

Business Performance and Outlook

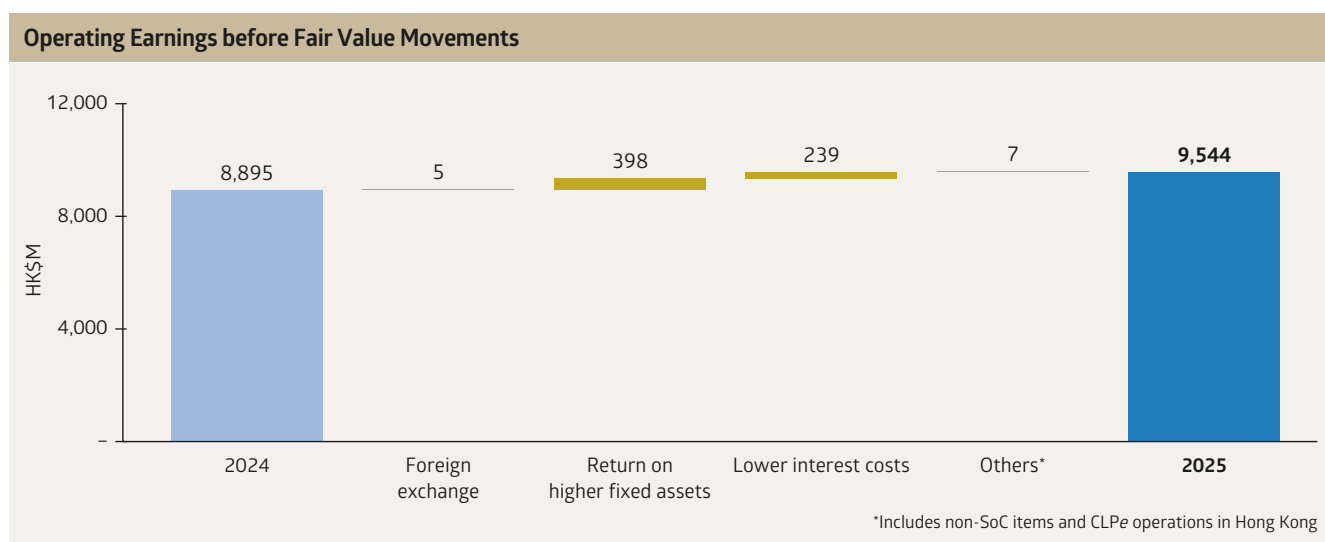




Hong Kong

Hong Kong's electricity sector is regulated by the Scheme of Control Agreements and operated by two vertically integrated utilities with generation, transmission, distribution and retail operations. CLP Power Hong Kong Limited (CLP Power), the larger of the two companies and a wholly owned subsidiary of the Group, serves about 80% of the city's population in Kowloon, the New Territories and most outlying islands. Outside the regulated business, another wholly owned subsidiary of the Group CLPe Holdings Limited (CLPe) provides sustainable energy services and solutions including solar energy, cooling systems, EV charging and battery energy storage systems to commercial customers.

2025 Business Performance



Operating earnings for the Hong Kong energy business and related activities before fair value movements were HK\$9,544 million, 7.3% higher than a year earlier, driven by returns on increased electricity investments and lower interest costs.

Delivering reliable, reasonably priced and sustainable energy

Electricity sales by CLP Power dropped 1.0% year-on-year to 35,760 gigawatt hours (GWh) mainly because of a higher base in 2024, when power consumption was boosted by higher average temperatures and an extra leap year day. Meanwhile, electricity sales for data centres grew 7.5% on the back of rising demand for AI and digital services, while consumption related to transport electrification also increased 32.4%.

	Sales by Sector (GWh)	Change	% of Total Sales
Residential	9,966	(2.3%)	28%
Commercial	13,824	(0.4%)	39%
Infrastructure and Public Services	10,430	(0.3%)	29%
Manufacturing	1,540	(2.1%)	4%

CLP Power's supply operations again demonstrated world-class reliability in 2025, staying resilient through a series of extreme weather events in the summer. The highest Black Rainstorm alert was issued a record five times in three weeks, with 14 typhoons impacting Hong Kong during the year, also a record. To safeguard power supply, CLP Power undertook comprehensive preparations ahead of the typhoon season by implementing contingency mechanisms and precautionary

measures such as the inspection of critical facilities and the deployment of flood protection measures. Although some overhead lines and power equipment were affected by fallen trees during some of the events, effective power system monitoring and round-the-clock repair work enabled timely power supply restoration. CLP Power was able to maintain a high level of electricity supply reliability to customers despite such challenging extreme weather circumstances.

Reflecting easing international fuel prices, the Average Net Tariff for CLP Power customers was reduced by 2.6% year-on-year effective from January 2026, easing household expenses and lowering business costs. Throughout the year, CLP Power maintained prudent cost control and diversified energy sources to ensure a reasonable cost of electricity. CLP Power also worked to optimise fuel costs, and made use of the offshore liquefied natural gas (LNG) terminal to access competitively priced natural gas from global markets.

In 2025, CLP Power reinforced its support to underprivileged customers and the wider Hong Kong community amid a volatile global environment. Backed by HK\$240 million from the CLP Community Energy Saving Fund (CESF), a comprehensive package of measures including electricity subsidies, retail and catering coupons, and energy-saving initiatives was introduced, with the expected number of beneficiaries reaching over 900,000 people. Funding from the CESF for 2026 has been increased to HK\$270 million to further strengthen these efforts.



CLP Power adopts advanced technologies such as Beyond Visual Line of Sight drone operations to enhance the efficiency of power facility inspections.

Hong Kong

Supporting Hong Kong's decarbonisation

Under the 2024-2028 Development Plan, CLP Power continues to invest strategically in electricity supply systems to support Hong Kong's growth and government policy priorities. The investments will address increasing energy needs from infrastructure developments including new housing, rail networks and the growth of the Northern Metropolis. Another key focus is meeting rising demand from data centres. In 2025, three new 132 kilovolt (kV) substations to power data centres were completed, bringing the total delivered since 2024 to six. This compared with three data centre substations completed in the previous Development Plan from 2018 to 2023. These facilities strengthen Hong Kong's role as an international innovation and technology hub.

To accelerate the energy transition, CLP Power is completing its upgrade of the Clean Energy Transmission System (CETS) linking Hong Kong and the Chinese Mainland. This cross-border system will provide more options and flexibility for the import of more non-carbon energy, playing a vital role in Hong Kong's future decarbonisation.

Development of the 100 megawatt hour (MWh) battery energy storage system (BESS) at Castle Peak Power Station began in 2025, with procurement processes underway. Once completed, the utility-scale facility will help meet capacity requirements and integrate more non-carbon energy with the grid.

The Feed-in Tariff Scheme continued to encourage more customers to install their own renewable energy systems. By the end of December, applications for about 450 megawatts (MW) of capacity have been approved, equal to the annual energy consumption of more than 100,000 households.

CLP Power also completed the construction of 132kV submarine cables to enable electricity transmission for the Government's first Integrated Waste Management Facilities located on Shek Kwu Chau Island, paving the way for waste-to-energy generation in 2026. Surplus electricity generated from the waste treatment process will be exported to the grid, contributing to local renewable generation.

Accelerating digital transformation

In late 2025, CLP Power successfully completed a seven-year programme to install smart meters for customers as scheduled. The programme provides customers with greater insights to manage their energy consumption, and also enables CLP Power to enhance efficiencies and deliver better services.

CLP Power continued to increase the use of digital platforms including the revamped CLP app and its website to provide services to customers. The app was further enhanced during the year to enable customers to manage their electricity accounts and make payments online more easily and securely.



In support of Hong Kong's long-term growth, CLP Power has commissioned three substations in the Northern Metropolis, including the Ho To West substation pictured here, to meet the region's electricity demand.

In addition, CLP Power completed a programme to modernise the management and control systems of its power distribution network in 2025. Known as the Distribution Network Operation Optimisation project, it deploys advanced digital technologies to enhance real-time grid monitoring and control by integrating multiple systems for modelling, planning and management of distribution networks.

AI continues to play a key role in system monitoring. The Grid-V system supported more reliable supply operations by enabling real-time and round-the-clock monitoring of potential hazards such as fire and flying objects near substations and transmission overhead lines. CLP Power is also developing AI applications to enhance monitoring of power system equipment conditions by predicting potential faults more accurately. In addition, AI helps analyse smart meter data to identify potential supply outages for customers, enabling more timely incident response especially during adverse weather. Another example of advanced technology is the Beyond Visual Line of Sight drone operations to improve the efficiency of power facility inspections. The initiative was selected in March 2025 as a pilot project under the Hong Kong Government's Low-altitude Economy Regulatory Sandbox.

Enabling demand-side decarbonisation

Smart meters empower residential customers to manage energy consumption and join the Summer Savers Rebate (SSR) programme, which rewards energy usage reductions during peak demand periods. Around 1.4 million households were invited to participate in an SSR event in July on one of the hottest days of 2025. Nearly 80% of participating households successfully lowered their power consumption during the two-hour event and achieved about 500,000kWh of energy savings, equivalent to 190 tonnes of carbon reduction. The SSR programme has been internationally recognised for its sustainability benefits. Meanwhile, CLP Power's Community Watch & Care Service Pilot Programme helps social service organisations monitor the conditions of elderly people living at home by analysing their energy consumption data from smart meters and notifying caregivers when unusual patterns are detected.

Commercial and industrial customers continued to sign up for decarbonisation services and solutions including Renewable Energy Certificates (RECs), energy audits, training and subsidies for installing energy-efficient appliances. Sales of RECs, which enable customers to use locally generated renewable energy to reduce their carbon footprint, increased 6.8% to around 363GWh in 2025. Another 96GWh of energy savings were enabled by energy audits and CLP Power's Eco Building Fund in 2025. Smart Energy Online (SEO) is

another key tool for business customers to monitor and analyse their energy usage. The user base for SEO increased 12% year-on-year to more than 2,800 at the end of 2025.

To foster broader collaboration, CLP Power signed a Memorandum of Understanding (MoU) with the Vocational Training Council (VTC) in July to promote energy efficiency through energy-saving projects and the training of energy management professionals. VTC will leverage the SEO platform at some sites to monitor and manage energy use more effectively.

An MoU was signed with Hang Seng Bank in August. The collaboration enables corporate clients under Hang Seng Bank's Sustainability Power Up Fund to further explore CLP Power's services including energy audits and the SEO platform. Hang Seng Bank complements this by providing sustainable financing solutions to support the clients' transition to low-carbon operations.

CLPe also deepened partnerships to extend low-carbon solutions. The Cooling-as-a-Service (CaaS) contracts signed with Henderson Land will decarbonise the property developer's office building and shopping malls. Through implementing advanced technologies including AI-powered solutions and chillers that can operate at variable speed, the projects will enhance the energy efficiency of Manulife Financial Centre in East Kowloon, Metro City Plaza in Tseung Kwan O and MOSTown in Ma On Shan by about 30-60%. A similar contract was signed in May with LAWSGROUP to upgrade the cooling system at its headquarters, Laws Commercial Plaza, located in West Kowloon.

Another MoU was signed with Kai Shing Management Services Limited (Kai Shing) to improve the energy efficiency of its managed buildings. Innovative solutions including AI-powered energy management technologies and control systems will be piloted at the International Commerce Centre (ICC), Hong Kong's tallest skyscraper, for possible deployment at other Kai Shing-managed buildings. In addition, CLPe will conduct comprehensive electrical evaluations at buildings aged over 20 years in Kai Shing's portfolio to enhance their climate resilience.

Decarbonising road and marine transport

Electrification is transforming transport in Hong Kong and CLP Power continued to step up service innovation and strengthen partnerships in the EV charging value chain. To encourage off-peak charging and optimise grid utilisation, CLP Power introduced the EV Residential Time of Use Tariff in May 2025 with discounted energy charge during off-peak hours. More than 5,000 applications were received by year-end and customer response has continued to strengthen in recent months.

Hong Kong

CLP Power continued to leverage its power expertise to facilitate the implementation of the Government's EV-charging at Home Subsidy Scheme (EHSS) to meet increasing demand. Comprehensive technical support and services from CLP Power including power supply capacity assessments, advice on electricity meter installations and technical seminars for EHSS consultants and contractors have enabled more private residential estates in Hong Kong to install EV charging facilities.

Following the launch of the Government's Fast Charger Incentive Scheme which aims to install 3,000 fast chargers across the city by 2028, CLP Power has identified around 8,000 potential locations to facilitate interested charge-point operators to accelerate their installation of fast chargers. Also as part of the scheme, CLP Power is working closely with bus operator The Kowloon Motor Bus Co. (1933) Ltd. to upgrade power supply to facilitate the installation of over 170 additional EV charging guns at bus depots.

CLP Power also provided technical advice and power supply solutions to enable EV charge point operators to set up new fast charging hubs, and support the retrofit of petrol filling stations into EV fast charging facilities. CLP Power introduced an upgraded advisory service to support commercial fleet operators in their transition to EVs. In addition, CLP Power is working with EV battery swapping companies to establish battery swapping stations for eTaxis.

CLP Power continued to expand its eMobility Grid Management Platform (eGMP), a data analytics system that monitors EV charger activities to optimise power system planning. By the end of 2025, eGMP's coverage increased to over 5,000 EV chargers across more than 400 sites in Hong Kong.

To meet rising demand from commercial EVs, CLPe tripled the size of its EV charging network during the year to over 300 charging bays citywide at the end of December. CLPe is collaborating with Hysan Development Company Limited and Chinachem Group for the development of more than 600 charging points at a centrally located site in Causeway Bay, one of Hong Kong's busiest districts. The project is scheduled to be completed in the second half of 2026.

In June, CLPe collaborated with CNOOC Guangdong Water Transport Clean Energy Company Limited to complete Hong Kong's first LNG bunkering with simultaneous cargo operation in June. Around 10,000 cubic metres of LNG, equal to the volume of four Olympic-sized swimming pools, was delivered within 24 hours to an ultra-large international container vessel operated by shipping group Hapag Lloyd while it carried out cargo operations. LNG is a lower-carbon alternative to conventional fuels such as fuel oil and marine gas oil.



CLPe supports the Government's Southbound Travel for Guangdong Vehicles Initiative with a new EV charging station on Lantau Island.

Securing diversified financing sources

Financing costs in Hong Kong decreased as the Group continued to secure a diversified mix of competitively priced funding during favourable market conditions.

In January 2025, CLP Power successfully issued US\$500 million (HK\$3.9 billion) of 5.45% non-call 5.25-year perpetual capital securities for redemption of the outstanding US\$500 million perpetual capital securities issued on 6 November 2019. The issuance was more than seven times over-subscribed, reflecting strong investor confidence. The securities were classified as equity in CLP's financial statements and received 50% equity credit from Standard & Poor's (S&P's) and Moody's Ratings (for 5.25 years from issuance in the case of S&P's), strengthening the Group's capital structure.

CLP Power also arranged HK\$5.5 billion of one- to three-year revolving bank facilities to support refinancing at more competitive interest costs. In addition, financing costs were further reduced through the completion of three-year private bond placements totalling HK\$2.4 billion-equivalent, denominated in Hong Kong and US dollars, broadening CLP Power's debt investor base and extending its debt maturity profile.

Castle Peak Power Company Limited (CAPCO) arranged HK\$2.4 billion in one- and two-year energy transition loan facilities under the Group's Climate Action Finance Framework (CAFF) to refinance at competitive margins to support decarbonisation initiatives. CAPCO also completed three-year private bond placements totalling HK\$2.0 billion-equivalent under CAFF at favourable interest rates. In addition, CAPCO arranged HK\$3.2 billion in emission reduction-linked bank loans for refinancing purposes.

CLP Power and CAPCO maintain Medium Term Note programmes with issuance limits of up to US\$4.5 billion and US\$2.0 billion, respectively. As of 31 December 2025, CLP Power had issued notes with aggregate nominal value of approximately US\$3.3 billion (HK\$26.0 billion equivalent), while CAPCO had issued approximately US\$1.5 billion (HK\$11.6 billion equivalent).

Outlook

CLP Power remains focused on maintaining reliable, world-class electricity supply to support Hong Kong's growth and low-carbon transition. It is well-prepared to meet rising energy demand from data centres and other fast-growing industries as well as major infrastructure projects including the Northern Metropolis, which are key to the future of Hong Kong.

The upgrade to the CETS is due to complete in early 2026, providing CLP Power with flexibility and optionality to import additional non-carbon energy. CLP Power will also continue to progress other decarbonisation projects including the BESS at Castle Peak Power Station and a pilot project to blend hydrogen into natural gas for power generation at Black Point Power Station.

As part of the Hong Kong Government's ongoing efforts to improve air quality, CLP Power's emission allowances for 2030 and thereafter under the Tenth Technical Memorandum of Air Pollution Control Ordinance will be reduced by 3% for sulphur dioxide, 22% for nitrogen oxides and 9% for respirable suspended particulates from the 2026-2029 emission allowances. CLP Power is committed to meeting the more stringent requirements.

CLP Power will continue to invest in technology innovation including AI to deliver better energy services and achieve further cost efficiencies. In addition, CLP Power will complete an updated climate change study on extreme weather risks, further strengthening power supply resilience.

CLPe will explore further opportunities to support businesses and organisations with advanced energy management technologies to reduce their carbon footprint, focused on LNG bunkering, EV charging, CaaS and BESS projects.

CLPe's growing CaaS expertise makes the business well-positioned to support innovation and technology development in the Northern Metropolis, where there is growing demand for energy-efficient district cooling technologies. The flexibility and performance of BESS make this low-carbon technology an increasingly viable replacement for traditional diesel generators in buildings, opening a further growth avenue for CLPe, which has supplied BESS to more than 100 construction sites across Hong Kong.

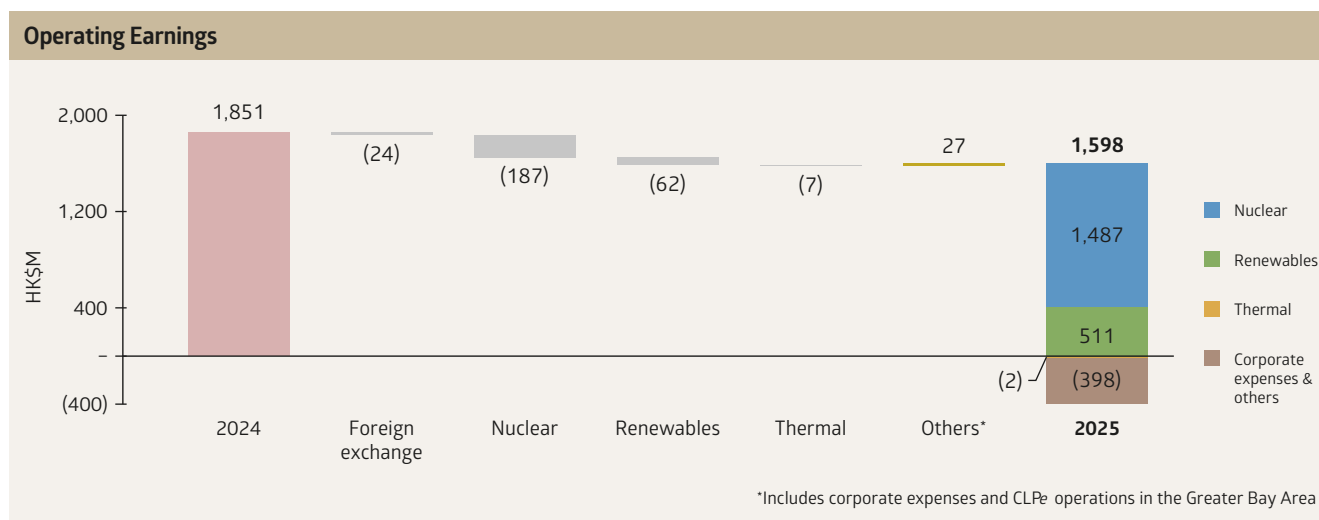
The Protection of Critical Infrastructures Computer Systems Law became effective in Hong Kong on 1 January 2026. As a critical infrastructure operator, the Group has completed thorough preparations and established comprehensive risk management measures and governance frameworks to ensure compliance.



Chinese Mainland

The electricity industry on the Chinese Mainland is largely state-controlled. Transmission and distribution are principally operated by two state-owned enterprises while generation is open for investment. CLP first entered the market in 1979 and is currently one of the largest external investors in the sector with over 50 power projects in 14 provinces, municipalities and autonomous regions. Non-carbon energy including nuclear power and renewable energy account for around 75% of the installed capacity of CLP China, a wholly owned subsidiary of the Group which also provides sustainable energy solutions directly to corporate customers as the energy market continues to open up.

2025 Business Performance



Operating earnings from the Chinese Mainland decreased 13.7% to HK\$1,598 million as fluctuations in overall power market conditions and increased competition affected the financial performance of CLP China's generation assets.

Maintaining stable power generation

Financial contributions from CLP's nuclear energy investments in Guangdong province were reduced by lower earnings from Yangjiang Nuclear Power Station, reflecting a higher proportion of market sales at reduced average tariff due to increased competition. Yangjiang continued to deliver safe and reliable generation, and maintained resilient operations when the plant was directly impacted by Super Typhoon Ragasa in September. Generation and earnings at Daya Bay Nuclear Power Station increased as operations have been enhanced by a comprehensive maintenance programme completed in the prior years.

Earnings from renewable energy fell slightly, partially due to historically low wind resources, particularly in northeast China. Financial performance was further affected by increased grid curtailment, which reduced wind and solar energy generation earlier in the year before the curtailment situation improved since June. Despite the challenges, with contributions from new wind and solar projects and moderately higher hydro generation, CLP China recorded a slight increase in full-year renewable energy output compared to 2024.

CLP China opened a regional centralised control centre in Shandong province to enhance the operational management of its growing renewable energy asset fleet in the province.

The new centre and a similar facility in Jiangsu province deploy advanced digital technologies for real-time operational control and monitoring of CLP China's wind and solar plants in the two provinces, and potentially adjacent provinces in the long-term, to optimise asset performance, operating costs and regional coordination.

Earnings from CLP China's minority coal-fired power investments were affected by heightened market competition which led to lower electricity dispatch. As a result, an impairment provision of HK\$608 million was recognised in 2025.

Commissioning new energy capacity

In 2025, CLP China commissioned four renewable energy projects with combined generation capacity of 386MW: Bobai wind plant in Guangxi Zhuang autonomous region (150MW), and three solar farms in Jiangsu province – Huai'an Nanzha (96MW), Yixing I (90MW) and Yixing II (50MW). Operations of the Guanxian BESS station in Shandong (100MW/200MWh) also started. The Guanxian BESS, together with another 24MW of BESS assets integrated with the three new solar farms in Jiangsu, is designed to store surplus electricity during low-demand periods and discharge it quickly during peak demand times. This supports CLP China in participating more effectively in market sales while preparing to explore additional revenue models for BESS going forward.



Commissioned in 2025, the Guanxian Battery Energy Storage System in Shandong province is CLP China's first independent BESS project.

Chinese Mainland

Another five wind and solar projects with capacity totalling more than 900MW are in construction. They include the soon-to-be commissioned Sandu II Wind Farm in Guizhou (100MW), Hepu Solar Farm in Guangxi (300MW), Xundian III Wind Farm in Yunnan province (50MW) and two wind projects in Shandong – Guanxian (231MW) and Juancheng I (300MW). Guanxian and Juancheng I are some of the largest wind projects in CLP China's portfolio. To maximise energy output and operational efficiency, their wind turbine towers measure around 170 metres in height and are being constructed in a hybrid design that combines concrete sections for the base and body with steel segments for the top part.

In 2025, CLP China obtained a total of RMB2.6 billion (HK\$2.9 billion) of onshore non-recourse project loan facilities for its renewable energy businesses at competitive interest rates.

CLP China is focused on the development of renewable energy projects without government subsidies. Outstanding national subsidy payments owed to CLP China's renewable energy subsidiaries for legacy projects were reduced to HK\$2,517 million at the end of December, compared with HK\$2,716 million a year earlier, after record payments were received in 2025.

Strengthening climate resilience

In mid-June, heavy rainfall resulted in a record level of flooding at Huaiji in Guangdong. While most of Huaiji Hydro Power Stations' 12 plants resumed service immediately after the flooding period, one plant was forced to suspend operations until November due to damage to an external water intake channel. The financial impact of the incident was limited due to insurance coverage.

CLP China conducts regular reviews on the extreme weather resilience of its assets. According to the latest review completed in October, most wind and solar plants were considered low risk. However, some hydro assets including Huaiji were evaluated as subject to higher flooding and landslide risks, and CLP China is strengthening mitigation measures for those plants.

Outlook

Proposals for the 15th Five-Year Plan from 2026 to 2030 underscore China's commitment to a low-carbon development model by setting out further steps to decarbonise the economy in the coming years. The Chinese Government is committed to a 7% to 10% reduction in greenhouse gas emissions by 2035 from the anticipated peak before 2030, as part of the nation's updated Nationally Determined Contributions to the Paris Agreement to limit global climate change. CLP China will continue to focus on enhancing the operations of its non-carbon assets and delivering new renewable energy projects to meet rising demand for low-carbon energy, with a number of projects scheduled for commissioning in the first half of 2026.

Under a new policy from the Central Government, renewable energy projects commissioned after 1 June 2025 are required to fully participate in market transactions. This marks a further shift to market-based energy transactions. To mitigate the risks of price volatility under the new policy, CLP China will focus on securing more offtake contracts and increasing direct sales to corporate users. It is also prioritising projects and regions which offer better returns. In addition, CLP China will continue to pursue opportunities to expand its existing strong presence in provinces such as Shandong, Yunnan and Guizhou to drive further economies of scale and maximise operational synergies.

To capture new growth opportunities and improve investment returns, CLP China will continue to explore cost-effective funding options including the potential issuance of Panda bonds in the domestic market. The Group is also considering establishing a clean energy fund to facilitate capital recycling and further investment in renewable energy assets.

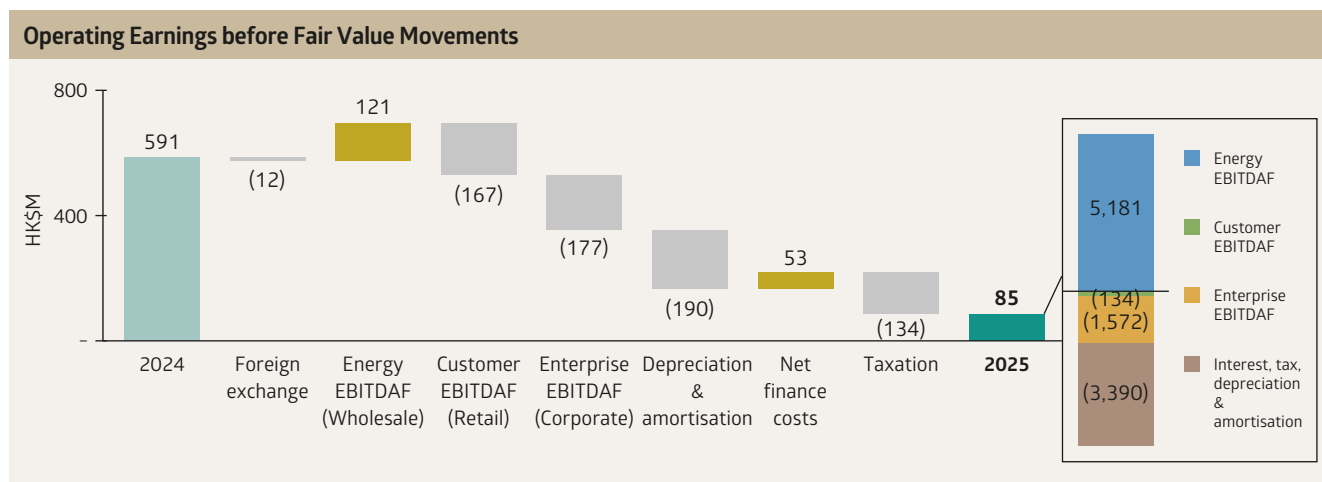


Australia

Rendered Image

Australia's electricity retail market is partially regulated while the transmission and distribution segments remain substantially regulated. Generation and wholesale trading are largely competitive and occur primarily in the National Electricity Market (NEM) spanning eastern and southern states. EnergyAustralia, a wholly owned subsidiary of the Group, is one of the country's largest integrated energy companies, actively participating in the NEM as both a generator and retailer. Its diversified portfolio of assets includes renewables, gas and coal assets, supporting customers in New South Wales, Queensland, South Australia, Victoria and the Australian Capital Territory.

2025 Business Performance



EnergyAustralia's operating earnings before fair value movements dropped 85.6% to HK\$85 million from a year earlier due to reduced contributions from the Customer business in a competitive retail energy market, as well as increased enterprise transformation costs and depreciation. Improved earnings from wholesale electricity operations partially mitigated the decline.

Australia

Stronger power station operations

The financial performance of the Energy business strengthened as EnergyAustralia managed its generation portfolio so that capacity was available during times of high wholesale market demand. This mitigated the impact of lower generation volumes due to power station outages, in addition to the cessation of temporary government payments to relieve fuel costs.

Operations of Mount Piper Power Station in New South Wales benefitted from a major planned outage completed in May which has enabled both generation units to operate more flexibly and reliably. EnergyAustralia will upgrade the plant's generation capacity by 30MW in 2026 as part of a major planned outage on unit 2.

At Yallourn Power Station in Victoria, a multi-year maintenance programme covering all four generation units was completed to strengthen the plant's operations until its scheduled retirement in 2028. However, the ageing facility still suffered two major unplanned outages during the year. Operations of all units have resumed normal. The financial impact of Yallourn's outages was largely mitigated by EnergyAustralia's flexible deployment of its gas-fired generation assets, which maintained high reliability and availability during times of peak electricity market demand. In 2025, an additional HK\$345 million closure cost provision was recognised associated with the planned closure of Yallourn Power Station in 2028.

In March 2025, the Victorian County Court imposed a penalty on EnergyAustralia Yallourn Pty Ltd (EAY) of A\$170,000 for a safety related offence in relation to a 2021 fire that occurred during repair works at Yallourn Power Station. No one was injured in the incident. The Court found that EAY should have used thermal imaging equipment to minimise the risk of fire, which was a process that EAY had already adopted after the incident. EnergyAustralia is committed to strengthening workplace safety, and reported its lowest injury rate on record in 2025.

Ongoing efforts to strengthen retail performance

Intense competition and cost of living pressures in the residential sector continued to affect the financial performance of the Customer business. The number of customer accounts dropped 83,000 to 2.3 million while customer churn increased in line with market trends.

In the face of declining retail performance, EnergyAustralia progressed cost efficiency initiatives within the Customer business while evolving its marketing approach to enhance customer engagement and retention. EnergyAustralia is in advanced planning on a multi-year transformation programme to modernise its technology infrastructure and streamline its operating model. This investment is expected to deliver significant operational efficiencies, and enable more

flexible, tailored energy solutions for customers, positioning EnergyAustralia for sustainable growth in a dynamic energy market.

Customer-focused initiatives in storage and electrification were expanded during the year. EnergyAustralia's virtual power plant (VPP) programme has grown by over 30% in capacity in 2025 with an increased number of home battery and water heating systems being connected. Participating customers are rewarded for sending their surplus energy to the VPP, which re-distributes it to the grid at times of high demand. EnergyAustralia also continued to expand its Community Battery Ease programme by partnering with power distributors that are installing battery storage systems in local communities. The programme enables customers to benefit from lower-cost energy without having to install batteries in their own premises.



EnergyAustralia's EV Night Boost plan offers EV owners low overnight charging rates.

EVs now comprise around 12% of new vehicle registrations in Australia. To meet rising charging demand, EnergyAustralia launched its EV Night Boost programme for residential customers in New South Wales to incentivise off-peak charging.

In May, EnergyAustralia settled a suit filed by advocacy group Parents for Climate Action related to the marketing of EnergyAustralia's Go Neutral carbon offset products. EnergyAustralia no longer offers Go Neutral products and is focused on reducing emissions through direct actions.

In October, EnergyAustralia provided A\$1.2 million of compensation to customers in Victoria who did not receive information from the company on payment assistance entitlements between December 2019 and August 2024 and entered into an Enforceable Undertaking with the Essential Services Commission to ensure remediations are completed and embedded.

In November, EnergyAustralia was fined approximately A\$1 million by the Commission for failing to communicate the best available prices to customers between March 2022 and August 2024. EnergyAustralia has implemented changes to address the root causes involved.

Expanding flexible capacity

EnergyAustralia continued to progress the development of flexible energy capacity projects, working with partners to support the energy transition.

In February, construction began for the 350MW/1,400MWh Wooreen Energy Storage System in Victoria, which will be able to power 230,000 homes for four hours during periods of peak demand. EnergyAustralia arranged a A\$667 million (HK\$3.3 billion) five-year syndicated loan facility in March to finance the development of the utility-scale BESS and formed a 50:50 joint venture with Banpu Energy Australia in June to co-develop it. A HK\$390 million gain was recorded in 2025 from the realisation of Wooreen, post introduction of the joint venture partner.

Also in June, EnergyAustralia and EDF power solutions Australia formed a joint venture with 25% and 75% equity interests respectively for the Lake Lyell Pumped Hydro Energy Storage project in New South Wales. The project will be capable of producing 385MW of renewable energy for up to eight hours during periods of peak demand. An Environmental Impact Assessment was submitted to the State Government in February 2026.

In addition, EnergyAustralia won support from the Federal Government's Capacity Investment Scheme for the development of the Mount Piper Stage 1 BESS in New South Wales in September. When completed, the 250MW/1,000MWh BESS will have the capability to power up to 320,000 homes and small businesses for up to four hours.

Evolving policy environment

Australia has set a new target to reduce emissions by 62-70% by 2035, compared with 2005 levels. The strengthened policy aligns with EnergyAustralia's decarbonisation pathway under its Climate Transition Action Plan, which commits the business to net-zero Scope 1 and Scope 2 emissions by 2050, with an ambition to extend the undertaking to Scope 3 emissions.

In November, the Federal Government announced plans requiring energy retailers to offer free electricity services daily to eligible customers in certain states during a three-hour window around midday. EnergyAustralia is continuing to engage regulators on the implementation of the policy with a focus on ensuring all costs are recovered while maintaining benefits for customers.

Outlook

EnergyAustralia is actively supporting the energy transition through targeted investments to enable secure, affordable and reliable electricity for customers. Two contracted flexible capacity projects – the 200MW Orana BESS project in New South Wales and the 250MW/2,000MWh Kidston pumped hydro project in Queensland – are scheduled to commence operations in 2026 and 2027, respectively. Construction of the 50MW Hallett BESS in South Australia is expected to start in 2026, while final investment decisions for the Lake Lyell pumped hydro project and Mount Piper BESS are anticipated later in the year. The Wooreen project is on track to start operations in 2027.

EnergyAustralia remains committed to retiring Yallourn Power Station in 2028, aligning with CLP's target of phasing out coal-fired generation before 2040. A Declared Mine Rehabilitation Plan has been submitted to the Victorian Government following public consultations. The plan proposes creating a lake at the coal mine site to provide recreational spaces and alternative employment. EnergyAustralia is also progressing plans for the development of new flexible energy capacity opportunities including gas-fired and solar energy generation with long-duration battery energy storage at the Yallourn site following the plant's closure to support future power demand from data centres and other major electricity users.

The Australian Energy Market Commission will implement reforms to electricity market rules in stages throughout 2026. Energy retailers are required to provide information to customers to help them evaluate the best market offers and put caps on retail prices for energy services. The reforms are expected to further increase competitive pressures for retailers.

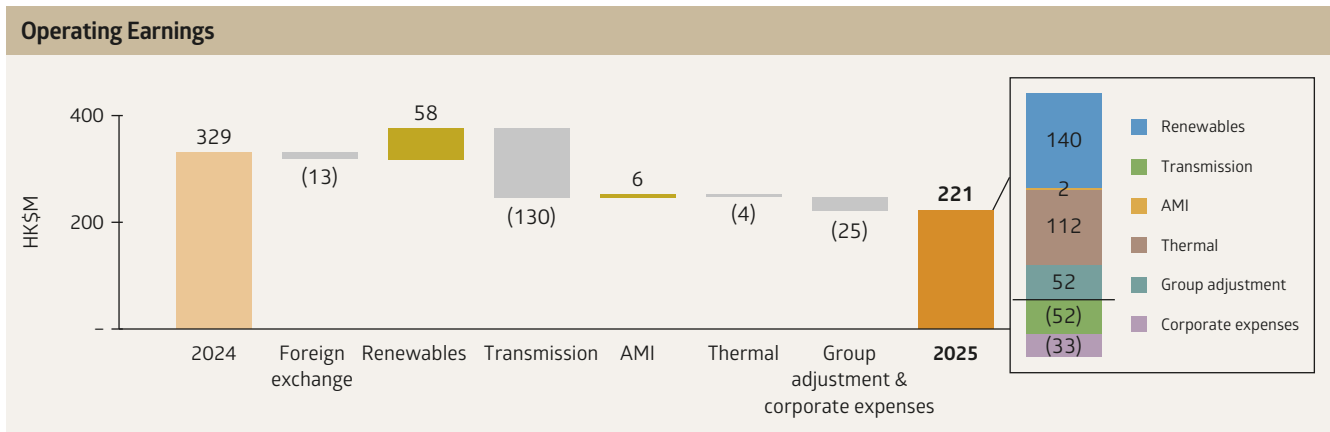
EnergyAustralia has entered a strategic partnership with Tata Consultancy Services to accelerate operational transformation across key functions including finance, technology, and procurement. This partnership is designed to deliver material improvements in efficiency, scalability and cost management, while enabling EnergyAustralia to focus on its core business and strategic growth priorities.



India

While much of the electricity industry in India has traditionally been owned and controlled by the Federal and State Governments, private companies have been investing in the generation and increasingly transmission and distribution segments. CLP entered the Indian market in 2002 and currently operates as Apraava Energy, a 50:50 joint venture with Canada's La Caisse (formerly CDPQ). Apraava Energy has a diversified portfolio comprising renewable energy generation, transmission and smart meter assets.

2025 Business Performance



Operating earnings in India dropped 32.8% to HK\$221 million as Apraava Energy recognised an impairment charge on a transmission asset, offsetting increased contributions from renewable energy generation.

Delivering solid energy operations

Output from the renewable energy fleet increased due to improved wind resources and the full commissioning in early 2025 of the 251MW Sidhpur Wind Farm in Gujarat state, the biggest in Apraava Energy's portfolio. Solar energy operations remained stable while generation was slightly lower due to reduced irradiance. However, Apraava Energy's overall output was down marginally as generation in Jhajjar Power Station in Haryana state dropped due to lower demand, though not impacting profitability.

In October, Apraava Energy agreed to sell its entire interests in Jhajjar to Jindal Jhajjar Power Limited. The planned divestment is in line with Apraava Energy's strategy to focus on non-carbon businesses.

Apraava Energy's Satpura Transco Private Ltd. maintained high availability of its 240-kilometre (km) transmission line in the state of Madhya Pradesh. Kohima-Mariani Transmission Ltd., operator of a 254 km interstate transmission line across three northeastern states, also performed well. However, its

financial performance was affected by a non-cash impairment charge following a reassessment of debt sizing and discount rates.

Progressing new project development

Apraava Energy continued to progress the construction of two solar energy projects in Rajasthan state – the 250MW NHPC Bhanipura I and the 300MW NTPC Bhanipura II. However, the commissioning schedules for both projects have been affected by delays in the delivery of external transmission infrastructure for connecting the solar farms to the grid.

The Fatehgarh IV transmission project in Rajasthan, comprising a 21 km transmission line and a 2,500 megavolt-ampere (MVA) substation, was commissioned in January 2026. The asset will connect to Apraava Energy's Fatehgarh III project, a 230 km transmission line currently under construction. Together they form part of a transmission system that will connect 20GW of renewable energy to the federal grid.



Gale Solar Farm continues to serve the state of Maharashtra with its reliable operation.

India

Apraava Energy continued to advance construction of two other transmission projects: the Rajasthan IV A project in Rajasthan, comprising around 200 km of transmission lines and a 6,000MVA substation; and the Karera transmission project in Madhya Pradesh, with 43 km of power lines and a 3,000MVA substation.

Apraava Energy expanded its advanced metering infrastructure (AMI) business after signing contracts this year for the installation of more than 2.8 million additional smart meters in the states of Himachal Pradesh and Madhya Pradesh, as well as the Union Territory of Puducherry. These projects took Apraava Energy's AMI portfolio to 9.7 million smart meters across nine projects in India. More than 2.5 million smart meters had been installed by the end of 2025.

Outlook

Apraava Energy will focus on delivering its portfolio of new renewable energy, transmission and AMI projects. When completed, the projects will add 2.1GW-equivalent of non-carbon energy capacity to expand Apraava Energy's capabilities to serve the low-carbon energy needs of India, one of the world's fastest-growing economies. Apraava Energy views the improved relations between the Indian and Chinese governments as mutually beneficial for both countries in the long term.

The NHPC Bhanipura I and the NTPC Bhanipura II solar projects in Rajasthan are scheduled to start operations in early 2027, subject to the readiness of onward transmission infrastructure. Apraava Energy is also seeking a power purchase agreement to start construction of a new 50MW solar project in the state. Meanwhile, work is scheduled to start at Apraava Energy's 300MW wind farm in Karnataka state in the first quarter of 2026.

Commissioning of the two transmission projects in Rajasthan - Fatehgarh III and Rajasthan IV A - is targeted for the second half of 2026. Operations of the Karera transmission project in Madhya Pradesh are also expected to start during the period.

The agreed divestment of Jhajjar Power Station is scheduled for completion in the first quarter of 2026.

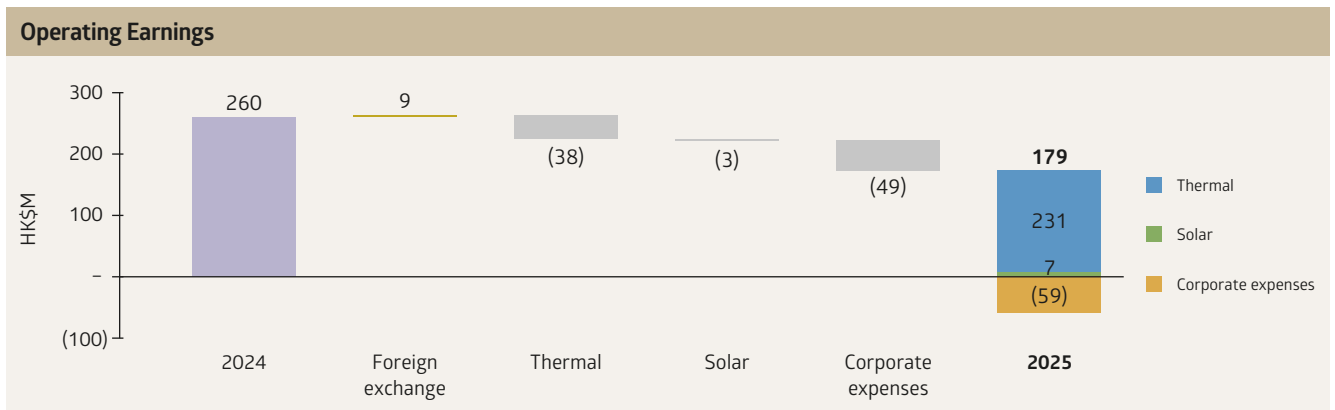
Apraava Energy will continue to compete for opportunities to develop new non-carbon energy projects through auctions, though competition is expected to remain intense. In addition, Apraava Energy will also explore potential acquisitions if government approval processes for transactions are simplified.



Taiwan Region and Southeast Asia

To support future growth, CLP is exploring new low-carbon opportunities in other parts of Asia, where the Group currently has minority interests in a coal-based generation plant in Taiwan Region and a solar project in Thailand. In Taiwan Region, independent power producers sell electricity to government-owned Taipower under long-term contracts and demand for renewables is growing rapidly underpinned by the fast-expanding semiconductor industry. In Thailand, private investment is mainly in generation, while transmission and distribution remain state-controlled.

2025 Business Performance



Operating earnings from the Group's investments in Taiwan Region and Southeast Asia decreased 31.2% to HK\$179 million due to lower fuel cost recoveries at Ho-Ping Power Station in Taiwan Region.

Ho-Ping's operations were disrupted by an equipment malfunction in late May at one of the plant's two generation units, leading to an unplanned outage. The power station has maintained reliable operations since the unit returned to service in June, and full-year generation increased.

In Thailand, generation at Lopburi Solar Farm was slightly lower due to reduced irradiance and outages of external transmission lines. Financial performance was also affected by lower tariffs.

Outlook

CLP is focused on capturing growth opportunities from low-carbon energy outside its core markets, particularly in the Asia Pacific region where demand for low-carbon energy is accelerating. CLP will continue to explore potential acquisitions and other opportunities including greenfield renewable energy developments, corporate power purchase agreements and transmission.

With its key role in supporting the Taiwan Region's energy security, Ho-Ping aims to continue providing reliable power generation beyond 2027 subject to an extension of its power purchase agreement, which is due to expire that year.