategy on diversity and inclusion; and review of plans and progress to embed new ways of working.

The following table provides an overview of how the Committee spent its time during the Period:

| | 2024 | | | | 2025 |
|--|------|-----|-----|-----|------|
| | Feb | Aug | Sep | Dec | Feb |
| Performance and Remuneration Policy and Review | ◆ | ◆ | ◆ | ◆ | ◆ |
| Succession Planning and Talent Development | | ◆ | | | |
| People Strategy and Organisation Development | | ◆ | | ◆ | ◆ |
| Staff Policies and Benefits | | ◆ | | | |
| Governance | ◆ | | | ◆ | ◆ |

Areas of Focus

Performance and Remuneration Policy and Review

Remuneration review

The Committee scrutinised and approved:

- ◆ Group performance for 2023 and 2024 and targets for 2024 and 2025.
- ◆ 2023 and 2024 organisation performance for CLP Power, CLP China and CLPe and targets for 2024 and 2025.
- ◆ Group Function targets for 2025.
- ◆ Base pay for 2024 and 2025 for staff under Hong Kong payroll and Mainland China.
- ◆ CEO's remuneration.
- ◆ Remuneration of direct reports to the CEO, including annual incentive payments for 2023 and 2024 and pay review for 2024 and 2025.
- ◆ Peer groups for executive remuneration benchmarking for 2025 and onwards.

Performance management and remuneration policy

The Committee reviewed management's progress in implementing its refreshed approach to individual performance management which seeks to reward delivery of strategic priorities and desired future behaviours, provide greater differentiation and more development-focused feedback.

The Committee also reviewed and endorsed the intent, scope, and timeline of a strategic review to align the future Remuneration Policy and framework with delivery of CLP's strategy, as it evolves over time. The Committee approved adjustments to incentive structure for selected executives to take effect from 2025, in line with the review's direction.

Areas of Focus

Succession Planning and Talent Development

| | |
|---|---|
| Enterprise leadership succession | The Committee reviewed and endorsed the succession plan for the enterprise leadership team and reviewed the initiatives to accelerate the readiness and capability for the leadership team's succession. |
| Talent development | The Committee reviewed and considered management's proposed plans and initiatives in ensuring that CLP has the necessary talent and capability to support the corporate strategy. |
| Diversity and inclusion policy and progress | The Committee discussed and endorsed the refreshed Group strategy on diversity and inclusion to be introduced in early 2025 and noted actions in progress and planned to foster a diverse workforce and fair policies and practices, and to ensure CLP's workplaces are welcoming to all. |

People Strategy and Organisation Development

| | |
|--|---|
| People strategy and organisation development | The Committee reviewed management's long-term plans and initiatives to enable the delivery of corporate strategy including embedding a fit-for-purpose operating model and new ways of working. |
|--|---|

Staff Policies and Benefits

| | |
|--------------------------|---|
| Human resources policies | The Committee reviewed Human Resources Policies, and the key areas that have been strengthened, such as: health and wellbeing, family-friendly and flexible working, talent attraction and retention, mature workforce policies, and sustainability and governance. |
|--------------------------|---|

Governance

| | |
|--|---|
| Training and professional development of Senior Management | The Committee considered the activities undertaken in 2023 and 2024 and the planned activities for 2024 and 2025 in respect of the training and continuous professional development of Senior Management. |
| Executive remuneration governance and disclosure | The Committee reviewed and approved the 2023 and 2024 HR&RC Reports. The Committee took note of management's findings from their regular reviews on the governance and disclosure requirements for executive remuneration and the associated trends. |

Remuneration

The underlying principles of CLP's remuneration policies for Non-executive Directors, Executive Directors and Senior Management have been in place for a number of years and are incorporated in the CLP Code:

- ❖ No individual or any of his or her close associates should determine his or her own remuneration;
- ❖ Remuneration should be broadly aligned with companies with whom CLP competes for human resources; and
- ❖ Remuneration should reflect performance, complexity, and responsibility with a view to attracting, motivating, and retaining high performing individuals and promoting the enhancement of the value of the Company to its shareholders.

This Report explains the specific policies applied to determining remuneration levels and sets out the remuneration paid to Non-executive Directors, Executive Directors, and Senior Management. This Report covering the Period has been reviewed and approved by the HR&RC.

As stated in Note 31(D) to the Financial Statements on page 268, the following sections in the highlighted boxes below form part of the Financial Statements and have been audited by the Company's independent auditor:

- ▶ **"Non-executive Directors – Remuneration in 2024";**
- ▶ **"Change of Remuneration – Executive Directors and Senior Management in 2024";**
- ▶ **"Executive Directors – Remuneration in 2024";**
- ▶ **"Total Directors' Remuneration in 2024";**
- ▶ **"Senior Management – Remuneration in 2024"; and**
- ▶ **"The Five Highest Paid Individuals in 2024".**

Non-executive Director Remuneration

Principles of Remuneration

How Non-executive Directors (NEDs) should be remunerated

- ❖ Recognise that they are not employees.
- ❖ Sufficiently competitive to attract and retain high-calibre candidates.
- ❖ Should not be excessive.

References include:

- ❖ The Financial Reporting Council's "The UK Corporate Governance Code" last published in January 2024.
- ❖ The Corporate Governance Code and associated Listing Rules.

Fees Review

- ❖ No less than every three years.
- ❖ Latest independent review undertaken in 2025 (2025 Review).

Highlights of the Review and the Proposed Fees

The following paragraphs outline the key highlights of the 2025 Review and the proposed fees payable to the NEDs.

| | |
|--|--|
| Calculations | The review is undertaken every three years, and the proposed fees are applied for the coming three-year period from the 2025 AGM until the 2028 AGM. In principle, the proposed fees are derived by applying an hourly rate to the time spent by NEDs calculated by a historical average over the past nine years and taking into account any anticipated additional time commitments such as the Management Briefing Sessions and ERP Panel (as a panel to oversee the ERP project). |
| Hourly Rate | The hourly rate will be increased by 6.7% to an hourly rate of \$6,000 as compared to the current hourly rate and this rate will be used for each of the next three years. |
| Time Spent | The time NEDs are spending at the Board level on fulfilling their duties has increased due to heightened governance requirements and stakeholders' expectations; the actual time spent by the Board in the past three financial years (2022-2024) increased by 5.8% as compared against the previous three-year review period of 2019-2021. In calculating the proposed fees and adjusting for the recently introduced additional commitments, there will be a further increase on the time spent of 12 hours – for all NEDs on the Management Briefing Sessions and 20 hours for NEDs on the ERP Panel. These additions represent further increases in the time spent of 11.08% and 18.47%, respectively, over the average annual time spent by a NED as a Board Member (only) for the past nine years. |
| Proposed Fees in Aggregate for NEDs | <p>For illustration purposes, the impact of the above on our total Board NED fees for the next three financial years are (on the basis of a Board of 12 NEDs taking into account one NED retirement at the coming AGM):</p> <ul style="list-style-type: none"> (i) 2025 fees*: HK\$15,839,210; (ii) 2026 fees*: HK\$16,561,005; and (iii) 2027 fees*: HK\$17,438,049. <p>(*projected fees for the twelve calendar months)</p> <p>As compared against the aggregate fees of HK\$14,521,485 paid in 2024, the year-on-year increases in 2025, 2026 and 2027 will be 9.1%, 4.6% and 5.3%, respectively. In respect of the 9.1% increase from 2024 to 2025, 6.8% arises from the additional work on the Management Briefing Sessions and the ERP Panel.</p> |
| Management Briefing Sessions | <p>These sessions are held where NEDs are updated and briefed on a range of key topics and issues facing CLP's business during the course of the year. The objectives of these sessions are:</p> <ul style="list-style-type: none"> (i) to provide the opportunity for Directors to take a deeper dive into different topics and issues facing the Group outside the Board's scheduled formal meetings; (ii) to facilitate an open dialogue and interactive discussion between Directors and management on these key issues as the sessions are not a decision-making forum; and (iii) as and when the relevant issues are brought to a Board meeting for formal consideration, to ensure Directors are well briefed on pertinent issues before decision making. <p>Our Board is regarded as a strategic partner of management and through these sessions, we strive to enhance the Directors' engagement with management, to keep our Directors abreast of the Group's key developments contemporaneously and to enable Directors to play an active role in the oversight of management.</p> |
| ERP Panel | This was established by the Board in April 2024 to provide specific oversight of the ERP project. Under the Terms of Reference of the ERP Panel, the new ERP Panel is expected to meet four times a year with each meeting estimated to take five hours inclusive of travel, reading and meeting time. The ERP Panel operates similarly to a Board Committee except that it is being established as a non-permanent, project specific governance oversight forum. It will operate for the duration of the ERP project which is expected to run for at least the next 12 months. |

Analysis

The methodology adopted in the 2025 Review is the same as that used in the previous reviews – it takes into account the workload, scale and complexity of the business and the responsibility of NEDs in determining the remuneration of the Company's NEDs. The proposed fees for the Board were then adjusted to take into account extra time expected to be spent by the Board on the Management Briefing Sessions and the ERP Panel. The resulting fees from the 2025 Review were then benchmarked against the level of fees paid to NEDs of other leading Hong Kong listed companies as well as fees paid to NEDs of utility companies listed on exchanges in Hong Kong, the UK, Australia and New Zealand. The proposed fees are set out in the table below.

| | Current Annual Fees HK\$ | Proposed Fees* HK\$ | Proposed Percentage Change |
|--|-----------------------------|------------------------|----------------------------------|
| Board | | | |
| Chairman | 889,200 | 1,010,240 | 13.61% |
| Vice Chairman | 698,700 | 793,760 | 13.61% |
| Non-executive Director | 635,200 | 721,600 | 13.60% |
| Audit & Risk Committee | | | |
| Chairman | 719,500 | 795,340 | 10.54% |
| Member | 513,500 | 568,100 | 10.63% |
| Finance & General Committee | | | |
| Chairman | 449,900 | 449,900 | 0.00% |
| Member | 319,400 | 319,400 | 0.00% |
| HR&RC | | | |
| Chairman | 145,500 | 175,980 | 20.95% |
| Member | 104,300 | 125,700 | 20.52% |
| Sustainability Committee | | | |
| Chairman | 154,100 | 181,720 | 17.92% |
| Member | 109,600 | 129,800 | 18.43% |
| Nomination Committee | | | |
| Chairman | 43,100 | 45,640 | 5.89% |
| Member | 30,800 | 32,600 | 5.84% |
| ERP Panel** | | | |
| Chairman | – | 168,000 | N/A |
| Deputy Chair | – | 132,000 | N/A |
| Member | – | 120,000 | N/A |

* The proposed increase to be spread over a period of three years from 2025 to 2027.

** The ERP Panel was established on 23 April 2024 and its members did not receive fees for the additional time they spent on the ERP Panel in 2024 and up to the date of the 2025 AGM. The proposed fees for the ERP Panel have been calculated on the same time spent basis as other committees.

The methodology is aligned with the recommendations of “The UK Corporate Governance Code”, as well as the recommendations contained in the Hong Kong Stock Exchange’s Corporate Governance Code and associated Listing Rules, and includes:

- (a) the application of an average of partner level hourly rates of professional services firms charged to CLP. Based on this, the average hourly rate has been increased from HK\$5,620 in 2022 to HK\$6,000 for 2025;
- (b) a calculation of the time spent by NEDs on CLP’s affairs (including attendance and perusing papers); and
- (c) an additional fee of 40% and 10% per annum for the Chairman and the Vice Chairman respectively.

Having regard to the possible year-to-year fluctuations in the time spent by NEDs, it has been recommended to maintain the approach established since the 2016 Review by taking the average time spent by NEDs over a longer duration of three periods (i.e. nine years), rather than over the three years immediately preceding the review.

Time Spent

The following are key observations from the 2025 workload review over the nine-year period as against the 2022 Review:

- (a) there was a moderate increase in the working hours of the Board (after having adjusted for the time spent on Management Briefing Sessions from 2025 onwards which will now be taken into account in the Review);
- (b) moderate increases were recorded in the working hours of the Audit & Risk Committee, HR&RC and Sustainability Committee;
- (c) there has been a slight increase in the working hours of the Nomination Committee;
- (d) the working hours of the Finance & General Committee were very slightly reduced; and
- (e) the new ERP Panel was established in 2024 and will operate as a non-permanent project specific Board Committee.

The working hours for the Board and all the Board Committees (except the Nomination Committee) were the highest in 2024 compared to any other year in the nine-year period. This was largely due to the time spent on the strategic review.

In addition, specific new Board initiatives, namely, the Management Briefing Sessions and ERP Panel will require additional time commitments from the Directors as follows:

- (a) Management Briefing Sessions – From 2025 onwards, 10 meetings per year will be scheduled with each meeting estimated to take 90 minutes inclusive of reading, meeting, and travelling time (factoring in where, at times, attendance can be online). Directors are expected to attend these sessions, and it is assumed that the attendance rate will be 80%.
- (b) ERP Panel – The ERP Panel will operate for the duration of the ERP project which is expected to run for at least the next 12 months.

The increased time spent by most of the Committees and the expected increase in time anticipated to be spent by the Board on Management Briefing Sessions is in line with generally increasing workloads on Directors, especially NEDs.

Proposed Fees

Including time expected to be spent on Management Briefing Sessions, the proposed fee increase for the Board is 13.6%. This is justifiable given the expected improvement in the Board's effectiveness by enhancing the Board's ability to query management and to make better informed decisions and is also in line with international trends.

The average working hours of the Finance & General Committee very slightly reduced over the review period, due to the delivery of more succinct board papers and enhanced efficiency in the Committee's work especially from the period of 2017 onwards. However, the Committee's working hours moderately increased over the last three-year period (from 2022 to 2024) compared to the preceding five-year period. The increase in the Committee's workload over the 2022-2024 period is anticipated to continue and, in these circumstances, management considers it appropriate to maintain the Committee's current fees.

The review methodology results in moderate increases in the proposed fees of the Audit & Risk Committee and Nomination Committee, and material increases in the proposed fees of the HR&RC and Sustainability Committee. Management considers that these increases are justified because of increasing demands on these Committees in recent years; for the Audit & Risk Committee, in terms of increased oversight on risk management; for the HR&RC, in terms of succession planning and organisational capability; for the Sustainability Committee, in terms of managing longer-term emerging sustainability matters of the Group; and for the Nomination Committee, in terms of the growing demand on the continuous review of the composition, refreshment, independence and time commitments of the Board.

As with previous reviews since 2013, it is recommended to spread the proposed increase over a period of three years from 2025 to 2027. The proposed fees for the next three years are as set out on page 164.

The methodology and resulting level of fees have been reviewed by J.S. Gale & Co (JSG), external legal advisor. JSG who have reviewed the full 2025 Review and all supporting material provided by CLP, as well as the summary of the analysis and proposed fees. On this basis, JSG have provided an opinion to the effect that the methodology adopted by CLP is reasonable and appropriate, has been fairly and consistently applied in all material respects and that the resulting proposed level of fees is reasonable and appropriate having regard to current corporate governance practices in Hong Kong and the UK.

The proposed level of fees has been considered and endorsed by the HR&RC and the Board of the Company and is being recommended to Shareholders for approval.

The [2025 Review](#) which contains JSG's opinion is available on the CLP website and can be obtained on request to the Company Secretary.

Fees for Non-executive Directors

| | Current Annual Fees HK\$ | Proposed Annual Fees (w.e.f. 10 May 2025) HK\$ | Proposed Annual Fees (w.e.f. 10 May 2026) HK\$ | Proposed Annual Fees (w.e.f. 10 May 2027) HK\$ |
|--|--------------------------------|---|---|---|
| Board | | | | |
| Chairman | 889,200 | 947,100 | 1,008,900 | 1,074,700 |
| Vice Chairman | 698,700 | 744,200 | 792,700 | 844,400 |
| Non-executive Director | 635,200 | 676,600 | 720,700 | 767,700 |
| Audit & Risk Committee | | | | |
| Chairman | 719,500 | 756,100 | 794,700 | 835,200 |
| Member | 513,500 | 539,800 | 567,600 | 596,800 |
| Finance & General Committee | | | | |
| Chairman | 449,900 | 449,900 | 449,900 | 449,900 |
| Member | 319,400 | 319,400 | 319,400 | 319,400 |
| HR&RC | | | | |
| Chairman | 145,500 | 159,800 | 175,500 | 192,700 |
| Member | 104,300 | 114,300 | 125,400 | 137,500 |
| Sustainability Committee | | | | |
| Chairman | 154,100 | 167,100 | 181,300 | 196,700 |
| Member | 109,600 | 119,100 | 129,500 | 140,800 |
| Nomination Committee | | | | |
| Chairman | 43,100 | 44,300 | 45,600 | 47,000 |
| Member | 30,800 | 31,700 | 32,600 | 33,500 |
| ERP Panel | | | | |
| Chairman | – | 168,000 | 168,000 | 168,000 |
| Deputy Chair | – | 132,000 | 132,000 | 132,000 |
| Member | – | 120,000 | 120,000 | 120,000 |

Note: Executive Director and management serving on the Board and Board Committees are not entitled to any Directors' fees.

► Non-executive Directors – Remuneration in 2024 (Audited)

The fees paid to each of our Non-executive Directors in 2024 for their service on the CLP Holdings' Board and, where applicable, on its Board Committees are set out below. Higher level of fees was paid to Chairmen of the Board and Board Committees and the Vice Chairman of the Board as indicated by (C) and (VC) respectively. Executive Directors and management serving on the Board and Board Committees are not entitled to any Directors' fees.

There was a slight increase in total Directors' fees compared to 2023, partly due to an increase in the level of Non-executive Directors' fees which took effect from 7 May 2024.

| In HK\$ | Finance & | | | | | | Total 2024 | Total 2023 |
|--|-------------------------|---------------------------|------------------------|------------------------|-----------------------------|-------------------------|-------------------|-------------------|
| | Board | Audit & Risk Committee | General Committee | HR&RC | Sustainability Committee | Nomination Committee | | |
| Non-executive Directors | | | | | | | | |
| The Hon Sir Michael Kadoorie | 889,027 ^(C) | - | - | - | - | 30,557 | 919,584 | 918,385 |
| Mr Andrew Brandler | 698,561 ^(VC) | - | 449,900 ^(C) | 103,780 | 108,698 | - | 1,360,939 | 1,280,075 |
| Mr J.A.H. Leigh ¹ | 157,833 | - | - | - | - | - | 157,833 | 634,662 |
| Mr Philip Kadoorie | 635,061 | - | - | - | 108,698 | - | 743,759 | 740,764 |
| Mrs Betty Yuen ² | 635,061 | - | 319,400 | - | - | - | 954,461 | 954,062 |
| Mr Diego González Morales ³ | 477,228 | - | 239,986 | - | - | - | 717,214 | - |
| Independent Non-executive Directors | | | | | | | | |
| Sir Rod Eddington | 635,061 | - | 319,400 | - | - | - | 954,461 | 954,062 |
| Mr Nicholas C. Allen | 635,061 | 509,752 | 319,400 | 144,945 ^(C) | 108,698 | 42,753 ^(C) | 1,760,609 | 1,775,488 |
| Mrs Zia Mody ⁴ | 215,069 | - | - | 34,828 | - | - | 249,897 | 736,944 |
| Ms May Siew Boi Tan | 635,061 | 714,017 ^(C) | 319,400 | 103,780 | 108,698 | 30,557 | 1,911,513 | 1,859,508 |
| Ms Christina Gaw ⁵ | 635,061 | - | 49,743 | - | 108,698 | - | 793,502 | 1,060,164 |
| Mr Chunyuan Gu | 635,061 | 509,752 | 319,400 | 103,780 | 152,573 ^(C) | - | 1,720,566 | 1,577,055 |
| Mr Bernard Chan | 635,061 | - | - | - | 108,698 | - | 743,759 | 740,764 |
| Ms Wang Xiaojun Heather | 635,061 | 509,752 | - | 103,780 | - | - | 1,248,593 | 781,559 |
| Mrs Kung Yeung Yun Chi Ann ⁶ | 123,222 | 99,613 | 61,960 | - | - | - | 284,795 | - |
| Mrs Fanny Law ⁷ | - | - | - | - | - | - | - | 456,267 |
| | | | | | | Total | 14,521,485 | 14,469,759 |

Notes:

- Mr J.A.H. Leigh retired as a Non-executive Director on 31 March 2024. The fees paid to Mr Leigh in respect of his service were made on a pro rata basis up to 31 March 2024.
- Mrs Betty Yuen received HK\$300,000 as fees for her service on the board of CLP Power for each of 2023 and 2024.
- Mr Diego González Morales was appointed as a Non-executive Director and a Member of the Finance & General Committee with effect from 1 April 2024. The fees paid to Mr González Morales in respect of his service were made on a pro rata basis from 1 April 2024.
- Mrs Zia Mody retired as an Independent Non-executive Director and a Member of the HR&RC with effect from the conclusion of the 2024 AGM held on 3 May 2024. The fees paid to Mrs Mody in respect of her service were made on a pro rata basis up to 3 May 2024.
- Ms Christina Gaw stepped down as a Member of the Finance & General Committee with effect from 27 February 2024.
- Mrs Kung Yeung Yun Chi Ann was appointed as an Independent Non-executive Director and a Member of the Audit & Risk Committee and the Finance & General Committee with effect from 22 October 2024. The fees paid to Mrs Kung in respect of her service were made on a pro rata basis from 22 October 2024.
- The fees paid to Mrs Fanny Law (a former Director) was made in respect of her service up to 5 May 2023, and it is included in the table solely for the purpose of comparing the total fees paid to Non-executive Directors in 2023 with those in 2024.

Senior Management Remuneration

For the purposes of this section, Senior Management means the managers, including Executive Directors, whose details are set out on pages 89 to 91.

Senior Management Remuneration Policy

CLP's Senior Management Remuneration Policy is an important element of the Group's strategy and an expression of our culture. The Policy is designed to be sustainable, aligned with shareholders and simple. Delivery of a highly reliable supply of electricity today together with transforming our business to become better-fit for a net zero future is a commitment that requires long-term stewardship and a sustainable approach to remuneration. Ensuring fairness and internal equity, underpin this approach.

CLP's Senior Management Remuneration is designed to attract, retain and motivate a diverse, high-performing executive team, and is guided by the following **five** principles:

Market-competitive Package structures are assessed in terms of appropriateness to the role and with reference to both local and international markets.

Fair and equitable CLP seeks to fairly recognise the extent of assigned job responsibilities and capabilities. External pay competitiveness is balanced with internal equity, as a long-term career with the Group is an important asset to CLP. Remuneration structure and outcomes are aligned with the wider workforce whose skills, values and commitments are essential to CLP's success.

Sustainable Pay is structured to avoid excessive risk-taking in the achievement of performance targets. A broad range of performance indicators is considered in determining incentive payments and total remuneration, including both **what** was achieved and **how** it was achieved.

Simple CLP strives to keep remuneration arrangements simple, clear, and consistent to enable effective stakeholder scrutiny.

Aligned with shareholders Balanced judgement of short- and long-term performance, together with encouraging and rewarding appropriate behaviour while discouraging inappropriate behaviour.

The determination of performance outcomes is not formulaic, as the HR&RC believes that its overriding responsibility is to exercise judgement and responsibility, ensuring alignment between shareholders and management.

In 2024, the HR&RC maintained Remuneration Policy in line with prior years recognising that current arrangements are embedded into the business and are well-understood both internally and externally.

During the year, the HR&RC commenced a strategic review to align Remuneration Policy and framework with delivery of CLP's strategy, as it evolves over time. While this review is underway, the current Policy and framework will be broadly maintained for 2025. However, adjustments to Incentive Plan measures have been made for Executives reporting to the CEO (excluding the Managing Director – EnergyAustralia) to add an element of Business Unit or Functional Performance (as appropriate to each role) alongside Group Performance in determination of outcomes.

Senior Management Remuneration Framework

Executive Directors and Senior Management (excluding Managing Director – EnergyAustralia)

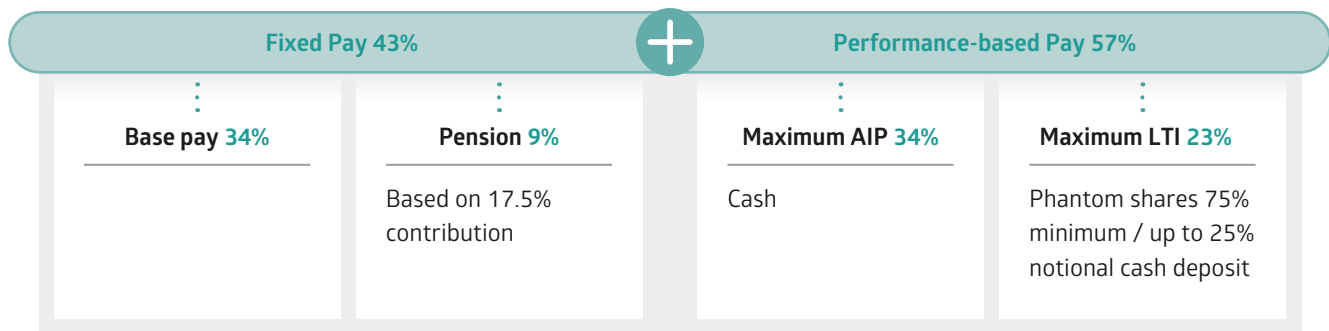
The illustration below summarises policy design and operation for members of Senior Management excluding the Managing Director – EnergyAustralia.

| Remuneration Component | Fixed Pay | Annual Incentive Plan (AIP) | Long-Term Incentive (LTI) | Retirement Arrangements |
|---|---|--|--|--|
| How does it link with strategy? | Competitive remuneration to attract and retain the capabilities needed to lead and sustain a multi-jurisdictional business in a complex operating environment, without over-paying. | Rewards for delivering performance aligned to short- and long-term value creation considering both what was achieved and how it was achieved, while avoiding excessive risk-taking. | Rewards for driving long-term value creation, supporting retention of Senior Management, and encouraging an owner's mindset. | Market-competitive and sustainable retirement benefits, supporting retention of Senior Management. |
| Maximum opportunity and alignment with wider workforce | Intent to align target Total Remuneration to between median and upper quartile of the reference market | | | |
| | Ordinarily, base salary increases in percentage terms will be in line with, or less than, increases awarded to other CLP employees. Increases may be made above this level for circumstances such as a significant change in responsibility or progression due to recent appointment. | Maximum annual incentive opportunity of 100% of base salary. Half of the maximum is payable for target performance. The maximum opportunity may be exceeded in exceptional cases where a discretionary additional annual incentive is awarded by the HR&RC. All employees are eligible to participate in the AIP with target AIP percentage calculated as a percentage of base salary. | Maximum LTI opportunity of 66.6% of base salary. LTI awards are based on the target LTI opportunity (50% of the maximum opportunity) set at the beginning of the year, multiplied by the organisational performance score for the preceding year. Participation in the LTI Plan applies to Senior Management and other senior roles. | To receive the maximum 17.5% employer contribution, employees must have completed 10 or more years of service and are required to contribute 10% of their base salary. Employer contribution rates are the same for all employees. All Hong Kong-based employees are eligible to join the Group Provident Fund Scheme. |
| How is it delivered? | Base salary. Changes are usually effective from 1 April each year. | Annual cash payment, paid in March following the relevant performance year. | A minimum of 75% of the award is delivered in phantom shares subject to a three-year vesting period. Up to 25% can be allocated to a notional cash deposit or to phantom shares. | Employer and employee contributions to the Group Provident Fund Scheme (a Defined Contribution Scheme). |

| Remuneration Component | Fixed Pay | Annual Incentive Plan (AIP) | Long-Term Incentive (LTI) | Retirement Arrangements |
|------------------------------|---|---|---------------------------|-------------------------|
| How is it determined? | Reviewed annually with reference to local and international comparators, role scope and experience, and wider workforce considerations. | Balanced consideration by the HR&RC of a range of quantitative and qualitative performance measures including WHAT was achieved (Financial and Operational performance), HOW it was achieved (Safety, Environmental and Internal Control performance) and ADDITIONAL OBJECTIVES reflecting strategic priorities and long-term sustainability of CLP's business model, people, environmental impact, and community acceptance. Performance measures are the same for Annual Incentive and LTI Plans. In 2024, awards were based wholly on CLP Group performance. | | Not applicable. |

Remuneration Mix

The current remuneration mix is structured to attract, drive performance and retain executives, with a proportion of variable remuneration which is at-risk and based on performance. The 2024 remuneration mix **at maximum** for Senior Management is summarised below.



Managing Director – EnergyAustralia

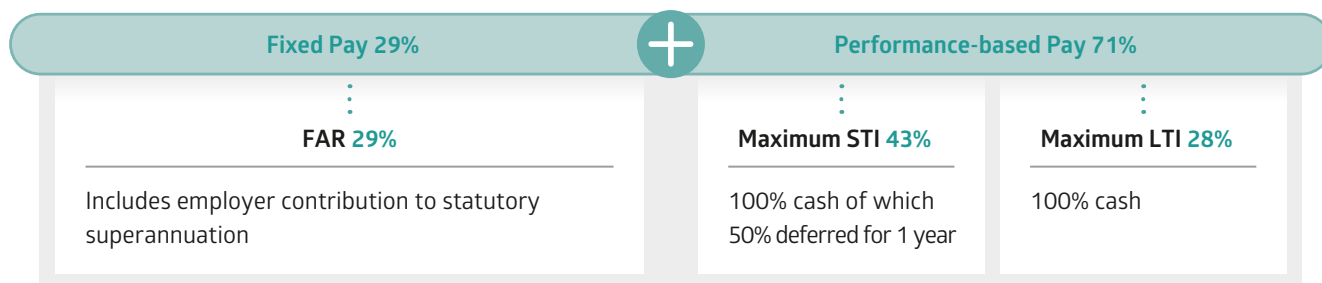
The pay structure of Managing Director – EnergyAustralia is aligned with Australian market practice. The illustration below summarises policy design and operation.

| Remuneration Component | Fixed Pay | Short-Term Incentive (STI) | Long-Term Incentive (LTI) |
|--|---|---|--|
| How does it link with strategy? | Competitive remuneration to reflect responsibility and complexity of the role, the skills and experience of the individual and to support the attraction and retention of executives to develop and deliver our strategy. | Rewards for individual performance based on achievement of annual financial and operational targets which are linked to EnergyAustralia's strategy. This ensures that total remuneration received is consistent with organisational performance for which management can be held to account. Deferral of incentives facilitates clawback. | Rewards for driving long-term business performance aligning Senior Management incentives to key strategic objectives and to achieve long-term value creation for shareholders. |

| Remuneration Component | Fixed Pay | Short-Term Incentive (STI) | Long-Term Incentive (LTI) |
|---|--|--|---|
| Maximum opportunity and alignment with wider workforce | Ordinarily, fixed annual remuneration (FAR) increases in percentage terms will be in line with or less than increases awarded to other EnergyAustralia employees. | Maximum STI opportunity is 150% of FAR. 100% of FAR is payable for on-target performance. All salaried employees are eligible to participate in the STI with target percentage calculated as a percentage of FAR. | Maximum LTI opportunity is equal to 100% of FAR. 50% of FAR is payable for on-target performance. Participation in the LTI plan applies to senior and other selected roles. |
| How is it delivered? | FAR including base salary and employer contribution to the Australian statutory superannuation scheme. | 50% of the STI award is paid in cash annually, with 50% deferred for one year. | Upon determination of the Final Award Value, 100% of that value subject to the discretion of the Nomination, People and Remuneration Committee of EnergyAustralia is paid on the vesting date in the fourth year. |
| How is it determined? | FAR is reviewed annually taking into consideration the competitive market position compared to peer companies (a range of listed companies with market capitalisation of 50% to 200% of EnergyAustralia's notional market capitalisation), market practice and individual performance. | STI awards are based on a mix of the corporate scorecard and specific Managing Director-level objectives related to the strategic performance of the business. 60% of the STI is based on corporate performance and 40% on priorities set for the business. Performance is assessed over a financial year. | LTI awards are determined based on performance over a three-year period against a mix of financial conditions and conditions relating to long-term strategy delivery. Performance is assessed over three years. |

Remuneration Mix

The remuneration mix for the Managing Director – EnergyAustralia is structured to attract, drive performance and retain, with a significant proportion of variable remuneration which is at-risk and based on performance. The 2024 remuneration mix **at maximum** for the Managing Director – EnergyAustralia is summarised below.



2024 Performance and Executive Remuneration Outcomes

When determining overall 2024 remuneration outcomes, the HR&RC (and the EnergyAustralia Nomination, People and Remuneration Committee for the Managing Director – EnergyAustralia) was cognisant to ensure they were reflective of market benchmarks; performance against a mix of financial, operational, strategic, climate-related, safety and internal control objectives; and shareholder experience.

Outcomes Awarded

The HR&RC considered that CLP Group operational and financial performance was solid, and that CLP's low- and non-carbon development pipelines continued to expand. However, aspects of safety and compliance performance were below management and the Board's expectations, and initiatives are being undertaken to improve performance in these areas. On this basis, the Committee decided to award a lower Group incentive performance outcome than in 2023. Similarly, the EnergyAustralia Nomination, People and Remuneration Committee awarded a lower outcome to the Managing Director – EnergyAustralia, reflecting EnergyAustralia's strong operational and financial performance; however, aspects of safety, compliance and employee engagement performance were also below expectations.

► Change of Remuneration – Executive Directors and Senior Management in 2024 (Audited)

Details of the remuneration of Executive Directors and Senior Management prepared in accordance with the Hong Kong Financial Reporting Standards for the 12 months ended 31 December 2024 are set out in the tables on page 171 (Executive Directors) and pages 173 and 174 (Senior Management).

The amounts disclosed consist of remuneration accrued or paid for service in 2024 and, for the annual and long-term incentives, service, and performance in previous years.

The amounts disclosed are the amounts recognised in the financial year for accounting purposes, which do not necessarily reflect the cash actually received by the individual. Where payments are made to the individual over more than one financial year, this is explained in the notes.

To provide a clear picture of remuneration, amounts are shown as recurring or non-recurring items. Recurring items are the normal annual remuneration of Executive Directors and Senior Management while non-recurring items relate primarily to the appointment or termination of Executive Directors and Senior Management.

In the tables on page 171 and pages 173 and 174 the "Total Remuneration" column for 2024 includes the following recurring items:

- (i) base compensation, allowances & benefits paid;
- (ii) 2024 annual incentive accrued based on previous year's Company performance and the 2023 annual incentive adjustment. The adjustment is the difference between the actual annual incentive paid in 2024 for 2023 performance and the annual incentive accrual for 2023;
- (iii) the 2021 long-term incentive award paid in January 2024 when the vesting conditions were satisfied (the comparative figures are the long-term incentive for 2020 paid in 2023); and
- (iv) provident fund contribution made.

The "Other Payments" column includes the approved acceleration of long-term incentive payments and any termination related payments for departed Executive Director and Senior Management member.

Executive Directors – Remuneration in 2024 (Audited)

The remuneration paid to the Executive Directors of the Company in 2024 was as follows:

| | Recurring Remuneration Items | | | | | Non-recurring Remuneration Items | |
|---|--|--------------------------------|------------------------------|--------------------------------------|-----------------------------|----------------------------------|----------------|
| | Base Compensation, Allowances & Benefits ¹ HK\$M | Performance Bonus ² | | | Total Remuneration HK\$M | Other Payments HK\$M | Total HK\$M |
| | | Annual Incentive HK\$M | Long-term Incentive HK\$M | Provident Fund Contribution HK\$M | | | |
| 2024 | | | | | | | |
| CEO (Mr T.K. Chiang) | 9.6 | 8.9 | 3.3 | 2.4 | 24.2 | - | 24.2 |
| Former: Advisor to CEO (Mr Richard Lancaster) ³ | 1.5 | 1.9 | 5.9 | 0.3 | 9.6 | 20.2 | 29.8 |
| | 11.1 | 10.8 | 9.2 | 2.7 | 33.8 | 20.2 | 54.0 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 2023 | | | | | | | |
| CEO (from 1 October to 31 December) (Mr T.K. Chiang) ⁴ | 2.4 | 1.7 | - | 0.6 | 4.7 | - | 4.7 |
| CEO (from 1 January to 30 September) Advisor to CEO (from 1 October to 31 December) (Mr Richard Lancaster) ³ | 11.1 | 7.7 | 4.5 | 2.8 | 26.1 | - | 26.1 |
| | 13.5 | 9.4 | 4.5 | 3.4 | 30.8 | - | 30.8 |

Notes:

- The value of non-cash benefits is included under the "Base Compensation, Allowances & Benefits" column of the above table. The nature of these benefits includes electricity allowance, the availability of a company vehicle for personal use, life insurance and medical benefits. The applicability of these benefits depends primarily on the location of the individual.
- Performance Bonus consists of (a) annual incentive (2024 accrual and 2023 adjustment) and (b) long-term incentive (payment for 2021 award). The annual incentive payments and long-term incentive awards were approved by the HR&RC. Payment of the annual incentive and granting of the long-term incentive awards relating to 2024 performance will be made in March 2025. These payments and awards are subject to the prior approval of the HR&RC after 31 December 2024. [Details](#) of these will be published on the CLP website at the time that the 2024 Annual Report is published.
- Mr Richard Lancaster was an Executive Director and the CEO of the Group. He stepped down as CEO with effect from 1 October 2023 and retired as Advisor to CEO and an Executive Director at the conclusion of the 2024 AGM. The Other Payments of HK\$20.2 million in 2024 included accelerated payment of long-term incentive awards for 2022, 2023 and 2024 in accordance with the Company's policy; and encashment of untaken annual leave. His remuneration for 2023 covered the full year from 1 January 2023 to 31 December 2023.
- Mr T.K. Chiang was appointed as CEO and has become an Executive Director with effect from 1 October 2023. His remuneration covered the period from 1 October 2023 to 31 December 2023.

The Group does not have, and has never had, a share option scheme. No Executive Director has a service contract with the Company or any of its subsidiaries with a notice period in excess of six months or with provisions for predetermined compensation on termination which exceeds one year's salary and benefits in kind.

▶ Total Directors' Remuneration in 2024 (Audited)

The total remuneration of Non-executive and Executive Directors in 2024 was:

| | 2024 HK\$M | 2023 HK\$M |
|---|---------------|---------------|
| Fees | 14.5 | 14.5 |
| Recurring Remuneration Items | | |
| Base Compensation, Allowances & Benefits ¹ | 11.1 | 13.5 |
| Performance Bonus ² | | |
| – Annual Incentive | 10.8 | 9.4 |
| – Long-term Incentive | 9.2 | 4.5 |
| Provident Fund Contribution | 2.7 | 3.4 |
| Non-recurring Remuneration Items | | |
| Other Payments | 20.2 | – |
| | 68.5 | 45.3 |

Notes:

1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 171 for Executive Directors.

2 Refer to Note 2 on Performance Bonus on page 171 for Executive Directors.

Of the total remuneration paid to Directors, HK\$5.2 million (2023: HK\$8.4 million) has been charged to the SoC operation.

Senior Management – Remuneration in 2024 (Audited)

Details of the remuneration of the Senior Management are set out below (except for the Executive Directors, which are set out in “Executive Directors – Remuneration in 2024”).

| | Recurring Remuneration Items | | | | Non-recurring Remuneration Items | | |
|---|--|--------------------------------|------------------------------|--------------------------------------|----------------------------------|-------------------------|----------------|
| | Base Compensation, Allowances & Benefits ¹ HK\$M | Performance Bonus ² | | | Total Remuneration HK\$M | Other Payments HK\$M | Total HK\$M |
| | | Annual Incentive HK\$M | Long-term Incentive HK\$M | Provident Fund Contribution HK\$M | | | |
| 2024 | | | | | | | |
| Current: | | | | | | | |
| Chief Financial Officer (Mr Alex Keisser) ³ | 6.3 | 6.1 | 2.3 | 1.1 | 15.8 | - | 15.8 |
| Chief Operating Officer (Mr Derek Parkin) | 6.2 | 5.7 | 2.8 | 1.3 | 16.0 | - | 16.0 |
| Managing Director – CLP Power (Mr Joseph Law) | 5.7 | 5.3 | 1.7 | 1.5 | 14.2 | - | 14.2 |
| Managing Director – China (Mr Roger Chen) | 4.2 | 3.8 | 1.1 | 1.1 | 10.2 | - | 10.2 |
| Managing Director – EnergyAustralia (Mr Mark Collette) ⁴ | 6.7 | 7.2 | 0.8 | 0.1 | 14.8 | - | 14.8 |
| Chief Strategy, Sustainability & Governance Officer (Mr David Simmonds) | 6.3 | 5.9 | 3.2 | 1.6 | 17.0 | - | 17.0 |
| Former: | | | | | | | |
| Advisor to CEO (Mr Nicolas Tissot) ⁵ | 3.6 | 3.8 | 3.7 | 0.6 | 11.7 | 20.8 | 32.5 |
| Total | 39.0 | 37.8 | 15.6 | 7.3 | 99.7 | 20.8 | 120.5 |

The notes are set out on page 174.

Of the total remuneration paid to Senior Management, HK\$26.0 million (2023: HK\$25.5 million) has been charged to the SoC operation.

Senior Management – Remuneration in 2024 (Audited) (continued)

| | Recurring Remuneration Items | | | | Non-recurring Remuneration Items | | |
|--|--|--------------------------------|------------------------------|--------------------------------------|----------------------------------|-------------------------|----------------|
| | Base Compensation, Allowances & Benefits ¹ HK\$M | Performance Bonus ² | | | Total Remuneration HK\$M | Other Payments HK\$M | Total HK\$M |
| | | Annual Incentive HK\$M | Long-term Incentive HK\$M | Provident Fund Contribution HK\$M | | | |
| 2023 | | | | | | | |
| Current: | | | | | | | |
| Chief Financial Officer (Mr Nicolas Tissot) | 7.0 | 4.7 | 0.4 | 1.3 | 13.4 | - | 13.4 |
| Chief Operating Officer | 5.9 | 4.8 | 2.1 | 1.3 | 14.1 | - | 14.1 |
| Chief Officer – International Business (Mr Alex Keisser) ³ | 1.4 | 1.0 | - | 0.2 | 2.6 | - | 2.6 |
| Managing Director – CLP Power ⁶ | 4.7 | 3.5 | 1.1 | 1.2 | 10.5 | - | 10.5 |
| Managing Director – China ⁷ | 1.9 | 1.4 | - | 0.5 | 3.8 | - | 3.8 |
| Managing Director – EnergyAustralia ⁴ | 6.6 | 6.8 | 0.4 | 0.1 | 13.9 | - | 13.9 |
| Chief Strategy, Sustainability & Governance Officer | 6.1 | 4.1 | 2.5 | 1.5 | 14.2 | - | 14.2 |
| Former: | | | | | | | |
| Managing Director – CLP Power (Mr T.K. Chiang) ⁸ | 4.7 | 3.1 | 2.4 | 1.2 | 11.4 | - | 11.4 |
| Total | 38.3 | 29.4 | 8.9 | 7.3 | 83.9 | - | 83.9 |

Notes:

- 1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 171.
- 2 Refer to Note 2 on Performance Bonus on page 171. For Managing Director – EnergyAustralia, the annual incentive payment was approved by the Board of EnergyAustralia following consultation between the CEO, the Chairman of the EnergyAustralia Nomination, People and Remuneration Committee and Members of the HR&RC.
- 3 Mr Alex Keisser was appointed as CFO with effect from 1 April 2024. Prior to this, he was a member of Senior Management since 1 October 2023 and was the Chief Officer – International Business till 31 March 2024. His remuneration covered the full year from 1 January 2024 to 31 December 2024. For year 2023, his remuneration covered the period from 1 October 2023 to 31 December 2023.
- 4 The remuneration of Mr Mark Collette is denominated in Australian dollars. The month end exchange rates prevailing at the month of payment were adopted for conversion to Hong Kong dollars.
- 5 Mr Nicolas Tissot stepped down as CFO with effect from 1 April 2024 and was appointed as Advisor to CEO until he left the Company on 30 June 2024. His remuneration covered the period from 1 January 2024 to 30 June 2024. The annual incentive for 2024 was made on a pro rata basis for his service up to 30 June 2024. The Other Payments of HK\$20.8 million included accelerated payment of long-term incentive awards for 2022, 2023 and 2024 pro-rated up to his last day of employment in accordance with the Company's policy and other separation related payment.
- 6 Mr Joseph Law was appointed as Managing Director – CLP Power with effect from 1 July 2023. Prior to this, he has been a member of Senior Management since 1 April 2022 and was the Managing Director – China from that date to 30 June 2023. His remuneration for 2023 covered the full year from 1 January to 31 December 2023.
- 7 Mr Roger Chen was appointed as Managing Director – China and has become a member of Senior Management with effect from 1 July 2023. His remuneration for 2023 covered the period from 1 July 2023 to 31 December 2023.
- 8 Mr T.K. Chiang was appointed as CEO and became an Executive Director with effect from 1 October 2023. Prior to this, he has been a member of Senior Management and was the Managing Director – CLP Power. His remuneration covered the period from 1 January 2023 to 30 September 2023. Refer to page 171 for his remuneration received after becoming an Executive Director of the Company.

▶ The Five Highest Paid Individuals in 2024 (Audited)

The five highest paid individuals in the Group included two Directors (2023: two Directors), two members of Senior Management and one former senior executive of the Group who left in 2024 (2023: two members of Senior Management and one former senior executive). The total remuneration of the five highest paid individuals in the Group is shown below:

| | 2024 HK\$M | 2023 HK\$M |
|---|---------------|---------------|
| Recurring Remuneration Items | | |
| Base Compensation, Allowances & Benefits ¹ | 26.5 | 34.0 |
| Performance Bonus ² | | |
| – Annual Incentive | 26.1 | 24.4 |
| – Long-term Incentive | 16.1 | 12.7 |
| Provident Fund Contribution | 5.9 | 8.1 |
| Non-recurring Remuneration Items | | |
| Other Payments ³ | 53.0 | 5.4 |
| | 127.6 | 84.6 |

Notes:

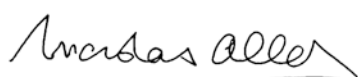
- 1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 171.
- 2 Refer to Note 2 on Performance Bonus on page 171.
- 3 Three out of the five individuals refer to executives who left CLP in 2024. The "Other Payments" includes the approved acceleration of long-term incentive payments and other related termination payments for the departed executives.

The remuneration paid to these five individuals is within the following bands:

| | Number of Individuals | |
|---------------------------------|-----------------------|------|
| | 2024 | 2023 |
| HK\$14,000,001 – HK\$14,500,000 | – | 3 |
| HK\$16,000,001 – HK\$16,500,000 | – | 1 |
| HK\$17,000,001 – HK\$17,500,000 | 1 | – |
| HK\$24,000,001 – HK\$24,500,000 | 2 | – |
| HK\$26,000,001 – HK\$26,500,000 | – | 1 |
| HK\$29,500,001 – HK\$30,000,000 | 1 | – |
| HK\$32,500,001 – HK\$33,000,000 | 1 | – |

Looking Ahead

The HR&RC remains committed to its core functions of the oversight of remuneration policies and levels as well as the work on succession planning and shaping the organisation's culture. The Committee acknowledges that management will continue to work on the plan to transition and transform the organisation and align Performance and Remuneration Policy with delivery of CLP's strategy, as it evolves over time, and this will also be a key focus of the Committee.



Nicholas C. Allen

Chairman, Human Resources & Remuneration Committee
Hong Kong, 24 February 2025

Directors' Report

The Directors have pleasure in submitting their Report together with the audited Financial Statements for the year ended 31 December 2024.

Principal Activities

The principal activity of the Company is investment holding and those of its subsidiaries are the generation and supply of electricity. The Company's principal subsidiary companies are listed under Note 33 to the Financial Statements.

Consolidated Financial Statements

The consolidated Financial Statements incorporate the Financial Statements of the Company and its subsidiaries (collectively referred to as the Group) together with the

Group's interests in joint ventures and associates. Details of the joint ventures and associates are provided under Notes 13 and 14 to the Financial Statements.

Earnings and Dividends

The earnings of the Group for the year are set out under the consolidated statement of profit or loss.

The Directors have declared and paid the first to third interim dividends of HK\$1.89 (2023: HK\$1.89) per share totalling HK\$4,775 million (2023: HK\$4,775 million) during the year.

On 24 February 2025, the Directors declared the fourth interim dividend of HK\$1.26 (2023: HK\$1.21) per share totalling HK\$3,183 million (2023: HK\$3,057 million).

This fourth interim dividend will be paid on 20 March 2025.

Business Review and Performance

Summary of the Review

Discussions on the Group's businesses and performance can be found throughout this Annual Report and the cross references are set out below. These discussions form part of this Directors' Report.

| Topics | Sections |
|---|--|
| 1 A review of the business of the Group and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position, including analysis using financial key performance indicators | <ul style="list-style-type: none">◆ Financial Highlights (page 7)◆ Chairman's Statement (page 12)◆ CEO's Strategic Review (page 16)◆ Financial Review (page 26)◆ Managing What Matters to Our Business (page 40) |
| 2 Description of the principal risks and uncertainties facing the Group | <ul style="list-style-type: none">◆ Risk Management Report (page 125)◆ Financial Risk Management (page 272) |
| 3 Particulars of important events affecting the Group that have occurred since the end of the 2024 financial year | <ul style="list-style-type: none">◆ Chairman's Statement (page 12)◆ CEO's Strategic Review (page 16)◆ Managing What Matters to Our Business (page 40) |
| 4 Outlook of the Group's business | <ul style="list-style-type: none">◆ Chairman's Statement (page 12)◆ CEO's Strategic Review (page 16) |
| 5 An account of the Group's relationships with its key stakeholders | <ul style="list-style-type: none">◆ Chairman's Statement (page 12)◆ CEO's Strategic Review (page 16)◆ Managing What Matters to Our Business (page 40) |
| 6 Details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, as well as compliance with relevant laws and regulations which have a significant impact on the Group | <ul style="list-style-type: none">◆ Chairman's Statement (page 12)◆ CEO's Strategic Review (page 16)◆ Managing What Matters to Our Business (page 40)◆ Governance (page 80)◆ Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 290) |

Board's Statement on Sustainability

The following is a statement from the Board of Directors explaining the Board's oversight of sustainability matters and how CLP approaches the management of sustainability matters.

Governance structure

The CLP Board is ultimately responsible for CLP's sustainability matters, and governance of sustainability is integrated into our corporate governance structure across the Group. The Sustainability Committee is delegated with the responsibilities of providing oversight on how sustainability matters within the Group are managed. It places a high priority on climate change developments and our own climate action, with a particular emphasis on the impact of longer-term sustainability topics on the Group's business strategy. The Sustainability Committee, as a Board Committee, is supported by the Sustainability Executive Committee and coordinated through the Group Sustainability Department. The Audit & Risk Committee continues to oversee monitoring of significant sustainability-related risks and the assurance process. For further details on the governance structure, please refer to page 98 of the Corporate Governance Report on "CLP's Approach to Sustainability-related Disclosures".

How does CLP approach and manage material sustainability-related topics?

CLP regularly reviews our strategic priorities against sustainability risks and opportunities to ensure they remain appropriate. Amid the complex interplay of global economic recovery, climate events and decarbonisation expectations as well as geopolitical developments, CLP remains focused on balancing growing electricity needs with sustainability, reliability and affordability objectives in 2024. This reinforces the need to regularly review CLP's strategic priorities, as sustainability concerns evolve and have immediate as well as long-term effects on CLP's operations.

In 2024, CLP continued to uphold our transparency by meeting the disclosure requirements of the Hong Kong Stock Exchange's ESG Reporting Code and providing a detailed description of our sustainability-related impacts, risks and opportunities (IROs) based on our materiality assessment. With reference to HKFRS S1 and HKFRS S2, CLP also includes relevant metrics and targets in different material topic sections of our reports, in which sustainability and climate-related risks and opportunities are discussed. Furthermore, the materiality assessment process is closely integrated with risk management. The sustainability-related material topics, which are determined through the comprehensive annual materiality assessment process, have been taken into account in CLP's risk management and strategic planning process. The materiality results are categorised as:

❖ **Financially material topics**, which could reasonably be expected to affect the Group's cash flows, access to

finance or cost of capital in the short, medium and long term, as per HKFRS S1, are covered in this **Annual Report**. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence investment decisions. The key audience is providers of financial capital.

❖ **Impact material topics**, which reflect significant positive or negative impacts on people, the environment and the economy, are covered in the **Sustainability Report**. They address the concerns of a diverse range of stakeholders, including customers, people, partners and the wider community, who are interested in CLP's positive and negative contributions to sustainable development.

In 2024, CLP completed Year 1 of our three-year materiality assessment cycle. Through megatrend analysis, peer review, research and stakeholder engagement, CLP identified, assessed and prioritised key sustainability-related IROs. The materiality results were presented first to the Sustainability Executive Committee and then to the Sustainability Committee for their consideration and endorsement. In addition, CLP appointed a non-financial auditor to perform limited assurance over its materiality assessment process in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Further details of the materiality assessment process can be found in *Managing What Matters to Our Business – Overview* on page 42.

The sustainability IROs have been grouped under six sustainability material topics, which are: (i) net-zero transition; (ii) energy growth opportunities; (iii) digital innovation and cybersecurity; (iv) future-ready workforce; (v) operational and supply chain resilience; and (vi) community stewardship. For further details on how sustainability material topics are addressed by the Sustainability Committee, please see the Sustainability Committee Report on page 148.

CLP's Climate Vision 2050

Climate change continues to be one of the top sustainability priorities for CLP. Following an extensive review of our climate targets and commitments, CLP published the updated CLP's **Climate Vision 2050** in 2024, with a strengthened target for its 2030 near-term greenhouse gas emissions intensity of electricity sold and a detailed transition plan for the Group. The plan will be reviewed at least every three years. Annual updates on key metrics will also be included in the Annual Report in accordance with HKFRS S2.

The Board recognises that climate change is one of the most material risks to CLP's business and will continue to provide oversight to ensure that the Group acts in a responsible manner and will be able to pursue the opportunities that may arise from the energy transition.

Share Capital

There was no movement in the share capital of the Company during the year. There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares during the year.

Reserves

Distributable reserves of the Company amounted to HK\$25,139 million as at 31 December 2024 (2023: HK\$21,013 million).

Bank Loans and Other Borrowings

The total borrowings (including debentures) of the Group as at 31 December 2024 amounted to HK\$65,154 million (2023: HK\$57,515 million). Particulars of borrowings are set out in Note 22 to the Financial Statements and on pages 55 to 57 of the Net-Zero Transition.

Financial Assistance and Guarantees to Affiliated Companies

The financial assistance given to affiliated companies and the guarantees given for facilities granted to affiliated companies aggregated to 1.0% of the Group's total assets as at 31 December 2024.

Equity-linked Agreements

For the year ended 31 December 2024, the Company did not enter into any equity-linked agreement.

Donations

Donations by the Group for charitable and other purposes amounted to HK\$6,911,000 (2023: HK\$9,179,000).

Five-year Summary

A summary of the results for the year and of the assets and liabilities of the Group as at 31 December 2024 and for the previous four financial years are on page 294. A [ten-year summary](#) is on the CLP website.

Senior Management

The biographical details of the Senior Management as at the date of this Report are set out on pages 89 to 91. Details of their remuneration are set out in the Human Resources & Remuneration Committee Report on page 156.

Major Customers and Suppliers

Sales to the Group's five largest customers together represented less than 30% of the Group's total turnover during the year. Purchases from the Group's five largest suppliers, in aggregate, accounted for 53.07% of the Group's total purchases during the year and a breakdown of the

purchases (as a percentage of the Group's total purchases) from each of the five largest suppliers are set out below in descending order:

- 15.64% from Australian Energy Market Operator (AEMO) in which the Group has no economic interest. AEMO is the administrator and operator of the Australian energy market, from whom electricity is bought to supply EnergyAustralia group customers and to whom electricity is sold from EnergyAustralia group generators (as market participants, EnergyAustralia group entities are members of AEMO but do not hold any economic interest in AEMO).
- 11.00% from Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) which is 25% owned by the Group. GNPJVC owns Guangdong Daya Bay Nuclear Power Station (GNPS), and CLP Power, a wholly owned subsidiary of the Company and the largest electricity supplier in Hong Kong, purchases 80% of GNPS's output for supply of electricity to its customers in Hong Kong.
- 10.61% from PetroChina International South China Co., Ltd. (PCISC) in which the Group has no interest. CAPCO purchases natural gas from PCISC for its electricity generation.
- 10.52% from CNOOC China Limited (CNOOC) in which the Group has no interest. CAPCO purchases natural gas from CNOOC for its electricity generation.
- 5.30% from China Nuclear Industry Huaxing Construction Company Limited (CNI) in which the Group has no interest. CNI provides infrastructure construction services and is the Engineering, Procurement & Construction contractor of Guanxian Wind (230MW) and Juancheng Wind (300MW) in Shandong province.

As at 31 December 2024, none of the Directors, their close associates or substantial shareholders of the Company had any interest in those suppliers other than their indirect interests in GNPJVC, which interests arose from the Group's interest in GNPJVC.

Directors

As at the date of this Report, the Directors of the Company together with their biographical details are set out on pages 82 to 89 of this Annual Report. With the exception of Mr Diego González Morales and Mrs Kung Yeung Yun Chi Ann who were appointed in April 2024 and October 2024 respectively, the Directors held their office for the whole year ended 31 December 2024. Details of Directors' remuneration are set out in the Human Resources & Remuneration Committee Report on page 156.

Retirement of Directors in 2024

Mr J.A.H. Leigh retired as a Non-executive Director of the Company on 31 March 2024 as he retired from Sir Elly Kadoorie & Sons Limited, which oversees a number of

Kadoorie Family interests in Hong Kong and overseas. Mrs Zia Mody did not seek re-election at the AGM held on 3 May 2024 as she was in her eighth year of service on the CLP Holdings Board, and she retired as an Independent Non-executive Director of the Company at the conclusion of the 2024 AGM. Mr Richard Lancaster did not seek re-election and retired as an Executive Director of the Company at the conclusion of the 2024 AGM. Both Mrs Zia Mody and Mr Richard Lancaster confirmed that they had no disagreement with the Board and that they were not aware of any matter in relation to their retirement that should be brought to the attention of the shareholders of the Company.

Appointments made by the Board

Mr Diego González Morales was appointed as a Non-executive Director of the Company with effect from 1 April 2024. In accordance with Article 125 of the Company's Articles of Association, he retired and was elected as a Director by the shareholders at the 2024 AGM.

Mrs Kung Yeung Yun Chi Ann was appointed as an Independent Non-executive Director of the Company with effect from 22 October 2024.

2025 Annual General Meeting Retirement, Election and Re-election

Under the Company's Articles of Association, the following Directors are subject to retirement by rotation and election or re-election, as the case may be at the 2025 AGM:

- ❖ Mrs Kung Yeung Yun Chi Ann will retire at the 2025 AGM having been appointed by the Board since the last 2024 AGM; and
- ❖ The Honourable Sir Michael Kadoorie, Mr Andrew Brandler, Mr Philip Kadoorie, Sir Rod Eddington and Mr Nicholas C. Allen will retire by rotation at the 2025 AGM.

After having served on the CLP Holdings Board for almost 20 years, Sir Rod Eddington has confirmed to the Company that, pursuant to the retirement age guideline of the CLP Board Diversity Policy, he will not be seeking for re-election at the 2025 AGM and will therefore retire at the conclusion of the 2025 AGM as a Director of CLP Holdings. Separately, with Sir Rod Eddington's extensive experience and understanding of CLP's operations and his familiarity with the key markets that CLP operates in, Sir Rod Eddington will be appointed as a Senior Advisor to the Chairman of the Company.

All the other retiring Directors, being eligible, offer themselves for election or re-election. None of the Directors offering themselves for election or re-election at the 2025 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation.

Directors' Interests in Transactions, Arrangements or Contracts

During the year ended 31 December 2024, none of the Directors or his/her connected entity had directly or indirectly any material interest in transactions, arrangements or contracts of significance entered into by the Group.

Directors of Subsidiaries

The [names of all directors who have served on the boards of the subsidiaries of the Company](#) during the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period) are available on the CLP website.

Permitted Indemnity Provisions

During the Period, the Company has in force indemnity provisions as permitted under the relevant statutes for the benefit of the Directors (including former Directors) of the Company or its associated companies. The permitted indemnity provisions are provided for in the Company's Articles of Association and in the Group-wide directors and officers liability insurance maintained by the Company in respect of potential liability and costs associated with legal proceedings that may be brought against the Directors of the Company.

Continuing Connected Transactions

China Southern Power Grid International (HK) Co., Limited (CSG HK) (for reference, China Southern Power Grid Co., Ltd. (CSG) and its subsidiaries, collectively, the CSG Group) is a connected person of CLP Holdings (at the subsidiary level) by virtue of CSG HK being a substantial shareholder of CAPCO, a subsidiary of CLP Holdings. Accordingly, ongoing transactions entered into between members of the CSG Group and members of the CLP Group constitute continuing connected transactions (CCTs) for CLP Holdings under Chapter 14A of the Listing Rules.

Under the Listing Rules, the Group's CCTs relating to the power purchase arrangements with the CSG Group are required to be subject to an annual aggregate cap determined by the Company, and for 2024, this was HK\$1,383 million. The annual aggregate cap was approved by the Board of Directors in December 2023 and subsequently disclosed in the announcement dated 2 January 2024 (2024 Announcement). The project level caps of the CCTs for 2024 set out in the table on pages 180 to 195 are for reference only and were used to derive the annual aggregate cap of HK\$1,383 million.

Other details of the CCTs, which are required to be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules, are also set out in the same table. The considerations for 2024, unless otherwise stated, represented the actual transaction values of the relevant CCTs in the full twelve months of 2024.

| | | | | | Consideration for 2024 HK\$M | |
|---|---|--|---|--|---|------|
| Name, date and term of the agreement | Transaction party within the CLP Group | Transaction party within the CSG Group | Nature and description of the transaction | Basis for determining the consideration | | |
| 1 CLP Power electricity sales to Mainland China | | | | | | |
| 1.1 | <p>Energy Economy Interchange Agreement</p> <p>Original agreement entered into on 25 December 2015 and extended by way of further agreements upon negotiation. On 27 December 2023, an extension agreement was entered into to further extend the term from 1 January 2024 to 31 December 2026.</p> | CLP Power | Guangdong Power Grid Co., Ltd., a subsidiary of CSG (CSG-GPG) | Economic interchange of electricity from, on the one side, CLP Power to CSG-GPG and, on the other, from CSG-GPG to CLP Power, depending on which party is affected by an emergency incident resulting in interruption of normal electricity supply to its customers. | <p>The consideration will, under circumstances prescribed in the agreement, be settled either by cash payment or by CSG-GPG's supply of such volume of water to Guangzhou Pumped Storage Power Station (for which the CLP Group has contractual rights to use 50% of Phase I of the power station (600MW)) for the generation of electricity equivalent to the volume supplied by CLP Power.</p> <p>For the energy transfer settled by cash payment, it is based on the number of kWh sold multiplied by an arm's length tariff (unit rate of energy transfer) agreed between the parties. In addition, under the standby capacity support, the consideration settled by cash payment is based on the capacity (MW) and hours requested to standby multiplied by an arm's length tariff (standby charges) agreed between the parties. The unit rate of energy transfer and standby charges are determined after taking into account the available market information and the relevant cost.</p> | - |
| Aggregated total consideration for CLP Power electricity sales to Mainland China <i>(Project level cap for 2024 was HK\$280.00 million)</i> | | | | | - | |
| 2 Huaiji hydro project | | | | | | |
| 2.1 | <p>Zelian Hydro Station Power Purchase Agreement (PPA)</p> <p>New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods.</p> | Guangdong Huaiji Xinlian Hydro-electric Power Company Limited, a subsidiary of the Company (CLP-GHX) | Zhaoqing Power Bureau of CSG-GPG, a subsidiary of CSG (CSG-ZPB) | CLP-GHX sells electricity to CSG-ZPB. | <p>Payment is based on the number of kWh sold multiplied by a tariff pre-determined by the Zhaoqing Development and Reform Commission (Zhaoqing DRC). This tariff is published at the Zhaoqing DRC Document ZhaoJia [2012] No. 67, supplemented by the Guangdong Provincial Development and Reform Commission (Guangdong PDRC) Document YueJia [2013] No. 177 and is updated from time to time.</p> | 5.82 |
| 2.2 | <p>Longzhongtan Hydro Station PPA</p> <p>New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods.</p> | CLP-GHX | CSG-ZPB | As in item 2.1 above | As in item 2.1 above | 2.56 |
| 2.3 | <p>Jiaoping Hydro Station PPA</p> <p>New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods.</p> | CLP-GHX | CSG-ZPB | CLP-GHX sells electricity to CSG-ZPB which delegated the role of settlement to Zhaoqing Huaiji Power Bureau (CSG-ZHPB), another subsidiary of CSG. | As in item 2.1 above | 1.88 |
| 2.4 | <p>Xiazhu Hydro Station PPA</p> <p>New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods.</p> | CLP-GHX | CSG-ZPB | As in item 2.3 above | As in item 2.1 above | 9.04 |

| | Name, date and term of the agreement | Transaction party within the CLP Group | Transaction party within the CSG Group | Nature and description of the transaction | Basis for determining the consideration | Consideration for 2024 HK\$M |
|------|--|--|--|---|--|------------------------------|
| 2.5 | Shuixia Hydro Station PPA New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods. | Guangdong Huaiji Weifa Hydro-electric Power Company Limited, a subsidiary of the Company (CLP-GHW) | CSG-ZPB | CLP-GHW sells electricity to CSG-ZPB which delegated the role of settlement to CSG-ZHPB, another subsidiary of CSG. | As in item 2.1 above | 31.20 |
| 2.6 | Baishuihe Four Hydro Stations PPA New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods. | Guangdong Huaiji Changxin Hydro-electric Power Company Limited (CLP-GHC) Guangdong Huaiji Gaotang Hydro-electric Power Company Limited (CLP-GHG) CLP-GHW CLP-GHX All of the above companies are subsidiaries of the Company. | CSG-ZPB | CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX sell electricity to CSG-ZPB. | As in item 2.1 above | 139.20 |
| 2.7 | Supplemental Agreement to Baishuihe Four Hydro Stations PPA Agreement entered into on 9 December 2020 with automatic renewal terms. The latest renewal was for another one-year period to 8 December 2025. | CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX | CSG-ZPB | CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX sell / purchase electricity to / from CSG-ZPB. | As in item 2.1 above | - |
| 2.8 | Niuqi Hydro Station PPA New agreement entered into on 28 August 2024 for a period to 22 August 2025 with automatic renewals for successive one-year periods. | CLP-GHX | CSG-ZPB | As in item 2.1 above | As in item 2.1 above | 22.80 |
| 2.9 | Zelian Hydro Station (35kV Zelian Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025. | CLP-GHX | CSG-ZHPB | CSG-ZHPB supplies electricity to CLP-GHX as an industrial user for station consumption. | According to the National Development and Reform Commission (NDRC) Document [2021] No. 809, power users are required to purchase electricity through market sales directly or through grid companies, who will act as agents to purchase electricity on behalf of industrial and commercial users that cannot purchase directly from the market. The tariff is based on 1-1.5 times weighted average price of the monthly centralised bidding transactions plus fees such as agency fees as well as transmission and distribution fees. | 0.02 |
| 2.10 | Longzhongtan Hydro Station (10kV Fenggan-Ganyu Branch Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025. | CLP-GHX | CSG-ZHPB | As in item 2.9 above | As in item 2.9 above | 0.01 |

| | Name, date and term of the agreement | Transaction party within the CLP Group | Transaction party within the CSG Group | Nature and description of the transaction | Basis for determining the consideration | Consideration for 2024 HK\$M |
|------|--|--|--|---|---|------------------------------|
| 2.11 | Jiaoping Hydro Station (10kV Xiqu-I Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025. | CLP-GHX | CSG-ZHPB | As in item 2.9 above | As in item 2.9 above | 0.04 |
| 2.12 | Xiazhu Hydro Station (35kV Liangxia Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025. | CLP-GHX | CSG-ZHPB | As in item 2.9 above | As in item 2.9 above | 0.02 |
| 2.13 | Shuixia Hydro Station (110kV Shashui Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025. | CLP-GHW | CSG-ZHPB | CSG-ZHPB supplies electricity to CLP-GHW as an industrial user for station consumption. | As in item 2.9 above | 0.14 |
| 2.14 | Baishuihe Four Hydro Stations (110kV Feixin Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025. | CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX | CSG-ZHPB | CSG-ZHPB supplies electricity to CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX as industrial users for station consumption. | As in item 2.9 above | 0.18 |
| 2.15 | Shuixia Hydro Station (10kV Zhongxia Line) High Voltage Electricity Supply Contract Agreement entered into on 2 March 2023 with automatic renewal terms. The latest renewal was for another one-year period to 1 March 2025. | CLP-GHW | CSG-ZHPB | As in item 2.13 above | As in item 2.9 above | 0.01 |
| 2.16 | Shuixia Hydro Station (10kV Xiashuai Line) High Voltage Electricity Supply Contract Agreement entered into on 2 March 2023 with automatic renewal terms. The latest renewal was for another one-year period to 1 March 2025. | CLP-GHW | CSG-ZHPB | As in item 2.13 above | As in item 2.9 above | 0.01 |
| 2.17 | Niuqi Hydro Station (35kV Dongniu-II Line) High Voltage Electricity Supply Contract Agreement entered into on 13 February 2023 for a three-year period to 12 February 2026 with automatic renewals for successive one-year periods. | CLP-GHX | Zhaoqing Guangning Power Bureau of CSG-GPG, a subsidiary of CSG (CSG-ZGPB) | CSG-ZGPB supplies electricity to CLP-GHX as industrial user for station consumption. | As in item 2.9 above | 0.07 |
| 2.18 | Changdiao Hydro Station (10kV Xinying Line) High Voltage Electricity Supply Contract Agreement entered into on 16 June 2023 for a three-year period to 15 June 2026 with automatic renewals for successive one-year periods. | CLP-GHC | CSG-ZHPB | CSG-ZHPB supplies electricity to CLP-GHC as an industrial user for station consumption. | As in item 2.9 above | 0.02 |

| | Name, date and term of the agreement | Transaction party within the CLP Group | Transaction party within the CSG Group | Nature and description of the transaction | Basis for determining the consideration | Consideration for 2024 HK\$M |
|---|--|---|--|---|---|------------------------------|
| 2.19 | Shuixia Hydro Station (10kV standby transmission line) High Voltage Electricity Supply Contract New agreement entered into on 25 January 2024 for a three-year period to 24 January 2027 with automatic renewals for successive one-year periods. | CLP-GHW | CSG-ZHPB | As in item 2.13 above | As in item 2.9 above | - |
| Aggregated total consideration for Huaiji hydro project (Project level cap for 2024 was HK\$275.00 million) | | | | | | 213.02 |
| 3 Meizhou solar project | | | | | | |
| 3.1 | Meizhou Solar Project PPA Agreement entered into on 1 March 2019 with automatic renewal terms. The latest renewal was for another one-year period to 1 February 2025. | Pingyuan Litan New Energy Power Company Limited, a wholly owned subsidiary of the Company (CLP Meizhou) | Meizhou Power Bureau of CSG-GPG, a subsidiary of CSG (CSG-MPB) | CLP Meizhou sells electricity to CSG-MPB. | Payment is based on the number of kWh sold multiplied by a tariff pre-determined by the Guangdong PDRC. This tariff is published at the Guangdong PDRC Document YueFaGaiJiaGe [2017] No. 3084 and is updated from time to time. | 44.76 |
| 3.2 | Meizhou Solar Project High Voltage Electricity Supply Contract (110kV DongLi Line) Agreement entered into on 10 July 2019 with automatic renewal terms. The latest renewal was for another one-year period to 9 July 2025. | CLP Meizhou | Meizhou Pingyuan Power Bureau of CSG-GPG, a subsidiary of CSG (CSG-MPPB) | CSG-MPPB supplies electricity to CLP Meizhou as an industrial user for power consumption at the project site. | As in item 2.9 above | 0.07 |
| 3.3 | Meizhou Solar Project High Voltage Electricity Supply Contract (10kV DongShi Line) Agreement entered into on 9 June 2017 with automatic renewal terms. The latest renewal was for another one-year period to 8 June 2025. | CLP Meizhou | CSG-MPPB | As in item 3.2 above | As in item 2.9 above | 0.29 |
| Aggregated total consideration for Meizhou solar project (Project level cap for 2024 was HK\$59.00 million) | | | | | | 45.12 |
| 4 Yang_er hydro project | | | | | | |
| 4.1 | Yang_er Hydro Project High Voltage Electricity Supply Contract (10kV, for dam) Agreement entered into on 23 September 2022 for a three-year period to 22 September 2025 with automatic renewals for successive three-year periods. | Dali Yang_er Hydropower Development Co., Ltd., a wholly owned subsidiary of the Company (Dali Yang_er) | Dali Yangbi Power Bureau of CSG Yunnan, a subsidiary of CSG (CSG Yangbi) | CSG Yangbi supplies electricity to Dali Yang_er as an industrial user for consumption at project site. | According to Yunnan Provincial Development and Reform Commission (Yunnan PDRC) Document [2021] No. 1140, power users are required to purchase electricity through market sales directly or through grid companies, who will act as agents to purchase electricity on behalf of industrial and commercial users that cannot purchase directly from the market. The tariff is based on 1-1.5 times weighted average price of the monthly centralised bidding transactions plus fees such as agency fees as well as transmission and distribution fees. | 0.01 |

| | Name, date and term of the agreement | Transaction party within the CLP Group | Transaction party within the CSG Group | Nature and description of the transaction | Basis for determining the consideration | Consideration for 2024 HK\$M |
|---|---|---|---|--|--|------------------------------|
| 4.2 | Yang_er Hydro Project High Voltage Electricity Supply Contract (10kV, for plant) Agreement entered into on 23 September 2022 for a three-year period to 22 September 2025 with automatic renewals for successive three-year periods. | Dali Yang_er | CSG Yangbi | As in item 4.1 above | As in item 4.1 above | 0.01 |
| 4.3 | Yang_er Hydro Project High Voltage Electricity Supply Contract (110kV) New agreement entered into on 18 March 2024 for a three-year period to 17 March 2027 with automatic renewals for successive three-year periods. | Dali Yang_er | CSG Yangbi | CSG Yangbi supplies electricity to Dali Yang_er as an industrial user for station consumption. | As in item 4.1 above | - |
| 4.4 | Power Exchange Sales Transactions entered into via Kunming Power Exchange Center Limited (Kunming PEC) on various dates in 2024 for electricity sales for various durations. | Dali Yang_er | CSG Yunnan, a subsidiary of CSG, and Kunming PEC which is 40% owned by CSG Yunnan | Dali Yang_er sells electricity through Kunming PEC from time to time where (i) CSG Yunnan acts as settlement agent and assumes settlement risks for these transactions as defined under the Kunming PEC settlement rules or (ii) CSG Yunnan acts as the purchaser for interprovincial electricity sales. | Payment is based on the number of kWh sold multiplied by the tariff determined through competitive bidding processes conducted on Kunming PEC, an arm's length tariff agreed between the parties for market sales (as applicable), or set by Kunming PEC for interprovincial electricity sales (together with a transaction fee charged by Kunming PEC). | 30.88 |
| Aggregated total consideration for Yang_er hydro project (Project level cap for 2024 was HK\$36.00 million) | | | | | | 30.90 |
| 5 Xicun solar project (Phases I and II) | | | | | | |
| 5.1 | Xicun Solar Project PPA Agreement entered into on 22 November 2022 with automatic renewal terms. The latest renewal was for another one-year period to 9 October 2025. | CLP Dali (Xicun) Solar Power Co., Ltd, a wholly owned subsidiary of the Company (CLP Xicun) | CSG Yunnan | CLP Xicun sells electricity to CSG Yunnan. | According to Yunnan Energy Operations Document [2021] No. 286, renewable energy generators are required in non-wet seasons (from January to May and from November to December) fully participate in market sales, and in wet seasons (between June and October), all generation is required to be sold under "Priority Sales" at a discounted tariff based upon the average monthly bidding tariffs announced by Kunming PEC. The total tariff includes the settled price and a subsidy. | 40.82 |
| 5.2 | Xicun Solar Project High Voltage Electricity Supply Contract (for project site) Agreement entered into on 25 September 2022 for a three-year period to 24 September 2025 with automatic renewals for successive three-year periods. | CLP Xicun | Dali Binchuan Power Bureau of CSG Yunnan, a subsidiary of CSG (CSG Binchuan) | CSG Binchuan supplies electricity to CLP Xicun as an industrial user for power consumption at the project site. | As in item 2.9 above | - |
| 5.3 | Xicun Solar Project High Voltage Electricity Supply Contract New agreement entered into on 7 April 2024 for a three-year period to 6 April 2027 with automatic renewals for successive three-year periods. | CLP Xicun | CSG Binchuan | CSG Binchuan supplies electricity to CLP Xicun for power consumption as an industrial user at the project site for equipment when the plant is not in generation status. | As in item 2.9 above | 0.47 |

| | Name, date and term of the agreement | Transaction party within the CLP Group | Transaction party within the CSG Group | Nature and description of the transaction | Basis for determining the consideration | Consideration for 2024 HK\$M |
|---|--|--|---|--|--|------------------------------|
| 5.4 | Xicun Solar Project High Voltage Electricity Supply Contract (for pump station) Agreement entered into on 25 September 2022 for a three-year period to 24 September 2025 with automatic renewals for successive three-year periods. | CLP Xicun | CSG Binchuan | CSG Binchuan supplies electricity to CLP Xicun as an agricultural user for use by the watering facilities. | Payment is based on the number of kWh sold multiplied by a tariff pre-determined by the NDRC and subject to adjustment in accordance with the 2022 Implementation Scheme for Trading in Yunnan Electricity Market issued by Yunnan PDRC and Yunnan Provincial Energy Administration and is updated from time to time. | 0.03 |
| 5.5 | Power Exchange Sales Transactions entered into via Kunming PEC on various dates in 2024 for electricity sales for various durations. | CLP Xicun | CSG Yunnan and Kunming PEC | CLP Xicun sells electricity through Kunming PEC from time to time where CSG Yunnan acts as settlement agent and assumes settlement risks for these transactions as defined under the Kunming PEC settlement rules. | Payment is based on the number of kWh sold multiplied by the tariff determined through competitive bidding processes conducted on Kunming PEC or an arm's length tariff agreed between the parties for market sales (as applicable). | 85.95 |
| Aggregated total consideration for Xicun solar project (Phases I and II) <i>(Project level cap for 2024 was HK\$156.00 million)</i> | | | | | | 127.27 |
| 6 | Xundian wind project (Phases I and II) | | | | | |
| 6.1 | Xundian Wind Project PPA Agreement entered into on 17 January 2023 with automatic renewal terms. The latest renewal was for another one-year period to 30 January 2025. | CLP (Kunming) Renewable Energy Co., Ltd., a wholly owned subsidiary of the Company (CLP Xundian) | CSG Yunnan | CLP Xundian sells electricity to CSG Yunnan. | According to Yunnan Energy Operations Document [2021] No. 286 and subsequent notice YunFaGaiJiaGe [2023] No. 665, subsidised renewable energy generators (i.e. Xundian Phase I) are required in non-wet seasons (from January to May and from November to December) fully participate in market sales, and in wet seasons (between June and October), all generation is required to be sold under "Priority Sales" at a discounted tariff based upon the average monthly bidding tariffs announced by Kunming PEC. The total tariff includes the settled price and a subsidy. For grid-parity wind energy generators (i.e. Xundian Phase II), they should fully participate in market sales throughout the year, but 60% of the monthly dispatched volume will be compensated based on the difference between the average market tariff and the coal-fired power benchmark tariff. | 37.32 |
| 6.2 | Xundian Wind Project High Voltage Electricity Supply Contract Agreement entered into on 22 December 2023 for a three-year period to 21 December 2026 with automatic renewals for successive three-year periods. | CLP Xundian | Kunming Power Bureau of CSG Yunnan, a subsidiary of CSG (CSG-KPB) | CSG-KPB supplies electricity via a 110kV line to CLP Xundian for station consumption. | As in item 2.9 above | 0.36 |
| 6.3 | Xundian Wind Project High Voltage Electricity Supply Contract (10kV) Agreement entered into on 8 July 2019 with automatic renewal terms. The latest renewal was for another three-year period to 7 July 2025. | CLP Xundian | Kunming Xundian Power Supply Company Limited of CSG Yunnan, a subsidiary of CSG (CSG-KXPSC) | CSG-KXPSC supplies electricity to CLP Xundian for non-residential use by the facilities in the plant. | Payment is based on the number of kWh sold multiplied by the non-residential tariff determined by the Yunnan PDRC. This tariff is updated from time to time. | 0.01 |

| | Name, date and term of the agreement | Transaction party within the CLP Group | Transaction party within the CSG Group | Nature and description of the transaction | Basis for determining the consideration | Consideration for 2024 HK\$M |
|---|--|--|---|--|---|------------------------------|
| 6.4 | Power Exchange Sales Transactions entered into via Kunming PEC on various dates in 2024 for electricity sales for various durations. | CLP Xundian | CSG Yunnan and Kunming PEC | CLP Xundian sells electricity through Kunming PEC from time to time where CSG Yunnan acts as settlement agent and assumes settlement risks for these transactions as defined under the Kunming PEC settlement rules. | As in item 5.5 above | 76.31 |
| Aggregated total consideration for Xundian wind project (Phases I and II) (Project level cap for 2024 was HK\$139.00 million) | | | | | | 114.00 |
| 7 Sandu wind project (Phases I and II) | | | | | | |
| 7.1 | Sandu Wind Project PPA New agreement entered into on 5 February 2024 for a period to 31 December 2025 with automatic renewals for successive two-year periods. | CLP (Sandu) Renewable Energy Limited, a wholly owned subsidiary of the Company (CLP Sandu) | Guizhou Power Grid Company Limited, a subsidiary of CSG (CSG Guizhou) | CLP Sandu sells electricity to CSG Guizhou. | Payment is based on the number of kWh sold multiplied by a tariff pre-determined by the Guizhou Provincial Development and Reform Commission (Guizhou PDRC). The tariff is published at the Guizhou PDRC Document QianFaGaiJiaGe [2015] No. 1935 and is updated from time to time. | 117.60 |
| 7.2 | Sandu Wind Project High Voltage Electricity Supply Contract New agreement entered into on 19 December 2024 for a three-year period to 18 December 2027 with automatic renewals for successive one-year periods. | CLP Sandu | Duyun Sandu Power Bureau of CSG Guizhou, a subsidiary of CSG (CSG-DSPB) | CSG-DSPB supplies electricity to CLP Sandu as an industrial user for power consumption at the project site. | According to the NDRC Document [2021] No. 809 and the Guizhou Province Commission of Development & Reform Price Document [2023] No. 497, power users shall purchase electricity through market sales directly or through grid companies, which shall act as agents to purchase electricity on behalf of industrial and commercial users that cannot purchase directly from the market. The tariff shall be based on 1-1.5 times of agency power purchase price plus fees such as line loss fee, transmission and distribution fee, system operation fee, government funds and surcharges, basic electricity fee. | 0.52 |
| 7.3 | Sandu Wind Project Electricity Supply Contract (10kV) Agreement entered into on 23 March 2018 with automatic renewal terms. The latest renewal was for another three-year period to 22 March 2027. | CLP Sandu | CSG-DSPB | CSG-DSPB supplies electricity to CLP Sandu for power consumption at the project site. | Payment is based on the number of kWh sold multiplied by the residential users determined by the Guizhou PDRC. The tariff is published at the Guizhou PDRC Document QianFaGaiJiaGe [2020] No. 1025 and is updated from time to time. | 0.02 |
| Aggregated total consideration for Sandu wind project (Phases I and II) (Project level cap for 2024 was HK\$178.00 million) | | | | | | 118.14 |
| 8 Bobai wind project | | | | | | |
| 8.1 | Bobai Wind Project PPA New agreement entered into on 14 June 2024 for a period to 31 December 2024 with automatic renewals for successive one-year periods. | CLP Guangxi Bobai Energy Limited, a wholly owned subsidiary of the Company (CLP Bobai) | Guangxi Power Grid Company Limited, a subsidiary of CSG (CSG-GX) | CLP Bobai sells electricity to CSG-GX. | Payment is based on the number of kWh sold multiplied by a tariff pre-determined by the "Notice on Issuing the Implementation Plan for Guangxi Electricity Market Trading" and "Notice on Announcing the Tariff in Government-Authorised Contract for New Energy Generation Enterprises", which were issued by the Development and Reform Commission of Guangxi Zhuang Autonomous Region. | 8.77 |

| | Name, date and term of the agreement | Transaction party within the CLP Group | Transaction party within the CSG Group | Nature and description of the transaction | Basis for determining the consideration | Consideration for 2024 HK\$M |
|--|---|--|---|--|--|------------------------------|
| 8.2 | Bobai Wind Project Electricity Supply Contract New agreement entered into on 26 June 2024 for a one-year period to 25 June 2025 with automatic renewals for successive one-year periods. | CLP Bobai | Yulin Power Bureau of CSG-GX, a subsidiary of CSG (CSG-YPB) | CSG-YPB supplies electricity to CLP Bobai for power consumption at the project site. | According to the "Notice on Issuing the Implementation Plan for Guangxi Electricity Market Trading for 2024" issued by the Development and Reform Commission of Guangxi Zhuang Autonomous Region, industrial and commercial users are encouraged to purchase electricity through market sales directly. The tariff consists of the electricity energy trading price, line loss fee for the grid connection, transmission and distribution fees, system operation fee, government funds and surcharges, market profit and loss sharing, peak and valley floating price, etc. | 0.28 |
| 8.3 | Power Exchange Sales Transactions entered into via Guangxi PEC on various dates in 2024 for electricity sales for various durations. | CLP Bobai | CSG-GX and Guangxi PEC which is 37% owned by CSG Guangxi | CLP Bobai sells electricity through Guangxi PEC from time to time where CSG-GX acts as settlement agent and assumes settlement risks for these transactions as defined under the Guangxi PEC settlement rules. | Payment is based on the number of kWh sold multiplied by the tariff determined through competitive bidding processes conducted on Guangxi PEC or an arm's length tariff agreed between the parties for market sales (as applicable). | 10.06 |
| Aggregated total consideration for Bobai wind project (Cap provision for new projects for 2024 was HK\$260.00 million) | | | | | | 19.11 |
| Total Consideration for 2024 | | | | | | 667.56 |

Pursuant to Rule 14A.55 of the Listing Rules, all the Independent Non-executive Directors of the Company have reviewed the CCTs and confirmed that the CCTs have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better to CLP; and
- (iii) according to the relevant agreement governing each of the CCTs on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's independent auditor, PwC, was engaged to report on the CCTs in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

PwC has reviewed these transactions and, pursuant to Rule 14A.56 of the Listing Rules, confirmed to the Board of the Company that nothing has come to their attention that causes them to believe that:

- (i) the transactions have not been approved by the Board of the Company;
- (ii) the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (iv) the transactions have exceeded the annual aggregate cap.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Related Party Transactions

Details of the significant related party transactions undertaken in the normal course of business are provided under Note 31 to the Financial Statements. None of these constitutes a discloseable connected transaction as defined under the Listing Rules.

Interests of Directors and Chief Executive Officer

The interests / short positions of each of the Directors and the CEO in the shares, underlying shares and debentures of the Company or any of the Company's associated corporations (within the meaning of the Securities and Futures Ordinance (SFO)) as at 31 December 2024, as recorded in the register required to be kept under Section 352 of Part XV of the SFO, are set out below and on page 197:

1 Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

The interests of Directors and the CEO in the shares of the Company (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds) as at 31 December 2024 were as follows:

| Directors | Capacity | Total Interests in Number of Ordinary Shares of the Company | % of the Issued Share Capital of the Company |
|------------------------------|------------------|---|--|
| The Hon Sir Michael Kadoorie | Note 1 | 410,526,125 | 16.24913 |
| Mr Andrew Brandler | Note 2 | 10,600 | 0.00042 |
| Mr Philip Kadoorie | Note 3 | 409,226,125 | 16.19767 |
| Mr Nicholas C. Allen | Note 4 | 41,000 | 0.00162 |
| Ms May Siew Boi Tan | Beneficial Owner | 20,000 | 0.00079 |
| Mr Bernard Chan | Note 5 | 409,000 | 0.01619 |
| Mrs Kung Yeung Yun Chi Ann | Beneficial Owner | 3,200 | 0.00013 |

Notes:

- 1 The Hon Sir Michael Kadoorie was deemed (by virtue of the SFO) to be interested in 410,526,125 shares in the Company. These shares were held in the following capacity:
 - a 233,044,212 shares were ultimately held by a discretionary trust, of which The Hon Sir Michael Kadoorie is one of the beneficiaries and the founder.
 - b 170,181,913 shares were ultimately held by a discretionary trust, of which The Hon Sir Michael Kadoorie is one of the beneficiaries and the founder.
 - c 1,300,000 shares were ultimately held by a discretionary trust, of which The Hon Sir Michael Kadoorie is the founder.
 - d 2,000,000 shares were ultimately held by each of three discretionary trusts, all of which The Hon Sir Michael Kadoorie is one of the beneficiaries and the founder.
- 2 600 shares were held in a personal capacity and 10,000 shares were held in a beneficial owner capacity.
- 3 Mr Philip Kadoorie was deemed (by virtue of the SFO) to be interested in 409,226,125 shares in the Company. These shares were held in the following capacity:
 - a 233,044,212 shares were ultimately held by a discretionary trust, of which Mr Philip Kadoorie is one of the discretionary beneficiaries.
 - b 170,181,913 shares were ultimately held by a discretionary trust, of which Mr Philip Kadoorie is one of the discretionary beneficiaries.
 - c 2,000,000 shares were ultimately held by a discretionary trust, of which Mr Philip Kadoorie is one of the discretionary beneficiaries.
 - d 2,000,000 shares were ultimately held by each of two discretionary trusts, both of which Mr Philip Kadoorie is one of the default beneficiaries.

- 4 41,000 shares were held in a beneficial owner capacity and jointly with spouse.
- 5 Mr Bernard Chan was deemed (by virtue of the SFO) to be interested in 409,000 shares in the Company. These shares were held in the following capacity:
 - a 400,000 shares were held by two wholly owned subsidiaries of Asia Financial Holdings Limited (AFH). Mr Bernard Chan is deemed to be interested in approximately 61.84% of AFH, in addition to his personal interest of 0.20% in AFH.
 - b 9,000 shares were held by United Asia Enterprises Inc., an investment company in which Mr Bernard Chan holds 54.2% (including the interest of spouse).

Each of the other Directors, namely Mrs Yuen So Siu Mai Betty, Mr Diego González Morales, Sir Rod Eddington, Ms Christina Gaw, Mr Chunyuan Gu, Ms Wang Xiaojun Heather and Mr T.K. Chiang (CEO) have confirmed that they had no interests in the shares of the Company or any of its associated corporations as at 31 December 2024.

None of the Directors or the CEO had interests in debentures or under equity derivatives, interests in underlying shares of the Company or its associated corporations as at 31 December 2024.

2 Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

None of the Directors or the CEO had short positions in respect of shares, debentures or under equity derivatives, interests in underlying shares of the Company or its associated corporations as at 31 December 2024.

At no time during the year was the Company or its subsidiaries a party to any arrangement to enable the Directors and the CEO of the Company (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

Interests of Substantial Shareholders

The interests / short positions of substantial shareholders in the shares and underlying shares of the Company as at 31 December 2024, as recorded in the register required to be kept under Section 336 of Part XV of the SFO, are set out below and on page 199:

1 Aggregate long position in the shares and underlying shares of the Company

The Company had been notified of the following substantial shareholders' interests in the shares of the Company as at 31 December 2024:

| Substantial Shareholders | Capacity | Total Interests in Number of Ordinary Shares of the Company | % of the Issued Share Capital of the Company |
|--|--|---|--|
| Bermuda Trust Company Limited | Trustee / Interests of controlled corporations | 305,591,730 Note 1 | 12.10 |
| Guardian Limited | Beneficiary / Interest of controlled corporation | 218,651,853 Note 3 | 8.65 |
| Harneys Trustees Limited | Trustee / Interests of controlled corporations | 629,177,978 Note 3 | 24.90 |
| Lawrencium Holdings Limited | Beneficiary | 170,181,913 Note 2 | 6.74 |
| Lawrencium Mikado Holdings Limited | Beneficiary | 233,044,212 Note 2 | 9.22 |
| The Magna Foundation | Beneficiary | 233,044,212 Note 2 | 9.22 |
| The Mikado Private Trust Company Limited | Trustee / Interests of controlled corporations | 410,526,125 Note 2 | 16.25 |
| Oak CLP Limited | Beneficiary | 218,651,853 Note 4 | 8.65 |
| Oak (Unit Trust) Holdings Limited | Trustee | 218,651,853 Note 1 | 8.65 |
| The Oak Private Trust Company Limited | Trustee / Interest of controlled corporation | 218,651,853 Note 4 | 8.65 |
| The Hon Sir Michael Kadoorie | Note 5 | 410,526,125 Note 5 | 16.25 |
| Mr Philip Kadoorie | Note 6 | 409,226,125 Note 6 | 16.20 |

Notes:

- Bermuda Trust Company Limited was deemed to be interested in the shares in which Oak (Unit Trust) Holdings Limited, The Oak Private Trust Company Limited and other companies were deemed to be interested, either in the capacity as trustee of various discretionary trusts and / or by virtue of having direct or indirect control over such companies.
- The Mikado Private Trust Company Limited was deemed to be interested in the shares in which Lawrencium Holdings Limited, Lawrencium Mikado Holdings Limited and other companies were deemed to be interested, either in the capacity as trustee of various discretionary trusts and / or by virtue of having direct or indirect control over such companies. The Magna Foundation was also deemed to be interested in the shares in which Lawrencium Mikado Holdings Limited was deemed to be interested. The interests of The Mikado Private Trust Company Limited in the shares of the Company include the shares held by discretionary trusts of which The Hon Sir Michael Kadoorie is one of the beneficiaries and / or a founder as disclosed in "Interests of Directors and Chief Executive Officer".

- 3 Harneys Trustees Limited was deemed to be interested in the shares in which The Mikado Private Trust Company Limited and Guardian Limited were deemed to be interested, either by virtue of having direct or indirect control over such companies and / or in the capacity as trustee of a discretionary trust.
- 4 The Oak Private Trust Company Limited was deemed to be interested in the shares in which Oak CLP Limited was deemed to be interested, either in the capacity as trustee of a discretionary trust and / or by virtue of having direct or indirect control over such company.
- 5 See Note 1 under "Interests of Directors and Chief Executive Officer".
- 6 See Note 3 under "Interests of Directors and Chief Executive Officer".

As at 31 December 2024, the Company had not been notified of any long positions being held by any substantial shareholder in the underlying shares of the Company through equity derivatives such as share options, warrants to subscribe or convertible bonds.

2 Aggregate short position in the shares and underlying shares of the Company

As at 31 December 2024, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company.

Interests of Any Other Persons

As at 31 December 2024, the Company had not been notified of any persons other than the substantial shareholders who held interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

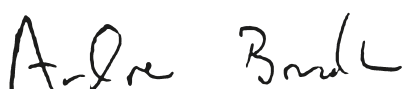
Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on page 92 of this Annual Report.

Auditor

The Financial Statements for the year have been audited by PwC who will retire and, being eligible, offer themselves for re-appointment, at the AGM of the Company.

On behalf of the Board



Andrew Brandler
Vice Chairman
Hong Kong, 24 February 2025