

Risk Management Report

CLP cultivates a strong culture with enduring purpose and values, driving the ambition to provide sustainable energy and create long-term value for shareholders, customers, employees and the wider community. These principles shape CLP's strategy – focusing on enhancing the core business and pursuing sustainable growth to enable the energy transition. Risk management, as the cornerstone of this journey, provides a systematic approach to anticipate and address uncertainties, safeguard strategic objectives and embed resilience into every level of the Group's operations. By integrating risk considerations into strategic planning and daily decisions, CLP further builds upon its ability to deliver on its purpose with confidence and agility in a rapidly evolving environment.

CLP's Risk Management Framework

An effective risk management framework is essential for any organisation seeking sustainable growth and long-term value creation for its shareholders, customers, employees and the broader community. CLP defines risk as the effect of uncertainty on the achievement of its business objectives. The effect can be positive, negative or both, and may give rise to opportunities as well as threats. By identifying risks proactively, it ensures uncertainties are well understood and managed, enabling threats to be effectively mitigated and opportunities to be appropriately captured in support of value creation.

Risk management is embedded in CLP's ways of working. Recognising that risk management is the responsibility of everyone in the organisation, CLP continues to cultivate and embed risk awareness into its overarching culture. Supported by clear accountability across the organisation, CLP maintains a structured, Group-wide framework where risk management is integrated into all key business and decision-making processes.

CLP's risk management framework consists of four interdependent elements:

◆ Risk Management Objectives

Establishing clear, Group-wide objectives that guide how risks are identified, assessed and managed to support the Group's strategic priorities.

◆ Risk Appetite

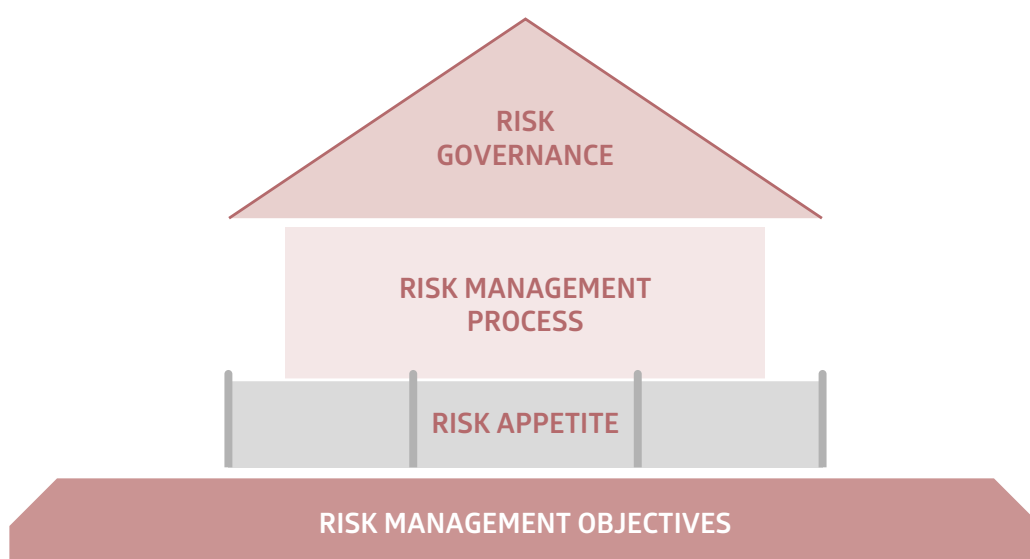
Articulating the level and types of risk the Group is willing to accept in pursuit of its goals, ensuring balanced decision-making and effective resource allocation.

◆ Risk Management Process

Applying a structured approach to identifying, evaluating, responding to, monitoring and reporting risks across all levels of the organisation.

◆ Risk Governance

Ensuring strong oversight, accountability and transparency through well-defined governance structures as well as roles and responsibilities, enabling consistent and effective risk management practices.



CLP's Risk Management Objectives

Clear risk management objectives articulate the purpose and expected outcomes of risk activities at both strategic and operational levels. They create coherence by defining consistent expectations for how risks are identified and addressed, aligning all business units toward common goals and forming a strong foundation for an effective risk management framework.

- ❖ At a **strategic level**, CLP focuses on the identification and management of material risks inherent in the pursuit of the Group's strategic and business objectives. In seeking growth and transformation opportunities, CLP aims to optimise risk and return through diligent and independent evaluation, ensuring that strategic decisions are made with a clear understanding of potential risks and rewards.
- ❖ At an **operational level**, CLP seeks to identify, analyse, evaluate and mitigate operational hazards and threats while capturing opportunities for operational improvement where appropriate. This supports the maintenance of a safe, healthy, efficient and environmentally responsible workplace for employees and contractors; safeguards public safety and health; minimises environmental impact; and ensures asset integrity and appropriate insurance coverage.

Integrating Risk Management and Strategy

The Group's strategic direction guides risk identification and prioritisation, while insights from risk management refine strategic responses and are integrated into business and decision-making processes. Central to this approach, [Climate Vision 2050](#) and [the assessments of megatrends and material topics](#) inform CLP's strategy and investment decisions. This iterative approach ensures risk management remains current, relevant and effective, providing a holistic view of risks and opportunities to support optimal decision-making that balances risk and reward.

CLP's Risk Appetite

CLP's risk appetite defines the nature and extent of the risks the Group is willing to accept in pursuit of its strategic and business objectives. It reflects CLP's Value Framework and the expectations of stakeholders, as well as the Group's commitment to well-considered risk-taking. The Group undertakes only reasonable risks that are aligned with its strategy and capability, are diligently evaluated and managed through robust risk management and governance processes, and do not compromise the Group's long-term sustainability, resilience, or reputation. Consistent with this approach, CLP does not accept risks that could expose the Group to the following:

- ❖ 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;
- ❖ Operational interruptions or loss of service continuity that could lead to significant impact on customers or the community;
or
- ❖ Severe environmental incidents.

CLP has established risk profiling criteria in the form of a matrix comprising a spectrum of consequences and likelihood that align with its risk appetite. This facilitates the assessment of both consequences and likelihood for each identified risk. A risk rating is then derived by combining these two factors, enabling risk prioritisation and informed decision-making. Non-financial consequence categories as outlined above are considered alongside financial consequences.

CLP's Risk Management Process

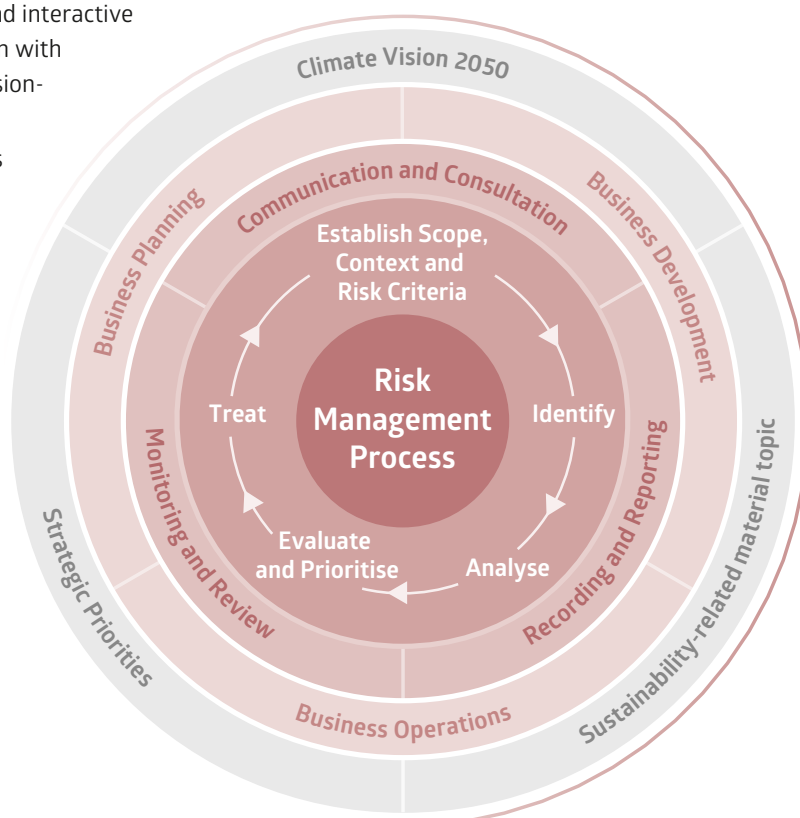
Risk management objectives and risk appetite form the strategic foundation of the end-to-end risk management process. They clarify the purpose, direction and limits within which risk activities are carried out across the organisation.

The end-to-end risk management process involves:

- ❖ **Establishing the scope, context and risk criteria** to define what will be assessed, clarify the internal and external environment and influences, and set standardised and systematic evaluation rules, to enable focused and consistent analysis.
- ❖ **Identifying risks** to recognise the uncertainties affecting the objectives within the defined scope.
- ❖ **Analysing risks** to explore the nature of risk and understand how and why it occurs and its potential impact. Key considerations include the risk sources, events, scenarios, assessment of the consequences and likelihood, existing controls and their effectiveness.
- ❖ **Evaluating and prioritising risks** to compare analysed risks against the established risk criteria and appetite, determining if a risk is acceptable (or should be avoided) or requires treatment. Risks are then prioritised to ensure significant risks are treated promptly, and resources are optimised by focusing on high-impact exposures.
- ❖ **Treating risks** by formulating and selecting response options, implementing controls (if considered inadequate), and assessing their effectiveness.

An effective risk management process relies on supportive activities that operate continuously against the backdrop of all process stages. By keeping information clear, current and well understood, these practices help ensure the process remains consistent, transparent and dependable. They strengthen organisational alignment and enable timely adjustments as conditions and risks evolve. The following steps are taken in the risk management process:

- ❖ **Communication and consultation:** A continuous and interactive process, involving communication and consultation with stakeholders that contributes to transparent decision-making.
- ❖ **Recording and reporting:** Processes and outcomes are documented and reported clearly to facilitate consistent communication and provide information for decision-making across the organisation.
- ❖ **Monitoring and review:** Monitor residual risks and treatment effectiveness, identify risk-impacting changes, and continually strengthen the risk management process.



CLP's Risk Governance

CLP's risk governance structure enables systematic and well-informed decision-making in pursuit of the Group's strategic and operational objectives. It is designed to anticipate and manage uncertainty, enhance organisational resilience, and provide reasonable, though not absolute, assurance that material risks are identified, understood and managed within the Group's risk appetite. Clear governance, defined accountability and transparency are embedded across the organisation to support consistent and effective risk management.

Board oversight

The Board of Directors, supported by the Audit & Risk Committee, has overall accountability for oversight of the Group's risk management framework. The Committee regularly reviews the Group's risk profile and significant risk exposures, with particular focus on changes in the internal and external operating environment, emerging risks and management plans to manage and mitigate material risks. This process enables constructive dialogue and challenges at Board level on risk-related matters that may impact strategy, performance and long-term value creation.

Executive responsibility

The Chief Executive Officer and the Group Executive Committee are responsible for the effective operation of risk management across the Group. A strong risk awareness culture is promoted by actively identifying, assessing and managing material risks, with risk considerations embedded in various business processes. Regular and transparent risk reporting supports timely escalation and effective Board oversight.

Three lines in practice

CLP applies a clearly defined three-line structure throughout the organisation to strengthen accountability and support effective risk management, comprising:

❖ First line – Management and Operations

Business units are the risk owners responsible for identifying, assessing and managing risks within their areas of responsibility. Risk management is embedded into day-to-day operations, decision-making and business activities.

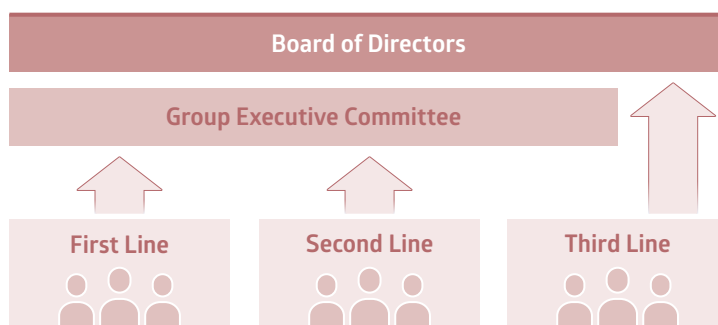
❖ Second line – Risk and Oversight Functions

Group Functions, including Risk Management and Internal Control, Finance, Tax, Operations, Digital, Legal, Human Resources and Sustainability, provide specialist expertise, establish Group-wide risk management policies and standards, monitor material and emerging risks, and provide guidance to support consistent risk management practices.

❖ Third line – Independent Assurance

Group Internal Audit provides independent, objective assurance to the Board on the effectiveness of the Group's risk management framework, governance structures, and key risk management processes.

Together, these elements support a coordinated approach to managing risk, reinforce accountability at all levels of the organisation, and strengthen confidence in CLP's ability to navigate uncertainties while delivering sustainable long-term value.



Implementing the Framework through a Top-down and Bottom-up Approach

The following section demonstrates how CLP's risk management framework operates in practice through our quarterly risk review process, which integrates top-down strategic oversight with bottom-up operational input across our governance structure.

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 Approach

- ❖ At Group Risk Management quarterly meetings, members of the Group Executive Committee examine top-tier risks and other material risks relevant to the business. This dialogue enables management to identify and respond to evolving risks early.
- ❖ Furthermore, emerging risks are identified by observing changes in organisational contexts, supported by internal and external sources. These risks typically surface as new circumstances or conditions not previously recognised, or as changes in the profiles of established risks.
- ❖ Group Risk Management facilitates the sharing of material risk insights and emerging risk findings with relevant business units and Group functions for further assessment and monitoring.

Bottom-up Approach

- ❖ 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 selects focused topics for discussion at the Group Risk Management Meeting. The final report is submitted to the Audit & Risk Committee on a quarterly basis.
- ❖ Deep-dive presentations on selected risks are provided to the Committee for in-depth review.



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 that are considered material to the Group and the steps taken to mitigate them:

Power sector reforms in China

In February 2025, China's National Development and Reform Commission (NDRC) issued a new policy that accelerated the transition of wind and solar projects to market-based trading. To provide revenue stability during this shift, the policy introduced a pricing mechanism under which the portion of electricity generation entered into the mechanism is settled with reference to a benchmark price determined through provincial auctions, while the remaining output is sold directly into the spot market or corporate off-takers.

The market reform is implemented through province-specific frameworks, requiring market participants to adapt to different local arrangements. As levelised generation costs continue to evolve, bidding dynamics have become increasingly competitive, contributing to pressure on tariffs. Seasonal fluctuations in renewable resource availability may also affect dispatch levels. These evolving market conditions create a wider range of possible revenue outcomes and greater uncertainty for projects.

The Group's risk management strategy focuses on maintaining stable and sustainable returns by balancing revenue certainty, through prudent participation in mechanism-based tariff bidding, with the potential upside available from corporate sales agreements. For new developments, CLP assesses site suitability in relation to tariff structures and dispatch patterns, pursues selective expansion of existing projects and prioritises opportunities in regions with strong and consistent power demand. In parallel, the Group continues to enhance its market intelligence and regulatory monitoring capabilities to stay abreast of provincial practices, policy developments and pricing trends, supporting timely and well-informed portfolio and investment decisions as the market evolves.

Increasing adoption of artificial intelligence solutions

During the year, CLP continued investing in organisational capability to support the responsible adoption of artificial intelligence (AI). This included AI literacy programmes, promotion of approved tools and workforce collaboration to facilitate AI use case identification across the business. Recognising the inherent challenges of data privacy, algorithmic bias and transparency risks, CLP further strengthened its governance control. In August 2025, CLP launched the Group AI Policy to establish clear principles for responsible deployment aligned with international standards. Task forces have been set up to review risk assessments of AI solutions and oversee the AI portfolio with periodic reporting in line with the Group's risk management process. The Group remains vigilant that use cases with foreseeable risks that would violate the AI Principles will not be implemented.

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.

CLP recognises that sustainability-related and climate-related risks and opportunities are deeply intertwined with its material risks. They are treated as both standalone risks and drivers for other material risks. As standalone risks, they provide specific context for CLP to identify, assess and monitor risk exposure, and to prioritise alongside other material risks through the same management process. Notably, the significance of climate factors to the company's business strategy necessitates designated standalone risks to enable focused management of climate-related transition and physical risk exposure. When considered as drivers, sustainability and climate factors are integrated into the broader evaluation of other material risks. In turn, CLP evaluates how these material risks could influence the company's energy transition, establishing comprehensive sustainability and climate integration across the risk framework. This approach ensures that CLP's risk profile remains aligned with its strategic priorities and the sustainability topics most likely to impact the business and its stakeholders.

Following the latest [materiality 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

Operational Risk

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

Following several power supply incidents in 2024, an independent consultant was engaged to re-examine the incidents and conducted a comprehensive review of CLP's power system in Hong Kong in 2025, providing recommendations to enhance its stability and reliability.

CLP began proactively implementing the enhancements recommended during the review exercise. While acknowledging that the majority of the power supply incidents were attributed to external factors, CLP continued strengthening its grid resilience and prioritising measures for high-risk and critical assets against extreme weather and external factors. Measures include deploying an AI-powered grid monitoring system, strengthening flood prevention at substations and installing lightning protection equipment.

CLP manages operational risks by:

- Executing targeted Group-wide initiatives to minimise the risk of serious injuries and fatalities (SIF);
- Reinforcing operations and systems to maintain high operational and environmental performance;
- Enhancing emergency responsiveness and stepping up drills with government departments and other stakeholders in handling power incidents;
- Using a range of climate scenarios to formulate strengthened plans and site-specific adaptation measures to cope with the heightened risks of extreme weather events;
- Enforcing a Group-wide Project Management Governance System to facilitate high standards in project delivery;
- Implementing Group-wide cybersecurity policies and standards with appropriate controls, technologies and practices at all levels, while cultivating a resilient cybersecurity culture across the Group; and
- Establishing a Group-wide AI Policy, governance framework and risk assessment processes for the development and deployment of AI solutions.

Group Top-Tier Risks – Operational	Climate Interconnectivity	Change in 2025	Primary Material Topics
1. Major HSE incidents Strategic Priorities: Enhance and extend core markets References: p.39, 57, 62, 256-259	Physical – Increasing frequency and severity of extreme weather events heighten the risk of onsite safety incidents.	◀ ▶	
2. Cybersecurity – OT systems Strategic Priorities: Enhance and extend core markets References: p.46		◀ ▶	
3. Cybersecurity – IT systems Strategic Priorities: Enhance and extend core markets References: p.46		◀ ▶	
4. Asset performance and major failures Strategic Priorities: Enhance and extend core markets References: p.53-55, 59, 62	Physical – Extreme weather events can directly affect the assets' integrity and reliability, while chronic shifts in natural resources patterns introduce uncertainty, particularly for the performance of renewable energy plants.	◀ ▶	
5. Climate-related physical risk Strategic Priorities: Enhance and extend core markets References: p.31, 37-38, 53, 60	Physical – Extreme weather events and chronic climate shifts such as water stress and rising ambient temperature serve as the primary determinant of operational resilience, directly testing the adequacy of asset adaptation measures.	◀ ▶	
6. Major projects delay/cost overrun Strategic Priorities: Enhance and extend core markets References: p.57	Transition – CLP's new investments are aligned with Climate Vision 2050 , and their timely delivery is crucial for the Group to meet its climate commitments.	◀ ▶	
7. Adoption of AI Solutions Strategic Priorities: Build organisational capabilities References: p.45-46, 108		◀ ▶	

Market and Commercial Risk







Market and 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.

Coal supply reliability for Mount Piper Power Station faces ongoing geological challenges at the mines. EnergyAustralia mitigates this exposure through diversified and strengthened supply arrangements as well as exploring operational flexibility options that enable effective coal management.

Collection progress of the national subsidy for CLP's renewable energy assets on the Chinese Mainland has improved significantly year-on-year, reducing the likelihood of further risk escalation.

CLP manages market and commercial risks by:

- a) Regularly reviewing business operations including to plant reliability and efficiency, hedging strategies, business planning approaches and company capital structures;
- b) Assessing pricing strategy continuously to manage customer churn in the Australian market;
- c) Implementing strategies to manage wholesale and retail positions;
- d) Complying with the Energy Risk Policy and ensuring energy market transactions are subject to continuous oversight;
- e) Establishing sufficient fuel stockpiles and contingency plans for potential supply disruptions; and
- f) Diversifying fuel sources and fuel procurement strategies to secure a stable supply of fuel at competitive prices.

Group Top-Tier Risks – Market and Commercial	Climate Interconnectivity	Change in 2025	Primary Material Topics
8. Coal supply reliability – Australia Strategic Priorities: Enhance and extend core markets Reference: p.62	Transition – The accelerating global phase-out of coal is discouraging long-term investment in coal mining and transport, increasing supply chain uncertainty for Mount Piper Power Station.	◀ ▶	
9. Market price volatility – Australia Strategic Priorities: Explore long-term growth options Reference: p.62, 240	Transition – Rapid customer adoption of distributed energy technologies is a key driver of shifts in supply and demand profiles, fundamentally increasing market volatility.	◀ ▶	
10. Tariff adjustment challenge – Hong Kong Strategic Priorities: Enhance and extend core markets Reference: p.53	Transition – Evolving transition policies may become an emerging driver of future fuel cost structures, potentially placing indirect pressure on base tariff adjustments over the longer-term.	◀ ▶	
11. Delayed national renewable energy subsidies – Chinese Mainland Strategic Priorities: Enhance and extend core markets Reference: p.60		◀ ▶	
12. Gas supply security – Hong Kong Strategic Priorities: Enhance and extend core markets Reference: p.53	Physical – Extreme weather events can disrupt stable gas supplies. Transition – A competitively priced and sustainable gas supply is essential for CLP to support the Hong Kong Government’s fuel mix strategy and decarbonisation targets.	◀ ▶	 

Regulatory Risk

As CLP progresses its strategy to address climate change, the pace of implementation could be affected by external and internal factors, potentially derailing the decarbonisation pathway.







Regulatory changes in the Hong Kong Scheme of Control business remain an ongoing exposure for CLP. As one of the major critical infrastructure operators in Hong Kong, the company has been proactively engaging with the authorities and established systems to ensure its compliance with the Protection of Critical Infrastructures (Computer Systems) Ordinance coming into effect in January 2026.

On the Chinese Mainland, a new policy released in February 2025 accelerated the transition towards a more market-based trading structure for renewable energy projects and introduced variations in provincial implementation approaches (refer to Emerging Risks to the Group on page 108 for more details).

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

CLP manages regulatory risks 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, Chinese Mainland, Australia and India markets;
- 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 low-carbon energy;
- h) Upgrading CLP Power's Clean Energy Transmission System (CETS) to allow for the import of more non-carbon energy;
- i) Continuously evaluating the procurement strategy to maintain sustainability compliance and liaising with suppliers to mitigate sanction risk exposure; and
- j) Conducting supply chain reviews for imported asset equipment and spares, while exploring alternative sources and localisation opportunities.

Group Top-Tier Risks – Regulatory	Climate Interconnectivity	Change in 2025	Primary Material Topics
13. Regulatory changes – Hong Kong Strategic Priorities: Enhance and extend core markets Reference: p.54-55	Transition – CLP's decarbonisation strategy supports the Hong Kong Government's plan to promote zero-carbon energy and electrification, while strengthening CLP's reputation as a trusted partner.	◀ ▶	
14. Regulatory changes – Chinese Mainland Strategic Priorities: Enhance and extend core markets Reference: p.41, 59-60, 108	Transition – Ongoing market reforms driven by the Chinese Mainland's energy and climate policies require the Group to adapt strategically.	◀ ▶	
15. Regulatory changes – Australia Strategic Priorities: Explore long-term growth options Reference: p.41, 63	Transition – The speed and orderliness of energy transition policies create uncertainty around new investment returns and alter existing assets' risk profile, necessitating regular strategic reviews of the portfolio.	◀ ▶	
16. Regulatory compliance – Australia Strategic Priorities: Build organisational capabilities Reference: p.62-63		◀ ▶	
17. Climate-related transition risk Strategic Priorities: Deliver Climate Vision Reference: p.31-36, 41, 54-56, 62-63, 66	Transition – The pace of market change, combined with the Group's commitment to its decarbonisation targets, are fundamental drivers that directly challenging the execution of its energy transition strategy.	◀ ▶	
18. Geopolitical and sanctions risk Strategic Priorities: Pursue growth outside core markets Reference: p.49		◀ ▶	




Financial Risk

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 leading to foreign exchange and equity market volatility. Group-level earnings may also be impacted by mark-to-market fair value movements.

In August 2025, Moody's Investors Service raised its outlook on EnergyAustralia's Baa2 issuer rating from stable to positive, which supports the strategy for self-funded investments.

CLP manages financial risks by:

- a) Timely review and replenishment 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 the 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	Climate Interconnectivity	Change in 2025	Primary Material Topics
19. Availability of competitive funding Strategic Priorities: Enhance and extend core markets Reference: p.43-44, 55, 57, 60, 241-243	Transition – CLP's credible transition plan and its ability to deliver on its decarbonisation targets strengthen its reputation, enabling the company to access sustainable financing.	◀ ▶	
20. Financial market volatility Strategic Priorities: Enhance and extend core markets Reference: p.43, 238-241, 244-246		◀ ▶	
21. Default of Group's financial counterparties Strategic Priorities: Enhance and extend core markets Reference: p.43, 241		◀ ▶	



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 has completed Phase I of the Enterprise Resource Planning system, and continued to improve customer engagement and experience, cost-effectiveness, system flexibility and reliability, while strengthening its organisational capabilities.

CLP manages transformation risks by:

- a) Strengthening 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) Embedding CLP's Value Framework into daily practices through a series of employee engagement activities.

Group Top-Tier Risks – Transformation	Climate Interconnectivity	Change in 2025	Primary Material Topics
22. Digital transformation Strategic Priorities: Build capabilities Reference: p.45	Transition – Smart meters and advanced data technologies enable CLP to derive insights from operational and customers' electricity usage data, supporting greater energy efficiency and reduced emissions.	◀ ▶	
23. Organisation capability development Strategic Priorities: Build capabilities Reference: p.47-48		◀ ▶	

Effectiveness Review of Risk Management and Internal Control Systems

The approach adopted by CLP aims to coordinate and optimise its risk and assurance efforts as described on page 106 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 100 and the Audit & Risk Committee Report on pages 117 to 118.



Alexandre Jean Keisser
 Chief Financial Officer
 Hong Kong, 26 February 2026

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. During the reported period (full-year 2025 and for 2026 up to the date of this Report) (the Period), the Committee Members were:

Members

Ms May Siew Boi Tan
(Chairperson)

Mr Nicholas C. Allen

Mr Chunyuan Gu

Ms Wang Xiaojun Heather

Mrs Kung Yeung Yun Chi Ann

[Biographies](#) of the Members are set out in the "Board of Directors" section on page 70 and on our website.

The role and responsibilities of the Committee are set out in the Committee's [terms of reference](#) (available on CLP website). The key responsibilities of the Committee include:

- ◆ satisfying itself that good risk management, internal controls and ethical practices are applied;
- ◆ assuring appropriate accounting principles and reporting practices are applied;
- ◆ performing the oversight duties on matters of corporate governance;
- ◆ satisfying itself that the scope and direction of external and internal auditing are adequate; and
- ◆ reviewing the assurance process of sustainability data for reporting purposes.

The Committee works closely with the auditors and management-level Group function(s) 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;
- ◆ Chief Strategy, Sustainability and Governance Officer – Mr David Simmonds;
- ◆ Senior Director – Group Internal Audit (GIA) – Mr Eric Chan;
- ◆ Senior Director & Group Controller – Mr Pablo Arellano;
- ◆ Senior Director – Group Legal Affairs – Ms Corinne Katz;
- ◆ 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; attendance as observers at Committee meetings are subject to strict confidentiality obligations and the permission from the Committee Chair.

Group Internal Audit

CLP's GIA department plays a major role in monitoring the internal governance of the CLP Group. The head of the department, Senior Director – GIA, leads a well-resourced department of 23 highly qualified professional staff.

The Senior Director – GIA reports directly to the Audit & Risk Committee and has the right to consult the Audit & Risk Committee without reference to management.

Independent Auditor

The Group engages PwC (Certified Public Accountants and Registered Public Interest Entity (PIE) Auditor) as our external independent auditor.

Meetings and Attendance

During the Period, the Committee held six meetings in 2025 and another two meetings in 2026. 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 2025 meetings is set out in the Corporate Governance Report on page 90.

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.

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 four EnergyAustralia ARC meetings which included the meetings held in July and December 2025 for the consideration of key accounting judgements in relation to the half-year and full-year financial statements of EnergyAustralia. For the interim period from 1 January 2026 to 28 February 2026, CLP's CFO was the Chairman of EnergyAustralia ARC as the former ARC Chairman took up the role of Chairman of EnergyAustralia board and before a new EnergyAustralia independent non-executive director joined the EnergyAustralia board and was appointed as ARC Chair. The former Chairman of EnergyAustralia ARC participated in two meetings of this Committee.

Apraava Energy

Apraava Energy is 50% owned each by CLP and La Caisse formerly known as CDPO. Apraava Energy's board of directors comprises three representatives from each of CLP and La Caisse and is chaired by CLP's CFO. Apraava Energy has an audit committee that comprises two representatives from each of CLP and La Caisse 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:

	2025						2026	
	Jan	Feb	May	Jun	Jul	Nov	Jan	Feb
Risk Management, Internal Control and Compliance								
Quarterly risk management report		◆	◆		◆	◆		◆
In depth briefing on heightened risk or risk related topics								
◆ Cybersecurity					◆		◆	
◆ CLP Power's insurance regime							◆	
◆ EnergyAustralia regulatory compliance update			◆			◆		
◆ Security review of Hong Kong based business			◆			◆	◆	
◆ CLP Power's operational resilience framework			◆		◆	◆		
◆ 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 / climate-related financial information		◆			◆		◆	◆
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		◆						◆
GIA strategic plan and internal audit plan			◆			◆		
Corporate Governance								
Corporate governance trends, developments and related policies	◆					◆	◆	
Code of Conduct and whistleblowing cases		◆	◆	◆	◆	◆		◆
Continuing connected transactions		◆						◆
Evaluation of effectiveness		◆						

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 management's assurance in support 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.</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 appropriate and effective 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 Group's cybersecurity position including the heightened regional threat environment and the increasing prevalence of ransomware attacks. The Committee also reviewed the findings of the Ernst & Young maturity assessment and the progress on Hong Kong's critical infrastructure legislation requirements. ❖ CLP Power's insurance regime – The Committee was updated on CLP Power's insurance portfolio and this was reviewed in light of the increase in frequency of extreme weather events. ❖ EnergyAustralia regulatory compliance update – The Committee and management discussed the importance and progress of EnergyAustralia's Regulatory Compliance Uplift Program for the retail business, noting improvements delivered to date as well as the challenges. ❖ Security review of the Hong Kong business – The Committee was briefed on the overall security status for the business including the materials management system. ❖ CLP Power's operational resilience framework – The Committee provided guidance in the formulation of the proposed framework for CLP Power's critical infrastructure operational resilience. ❖ CLP China renewables subsidies update – The Committee was briefed on the status of CLP China renewables national subsidies receivables. 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	
Compliance	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. This included the review of the regulatory cases for EnergyAustralia's retail business which was also covered in the deep dive session on regulatory compliance update.
Annual and Interim Financial Reports	
Annual Reports and Interim Report	The Committee reviewed the 2024 and 2025 Annual Reports and the 2025 Interim Report and on the recommendations from the Committee, these were approved by the Board.
2025 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 certain minority-owned coal-fired assets and the national subsidies receivables for the renewable projects on the Chinese Mainland.</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 practitioner's report on the ESG data assurance in respect of the 2024 and 2025 identified ESG metrics disclosed in the Annual Report and Sustainability Report . 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 separately briefed on the 2024 and 2025 materiality assessments, as well as the respective results of the assurance engagements. The Committee was also briefed by an external expert on current practices in aligning financial valuations with sustainability-related risks and opportunities.
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, emerging risks and thematic issues, where control advisory is provided. <p>For the year 2025, a total of 16 audits and 10 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>
Internal audit function	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.
Financial Statements – auditor's opinion	For both the 2024 and 2025 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.

Areas of Focus

Internal and External Auditing

Fees to independent auditor and its re-appointment

The Committee reviewed the following fees payable to PwC:

- ❖ audit fees for 2024 and 2025 for approval by the Board; and
- ❖ permissible audit related and non-audit services provided by PwC for 2024 and 2025.

The Committee also reviewed and approved the fees relating to the PwC's specific non-audit service engagement, and reviewed the proposed permissible audit related and non-audit services to be provided by PwC in the coming year.

During the year, PwC provided the following audit and permissible audit related and non-audit services to the Group:

	2025 HK\$M	2024 HK\$M
Audit	48	47
Permissible audit related and non-audit services		
Audit related services (including Continuing Connected Transactions limited assurance, limited assurance over regulatory reviews and reporting, EnergyAustralia's Sustainability Report limited assurance, agreed upon procedures related to debt offerings, audits of CLP's provident funds and auditor's attestation)	8	5
Non-audit services (including other advisory services)	-	3
Total	56	55

(For these purposes, **permissible audit related and non-audit services provided by PwC** include any entity under common control, ownership or management with PwC or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally.)

The fees of PwC and other non-principal external auditors are shown in Note 5 to the Financial Statements.

For the year ended 31 December 2025, the fees for permissible audit related and non-audit services accounted for 14% and 0% of the total fees respectively.

Having considered PwC's performance and independence as CLP's independent auditor (see below on the factors considered), the Committee recommended to the Board that PwC be re-appointed as independent auditor for 2026 and this will be considered by shareholders at the forthcoming AGM. PwC also issued a letter of independence to the Committee.

Factors taken into account regarding the independence of the external auditor:

- ❖ the lead audit partner for CLP is subject to rotation every seven years (as per The International Federation of Accountants rules on independence of external auditors);
- ❖ as part of the rotation, the current lead audit partner was first appointed for the 2021 financial year-end audit and she did not have any prior involvement in the CLP Group audit; and
- ❖ PwC is required to give an annual confirmation on their independence.

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 also endorsed for the Board's approval of its updated terms of reference with the main changes regarding the Committee's purview of the assurance process on sustainability reporting.</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 40 breaches in 2025 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.</p> <p>The Committee analysed the findings of the 2024 and 2025 ethics and controls commitment surveys for the employees and took note that the results for both years were positive.</p>

Audit & Risk Committee Effectiveness

The Company Secretary evaluated the performance and effectiveness of the Committee during 2025 and 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 review on the work and focus of the Committee by the external auditor, GIA and Senior Director & Group Controller. The CLP Holdings Board also endorsed the Company Secretary's evaluation.

Looking Ahead

The outlook of the operating environment and geo-politics will only become more challenging and complex. The Committee will continue to have a dedicated focus on the risks the Group is faced with, whilst ensuring we maintain the high standards and discipline over our financial reporting, risk management and internal control and in corporate governance.



May Siew Boi Tan

Chairperson, Audit & Risk Committee

Hong Kong, 26 February 2026

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. During the reported period (full-year 2025 and for 2026 up to the date of this Report) (the Period), the Committee Members were:

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 70 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 function(s) and business units (please refer to page 83 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 and its [terms of reference](#) are available on CLP website.

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 includes 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 78 to 79 and on our website). The Group Sustainability Department 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); attendance as observers at Committee meetings are subject to strict confidentiality obligations and the permission from the Committee Chair.

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

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

	2025				2026
	Feb	Aug	Oct	Dec	Feb
Climate-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

The table below explains the work carried out by the Committee.

Areas of Focus	
Climate-related Matters	
Climate-related developments and risks	The Committee was briefed on how the climate landscape has evolved and its implications for CLP. The review covered international decarbonisation progress, updates to national climate action plans across CLP's key markets and related technology and infrastructure constraints. The Committee also discussed how changing investor expectations and updates to voluntary target-setting guidance may influence CLP's transition planning and its strategy for the use of carbon market instruments.
Voluntary carbon markets	The Committee and management analysed the evolving landscape of international carbon markets, discussed Hong Kong's ambition to develop a leading global carbon marketplace and considered how CLP could support the development of carbon markets. The use of Green Electricity Certificates from the Chinese Mainland for Hong Kong was also discussed.

Areas of Focus

Other Sustainability Matters – risks, opportunities and emerging issues

Sustainable Procurement Programme	The Committee reviewed the progress of the three-year Sustainable Procurement Programme and noted that the risk-based supplier profiling and due diligence process had been implemented in phases, providing enhanced visibility of suppliers' adherence to CLP's Supplier Code of Conduct. The Committee was supportive of management's efforts to pursue broader adoption of the programme across CLP's different markets.
Materiality assessment	The Committee considered and endorsed the 2025 materiality assessment results and the proposed approach to annual reporting and sustainability-related disclosures, as well as producing a standalone materiality assessment report. The Committee took note that there were minor changes with some new sub-topics defined for 2025 and that KPMG would provide an assurance report on CLP's materiality assessment process.

Sustainability Reporting / Indices Performance

Sustainability-related disclosures and reporting process	<p>The Committee was briefed by an external expert on current practices in aligning financial valuations with sustainability-related risks and opportunities. They also received a presentation from management on the proposed approach to CLP's climate-related financial disclosures, including the identification and quantification of climate-related risks and opportunities. They also reviewed the approach for disclosing the financial effects of transition risks, transition opportunities and physical risks.</p> <p>The Committee further considered and endorsed management's approach to streamlining sustainability-related disclosures and the overall reporting process.</p> <p>The Committee also endorsed the sustainability-related disclosures of the 2025 Annual Report, which will be prepared in accordance with HKFRS S1, comply with HKFRS S2, and meet the requirements of the Hong Kong Stock Exchange's ESG Reporting Code.</p> <p>The Committee also reviewed and endorsed the contents of the 2025 Sustainability Report and the 2025 Materiality Assessment Report.</p>
Performance on external sustainability indices	<p>As a standing item, the Committee was briefed on, and monitored, CLP's performance across various sustainability indices.</p> <p>The Committee analysed CLP's performance ratings under key sustainability indices, acknowledged the evolving assessment and benchmarking initiatives and requirements, and reviewed their relevance and potential implications for CLP.</p>

Sustainability Governance

Annual review of resources for sustainability	The Committee undertook its annual review of the resources allocated to ESG and sustainability functions. The Committee was satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget to support ESG performance and reporting.
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Areas of Focus

Health, Safety, Security and Environment

HSE Target Statement

The Committee considered management's proposal and endorsed the updated CLP Group HSE Target Statement:

"Build capability of our people who interact between our systems and high-risk activities, preventing high-consequence injuries, environmental harm, and lowering the risk of process safety events."

The Committee also supported the HSE Target Statement as being part of the Group HSE strategy.

The Committee also received management's update on Group HSE, covering areas including governance, digital platforms, the assurance programme, capability building, Group programmes and key risks. The Committee also received an update on CLP's HSE performance for 2025.

Community, Charitable and Environmental Partnerships and Initiatives

Community initiatives

The Committee reviewed management's report on the community initiatives undertaken by CLP in 2025 and expressed its support for the programme highlights proposed for 2026.

Looking Ahead

Under CLP's [Climate Vision 2050](#), we have set a series of climate-related targets and are committed to reviewing these targets every three years. In 2026, we will commence this review, which will be a key area of focus and an important workstream for this Committee.



Chunyuan Gu

Chairman, Sustainability Committee
Hong Kong, 26 February 2026

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. During the reported period (full-year 2025 and for 2026 up to the date of this Report) (the Period), the Committee Members were:

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 70 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 twice 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 appointing an external consultant for conducting Board Progression Development, succession of EnergyAustralia board chair and appointing an Independent Non-executive Director of EnergyAustralia.

Areas of Focus

Board and Board Committees refresh

At the conclusion of the 2025 AGM, Sir Rod Eddington retired as an Independent Non-executive Director. During the year, the Committee initiated an independent search process for potential Director candidate(s).

The Committee endorsed the appointment of Mr Peter Wilhelm Hubert Brien as an Independent Non-executive Director with effect from 27 February 2026. The Committee considered his specific profile namely the ability and capacity to play a leading role in the area of corporate and sustainability strategy, governance oversight and Board Committee leadership. Full details are set out in the related announcement on his appointment and also in the Notice of AGM.

The Committee reviewed the Board Committees composition and no other change was proposed and made in 2025, except for the appointment of Mr Philip Kadoorie as a Member of the Finance & General Committee with effect from 1 January 2025 and Sir Rod Eddington stepped off the Finance & General Committee as he retired from the Board.

Details of the Board Committees composition are set out in the Corporate Governance Report on page 90.

Areas of Focus	
Succession Planning	<p>The Committee assessed the leadership of each of the Board Committees and the succession pathways for the Audit & Risk Committee, the Human Resources & Remuneration Committee and the Nomination Committee; these were taken into account in setting the desired profile for the search of a new Independent Non-executive Director, in particular, with the skills and capacity to lead on strategy and governance. The Committee endorsed the proposed changes to the Board Committees that will take effect in 2026; full details of which are set out in the Corporate Governance Report on page 80.</p>
Board Diversity Policy, diversity aspects of the Board and independence mechanism	<p>The Committee continued to undertake an annual review of the Board Diversity 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 2025.</p> <p>The Committee also considered management's findings on the annual review of the existing diversity aspects of the Board for 2025. The Committee reaffirmed the commitment to the continuous Board refresh exercise with the view of enhancing the Board's diversity. Full analysis of the diversity aspects of the Board can be found in the "Board of Directors" section on page 77 and in the Corporate Governance Report on pages 94 and 95.</p> <p>The Committee endorsed the annual review of the implementation and effectiveness of the independence mechanism and its disclosure.</p>
Regulatory-related	<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 re-election at the 2026 AGM, with assessment on the tenure, 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, with assessment on the skills and expertise of each individual director as well as their professional qualification and work experience.

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.

Full [terms of reference](#) are available on CLP website.

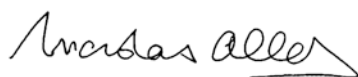
Nomination Policy

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.

Looking Ahead

Succession planning and the gradual refresh of the CLP Board will continue to be the key focus for the coming year. The Committee will be actively involved in this, not just during the Committee meetings but in between the formal Committee meetings.



Nicholas C. Allen

Chairman, Nomination Committee
Hong Kong, 26 February 2026

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 reporting period (full-year 2025 and for 2026 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)

There is no Executive Director on the HR&RC.

[Biographies](#) of the Members are set out in "Board of Directors" section on page 70 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 five meetings in 2025 and one meeting in 2026.

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 Director 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. [Terms of reference](#) of the HR&RC are available on CLP website.

Important areas of work for the Committee this year were development of the strategic review of CLP's Remuneration Framework to enable strategy delivery, and review of plans and progress to develop new ways of working.

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

	2025					2026
	Feb	Mar	Jun	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	<p>The Committee scrutinised and approved:</p> <ul style="list-style-type: none"> ◆ Group performance for 2024 and 2025 and targets for 2025 and 2026; ◆ 2024 and 2025 performance for CLP's Business Units in Hong Kong, on the Chinese Mainland and in the Taiwan Region and Southeast Asia, and targets for 2025 and 2026; ◆ 2025 Group Function performance and targets for 2026; ◆ base pay for 2025 and 2026 for staff under Hong Kong payroll and the Chinese Mainland; ◆ CEO's remuneration; and ◆ remuneration of direct reports to the CEO, including annual incentive payments for 2024 and 2025 and pay review for 2025 and 2026.
Performance management and remuneration policy	<p>The Committee reviewed and approved changes to align CLP's Senior Management Remuneration Policy and Framework for businesses in Hong Kong and on the Chinese Mainland with delivery of CLP's strategy. In line with the review's outcomes, the Committee approved adjustments to Senior Management remuneration to take effect from 1 January 2026.</p>

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.
Inclusion and diversity	The Committee 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 2024 and 2025 and the planned activities for 2025 and 2026 in respect of the training and continuous professional development of Senior Management.
Executive remuneration governance and disclosure	The Committee reviewed and approved the 2024 and 2025 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.

Group Inclusion & Diversity Strategy

CLP launched its refreshed Inclusion & Diversity (I&D) strategy, "Stronger Together", in June 2025. Key changes include an increased focus on welcoming workplaces, alongside a broader approach to diversity encompassing gender diversity, diversity of thought within teams, and a deeper understanding of the communities in which we operate – all underpinned by fairness and meritocracy in appointments and development. Metrics and targets aim for continuous improvement in gender representation in leadership and STEM. As at end 2025, the percentage of Women in Leadership roles increased (2025: 31.6% vs 2024: 30.0%), while Women in STEM is 18.8%. Across all roles, Group gender diversity was consistent with the prior year.

Looking ahead, the Group remains committed to advancing inclusion and diversity as a core enabler of long-term value creation. Building on the refreshed "Stronger Together" strategy, we will continue to foster welcoming and inclusive workplaces, strengthen talent pipelines, and drive continuous improvement.

Remuneration

The underlying principles of CLP's remuneration policies for Non-executive Directors, Executive Director 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 Director, and Senior Management. This Report covers the Period and has been reviewed and approved by the HR&RC.

As stated in Note 32(D) to the Financial Statements on page 234, 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 2025";**
- ❖ **"Change of Remuneration – Executive Director and Senior Management in 2025";**
- ❖ **"Executive Director – Remuneration in 2025";**
- ❖ **"Total Directors' Remuneration in 2025";**
- ❖ **"Senior Management – Remuneration in 2025"; and**
- ❖ **"The Five Highest Paid Individuals in 2025".**

Non-executive Director Remuneration

Non-executive Director Remuneration Policy

CLP's Non-executive Director Remuneration is designed to recognise that Directors are not employees, and to be sufficiently competitive to attract and retain high-calibre candidates, while not excessive.

Fee structure

Non-executive Directors receive a base fee. The Chair and Vice / Deputy Chair receive higher base fees in recognition of their added responsibilities and time commitment. Committee members receive Committee fees to recognise the additional workload, and chairing a Committee attracts a higher fee.

Fee review

Fees are reviewed no less than every three years, and the latest independent review was undertaken in 2025. The fees for the respective periods for (i) 10 May 2025 to 9 May 2026; (ii) 10 May 2026 to 9 May 2027; and (iii) 10 May 2027 until the date of the AGM in 2028, were approved by shareholders at the 2025 AGM held on 9 May 2025 and full details are set out in the Notice of 2025 AGM.

➤ **Non-executive Directors – Remuneration in 2025 (Audited)**

The fees paid to each of our Non-executive Directors in 2025 for their service on the CLP Holdings' Board and, where applicable, on its Board Committees including a Board level Panel are set out below. Higher level of fees was paid to Chairmen of the Board and Board Committees including a Board level Panel, the Vice Chairman of the Board and the Deputy Chair of a Board level Panel as indicated by (C), (VC) and (DC) respectively. Executive Director and management serving on the Board and Board Committees including a Board level Panel are not entitled to any Directors' fees.

There was a moderate increase in total Directors' fees compared to 2024, primarily due to an increase in the level of Non-executive Directors' fees which took effect from 10 May 2025 and the remuneration paid to the concerned Directors who sit on the ERP Panel.

In HK\$	Board	Audit & Risk Committee	Finance & General Committee	HR&RC	Sustainability Committee	Nomination Committee	ERP Panel ¹	Total 2025	Total 2024
Non-executive Directors									
The Hon Sir Michael Kadoorie	926,637 ^(C)	-	-	-	-	31,382	-	958,019	919,584
Mr Andrew Brandler	728,119 ^(VC)	-	449,900 ^(C)	110,766	115,742	-	85,348 ^(DC)	1,489,875	1,360,939
Mr Philip Kadoorie ²	661,968	-	319,400	-	115,742	-	-	1,097,110	743,759
Mrs Betty Yuen ³	661,968	-	319,400	-	-	-	108,625 ^(C)	1,089,993	954,461
Mr Diego Gonzalez Morales	661,968	-	319,400	-	-	-	-	981,368	717,214
Mr J.A.H. Leigh ⁴	-	-	-	-	-	-	-	-	157,833
Independent Non-executive Directors									
Mr Nicholas C. Allen	661,968	530,505	319,400	154,746 ^(C)	115,742	43,876 ^(C)	77,589	1,903,826	1,760,609
Ms May Siew Boi Tan	661,968	743,165 ^(C)	319,400	110,766	115,742	31,382	85,348 ^(DC)	2,067,771	1,911,513
Ms Christina Gaw	661,968	-	-	-	115,742	-	-	777,710	793,502
Mr Chunyuan Gu	661,968	530,505	319,400	110,766	162,505 ^(C)	-	77,589	1,862,733	1,720,566
Mr Bernard Chan	661,968	-	-	-	115,742	-	-	777,710	743,759
Ms Wang Xiaojun Heather	661,968	530,505	-	110,766	-	-	-	1,303,239	1,248,593
Mrs Kung Yeung Yun Chi Ann	661,968	530,505	319,400	-	-	-	-	1,511,873	284,795
Sir Rod Eddington ⁵	224,495	-	112,884	-	-	-	-	337,379	954,461
Mrs Zia Mody ⁶	-	-	-	-	-	-	-	-	249,897
							Total	16,158,606	14,521,485

Notes:

- The ERP Panel was established on 23 April 2024 as a non-permanent basis to provide specific oversight of the ERP project 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 fees indicated on the table are from the date immediately following the 2025 AGM.
- Mr Philip Kadoorie was appointed as a Member of the Finance & General Committee with effect from 1 January 2025.
- In addition, Mrs Betty Yuen received HK\$300,000 as fees for her service on the board of CLP Power for each of 2024 and 2025.
- The fees paid to Mr J.A.H. Leigh (a former Director) was made in respect of his service up to 31 March 2024, and it is included in the table solely for the purpose of comparing the total fees paid to Non-executive Directors in 2024 with those in 2025.
- Sir Rod Eddington retired as an Independent Non-executive Director and a Member of the Finance & General Committee with effect from the conclusion of the 2025 AGM held on 9 May 2025. The fees paid to Sir Rod Eddington in respect of his service were made on a pro-rata basis up to 9 May 2025.
- The fees paid to Mrs Zia Mody (a former Director) was made in respect of her service up to 3 May 2024, and it is included in the table solely for the purpose of comparing the total fees paid to Non-executive Directors in 2024 with those in 2025.

Senior Management Remuneration

For the purposes of this section, Senior Management means the managers, including Executive Director, whose details are set out on pages 76, 78 and 79.

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.

In 2025, the HR&RC broadly maintained its Remuneration Policy and framework in line with prior years, however with adjustments 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 incentive outcomes.

Senior Management Remuneration Strategy and Framework

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

Our Remuneration Strategy

Attract, retain, and motivate a diverse, high-performing executive team to deliver CLP's strategy and create long-term value for stakeholders

Remuneration Principles

Sustainable	Aligned with shareholders	Market competitive	Fair and equitable	Simple
Structured to avoid excessive risk-taking. Considers a broad range of indicators including both what was achieved and how it was achieved.	Drive short- and long-term performance and encourage appropriate behaviour, while discouraging inappropriate behaviour.	Appropriate to role and competitive locally and internationally.	Fairly recognise responsibilities and capabilities; balance external competitiveness with internal equity; align outcomes with the broader workforce.	Simple, clear, and consistent to enable effective stakeholder scrutiny.

Human Resources & Remuneration Committee Report

Our Framework

Pay Element	Fixed Pay	Annual Incentive Plan (AIP)	Long-Term Incentive Plan (LTIP)	Retirement Arrangements
How does it align with strategy?	Competitive remuneration to attract and retain people with the capabilities to lead and sustain a complex, multi-jurisdictional business, without over-paying.	Rewards 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 long-term value creation, supports retention and encourages an owner's mindset.	Competitive and sustainable benefits to attract and retain executives.
How is it determined?	Reviewed annually with reference to local and international comparators, role scope and experience, and wider workforce considerations.	Annual performance period with outcomes based on a weighted mix of Group, Business Unit or Functional balanced scorecard performance, dependent on role. In determining scorecard outcomes, the HR&RC balances WHAT was achieved (short- and long-term financial, operational, customer, strategic initiatives, and people metrics) and HOW it was achieved (Safety, Security, Environmental and Internal Control performance, and community acceptance).		Employee and company regular contributions, with the option for Additional Voluntary Contributions which are matched by the company. Contribution arrangements are the same for all employees and also depend on years of service.
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.	Phantom shares with a portion that can be allocated to notional cash deposits.	Contributions to the Group Provident Fund Scheme (Defined Contribution).
Pay positioning	Intent to align target Total Remuneration to between median and upper quartile of the reference market.			

Remuneration features

Fixed Pay	
Opportunity and alignment with wider workforce	<ul style="list-style-type: none"> ❖ Executive base pay is initially set based on their skills and experience, with consideration given to external competitiveness and internal equity, with progressive increases as they gain experience in role and demonstrate performance. ❖ Remuneration is benchmarked using two datapoints for each role (where possible) including similar international peers for business roles and a broader reference for functional roles. ❖ Ordinarily, salary increases in percentage terms will in line with, or less than, increases awarded to the wider workforce. Increases may be made above this level for circumstances such as a significant change in responsibility or progression due to recent appointment.

Annual Incentive Plan (AIP)

<p>Maximum opportunity and alignment with wider workforce</p>	<p>CEO: maximum annual opportunity of 100% of base salary.</p> <p>BU Managing Directors (MDs), CFO & Other executives: maximum annual opportunity of 100% of base salary.</p> <p>All employees are eligible to participate in the AIP with target percentages based on job size.</p> <p>The minimum potential outcome is zero.</p>
<p>Performance measures and weightings</p>	<p>Outcomes are based on a weighted mix of Group, Business Unit or Functional balanced scorecard performance, dependent on role.</p> <p>CEO: 100% on performance against Group balanced scorecard.</p> <p>BU MDs: based on Group and BU performance.</p> <p>CFO & Other executives: based on Group and Functional performance.</p> <p>Group and BU balanced scorecards contain a mix of financial, operational, sustainability, strategic and people objectives. Functional scorecards include strategic and people objectives and a feedback element reflecting support provided and governance effectiveness.</p>
<p>Performance assessment</p>	<p>“At-target” performance levels are set to be “stretching but achievable”.</p> <p>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.</p> <p>Within the AIP, the HR&RC (for Senior Management) or management (for wider workforce) can increase or decrease overall outcomes.</p> <p>The maximum opportunity may be exceeded in exceptional cases for broader contributions to business performance. Outcomes may be reduced based on HOW factors such as safety, conduct or leadership issues.</p>

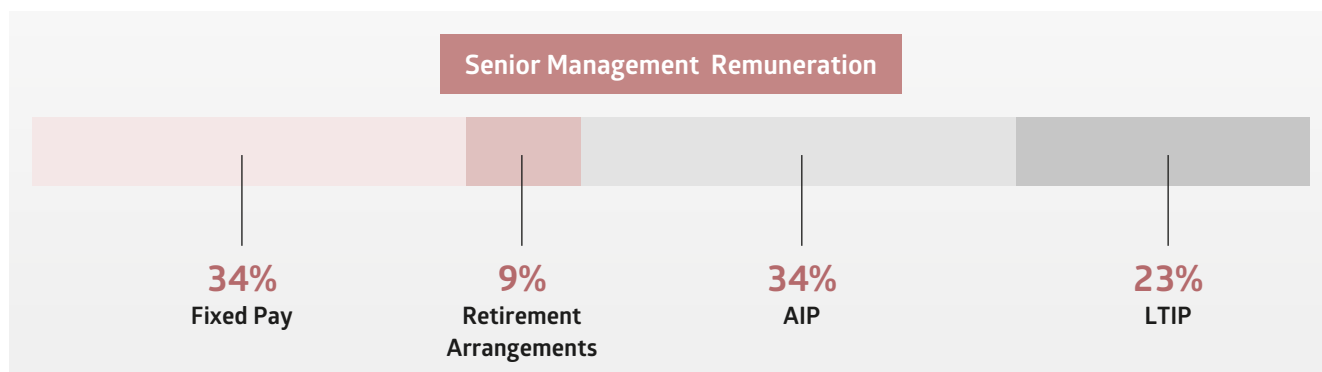
Long-Term Incentive Plan (LTIP)

<p>Maximum opportunity and alignment with wider workforce</p>	<p>CEO: maximum LTI opportunity of 66.6% of base salary.</p> <p>BU MDs, CFO & Other executives: maximum of 66.6% of base salary.</p> <p>Participation in LTIP applies to Senior Management and other senior roles.</p> <p>The minimum potential outcome is zero.</p>
<p>Instrument</p>	<p>A minimum of 75% of the award is delivered in phantom shares subject to the vesting period. Up to 25% can be allocated to a notional cash deposit or to phantom shares.</p>
<p>Award conditions</p>	<p>Senior Management’s LTI awards are based on the target LTI opportunity (50% of the maximum opportunity), multiplied by the Group performance score for the preceding year.</p>
<p>Vesting period</p>	<p>Three years.</p>
<p>Value upon vesting</p>	<p>The final LTI value at the vesting date is determined based on initial allocation choices made and the subsequent impact of changes in share price, dividend reinvestment, exchange rate movements and interest earned over the three-year vesting period.</p>

Human Resources & Remuneration Committee Report

Remuneration Mix

The remuneration mix is structured to attract, drive performance and retain executives, with a significant proportion of variable remuneration which is at-risk and based on performance. The 2025 remuneration mix **at maximum** for the CEO and Senior Management is summarised below.



Remuneration Time Horizons

Pay element	2025	2026	2027	2028
Fixed Pay	Base pay and retirement benefits			
AIP	Cash based on 2024 performance			
LTIP	2022-24 Award vests, paid in cash in January 2025			
	2025-27 Award granted based on 2024 performance (Phantom shares/notional cash deposits restricted for 3 years)			

Remuneration Strategy and Framework for the Managing Director – EnergyAustralia

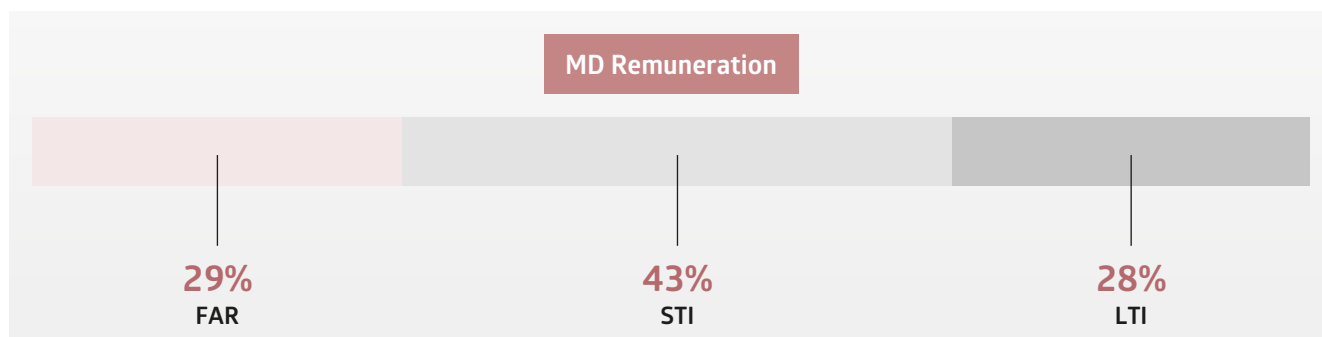
The pay structure of Managing Director – EnergyAustralia is aligned with Australian market practice. The table below summarises policy design and operation.

Pay Element	Fixed Annual Remuneration (FAR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
How does it align 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 facilities clawback.	Rewards for long-term business performance aligning Senior Management incentives to key strategic objectives and to achieve long-term value creation for shareholders.
How is it delivered?	FAR including base salary and employer contribution to the Australian statutory superannuation scheme.	The STI award is paid in cash – 50% is paid in March following the performance year; 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 (NPRC) 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 (listed companies with market capitalisation of 50% to 200% of EnergyAustralia's notional market capitalisation) market practice and individual performance.	Outcomes are based on a weighted mix of Corporate performance and performance against specific Managing Director objectives related to priorities set for the business over the 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.
Maximum opportunity and alignment with wider workforce	Ordinarily, FAR increases in percentage terms will be in line with or less than increases awarded to other EnergyAustralia employees.	Maximum annual incentive 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 selected other roles.

Human Resources & Remuneration Committee Report

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 2025 remuneration mix **at maximum** for the Managing Director – EnergyAustralia is summarised below.



Remuneration Time Horizons

Pay element	2025	2026	2027	2028
FAR	FAR*			
STI	Deferred cash based on 2023 performance (50%)	Deferred cash based on 2024 performance (50%)		
	Cash based on 2024 performance (50%)			
LTI	2022-24 Award vests, paid in cash in March 2025			
	Opportunity to participate in the 2025-27 LTIP Scheme (Cash award subject to a 3-year performance period against LTI Performance Conditions)			

* Includes employer contribution to statutory superannuation

2025 Performance and Executive Remuneration Outcomes

Senior Management (excluding the Managing Director – EnergyAustralia)

For Senior Management (excluding the Managing Director – EnergyAustralia), when determining overall 2025 remuneration outcomes, the HR&RC was cognisant to ensure they were reflective of market benchmarks; performance against a mix of financial, operational, safety, environmental, internal control objectives and other objectives reflecting strategic priorities and long-term sustainability; and shareholder experience. Furthermore, when setting 2025 targets, the HR&RC's focus was to measure and reward performance against delivery of CLP's strategy of meeting growing energy needs across its markets while actively pursuing decarbonisation opportunities.

Base pay

Base pay was reviewed with reference to market benchmarks in peer companies and incumbents' experience, performance, and criticality in delivering strategic objectives. The HR&RC determined to increase base pay for Senior Management in line with the general pay increase awarded to staff.

2025 Performance and Incentives Awarded

When determining overall 2025 remuneration outcomes, the HR&RC undertook a balanced assessment of both "what" was delivered and "how" it was achieved, taking into account both positive achievements and areas requiring improvement, together with market benchmarks.

The HR&RC considered that CLP Group delivered resilient financial and operational performance in 2025. These results were supported by continued progress on digitalisation and decarbonisation goals, however recognising that some operations and developments were impacted by difficult market environments and did not achieve targets set. Taking all factors into account, the HR&RC determined to award a Group incentive outcome broadly in line with the prior year, reflecting both the strength of the Group's financial results versus target and a balanced assessment of non-financial performance.

Managing Director – EnergyAustralia

The EnergyAustralia NPRC reviewed market benchmarks, short-term and long-term incentive against performance scorecards. The NPRC determined to award the Managing Director an increase in FAR in line with market for the role. The overall short-term incentive payment for the Managing Director was awarded at target, reflecting strong financial and customer performance; however, aspects of safety and regulatory compliance were below expectations.

The year ahead

During the year, the HR&RC concluded a strategic review of pay arrangements for Executive Director and Senior Management (excluding the Managing Director – EnergyAustralia) to align future Remuneration Policy and framework with delivery of CLP's strategy, as it evolves over time. The Committee approved a revised Remuneration Policy and framework aimed at achieving pay that is fit for purpose, strongly aligned to CLP's strategy, operating model and shareholder returns, simple and transparent, more accountable and market competitive. Changes to the Framework will be introduced progressively from 2026. The key impacts of the revised Framework for the CEO and executives reporting to the CEO (excluding the Managing Director – EnergyAustralia) are:

- ❖ market-aligned bonus opportunities for the CEO and executives reporting to the CEO to reflect their different roles and contributions;
- ❖ increased weighting to financial metrics that directly support CLP's strategic objectives, with defined threshold-target-stretch performance targets, and formulaic assessment;
- ❖ pay that is more leveraged to Business Unit and Functional Performance, has a higher proportion of remuneration "at risk" and that is subject to formulaic outcomes; and
- ❖ increased management shareholding (starting from 2027) through eliminating the option to take a portion of the LTI as notional cash deposits and granting shares (through on-market purchase with no shareholder dilution) instead of phantom equity.

Overall, the HR&RC believes that these changes will strengthen alignment of Senior Management remuneration outcomes with company performance and Senior Management interests with shareholder interests.

» Change of Remuneration – Executive Director and Senior Management in 2025 (Audited)

Details of the remuneration of Executive Director and Senior Management prepared in accordance with the Hong Kong Financial Reporting Standards for the 12 months ended 31 December 2025 are set out in the tables on page 141 (Executive Director) and pages 143 and 144 (Senior Management).

The amounts disclosed consist of remuneration accrued or paid for service in 2025 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 Director and Senior Management while non-recurring items relate primarily to the appointment or termination of Executive Director and Senior Management.

In the tables on pages 141, 143 and 144, the “Total Remuneration” column for 2025 includes the following recurring items:

- (i) base compensation, allowances & benefits paid;
- (ii) 2025 annual incentive accrued based on previous year’s Company performance and the 2024 annual incentive adjustment. The adjustment is the difference between the actual annual incentive paid in 2025 for 2024 performance and the annual incentive accrual for 2024;
- (iii) the 2022 long-term incentive award paid in January 2025 when the vesting conditions were satisfied (the comparative figures are the long-term incentive for 2021 paid in 2024); 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 Director – Remuneration in 2025 (Audited)

The remuneration paid to the Executive Director of the Company in 2025 was as follows:

	Recurring Remuneration Items					Non-recurring Remuneration Items	
	Base Compensation, Allowances & Benefits ¹ HK\$M	Performance Bonus ²		Provident Fund Contribution HK\$M	Total Remuneration HK\$M	Other Payments HK\$M	Total HK\$M
		Annual Incentive HK\$M	Long-term Incentive HK\$M				
2025							
CEO (Mr T.K. Chiang)	10.0	8.1	3.3	2.5	23.9	-	23.9
	10.0	8.1	3.3	2.5	23.9	-	23.9
2024							
CEO (Mr T.K. Chiang)	9.6	8.9	3.3	2.4	24.2	-	24.2
Former: Advisor to CEO (from 1 January to 30 April) (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

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 (2025 accrual and 2024 adjustment) and (b) long-term incentive (payment for 2022 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 2025 performance will be made in March 2026. These payments and awards are subject to the prior approval of the HR&RC after 31 December 2025. [Details](#) of these will be published on CLP website at the time that the 2025 Annual Report is published.
- Mr Richard Lancaster 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.

Human Resources & Remuneration Committee Report

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 2025 (Audited)

The total remuneration of Non-executive and Executive Directors in 2025 was:

	2025 HK\$M	2024 HK\$M
Fees	16.2	14.5
Recurring Remuneration Items		
Base Compensation, Allowances & Benefits ¹	10.0	11.1
Performance Bonus ²		
– Annual Incentive	8.1	10.8
– Long-term Incentive	3.3	9.2
Provident Fund Contribution	2.5	2.7
Non-recurring Remuneration Items		
Other Payments	–	20.2
	40.1	68.5

Notes:

1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 141 for Executive Director.

2 Refer to Note 2 on Performance Bonus on page 141 for Executive Director.

Of the total remuneration paid to Directors, HK\$5.4 million (2024: HK\$5.2 million) has been charged to the SoC operation.

Senior Management – Remuneration in 2025 (Audited)

Details of the remuneration of the Senior Management are set out below (except for the Executive Director, which are set out in “Executive Director – Remuneration in 2025”).

	Recurring Remuneration Items				Non-recurring Remuneration Items		Total HK\$M
	Base Compensation, Allowances & Benefits ¹ HK\$M	Performance Bonus ²		Provident Fund Contribution HK\$M	Total Remuneration HK\$M	Other Payments HK\$M	
		Annual Incentive HK\$M	Long-term Incentive HK\$M				
2025							
Current:							
Chief Financial Officer (Mr Alex Keisser)	6.7	5.4	2.6	1.2	15.9	-	15.9
Chief Operating Officer (Mr Derek Parkin) ³	6.4	5.2	3.0	1.4	16.0	12.2	28.2
Managing Director – CLP Power (Mr Joseph Law)	5.9	4.8	1.8	1.4	13.9	-	13.9
Managing Director – China (Mr Roger Chen)	4.5	3.5	1.2	1.1	10.3	-	10.3
Managing Director – EnergyAustralia (Mr Mark Collette) ⁴	6.8	5.3	0.9	0.2	13.2	-	13.2
Chief Strategy, Sustainability & Governance Officer (Mr David Simmonds)	6.6	5.3	3.1	1.7	16.7	-	16.7
Total	36.9	29.5	12.6	7.0	86.0	12.2	98.2

The notes are set out on page 144.

Of the total remuneration paid to Senior Management, HK\$25.9 million (2024: HK\$26.0 million) has been charged to the SoC operation.

Senior Management – Remuneration in 2025 (Audited) (continued)

	Recurring Remuneration Items				Non-recurring Remuneration Items		
	Base Compensation, Allowances & Benefits ¹ HK\$M	Performance Bonus ² Annual Incentive HK\$M	Long-term Incentive HK\$M	Provident Fund Contribution HK\$M	Total Remuneration HK\$M	Other Payments HK\$M	Total HK\$M
2024							
Current:							
Chief Financial Officer ⁵	6.3	6.1	2.3	1.1	15.8	-	15.8
Chief Operating Officer	6.2	5.7	2.8	1.3	16.0	-	16.0
Managing Director – CLP Power	5.7	5.3	1.7	1.5	14.2	-	14.2
Managing Director – China	4.2	3.8	1.1	1.1	10.2	-	10.2
Managing Director – EnergyAustralia ⁴	6.7	7.2	0.8	0.1	14.8	-	14.8
Chief Strategy, Sustainability & Governance Officer	6.3	5.9	3.2	1.6	17.0	-	17.0
Former:							
Advisor to CEO (Mr Nicolas Tissot) ⁶	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

Notes:

- 1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 141.
- 2 Refer to Note 2 on Performance Bonus on page 141. 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 NPRC and Members of the HR&RC.
- 3 Mr Derek Parkin retired as Chief Operating Officer on 31 December 2025. His remuneration covered the full year from 1 January 2025 to 31 December 2025. The annual incentive for 2025 was made for his service up to 31 December 2025. The Other Payments of HK\$12.2 million included accelerated payment of long-term incentive awards for 2023, 2024 and 2025 in accordance with the Company's policy.
- 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 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. For 2024, his remuneration covered the full year from 1 January 2024 to 31 December 2024.
- 6 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.

◆ The Five Highest Paid Individuals in 2025 (Audited)

The five highest paid individuals in the Group included one Director (2024: two Directors) and four members of Senior Management (2024: 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:

	2025 HK\$M	2024 HK\$M
Recurring Remuneration Items		
Base Compensation, Allowances & Benefits ¹	35.6	26.5
Performance Bonus ²		
– Annual Incentive	28.8	26.1
– Long-term Incentive	13.8	16.1
Provident Fund Contribution	8.2	5.9
Non-recurring Remuneration Items		
Other Payments ³	12.2	53.0
	98.6	127.6

Notes:

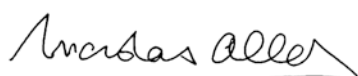
- 1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 141.
- 2 Refer to Note 2 on Performance Bonus on page 141.
- 3 One out of the five individuals (2024: three out of the five individuals) refer to executive who left CLP. The "Other Payments" includes the approved acceleration of 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	
	2025	2024
HK\$13,500,001 – HK\$14,000,000	1	–
HK\$15,500,001 – HK\$16,000,000	1	–
HK\$16,500,001 – HK\$17,000,000	1	–
HK\$17,000,001 – HK\$17,500,000	–	1
HK\$23,500,001 – HK\$24,000,000	1	–
HK\$24,000,001 – HK\$24,500,000	–	2
HK\$28,000,001 – HK\$28,500,000	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 this will also be a key focus of the Committee.



Nicholas C. Allen

Chairman, Human Resources & Remuneration Committee
Hong Kong, 26 February 2026

Directors' Report

This Directors' Report is being submitted with the audited Financial Statements for the year ended 31 December 2025.

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 35 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 14 and 15 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 (2024: HK\$1.89) per share totalling HK\$4,775 million (2024: HK\$4,775 million) during the year.

On 26 February 2026, the Directors declared the fourth interim dividend of HK\$1.31 (2024: HK\$1.26) per share totalling HK\$3,310 million (2024: HK\$3,183 million).

This fourth interim dividend will be paid on 24 March 2026.

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 6)◆ Chairman's Statement (page 8)◆ CEO's Strategic Review (page 12)◆ Financial Review (page 16)◆ Managing What Matters to Our Business (page 28)◆ Business Performance and Outlook (page 50)
2 Description of the principal risks and uncertainties facing the Group	<ul style="list-style-type: none">◆ Managing What Matters to Our Business (page 28)◆ Risk Management Report (page 103)◆ Financial Risk Management (page 238)
3 Particulars of important events affecting the Group that have occurred since the end of the 2025 financial year	<ul style="list-style-type: none">◆ Chairman's Statement (page 8)◆ CEO's Strategic Review (page 12)◆ Managing What Matters to Our Business (page 28)◆ Business Performance and Outlook (page 50)
4 Outlook of the Group's business	<ul style="list-style-type: none">◆ Chairman's Statement (page 8)◆ CEO's Strategic Review (page 12)◆ Managing What Matters to Our Business (page 28)◆ Business Performance and Outlook (page 50)
5 An account of the Group's relationships with its key stakeholders	<ul style="list-style-type: none">◆ Chairman's Statement (page 8)◆ CEO's Strategic Review (page 12)◆ Managing What Matters to Our Business (page 28)◆ Business Performance and Outlook (page 50)
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 8)◆ CEO's Strategic Review (page 12)◆ Managing What Matters to Our Business (page 28)◆ Business Performance and Outlook (page 50)◆ Governance (page 68)◆ Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 256)

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 its 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 its 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 83 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 its strategic priorities in the context of sustainability-related risks and opportunities to ensure they remain appropriate. Amid the complex interplay of geopolitical developments, shifting energy policies, technological advancements and climate imperatives, CLP remained focused in 2025 on balancing growing electricity demand with its sustainability, reliability and affordability objectives. This context underscores the importance of conducting regular materiality assessments to ensure sustainability is embedded within the broader business strategy, thereby strengthening long-term resilience and competitive advantage.

In 2025, CLP continued to uphold its transparency by meeting the disclosure requirements of the Hong Kong Stock Exchange's ESG Reporting Code and providing a detailed description of its sustainability-related impacts, risks and opportunities (IROs) based on its materiality assessment. Its climate-related disclosures have been prepared in compliance with the requirements of HKFRS S2, while sustainability-related financial information has been developed in accordance with HKFRS S1 requirements. Furthermore, the materiality assessment underpins effective risk management by highlighting areas where environmental, social, or governance factors pose risks or create value. 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 review. 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 over the short, medium or 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 2025, CLP completed Year 2 of its three-year materiality assessment cycle. This phase focused on reviewing and refreshing results from Year 1 (2024) based on the Group's latest strategic priorities, business risks and insights gathered from external stakeholders, including investors, customers and industry experts. The process and outcomes were reviewed internally by the management-level Sustainability Executive Committee and the Board-level Sustainability Committee. In addition, CLP appointed an independent non-financial auditor to perform limited assurance over the 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 and results are set out in *Managing What Matters to Our Business – Overview* on page 30, as well as in the [2025 Materiality Assessment Report](#), available on the Sustainability Report website.

For more information on the Sustainability Committee's work oversight of CLP's sustainability-related strategy, please refer to the Sustainability Committee Report on page 121.

CLP's Climate Vision 2050

Delivering Climate Vision 2050 remains one of CLP's strategic priorities. The Group has committed to reviewing its plan at least every three years, taking into consideration the latest climate science, policy drivers, technological advancement, industry trends and community expectations. To ensure that investment decisions remain consistent with the overall intent of the plan, CLP will commence the next review of its [Climate Vision 2050](#) in 2026, following the most recent update published in 2024. Progress against climate-related targets and key metrics will be monitored on an ongoing basis, with annual disclosures provided in the Annual Report in compliance 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\$24,746 million as at 31 December 2025 (2024: HK\$25,139 million).

Bank Loans and Other Borrowings

The total borrowings (including debentures) of the Group as at 31 December 2025 amounted to HK\$61,829 million (2024: HK\$65,154 million). Particulars of borrowings are set out in Note 23 to the Financial Statements and on page 43.

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 0.9% of the Group's total assets as at 31 December 2025.

Equity-linked Agreements

For the year ended 31 December 2025, the Company did not enter into any equity-linked agreement.

Donations

Donations by the Group for charitable and other purposes amounted to HK\$22,416,000 (2024: HK\$6,911,000).

Five-year Summary

A summary of the results for the year and of the assets and liabilities of the Group as at 31 December 2025 and for the previous four financial years are on page 254. A [ten-year summary](#) is on CLP website.

Senior Management

The biographical details of the Senior Management as at the date of this Report are set out on pages 76, 78 and 79. Details of their remuneration are set out in the Human Resources & Remuneration Committee Report on page 128.

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 47.17% 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:

- 13.04% 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).
- 11.14% 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.
- 11.02% 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.
- 7.22% from CNOOC China Limited (CNOOC) in which the Group has no interest. CAPCO purchases natural gas from CNOOC for its electricity generation.
- 4.75% from Ausgrid Operator Partnership (Ausgrid) in which the Group has no interest. EnergyAustralia pays the distribution charges to Ausgrid which owns and operates the electricity distribution network that provides services to customers located in Sydney, the Central Coast and Hunter regions of NSW.

As at 31 December 2025, 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, who held their office for the whole year ended 31 December 2025, together with their biographical details are set out on pages 70 to 76 of this Annual Report. Details of Directors' remuneration are set out in the Human Resources & Remuneration Committee Report on page 128.

Retirement of Director in 2025

After having served on the CLP Holdings Board for almost 20 years, Sir Rod Eddington did not seek re-election at the AGM held on 9 May 2025 pursuant to the retirement age guideline of the CLP Board Diversity Policy. He retired as an Independent Non-executive Director of the Company at the conclusion of the 2025 AGM. Sir Rod Eddington confirmed that he had no disagreement with the Board and that he was not aware of any matter in relation to his retirement that should be brought to the attention of the shareholders of the Company.

2026 AGM Retirement, Election and Re-election

Under the Company's Articles of Association, Mrs Yuen So Siu Mai Betty, Ms May Siew Boi Tan, Ms Christina Gaw, Mr Chunyuan Gu and Mr Bernard Chan are subject to retirement by rotation and re-election at the 2026 AGM.

Ms Christina Gaw, who will have served on the Board for two full terms by the 2026 AGM, has decided not to seek re-election as a Director at the 2026 AGM. Accordingly, at the conclusion of the 2026 AGM, she will retire from the CLP Holdings Board and the Board Committee on which she serves. Ms Gaw has confirmed that she has no disagreement with the Board and that she was not aware of any matter in relation to her retirement that needs to be brought to the attention of the shareholders of the Company.

All the other retiring Directors, being eligible, offer themselves for re-election. None of the Directors offering themselves for re-election at the 2026 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation.

The Company made an announcement on 27 February 2026 regarding the retirement of Ms Christina Gaw and the appointment of Mr Peter Wilhelm Hubert Brien. These changes were considered and approved by the Board during the period covered by this Directors' Report. Mr Peter Brien has been appointed as an Independent Non-executive Director of the Company with effect from 27 February 2026. In accordance with the Company's Articles of Association, he will retire, and being eligible, offer himself for election by shareholders at the 2026 AGM.

Directors' Interests in Transactions, Arrangements or Contracts

During the year ended 31 December 2025, 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 2025 and for 2026 up to the date of this Report) (the Period) are available on 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 2025, this was HK\$1,645 million. The annual aggregate cap was approved by the Board of Directors in December 2024 and subsequently disclosed in the announcement dated 2 January 2025 (2025 Announcement). The project level caps of the CCTs for 2025 set out in the table on pages 150 to 165 are for reference only and were used to derive the annual aggregate cap of HK\$1,645 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 2025, unless otherwise stated, represented the actual transaction values of the relevant CCTs in the full twelve months of 2025.

	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 2025 HK\$M	
1	CLP Power electricity sales to Chinese Mainland						
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 Chinese Mainland (Project level cap for 2025 was HK\$280.00 million)						-
2	Huaiji hydro project						
2.1	<p>Zelian Hydro Station Power Purchase Agreement (PPA)</p> <p>Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.</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.	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.	6.25	
2.2	<p>Longzhongtan Hydro Station PPA</p> <p>Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.</p>	CLP-GHX	CSG-ZPB	As in item 2.1 above	As in item 2.1 above	2.62	
2.3	<p>Jiaoping Hydro Station PPA</p> <p>Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.</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	1.49	
2.4	<p>Xiazhu Hydro Station PPA</p> <p>Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.</p>	CLP-GHX	CSG-ZPB	As in item 2.3 above	As in item 2.1 above	6.52	

	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 2025 HK\$M
2.5	Shuixia Hydro Station PPA Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.	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	9.56
2.6	Baishuihe Four Hydro Stations PPA Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.	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	140.00
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 2026.	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 Agreement entered into on 28 August 2024 with automatic renewal terms. The latest renewal was for another one-year period to 22 August 2026.	CLP-GHX	CSG-ZPB	As in item 2.1 above	As in item 2.1 above	20.83
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 2026.	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.	0.01
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 2026.	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 2025 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 2026.	CLP-GHX	CSG-ZHPB	As in item 2.9 above	As in item 2.9 above	0.12
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 2026.	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 2026.	CLP-GHW	CSG-ZHPB	CSG-ZHPB supplies electricity to CLP-GHW as an industrial user for station consumption.	As in item 2.9 above	0.32
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 2026.	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	0.06
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 2026.	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 2026.	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 an industrial user for station consumption.	As in item 2.9 above	0.06
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 2025 HK\$M
2.19	Shuixia Hydro Station (10kV standby transmission line) High Voltage Electricity Supply Contract 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	0.01
Aggregated total consideration for Huaiji hydro project (Project level cap for 2025 was HK\$262.00 million)						187.92
3 Meizhou solar project						
3.1	Meizhou Solar Project PPA New agreement entered into on 3 March 2025 for a period to 2 March 2026 with automatic renewals for successive one-year periods.	Pingyuan Litian 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.	51.46
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 2026.	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	0.27
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 2026.	CLP Meizhou	CSG-MPPB	As in item 3.2 above	As in item 2.9 above	0.06
Aggregated total consideration for Meizhou solar project (Project level cap for 2025 was HK\$58.00 million)						51.79
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 with automatic renewal terms. The latest renewal was for another three-year period to 22 September 2028.	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 2025 HK\$M
4.2	Yang_er Hydro Project High Voltage Electricity Supply Contract (10kV, for plant) Agreement entered into on 23 September 2022 with automatic renewals terms. The latest renewal was for another three-year period to 22 September 2028.	Dali Yang_er	CSG Yangbi	As in item 4.1 above	As in item 4.1 above	-
4.3	Yang_er Hydro Project High Voltage Electricity Supply Contract (110kV) 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 2025 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).	43.31
Aggregated total consideration for Yang_er hydro project (Project level cap for 2025 was HK\$38.00 million)						43.32
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 2026.	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.	35.52
5.2	Xicun Solar Project High Voltage Electricity Supply Contract (for project site) Agreement entered into on 25 September 2022 with automatic renewals terms. The latest renewal was for another three-year period to 24 September 2028.	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 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	0.63

	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 2025 HK\$M
5.4	Xicun Solar Project High Voltage Electricity Supply Contract (for pump station) Agreement entered into on 25 September 2022 with automatic renewals terms. The latest renewal was for another three-year period to 24 September 2028.	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 2025 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) (together with a transaction fee charged by Kunming PEC).	72.95
Aggregated total consideration for Xicun solar project (Phases I and II) (Project level cap for 2025 was HK\$151.00 million)						109.13
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 2026.	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.	15.89
6.2	Xundian Wind Project High Voltage Electricity Supply Contract New agreement entered into on 18 December 2025 for a three-year period to 17 December 2028 with automatic renewals for successive one-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	0.16
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 2028.	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.	0.27
6.4	Power Exchange Sales Transactions entered into via Kunming PEC on various dates in 2025 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	67.52
Aggregated total consideration for Xundian wind project (Phases I and II) (Project level cap for 2025 was HK\$135.00 million)						83.84

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 2025 HK\$M
7 Sandu wind project (Phases I and II)						
7.1	Sandu Wind Project Phase I PPA Agreement entered into on 5 February 2024 with automatic renewal terms. The latest renewal was for another two-year period to 31 December 2027.	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.	87.15
7.2	Sandu Wind Project Phase II PPA New agreement entered into on 13 February 2025 for a period to 31 December 2025 with automatic renewals for successive one-year periods.	CLP Sandu	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 Energy Bureau (Qian Energy Review [2023] No. 358) and is updated from time to time.	7.10
7.3	Sandu Wind Project High Voltage Electricity Supply Contract Agreement entered into on 19 December 2024 with automatic renewal terms. The latest renewal was for another three-year period to 18 December 2027.	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.	0.55
7.4	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 tariff 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
7.5	Power Exchange Sales Transactions entered into via Guizhou Power Exchange Center Limited (Guizhou PEC) on various dates in 2025 for electricity sales for various durations.	CLP Sandu	CSG Guizhou and Guizhou PEC which is 39% owned by CSG Guizhou	CLP Sandu sells electricity through Guizhou PEC from time to time where CSG-GZ acts as settlement agent and assumes settlement risks for these transactions as defined under the Guizhou PEC settlement rules.	Payment is based on the number of kWh sold multiplied by the tariff determined through competitive bidding processes conducted on Guizhou PEC or an arm's length tariff agreed between the parties for market sales (as applicable) (together with a transaction fee charged by Guizhou PEC).	56.56
Aggregated total consideration for Sandu wind project (Phases I and II) (Project level cap for 2025 was HK\$217.00 million)						151.38

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 2025 HK\$M
8 Bobai wind project						
8.1	Bobai Wind Project PPA Agreement entered into on 14 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 December 2025.	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.	–
8.2	Bobai Wind Project Electricity Supply Contract Agreement entered into on 26 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 25 June 2026.	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.	0.34
8.3	Bobai Wind Project High Voltage Electricity Supply Contract (10 kV) New agreement entered into on 27 February 2025 for a three-year period to 26 February 2028 with automatic renewals for successive three-year periods.	CLP Bobai	Bobai Power Bureau of Guangxi New Power Investment Group Company Limited (CSG-BPB)	CSG-BPB supplies electricity to CLP Bobai for power consumption at the project site.	As in item 8.2 above	0.02
8.4	Power Exchange Sales Transactions entered into via Guangxi Power Exchange Center Limited (Guangxi PEC) on various dates in 2025 for electricity sales for various durations.	CLP Bobai	CSG-GX and Guangxi PEC which is 37% owned by CSG-GX	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).	80.64
Aggregated total consideration for Bobai wind project (Project level cap for 2025 was HK\$184.00 million)						81.00
Total Consideration for 2025						708.38

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 32 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 2025, 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 167:

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 2025 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 Gonzalez Morales, 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 2025.

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 2025.

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 2025.

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 2025, 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 169:

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 2025:

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:

- 1 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.
- 2 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 2025, 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 2025, 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 2025, 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.

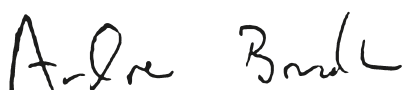
Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on page 80 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, 26 February 2026