



# Financials

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# Independent Auditor's Report



## To the Members of CLP Holdings Limited

(incorporated in Hong Kong with limited liability)

### Opinion

#### *What we have audited*

The consolidated financial statements of CLP Holdings Limited (the “Company”) and its subsidiaries (the “Group”) (“the Group Financial Statements”), which are set out on pages 182 to 250, comprise:

- ❖ the Consolidated Statement of Financial Position as at 31 December 2025;
- ❖ the Consolidated Statement of Profit or Loss for the year then ended;
- ❖ the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year then ended;
- ❖ the Consolidated Statement of Changes in Equity for the year then ended;
- ❖ the Consolidated Statement of Cash Flows for the year then ended; and
- ❖ the Material Accounting Policies, Notes to the Financial Statements and Financial Risk Management.

#### *Our opinion*

In our opinion, the Group Financial Statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Group Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Group Financial Statements of the current period. These matters were addressed in the context of our audit of the Group Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- ◆ Unbilled retail revenue;
- ◆ The carrying values of EnergyAustralia's energy retail business and generation assets;
- ◆ Fixed asset accounting and the calculation of the Scheme of Control permitted return;
- ◆ Recoverability of trade receivables; and
- ◆ Asset retirement obligations (AROs).

#### **Key Audit Matter**

#### **How our audit addressed the Key Audit Matter**

##### **Unbilled retail revenue**

Refer to note 3 to the Group Financial Statements

Retail electricity and gas revenues are recognised when electricity and gas are supplied to and consumed by the customers. Revenues are measured on the basis of periodic cycle meter readings and include an estimated accrual for the value of electricity and gas consumed from the meter reading date to the end of the reporting period. Unbilled retail revenue of the Group totalled HK\$3,694 million as at 31 December 2025.

CLP Power Hong Kong Limited (CLP Power) calculates unbilled revenue using estimates including: consumption quantity based on the electricity sent-out adjusted by loss factors, the pattern of residential and non-residential consumption, weather and certain other factors.

EnergyAustralia Holdings Limited (EnergyAustralia) calculates unbilled retail revenue based on the electricity purchased and the applicable tariffs for the mass market customer segment, as well as the actual meter readings and the contracted rates for commercial and industrial customers. The amount is adjusted for physical energy loss and other measurable factors.

This is a Key Audit Matter because the calculation of unbilled retail revenue involves a high degree of estimation.

Our procedures in relation to unbilled revenue included:

- ◆ Understanding of and testing the key controls in place to determine the estimate of unbilled revenue for both CLP Power and EnergyAustralia;
- ◆ Testing the volume of electricity sent-out by CLP Power to supporting information;
- ◆ Assessing the reasonableness of estimates by comparing them against historical trends;
- ◆ Testing the volume of electricity purchased by EnergyAustralia from the wholesale electricity market to the underlying Australian Energy Market Operator data and reconciling the total purchase volumes to revenue volumes;
- ◆ Understanding the estimates made relating to loss factors and tariffs used in determining the level of unbilled revenue for both CLP Power and EnergyAustralia;
- ◆ Assessing their reasonableness by comparing them against historical trends and against the weighted average tariff for prices for CLP Power;
- ◆ Assessing the mathematical accuracy of management's unbilled revenue calculations for both CLP Power and EnergyAustralia; and
- ◆ Assessing the reasonableness of management estimation on the tariffs rate input comparing against recent customer data for EnergyAustralia.

Based on the work performed, we found that the Group's unbilled revenue amount is supported by the available evidence.

## **Key Audit Matter**

### **The carrying values of EnergyAustralia's energy retail business and generation assets**

Refer to notes 10 and 13 to the Group Financial Statements

EnergyAustralia has goodwill relating to the energy retail business in Australia.

The recoverable amount of EnergyAustralia's energy retail business is determined based on a value in use calculation. The cash flow projections used in the value in use calculation are derived from EnergyAustralia's approved business plan which includes cost saving initiatives and an appropriate reflection of future cash flows from potential legislative, regulatory and structural changes in the industry.

The key assumptions used in the value in use calculation include retail tariffs, electricity and gas volumes, network distribution costs, the customer account growth rate, gross margin and the discount rate.

Management has performed an assessment and confirmed that no impairment was required for EnergyAustralia's retail business at 31 December 2025.

This is a Key Audit Matter, because of the inputs to the value in use model require significant management judgements and a high degree of estimation. Changes in these key assumptions would have a direct impact on the valuation and resulting impairment charge.

## **How our audit addressed the Key Audit Matter**

Our procedures in relation to management's assessment of the carrying value of EnergyAustralia's energy retail business included:

- ❖ Assessing the appropriateness of the valuation methodologies used in the assessment of the recoverable amount;
- ❖ Reconciling input data to supporting evidence, such as the approved business plan and where possible to publicly available market data;
- ❖ Challenging the reasonableness of the key assumptions based on our knowledge of the business and industry;
- ❖ Assessing the discount rate used in the assessment which has included the involvement of in-house valuation experts where appropriate;
- ❖ Verifying the integrity of formulae and mathematical accuracy of management's valuation model;
- ❖ Assessing the potential impact of reasonably possible changes in key assumptions including possible future regulatory policy changes with respect to retail sales of electricity in Australia; and
- ❖ Reviewing the appropriateness of the Group's disclosures with respect to the impairment assessment.

Based on the work performed we found that the carrying value of EnergyAustralia's energy retail business is supported by the available evidence and the key assumptions have been appropriately disclosed in note 13 to the Group Financial Statements.

### Key Audit Matter

#### The carrying values of EnergyAustralia's energy retail business and generation assets (continued)

The Group has substantial investments in assets of HK\$12.2 billion related to EnergyAustralia's generation business. They are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The carrying value of EnergyAustralia's generation assets are supported by scenarios which are produced to reflect a range of economic conditions that may exist over the life of the assets and the expected power plant closure dates. The key assumptions included within the scenarios include an estimation of forward electricity pool prices (the forward curve), generation volumes, retail volumes, gas prices, long term assumptions around market movements, potential regulatory changes including those impacting the timing of national power plant closure dates and the impact to the useful lives of the EnergyAustralia's generation assets.

Management has performed an assessment and confirmed that no impairment was required for EnergyAustralia's generation assets at 31 December 2025.

This is a Key Audit Matter because critical judgements exist in estimating forward electricity pool prices, volumes, gas prices and long term market assumptions.

### How our audit addressed the Key Audit Matter

Our procedures in relation to management's assessment of the carrying value of EnergyAustralia's generation assets included:

- ◆ Discussing EnergyAustralia's generation assets scenarios with management and understanding the key assumptions included within them;
- ◆ Assessing the appropriateness of movements in the forward electricity pool prices and the gas prices, and the movements in the market inputs used in the scenarios to available observable market data, where possible;
- ◆ Comparing the historical forecasted generation and retail volumes with the actual volumes;
- ◆ Assessing the useful lives of EnergyAustralia's assets to the committed asset closure of the assets;
- ◆ Reconciling the generation asset scenarios to the approved business plan;
- ◆ Verifying the integrity of formulae and mathematical accuracy of management's valuation model;
- ◆ Assessing the potential impact of possible future regulatory policy changes in Australia; and
- ◆ Reviewing the appropriateness of the Group's disclosures on generation assets.

Based on the work performed, we found that management's scenarios were supported by the available evidence.

**Fixed asset accounting and the calculation of the Scheme of Control permitted return**

Refer to notes 10 and 11 to the Group Financial Statements

Consolidated fixed assets and right-of-use assets were HK\$176,128 million at 31 December 2025. This includes fixed assets and leasehold land relating to CLP Power and Castle Peak Power Company Limited (CAPCO) (together the SoC Companies) (SoC fixed assets) which are used in the calculation of the permitted return under the Scheme of Control (SoC) Agreement.

The annual permitted return is 8% of the SoC Companies' average net fixed assets. If the gross tariff revenue in a period is less than or exceeds the total of the SoC operating costs, the permitted return and the taxation charges, such deficit shall be deducted from, or such excess shall be added to, the Tariff Stabilisation Fund (TSF). In any period, the amount of deduction from or addition to the TSF is recognised as a revenue adjustment to the extent that the return and charges under the SoC are recognised in profit or loss.

This is a Key Audit Matter because of the significance of the balance and its importance to the SoC Companies. The accuracy of SoC fixed asset additions, disposals and depreciation charges is important to ensure the SoC fixed asset balance is appropriate and the permitted return is calculated correctly.

Our procedures in relation to the Group's SoC fixed assets and the calculation of the SoC permitted return included:

- ❖ Assessing the control environment and testing controls over SoC fixed assets additions, disposals and depreciation charges;
- ❖ Testing the SoC fixed asset additions in the year to supporting evidence on a sample basis and assessing whether the items have been appropriately capitalised;
- ❖ Assessing the assumptions made by management in recognising SoC capital accruals for large projects by comparing to evidence from vendors;
- ❖ Assessing the estimated useful lives of SoC fixed assets against the SoC Agreement;
- ❖ Assessing depreciation charges in the year by performing recalculations;
- ❖ Obtaining management's reconciliation of SoC fixed assets from the opening balance at the beginning of the year to the closing balance at the end of the year and comparing to the general ledger and supporting records;
- ❖ Recalculating the SoC permitted return for the year; and
- ❖ Recalculating the SoC adjustment to revenue for the year.

Based on the work performed, we found that the Group's SoC fixed asset accounting and the SoC permitted return calculation were supported by the available evidence.

### Key Audit Matter

#### Recoverability of trade receivables

Refer to note 19 to the Group Financial Statements

CLP Power and EnergyAustralia have significant retail businesses with many individual customers. The offtakers for the Group's other generation businesses are mainly a small number of state grid operators on the Chinese Mainland. The Group measures the loss allowance for its trade receivables at an amount equal to the lifetime expected credit losses.

Expected credit losses in CLP Power are close to zero as the trade receivables are mostly secured by cash deposits or bank guarantees from customers and have no recent history of default.

EnergyAustralia has trade receivables of HK\$6,613 million at 31 December 2025 against which provisions for expected credit losses of HK\$1,028 million are held. Management estimated the level of expected losses, by assessing future cash flows for each group of trade receivables including a probability weighted amount determined by evaluating a range of possible outcomes based on twelve month rolling historical credit loss experience by customer segment, geographical region, tenure and type of customer and applying that weighting to the receivables held at year end. The impact of economic factors, both current and future, is considered in assessing the likelihood of recovery from customers.

As at 31 December 2025, the Group had total receivables of HK\$2,517 million relating to unpaid Renewable National Subsidies in its Chinese Mainland business. The expected credit loss is close to zero as continuous settlements have been noted with no history of default and the subsidy is funded by the Renewable Energy Development Fund set up and administered by the Ministry of Finance.

This is a Key Audit Matter because of the magnitude of the trade receivables balance and the significant judgement applied in assessing the allowance for expected credit losses.

### How our audit addressed the Key Audit Matter

Our procedures in relation to trade receivables included:

- ◆ Testing controls over the billing and collection cycles in CLP Power and EnergyAustralia;
- ◆ Testing the system calculated trade receivables ageing analysis used to assess the recoverability of receivables in CLP Power;
- ◆ Testing the trade receivables ageing analysis and customer segmentation in EnergyAustralia;
- ◆ Assessing the methodologies used by the Group to determine expected credit loss provision;
- ◆ Assessing the estimates used to determine the expected credit losses by considering cash collection performance and assessing the reasonableness of forward-looking factors included in the expected credit loss model;
- ◆ Assessing the allocation of deposits to customer balances as a part of CLP Power's expected credit loss assessment;
- ◆ Assessing the accuracy of management's judgements by comparing historical provisions against actual write-offs;
- ◆ Obtaining and reading minutes of the boards of directors' meetings relating to the recoverability of trade receivables; and
- ◆ Understanding the nature and the judgement involved in management's determination that the expected credit loss on unpaid Renewable National Subsidies is close to zero, and assessing the regulatory eligibility for the Group's projects and considering subsidies collected to-date and correspondences with government authorities.

Based on the work performed, we found that management's assessments of the recoverability of trade receivables were supported by the available evidence.

**Asset retirement obligations (AROs)**

Refer to note 26 to the Group Financial Statements

Provisions are held for estimated remediation costs, discounted to present value, where the Group has a legal or constructive obligation for remediation and the likelihood of an economic outflow is probable. Estimating the amount and timing of the obligation requires significant judgement. Management has assessed the Group's obligations for each asset based on the local regulatory environment and expected closure dates.

Management's key ARO judgements are as follows:

The Group's ARO provision for land remediation and decommissioning of generation assets in Australia was HK\$3,462 million. The provisions are based on estimates by external and internal experts that are discounted using internally determined end-of-plant lives. Other significant judgements also include the timing of the asset removal and costs to remove infrastructure, remediate soil and groundwater, water usage and technological developments.

CLP Power expects that its transmission and distribution network will continue to be used for the distribution of electricity supply to its customers and considers it remote that the network will be removed from the existing land sites. Therefore, AROs have not been recognised for transmission and distribution assets.

All the coal-fired generation units at Castle Peak "A" Station (CPA) have reached their end of useful lives. At 31 December 2025, three units of CPA have been retired. Management considers that the dismantling obligation for the CPA units is covered by the asset decommissioning liability accrued under the SoC as at 31 December 2025.

No provision for AROs has been recognised for the other generation units of CAPCO as the removal of CAPCO's other fossil-fuel generation units is possible and it is expected that should such obligation be incurred, it will be met by the liability accrued and the cost recovery mechanism under the SoC.

This is a Key Audit Matter because significant judgement is required in determining whether an ARO exists and estimating the amount and timing of the obligation.

Our procedures in relation to AROs included:

- ◆ Assessing the Group's accounting policy against the requirements of the accounting standards;
- ◆ Evaluating management's judgement that it is remote that the Hong Kong transmission and distribution network would be removed from the existing land sites; it is probable that the CPA units will be removed; and it is possible but not probable that CAPCO's other fossil-fuel generation units may be removed at some point in time in the future;
- ◆ Assessing management's judgements as to whether a contractual or constructive obligation exists based on the respective power purchase agreements, lease agreements, local laws and regulations and past practice;
- ◆ Assessing the independence, objectivity and competence of management's external and internal experts involved where applicable in respect of the future cost estimates for those assets where a provision has been recognised; and
- ◆ Testing the reasonableness of management's estimates of future costs, the timing of payments and the discount rates where management has concluded that a legal or constructive obligation exists.

Based on the work performed, we found that the ARO provisions were supported by the available evidence.

## Independent Auditor's Report

### Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, other than the Group Financial Statements and our auditor's report thereon.

Our opinion on the Group Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Group Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Group Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Directors and the Audit & Risk Committee for the Group Financial Statements

The directors of the Company are responsible for the preparation of the Group Financial Statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of Group Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group Financial Statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit & Risk Committee is responsible for overseeing the Group's financial reporting process on behalf of the Board of Directors.

### Auditor's Responsibilities for the Audit of the Group Financial Statements

Our objectives are to obtain reasonable assurance about whether the Group Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group Financial Statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the Group Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- ◆ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the Group Financial Statements, including the disclosures, and whether the Group Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Risk Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Risk Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit & Risk Committee, we determine those matters that were of most significance in the audit of the Group Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yee Shia Yuen (practising certificate number: P05129).



**PricewaterhouseCoopers**

Certified Public Accountants

Hong Kong, 26 February 2026

# Consolidated Statement of Profit or Loss

for the year ended 31 December 2025

	<i>Note</i>	2025 HK\$M	2024 HK\$M
<b>Revenue</b>	3	<b>88,018</b>	90,964
Expenses			
Purchases and distributions of electricity and gas		<b>(28,950)</b>	(31,871)
Staff expenses		<b>(5,987)</b>	(5,150)
Fuel and other operating expenses		<b>(29,551)</b>	(29,764)
Depreciation and amortisation		<b>(9,718)</b>	(9,276)
		<b>(74,206)</b>	(76,061)
Other gain	4	<b>460</b>	-
Operating profit	5	<b>14,272</b>	14,903
Finance costs	6	<b>(1,860)</b>	(2,254)
Finance income	6	<b>194</b>	235
Share of results, net of income tax			
Joint ventures	14	<b>(12)</b>	845
Associates	15	<b>1,607</b>	1,810
Profit before income tax		<b>14,201</b>	15,539
Income tax expense	7	<b>(2,655)</b>	(2,821)
Profit for the year		<b>11,546</b>	12,718
<b>Earnings attributable to:</b>			
<b>Shareholders</b>		<b>10,468</b>	11,742
Perpetual capital securities holders		<b>199</b>	136
Other non-controlling interests		<b>879</b>	840
		<b>11,546</b>	12,718
<b>Earnings per share, basic and diluted</b>	9	<b>HK\$4.14</b>	HK\$4.65

The notes and disclosures on pages 188 to 250 are an integral part of these consolidated financial statements.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	2025 HK\$M	2024 HK\$M
<b>Profit for the year</b>	<b>11,546</b>	12,718
Other comprehensive income		
Items that can be reclassified to profit or loss		
Exchange differences on translation	2,146	(2,474)
Translation reserve reclassified upon early termination of a joint venture agreement	-	(68)
Cash flow hedges	(1,287)	(161)
Costs of hedging	(5)	345
Share of other comprehensive income of joint ventures	67	-
Cash flow hedge reserve reclassified upon deconsolidation of subsidiaries	112	-
Release of other reserves	-	(2)
	<b>1,033</b>	(2,360)
Items that cannot be reclassified to profit or loss		
Fair value gains on investments	-	190
Remeasurement gains/(losses) on defined benefit plans	9	(4)
	<b>9</b>	186
<b>Other comprehensive income for the year, net of tax</b>	<b>1,042</b>	(2,174)
Total comprehensive income for the year	<b>12,588</b>	10,544
<b>Total comprehensive income attributable to:</b>		
<b>Shareholders</b>	<b>11,534</b>	9,530
Perpetual capital securities holders	199	136
Other non-controlling interests	855	878
	<b>12,588</b>	10,544

The notes and disclosures on pages 188 to 250 are an integral part of these consolidated financial statements.

# Consolidated Statement of Financial Position

as at 31 December 2025

	Note	2025 HK\$M	2024 HK\$M
<b>Non-current assets</b>			
Fixed assets	10	166,094	158,532
Right-of-use assets	11	10,034	10,183
Investment property	12	754	817
Goodwill and other intangible assets	13	12,685	12,445
Interests in and loans to joint ventures	14	12,125	12,188
Interests in associates	15	9,508	8,486
Deferred tax assets	24	1,943	1,625
Derivative financial instruments	16	514	1,134
Other non-current assets	17	2,149	1,464
		<b>215,806</b>	206,874
<b>Current assets</b>			
Inventories – stores and fuel		3,717	3,513
Renewable energy certificates		1,179	1,055
Properties for sale	18	714	1,888
Trade and other receivables	19	12,856	14,114
Derivative financial instruments	16	444	900
Fuel clause account	20	–	370
Short-term deposits and restricted cash	21	23	23
Cash and cash equivalents	21	3,905	4,976
		<b>22,838</b>	26,839
<b>Current liabilities</b>			
Customers' deposits	19(a)	(7,542)	(7,207)
Fuel clause account	20	(1,043)	–
Trade payables and other liabilities	22	(18,598)	(19,788)
Income tax payable		(504)	(775)
Bank loans and other borrowings	23	(9,673)	(15,849)
Derivative financial instruments	16	(1,054)	(1,185)
		<b>(38,414)</b>	(44,804)
Net current liabilities		<b>(15,576)</b>	(17,965)
<b>Total assets less current liabilities</b>		<b>200,230</b>	188,909

	Note	2025 HK\$M	2024 HK\$M
<b>Financed by:</b>			
<b>Equity</b>			
Share capital	27	23,243	23,243
Reserves	28	84,367	80,812
Shareholders' funds		<b>107,610</b>	104,055
Perpetual capital securities	29	3,872	–
Other non-controlling interests	29	5,943	6,063
		<b>117,425</b>	110,118
<b>Non-current liabilities</b>			
Bank loans and other borrowings	23	52,156	49,305
Deferred tax liabilities	24	17,978	17,348
Derivative financial instruments	16	1,437	1,388
Scheme of Control (SoC) reserve accounts	25	2,871	3,172
Asset decommissioning liabilities and retirement obligations	26	5,063	4,696
Other non-current liabilities		3,300	2,882
		<b>82,805</b>	78,791
<b>Equity and non-current liabilities</b>		<b>200,230</b>	188,909

 The Company's statement of financial position is presented in Note 34.



**Andrew Brandler**  
Vice Chairman

Hong Kong, 26 February 2026



**Chiang Tung Keung**  
Chief Executive Officer



**Alexandre Keisser**  
Chief Financial Officer

The notes and disclosures on pages 188 to 250 are an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Attributable to Shareholders			Perpetual Capital Securities HK\$M	Other Non- controlling Interests HK\$M	Total Equity HK\$M
	Share Capital HK\$M	Reserves HK\$M	Total HK\$M			
Balance at 1 January 2024	23,243	79,088	102,331	3,887	6,164	112,382
Profit for the year	-	11,742	11,742	136	840	12,718
Other comprehensive income for the year	-	(2,212)	(2,212)	-	38	(2,174)
Transfer to fixed assets	-	20	20	-	8	28
Dividends paid						
2023 fourth interim	-	(3,057)	(3,057)	-	-	(3,057)
2024 first to third interim	-	(4,775)	(4,775)	-	-	(4,775)
Distributions to perpetual capital securities holders	-	-	-	(136)	-	(136)
Dividends paid to other non-controlling interests	-	-	-	-	(987)	(987)
Reclassification to other borrowings (Note 29(A))	-	6	6	(3,887)	-	(3,881)
Balance at 31 December 2024	23,243	80,812	104,055	-	6,063	110,118
Balance at 1 January 2025	23,243	80,812	104,055	-	6,063	110,118
Profit for the year	-	10,468	10,468	199	879	11,546
Other comprehensive income for the year	-	1,066	1,066	-	(24)	1,042
Transfer to fixed assets	-	(21)	(21)	-	-	(21)
Dividends paid						
2024 fourth interim	-	(3,183)	(3,183)	-	-	(3,183)
2025 first to third interim	-	(4,775)	(4,775)	-	-	(4,775)
Issue of perpetual capital securities (Note 29(A))	-	-	-	3,872	-	3,872
Distributions to perpetual capital securities holders	-	-	-	(199)	-	(199)
Dividends paid to other non-controlling interests	-	-	-	-	(975)	(975)
<b>Balance at 31 December 2025</b>	<b>23,243</b>	<b>84,367</b>	<b>107,610</b>	<b>3,872</b>	<b>5,943</b>	<b>117,425</b>

The notes and disclosures on pages 188 to 250 are an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

for the year ended 31 December 2025

	Note	2025		2024	
		HK\$M	HK\$M	HK\$M	HK\$M
<b>Operating activities</b>					
Net cash inflow from operations	30(A)	26,258		25,178	
Interest received		197		209	
Income tax paid		(2,077)		(2,247)	
Net cash inflow from operating activities			24,378		23,140
<b>Investing activities</b>					
Capital expenditure		(15,539)		(15,076)	
Capitalised interest and other finance costs paid		(459)		(564)	
Proceeds from disposal of fixed assets		109		45	
Additions of other intangible assets		(756)		(663)	
Acquisition of a subsidiary		-		(3,023)	
Deconsolidation of subsidiaries		170		-	
Cash consideration	4	188		-	
Cash and cash equivalents disposed of		(18)		-	
Increase in investments at fair value through profit or loss		(130)		(14)	
Proceeds from disposal of investment at fair value through other comprehensive income		-		481	
Proceeds from disposal of investments at fair value through profit or loss		13		161	
Increase in other financial assets		(4)		-	
Increase in investments in and loans to joint ventures		(133)		(40)	
Decrease in investments in and loans to joint ventures		10		29	
Dividends received from					
Joint ventures		629		770	
Associates		1,762		1,659	
Equity investments		-		15	
Decrease in bank deposits with maturities of more than three months		-		4	
Net cash outflow from investing activities			(14,328)		(16,216)
Net cash inflow before financing activities			10,050		6,924
<b>Financing activities</b>					
Proceeds from long-term borrowings	30(B)	12,508		9,817	
Repayment of long-term borrowings	30(B)	(10,672)		(7,131)	
Redemption of perpetual capital securities	30(B)	(3,933)		-	
Issue of perpetual capital securities		3,872		-	
(Decrease)/increase in short-term borrowings	30(B)	(1,768)		2,269	
Payment of principal portion of lease liabilities	30(B)	(233)		(346)	
Interest and other finance costs paid	30(B)	(1,418)		(1,765)	
Settlement of derivative financial instruments	30(B)	(381)		(648)	
Decrease in advances from other non-controlling interests	30(B)	(104)		(278)	
Distributions paid to perpetual capital securities holders		(159)		(139)	
Dividends paid to shareholders		(7,958)		(7,832)	
Dividends paid to other non-controlling interests		(975)		(987)	
Net cash outflow from financing activities			(11,221)		(7,040)
Net decrease in cash and cash equivalents			(1,171)		(116)
Cash and cash equivalents at beginning of year			4,976		5,182
Effect of exchange rate changes			100		(90)
<b>Cash and cash equivalents at end of year</b>	21		<b>3,905</b>		<b>4,976</b>

The notes and disclosures on pages 188 to 250 are an integral part of these consolidated financial statements.

# Material Accounting Policies

Material accounting policies are included in the corresponding notes to the financial statements or set out below.

## 1. Basis of Preparation

The Company, CLP Holdings Limited, and its subsidiaries are collectively referred to as the Group in the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (HKFRSs) as issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and requirements of the Hong Kong Companies Ordinance (Cap.622). HKFRSs is a collective term which includes all applicable individual HKFRS, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the HKICPA. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the Group's material accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are especially significant to the consolidated financial statements, are disclosed in relevant notes to the financial statements.

## 2. Changes in Material Accounting Policies

### (A) Amendments to standards first time adopted in 2025

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how currency not being exchangeable into another currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

The Group has applied the amendments for the first time in 2025. The amendments do not have an impact on the results and financial position of the Group.

### (B) New standards and amendments to standards effective after 2025

The following new standards, amendments and improvements to standards, which may be applicable to the Group, have been issued and are effective after 2025. The Group has not elected to early adopt these pronouncements in 2025.

- ◆ HKFRS 18 Presentation and Disclosure in Financial Statements
- ◆ HKFRS 19 Subsidiaries without Public Accountability: Disclosures
- ◆ Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments
- ◆ Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity
- ◆ Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- ◆ Annual Improvements to HKFRS Accounting Standards – Volume 11
- ◆ Amendment to HK – Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

## 2. Changes in Material Accounting Policies (continued)

### (B) New standards and amendments to standards effective after 2025 (continued)

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

## 3. Consolidation and Equity Accounting

### (A) Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries up to 31 December and include the Group's interests in joint ventures and associates on the basis set out in (B) below.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of subsidiaries acquired during the year are included in the consolidated financial statements from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, to ensure consistency with the policies adopted by the Group, adjustments are made to the financial statements of subsidiaries, joint ventures and associates.

### (B) Joint ventures and associates

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence but not control nor joint control over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in joint ventures /associates are accounted for using the equity method. They are initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of post-acquisition profit or loss and other comprehensive income, until the date on which joint control or significant influence ceases. Distributions received from an investee reduce the carrying amounts of the investments.

### 3. Consolidation and Equity Accounting (continued)

#### (C) Joint operations

A joint operation is an arrangement in which the Group has joint control (as explained in (B) above), whereby the Group has rights to the assets and obligations for the liabilities, relating to the arrangement. When the Group undertakes its activities under a joint operation, the Group as a joint operator recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of the joint operation. They are incorporated in the financial statements under appropriate headings.

#### (D) Change in ownership interests

Transactions with non-controlling interests that do not result in a loss of control are treated as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received, and the reattribution of other comprehensive income to non-controlling interests are recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequent accounting for the retained interest as a joint venture, associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are reclassified to profit or loss. Gains or losses on disposals are recognised in profit or loss.

If the ownership interest in a joint venture or associate is reduced, it is possible that joint control or significant influence is retained or a joint venture becomes an associate. As the Group continues to apply the equity method under both cases, the retained interest is not remeasured. However, a proportionate share of the amounts previously recognised in other comprehensive income of the investment is reclassified to profit or loss where appropriate.



A quick guide to the classification of equity investments:

Control → Subsidiary

Joint control → Joint venture / joint operation

Significant influence → Associate

Less than significant influence → Equity investment

### 4. Inventory

Inventory comprises stores and fuel and is stated at the lower of cost and net realisable value. Cost is calculated on a weighted average basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

### 5. Renewable Energy Products

Renewable energy and energy efficiency schemes operate through the creation, trade and surrender of energy products. Renewable energy certificates are recognised upon the risks and rewards being transferred to the Group and are measured at the lower of cost or net realisable value. Cost is calculated on a weighted average basis.

## 6. Retirement Benefits

The Group operates and/or participates in a number of defined contribution plans and defined benefits plans for its employees, the assets of which are held independently of the Group's assets in trustee-administered funds.

The Group's contributions to the defined contribution plans are charged to the consolidated statement of profit or loss in the year to which the contributions relate.

The Group, through its subsidiaries, operates funded defined benefit plans for qualifying employees in Australia. Under the plans, the employees are entitled to lump sum benefits on retirement, death, disablement and withdrawal. The level of benefits provided depends on employees' years of service and final average salary. Plan assets held in trusts are governed by local regulations and practice.

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit actuarial valuation method. Past service costs are recognised immediately in profit or loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income.

The defined benefit asset recognised in the consolidated statement of financial position represents the surplus of the fair value of plan assets over the present value of the defined benefit obligation at the end of the reporting period.

## 7. Foreign Currency Translation

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Hong Kong dollar, which is the Group's presentation currency.

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies by using the exchange rates at the end of the reporting period are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges.

For subsidiaries, joint ventures and associates that have a functional currency different from the Group's presentation currency for the purpose of consolidation, assets and liabilities for each statement of financial position presented are translated using the closing rates at the end of the reporting period, and income and expenses for each statement of profit or loss and other comprehensive income presented are translated at the average exchange rates for the reporting period (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transactions). All resulting exchange differences are recognised in other comprehensive income and as a separate component of equity. Reclassifications of gains or losses previously recognised in other comprehensive income to profit or loss are translated using the exchange rate at the date of reclassification. The remaining reserve balances are translated using the closing rates at the end of the reporting period. Any exchange differences arising from these are taken to retained profits directly.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated using the closing rates at the end of the reporting period.

Upon disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary/loss of joint control over a joint venture/loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

### 7. Foreign Currency Translation (continued)

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in a joint venture or associate that do not result in the Group losing joint control or significant influence) the proportionate share of the accumulated exchange differences is reclassified to profit or loss.



Monetary assets and liabilities are assets to be received and liabilities to be paid in fixed amounts. For example, a trade receivable is a monetary asset (the amount to be received is fixed) but a fixed asset is not a monetary asset because it is uncertain how much you will receive if the fixed asset is sold.



An entity can have both functional currency and presentation currency, however, a consolidation group can only have presentation currency but not functional currency. This is because presentation currency is a matter of choice but functional currency is based on the different primary economic environment in which each group entity operates.

# Notes to the Financial Statements

## 1. General Information

The Company is a limited liability company incorporated in Hong Kong and listed on the Stock Exchange of Hong Kong. The principal activity of the Company is investment holding, and the principal activities of the subsidiaries are generation and supply of electricity in Hong Kong, Chinese Mainland and Australia, and investment holding of power projects on the Chinese Mainland, India, and Taiwan Region and Southeast Asia.

The financial operations of the Company's major subsidiaries, CLP Power Hong Kong Limited (CLP Power) and Castle Peak Power Company Limited (CAPCO) (collectively referred to as SoC Companies), are governed by a SoC Agreement entered into with the Hong Kong Government. Our electricity business in Hong Kong is therefore also referred to as the SoC business. The main features of the current SoC are summarised on pages 251 and 252, which are unaudited.

The consolidated financial statements were approved for issue by the Board of Directors on 26 February 2026.

## 2. Segment Information

### Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer, who is the chief operating decision-maker of the Group. In accordance with the Group's internal organisation and reporting structure, the operating segments are based on geographical regions.

Segment revenue is based on the geographical region in which the electricity is generated and/or services are rendered. Segment capital additions represent the total costs incurred during the year to acquire fixed assets and other segment assets that are expected to be used for more than one year. Unallocated items comprise mainly corporate expenses, corporate assets, and the Company's liquid funds and borrowings.

Substantially all the principal activities of the Group in each region are for the generation and supply of electricity which are managed and operated on an integrated basis.

The Group operates, through its subsidiaries, joint ventures and associates, in five major geographical regions – Hong Kong, Chinese Mainland, Australia, India, and Taiwan Region and Southeast Asia.

## 2. Segment Information (continued)

	Hong Kong HK\$M	Chinese Mainland HK\$M	Australia HK\$M	India HK\$M	Taiwan Region and Southeast Asia HK\$M	Unallocated Items HK\$M	Total HK\$M
<b>For the year ended 31 December 2025</b>							
Revenue from contracts with customers	51,807	1,831	33,939	-	3	-	87,580
Other revenue	133	41	252	-	-	12	438
Revenue	51,940	1,872	34,191	-	3	12	88,018
EBITDAF	19,674	1,475	3,453	(3)	(63)	(867)	23,669
Share of results, net of income tax							
Joint ventures	(19)	(461)	(11)	235	244	-	(12)
Associates	-	1,607	-	-	-	-	1,607
Consolidated EBITDAF	19,655	2,621	3,442	232	181	(867)	25,264
Depreciation and amortisation	(5,965)	(915)	(2,795)	-	-	(43)	(9,718)
Fair value movements	23	-	298	-	-	-	321
Finance costs	(1,273)	(175)	(404)	-	-	(8)	(1,860)
Finance income	99	16	24	3	-	52	194
Profit/(loss) before income tax	12,539	1,547	565	235	181	(866)	14,201
Income tax expense	(2,096)	(317)	(226)	(14)	(2)	-	(2,655)
Profit/(loss) for the year	10,443	1,230	339	221	179	(866)	11,546
Earnings attributable to							
Perpetual capital securities holders	(199)	-	-	-	-	-	(199)
Other non-controlling interests	(871)	(8)	-	-	-	-	(879)
Earnings/(loss) attributable to shareholders	9,373	1,222	339	221	179	(866)	10,468
Excluding: Items affecting comparability	(122)	608	(45)	-	-	-	441
Operating earnings	9,251	1,830	294	221	179	(866)	10,909
Other segment information:							
Capital additions	10,639	3,567	2,575	-	-	19	16,800
Impairment provisions/(reversals)							
Receivables and others	62	(4)	459	-	-	-	517
Purchases and distributions of electricity and gas	8,662	-	20,288	-	-	-	28,950
<b>At 31 December 2025</b>							
Fixed assets, right-of-use assets and investment property	149,853	14,106	12,812	-	-	111	176,882
Goodwill and other intangible assets	6,813	2,578	3,189	-	-	105	12,685
Interests in and loans to joint ventures	2,152	4,379	292	3,300	2,002	-	12,125
Interests in associates	-	9,508	-	-	-	-	9,508
Deferred tax assets	1	52	1,890	-	-	-	1,943
Other assets	7,518	5,823	10,714	156	30	1,260	25,501
Total assets	166,337	36,446	28,897	3,456	2,032	1,476	238,644
Bank loans and other borrowings	50,157	7,902	3,770	-	-	-	61,829
Current and deferred tax liabilities	17,385	1,096	-	-	1	-	18,482
Other liabilities	26,467	2,052	11,891	-	6	492	40,908
Total liabilities	94,009	11,050	15,661	-	7	492	121,219



EBITDAF stands for earnings before interest, taxes, depreciation and amortisation, and fair value movements. For this purpose, fair value movements include fair value gains or losses on non-debt related derivative financial instruments relating to transactions not qualified for hedge accounting, ineffectiveness and discontinuation of cash flow hedges.

## 2. Segment Information (continued)

	Hong Kong HK\$M	Chinese Mainland HK\$M	Australia HK\$M	India HK\$M	Taiwan Region and Southeast Asia HK\$M	Unallocated Items HK\$M	Total HK\$M
For the year ended 31 December 2024							
Revenue from contracts with customers	51,713	1,750	36,972	-	3	-	90,438
Other revenue	335	51	125	-	-	15	526
Revenue	52,048	1,801	37,097	-	3	15	90,964
EBITDAF	18,892	1,434	3,774	(3)	(9)	(913)	23,175
Share of results, net of income tax							
Joint ventures	(28)	152	-	451	270	-	845
Associates	-	1,810	-	-	-	-	1,810
Consolidated EBITDAF	18,864	3,396	3,774	448	261	(913)	25,830
Depreciation and amortisation	(5,727)	(840)	(2,658)	-	-	(51)	(9,276)
Fair value movements	(45)	-	1,049	-	-	-	1,004
Finance costs	(1,579)	(180)	(471)	-	-	(24)	(2,254)
Finance income	119	14	29	4	-	69	235
Profit/(loss) before income tax	11,632	2,390	1,723	452	261	(919)	15,539
Income tax expense	(2,076)	(328)	(398)	(18)	(1)	-	(2,821)
Profit/(loss) for the year	9,556	2,062	1,325	434	260	(919)	12,718
Earnings attributable to							
Perpetual capital securities holders	(136)	-	-	-	-	-	(136)
Other non-controlling interests	(830)	(10)	-	-	-	-	(840)
Earnings/(loss) attributable to shareholders	8,590	2,052	1,325	434	260	(919)	11,742
Excluding: Items affecting comparability	11	-	-	(105)	-	-	(94)
Operating earnings	8,601	2,052	1,325	329	260	(919)	11,648
Other segment information:							
Capital additions	11,378	2,355	2,095	-	-	143	15,971
Impairment provisions							
Receivables and others	33	-	471	-	-	-	504
Purchases and distributions of electricity and gas	8,327	-	23,544	-	-	-	31,871
At 31 December 2024							
Fixed assets, right-of-use assets and investment property							
property	146,154	10,547	12,693	-	-	138	169,532
Goodwill and other intangible assets	6,359	2,852	3,128	-	-	106	12,445
Interests in and loans to joint ventures	2,076	4,738	-	3,494	1,880	-	12,188
Interests in associates	-	8,486	-	-	-	-	8,486
Deferred tax assets	2	45	1,578	-	-	-	1,625
Other assets	9,595	5,312	11,228	41	29	3,232	29,437
Total assets	164,186	31,980	28,627	3,535	1,909	3,476	233,713
Bank loans and other borrowings	56,024	5,572	3,558	-	-	-	65,154
Current and deferred tax liabilities	16,987	1,121	14	-	1	-	18,123
Other liabilities	27,220	1,686	10,946	1	2	463	40,318
Total liabilities	100,231	8,379	14,518	1	3	463	123,595



Items affecting comparability refer to significant unusual events such as acquisition/disposal, impairment of non-current assets, property valuation gain/loss, legal disputes, change in law and natural catastrophe. They have no impact in assessing the underlying operating performance of the Group and are separately disclosed to allow a better understanding and comparison of the financial results. Details of the items affecting comparability can be found on page 22.

### 3. Revenue

#### Accounting Policy

##### (A) Revenue from contracts with customers

Revenues from sales of electricity and gas are recognised when electricity and gas are supplied to and consumed by the customers. Revenues are recognised over time and measured at the amounts billed to the customers based on the periodic cycle meter readings and the estimated accruals for the value of electricity and gas consumed from the meter reading date to the end of the reporting period (“unbilled revenue”).

##### (B) Revenue from sales of properties

Revenue from sales of properties is recognised when the control of asset is transferred to the customer, being at the point in time the physical possession or the legal title of the completed property, and the Group has present right to payment and the collection of the consideration is probable.

#### Critical Accounting Estimates and Judgements: Unbilled Retail Revenue

The Group records revenues from retail energy sales using the accrual accounting method. In Hong Kong, the unbilled retail revenue is calculated using estimates including consumption quantity based on electricity sent-out adjusted by loss factors, pattern of residential and non-residential consumption, weather and certain other factors. In Australia, the unbilled retail revenue is calculated based on the electricity purchased and applicable tariffs for the mass market customers, as well as actual meter readings and contracted rates for commercial and industrial customers. The amount is adjusted for physical energy loss and other measurable factors. Unbilled retail revenue of the Group (included in trade and other receivables) totalled HK\$3,694 million at 31 December 2025 (2024: HK\$3,296 million).

The Group’s revenue primarily represents sales of electricity and gas and is disaggregated as follows:

	2025 HK\$M	2024 HK\$M
Revenue from contracts with customers		
Sales of electricity in Hong Kong	48,967	50,649
Transfer for SoC to/(from) revenue (Note 25(A))	296	(505)
SoC sales of electricity	49,263	50,144
Sales of electricity outside Hong Kong	29,883	32,718
Sales of gas in Australia	5,515	5,749
Sales of properties in Hong Kong	1,404	374
Others	1,515	1,453
	<b>87,580</b>	90,438
Other revenue	438	526
	<b>88,018</b>	90,964

### 4. Other Gain

In June 2025, the Group introduced a 50% joint venture partner to its wholly-owned subsidiaries, which engaged in the development of an energy storage system in Australia, for a consideration of HK\$188 million. As a result of the transaction, the Group’s equity interest in the energy storage system project was reduced from 100% to 50%, and the associated entities ceased to be subsidiaries of the Group and were deconsolidated. Accordingly, the Group’s 50% retained interest has been recognised as an investment in joint venture at its fair value.

## 5. Operating Profit

Operating profit is stated after charging/(crediting) the following:

	2025 HK\$M	2024 HK\$M
<b>Charging</b>		
Retirement benefits costs <sup>(a)</sup>	570	519
Auditors' remuneration		
Audit services		
PricewaterhouseCoopers	48	47
Other auditor	-	-
Permissible audit related and non-audit services		
PricewaterhouseCoopers <sup>(b)</sup>	8	8
Other auditor	-	-
Variable lease expenses	28	29
Cost of properties sold	1,176	306
Net losses on disposal of fixed assets	319	582
Impairment of		
Inventories – stores and fuel	45	47
Trade and other receivables	472	457
Yallourn closure cost provision <sup>(c)</sup>	493	-
Revaluation loss on investment property	63	67
<b>Crediting</b>		
Rental income from investment property	(21)	(26)
Dividends from equity investments	-	(15)
Fair value gains on investments at fair value through profit or loss	(46)	(2)
Net fair value (gains)/losses on non-debt related derivative financial instruments		
Cash flow hedge		
Reclassified from cash flow hedge reserve and cost of hedging reserve to		
Purchases and distributions of electricity and gas	(390)	(1,758)
Fuel and other operating expenses	(90)	(102)
Ineffectiveness of cash flow hedge	52	(21)
Not qualified for hedge accounting	(373)	(983)
Net exchange (gains)/losses	(28)	21

Notes:

- (a) Retirement benefits costs for the year amounted to HK\$736 million (2024: HK\$696 million), of which HK\$163 million (2024: HK\$173 million) was capitalised.
- (b) Permissible audit related and non-audit services provided by PricewaterhouseCoopers comprised 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, auditor's attestation and other advisory services.
- (c) Constructive obligation to the planned closure for Yallourn Power Station in 2028 existed and a provision for the associated closure cost totalling HK\$493 million was recognised in 2025.

## 6. Finance Costs and Income

**Accounting Policy**

Borrowing costs are recognised as an expense in the year in which they are incurred, except to the extent that they are capitalised when they are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use.

	2025 HK\$M	2024 HK\$M
Finance costs		
Interest expenses on		
Bank loans and overdrafts	928	1,181
Other borrowings	1,016	1,081
Tariff Stabilisation Fund <sup>(a)</sup>	85	124
Customers' deposits and others	23	50
Lease liabilities	57	65
Net fair value losses/(gains) on debt related derivative financial instruments		
Cash flow hedge		
Reclassified from cash flow hedge reserve	3	356
Reclassified from cost of hedging reserve	(26)	(31)
Fair value hedge		
Net fair value (gains)/losses	(598)	315
Reclassified from cost of hedging reserve	15	1
Ineffectiveness of fair value hedges	(2)	(34)
Not qualified for hedge accounting	(88)	(2)
Net fair value losses/(gains) on hedged items in fair value hedges	598	(315)
Net exchange losses/(gains)	88	(277)
Finance charges	257	294
	<b>2,356</b>	<b>2,808</b>
Less: amount capitalised <sup>(b)</sup>	<b>(496)</b>	<b>(554)</b>
	<b>1,860</b>	<b>2,254</b>
Finance income		
Interest income on		
Bank deposits	92	114
Loans to joint ventures and others	102	121
	<b>194</b>	<b>235</b>

## Notes:

- (a) In accordance with the provisions of the SoC Agreement, CLP Power is required to credit, to a Rate Reduction Reserve in its financial statements, a charge of the average of one-month Hong Kong Interbank Offered Rate on the average balance of the Tariff Stabilisation Fund (Note 25(B)).
- (b) Finance costs of the Group's general borrowings have been capitalised at average interest rates of 2.41% – 3.20% (2024: 2.10% – 3.84%) per annum.

## 7. Income Tax Expense

Income tax in the consolidated statement of profit or loss represents the income tax of the Company and subsidiaries and is analysed below:

	2025 HK\$M	2024 HK\$M
Current income tax expense	1,805	1,963
Deferred tax expense	850	858
	<b>2,655</b>	<b>2,821</b>

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year. Income tax on profits assessable outside Hong Kong has been provided at the rates prevailing in the respective jurisdictions.

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

	2025 HK\$M	2024 HK\$M
Profit before income tax	14,201	15,539
Less: Share of results of joint ventures and associates, net of income tax	(1,595)	(2,655)
	<b>12,606</b>	<b>12,884</b>
Calculated at an income tax rate of 16.5% (2024: 16.5%)	2,080	2,126
Effect of different income tax rates in other countries	355	415
Income not subject to tax	(170)	(182)
Expenses not deductible for tax purposes	419	342
Revenue adjustment for SoC not subject to tax	(49)	83
Tariff rebates deductible for tax purposes	-	(3)
Under-provision in prior years	5	5
Tax losses not recognised	15	35
Income tax expense	<b>2,655</b>	<b>2,821</b>

The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules (the Rules). Under the Rules, a top-up tax liability arises when the effective tax rate of the Group's operations in a jurisdiction, calculated using principles set out in the Pillar Two legislation, is below 15%.

As at 31 December 2025, Pillar Two legislation has been enacted and in effect in certain jurisdictions where the Group operates, including Hong Kong and Australia. It has been assessed that the impact of the Rules is immaterial to the Group for the year ended 31 December 2025.

The Group has applied the mandatory temporary relief from the accounting requirement to recognise and disclose deferred taxes arising from the jurisdictional implementation of the Rules, as provided in HKAS 12.

## 8. Dividends

	2025		2024	
	HK\$ per Share	HK\$M	HK\$ per Share	HK\$M
First to third interim dividends paid	1.89	4,775	1.89	4,775
Fourth interim dividend declared	1.31	3,310	1.26	3,183
	<b>3.20</b>	<b>8,085</b>	3.15	7,958

At the Board meeting held on 26 February 2026, the Directors declared the fourth interim dividend of HK\$1.31 per share (2024: HK\$1.26 per share). The fourth interim dividend is not reflected as a dividend payable in the financial statements.

## 9. Earnings per Share

The earnings per share are computed as follows:

	2025	2024
Earnings attributable to shareholders (HK\$M)	10,468	11,742
Weighted average number of shares in issue (thousand shares)	2,526,451	2,526,451
Earnings per share (HK\$)	4.14	4.65

Basic and fully diluted earnings per share are the same as the Company did not have any dilutive equity instruments throughout the years ended 31 December 2025 and 2024.

## 10. Fixed Assets

### Accounting Policy

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the fixed asset. Cost may also include transfer from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of fixed assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. For any asset replacement, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in the period in which they are incurred.

Depreciation of fixed assets is calculated, using the straight-line method, to allocate their costs to their estimated residual values over their estimated useful lives. The estimated useful lives of the fixed assets are set out below:

	SoC fixed assets	Non-SoC fixed assets
Freehold land	not applicable	not depreciable
Cable tunnels	100 years	30 years
Buildings and civil structures at power stations	35 years	20 – 50 years
Ash lagoon	35 years	20 – 40 years
Other buildings and civil structures	60 years	8 – 45 years
Generating plants	25 – 50 years*	10 – 41 years
Overhead lines (33kV and above)	60 years	20 – 25 years
Overhead lines (below 33kV)	45 years	18 – 20 years
Cables	60 years	not applicable
Switchgear and transformers	50 years	15 – 25 years
Substation miscellaneous	25 years	20 – 25 years
Meters	15 years	10 years
Other equipment, furniture and fittings, motor vehicles and marine crafts	5 – 10 years	2 – 10 years

\* Useful lives of certain generating plants have been extended by 10 – 25 years after mid-life refurbishments

## 10. Fixed Assets (continued)

### Accounting Policy (continued)

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. For plant under construction, no depreciation is provided until the construction is completed and the assets are ready for their intended use. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

### Critical Accounting Estimates and Judgements

#### (A) Assessment of the Carrying Value of Generation Assets in Australia

Given continued changes in the National Electricity Market (NEM) in Australia and changes in the supply and demand equilibrium, risk is introduced in market modelling which heightens the criticality of this judgement area. As part of making these critical judgements, risks do exist in the assumptions made around supply and demand with regard to the Group's generation assets in Australia. In certain circumstances, where demand expectations and supply side responses vary substantially from the assumptions made, particularly in regard to the transition to renewable energy sources and uses, significant changes in the value of the assets could eventuate. The NEM is highly sensitive to a variety of factors such as government intervention and expected power plant closure dates. There has been no change in expected closure dates of the Group's generation assets during 2025.

EnergyAustralia remains committed to Australia's transition to net zero emissions with cleaner, reliable and affordable energy for customers. EnergyAustralia is transforming its generation portfolio, investing in cleaner forms of energy, while helping customers to reduce their own emissions. When determining whether the carrying value of the generation assets is supportable, scenarios are produced which reflect a range of economic conditions that may exist over the life of the cash generating unit (CGU) assets. The scenarios consider a broad range of outcomes including expected power plant closure dates, renewable generation, emissions reduction trajectories, potential regulatory changes including those impacting the timing of national power plant closure dates and the impact to the useful lives of our generation assets in Australia. The scenarios are then considered in terms of likelihood to arrive at management's best estimate.

Key estimates and assumptions for assessing the carrying value of the generation assets are as follows:

- ❖ Critical judgement exists in estimating forward electricity pool prices (the forward curve), generation volumes, retail volumes, gas prices and long-term assumptions around market movements and growth rates.
- ❖ Operating costs are escalated by relevant cost drivers using activity-based costing principles. Significant uncertainties exist around fuel supply and non-contracted fuel costs are based on management's estimate of future fuel supply expectation and prices.

The assessment concluded that the carrying value of generation assets of HK\$12.2 billion (2024: HK\$12.1 billion) was supported by future cash flows. Management particularly considers the generation CGU to be highly sensitive to a change in expected long-term wholesale prices, which interplay with coal supply and expected power plant closure dates. The Group will continually assess the carrying value of the generation assets as the market and the Group transition towards a cleaner energy future.

## 10. Fixed Assets (continued)

## Critical Accounting Estimates and Judgements (continued)

## (B) Assessment of the Carrying Values of Fixed Assets and Right-of-use Assets in Other Regions

The Group has also made substantial investments in fixed assets and right-of-use assets (mainly leasehold land and land use rights) in other regions. The Group conducts impairment reviews of these assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Determining whether an asset or a CGU should be impaired requires an estimation of the recoverable amount, which requires the Group to estimate the future cash flows, a growth rate (that reflects the economic environments in which the Group operates) and a pre-tax discount rate (that reflects the current market assessments of the time value of money and the risks specific to the asset, inclusive of climate change impact) in order to calculate the present value. Where the present value of the expected cash flows is less than the asset's carrying amount, an impairment loss may arise. During the year, after reviewing the business environment as well as the Group's strategies and past performance of the investments, management concluded that there was no indication of impairment of fixed assets and right-of-use assets.

Fixed assets included assets under construction with book value of HK\$17,647 million (2024: HK\$16,438 million). The movements during the year are set out below:

	Freehold Land HK\$M	Buildings HK\$M	Plant, Machinery and Equipment HK\$M	Total HK\$M
Net book value at 1 January 2024	298	22,824	129,664	152,786
Acquisition of a subsidiary	-	1,087	-	1,087
Additions	3	2,409	12,752	15,164
Transfers and disposals	-	(72)	(698)	(770)
Depreciation	-	(936)	(7,217)	(8,153)
Exchange differences	(29)	(111)	(1,442)	(1,582)
Net book value at 31 December 2024	272	25,201	133,059	158,532
Cost	343	42,318	249,903	292,564
Accumulated depreciation and impairment	(71)	(17,117)	(116,844)	(134,032)
Net book value at 31 December 2024	272	25,201	133,059	158,532
Net book value at 1 January 2025	272	25,201	133,059	158,532
Additions	-	1,292	14,513	15,805
Deconsolidation of subsidiaries	-	-	(840)	(840)
Transfers and disposals	-	(95)	(375)	(470)
Depreciation	-	(927)	(7,548)	(8,475)
Exchange differences	22	149	1,371	1,542
<b>Net book value at 31 December 2025</b>	<b>294</b>	<b>25,620</b>	<b>140,180</b>	<b>166,094</b>
Cost	370	43,649	265,236	309,255
Accumulated depreciation and impairment	(76)	(18,029)	(125,056)	(143,161)
<b>Net book value at 31 December 2025</b>	<b>294</b>	<b>25,620</b>	<b>140,180</b>	<b>166,094</b>

## 11. Right-of-Use Assets

### Accounting Policy

The Group as a lessee recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date plus an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets.

The Group has lease contracts for land and buildings and various items of plant, machinery and equipment used in its operations. The movements during the year are set out below:

	Leasehold Land <sup>(a)</sup> HK\$M	Buildings <sup>(b)</sup> HK\$M	Plant, Machinery and Equipment <sup>(b)</sup> HK\$M	Total HK\$M
Net book value at 1 January 2024	6,608	471	914	7,993
Acquisition of a subsidiary	2,618	–	–	2,618
Additions/cost adjustments	151	30	(37)	144
Modifications to lease terms	–	(8)	–	(8)
Depreciation	(234)	(104)	(86)	(424)
Exchange differences	(25)	(36)	(79)	(140)
Net book value at 31 December 2024	<u>9,118</u>	<u>353</u>	<u>712</u>	<u>10,183</u>
Net book value at 1 January 2025	9,118	353	712	10,183
Additions	129	45	65	239
Modifications to lease terms	(1)	(4)	–	(5)
Depreciation	(307)	(92)	(84)	(483)
Exchange differences	23	21	56	100
<b>Net book value at 31 December 2025</b>	<b><u>8,962</u></b>	<b><u>323</u></b>	<b><u>749</u></b>	<b><u>10,034</u></b>

Notes:

- (a) Leasehold land represents lease payments, including land premium, on the lease of land with tenure of 12 to 150 years.
- (b) The Group has leased several assets including a water treatment plant, battery storage facilities and offices. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Tenures of the leases range from 1 to 24 years.

## 12. Investment Property

### Accounting Policy

Investment property includes property that is being constructed or developed for future use as an investment property. Land held under an operating lease is accounted for as an investment property when the rest of the definition of an investment property under the accounting standard is met. Investment property is measured initially at cost, including related transaction costs. Subsequent to initial recognition, investment property is measured at fair value, unless it is still in the course of construction or development at the end of the reporting period and its fair value cannot be reliably measured at that time. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Any gains and losses arising from changes in the fair value or from the retirement or disposal of an investment property are recognised in profit or loss in the period in which they arise.

	2025 HK\$M	2024 HK\$M
At 1 January	817	884
Revaluation loss	(63)	(67)
At 31 December	754	817

Investment property represents the commercial interest of the retail portion and car park portion (designated for retail use) of the Laguna Mall in Hong Kong, which is leased out by the Group under operating leases.

Investment property was valued by Cushman & Wakefield Limited (Cushman), an independent qualified valuer, who holds recognised relevant professional qualifications and has recent experience in the locations and segments of the investment property valued.

Cushman has valued the property at 31 December 2025 by using the income capitalisation approach, cross-referenced with comparable market transactions. The income capitalisation approach is based on the capitalisation of the existing rental/licence income and potential reversionary income over the remaining tenure of the property from the date of valuation at appropriate capitalisation rates that by reference to the yields achieved in analysed market sales transactions and as expected by investors. The significant unobservable input is the capitalisation rates adopted for the valuation which are ranging from 4.15% to 4.40% (2024: 4.15% to 4.40%). The fair value is negatively correlated to the capitalisation rate.

The fair value measurement of the Group's investment property is categorised within Level 3 of the fair value hierarchy at 31 December 2025 and 2024.

## 13. Goodwill and Other Intangible Assets

### Accounting Policy

#### (A) Goodwill

Goodwill arises from the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each CGU or group of CGUs to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken at least annually or if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and cannot be subsequently reversed.

#### (B) Other intangible assets

Intangible assets other than goodwill are measured initially at cost or, if acquired in a business combination, fair value at the acquisition date. An intangible asset with a finite useful life is amortised on a straight-line basis over its useful life and carried at cost less accumulated amortisation and accumulated impairment losses.

### Critical Accounting Estimates and Judgements: Goodwill Impairment

The recoverable amounts of CGUs with allocated goodwill are determined based on value in use calculations, using cash flow projections derived from the approved business plan which has considered committed cost optimisation initiatives, and a forecast covering a period of ten years, and application of a discounted terminal value. Projections for a period of greater than five years have been used on the basis that a longer projection period represents the long-dated nature of our generation and electricity supply assets and retail business and a more appropriate reflection of future cash flows from potential legislative, regulatory and structural changes in the industry.

#### Energy retail business in Australia

##### Key assumptions for value in use calculations

The key assumptions used in the value in use calculations reflect a combination of internal and external factors impacting gross margin, number of customer accounts and discount rates.

The assumptions impacting gross margin include:

- ◆ Retail tariffs are sensitive to regulatory changes including regulation and deregulation, and based on management estimates and expectations of current and expected market conditions arising from known and potential regulatory outcomes.
- ◆ Electricity and gas volumes for purchases and sales in the short term represent the internal forecast projections. External information is used to verify and align its internal estimates.
- ◆ Electricity and gas network (distribution) cost assumptions are based on published regulated prices. When no estimates are available, network costs are assumed to escalate by the relevant consumer price index.
- ◆ Electricity pool prices, generation volumes, dispatch levels and gas prices were derived using modelling of the electricity and gas wholesale markets. NEM modelling is prepared internally using, where possible, observable inputs. The modelling used for the electricity and gas wholesales markets is based on experience and observable market activity.

### 13. Goodwill and Other Intangible Assets (continued)

#### Critical Accounting Estimates and Judgements: Goodwill Impairment (continued)

##### Energy retail business in Australia (continued)

##### Key assumptions for value in use calculations (continued)

Other assumptions include:

- ◆ The cash flow projections are discounted using a pre-tax discount rate of 11.6% (2024: 11.6%). The discount rates reflect the current market assessments of the time value of money and are based on the estimated cost of capital.
- ◆ A terminal growth rate of 2.7% (2024: 2.8%) is applied in the terminal value calculation beyond a period of ten years of cash flows.

##### Sensitivity analysis for the energy retail CGU valuation

Both retail tariffs and customer account growth assumptions are judgemental and have a direct impact on the CGU valuation. Movements in discount rates, whilst driven by different assumptions, also have an impact.

- ◆ A 5% decrease in long-term gross margin would decrease the recoverable amount by HK\$1,740 million (A\$335 million).
- ◆ A 1% decrease in long-term annual customer account growth rate would decrease the recoverable amount by HK\$2,088 million (A\$402 million).
- ◆ An increase in the discount rate of 0.5% would decrease the recoverable amount by HK\$956 million (A\$184 million).
- ◆ A decrease in terminal growth rate of 0.1% would decrease the recoverable amount by HK\$130 million (A\$25 million).

These sensitivities are based on changing the relevant assumption while holding other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. Therefore, management does not believe that any reasonably possible changes in these assumptions would result in an impairment.

##### Hong Kong electricity business

The key assumptions used in the value in use calculations are as follows:

- ◆ Goodwill arising from the acquisition of CAPCO has been allocated to CLP Power and CAPCO as a combined CGU as the acquisition is considered beneficial to the whole SoC business.
- ◆ The electricity tariff for the supply of electricity in meeting the demand of customers in Hong Kong over the forecast periods is determined with reference to the rate-setting mechanism under the SoC.
- ◆ The forecast for electricity demand is based on the load forecast to support local infrastructure development and meeting customer load requirements, maintaining safety and supply reliability, and meeting environmental requirements.
- ◆ Expenditures for the supply of electricity in meeting the forecast demand are based on committed purchase contracts where applicable, and inputs on cost trend specific to the electricity business in Hong Kong. Such forecast aligns with the projection in the Business Plan for our Hong Kong electricity business, with capital expenditures up to 2028 aligned with those forecasted in the approved Development Plan.
- ◆ Terminal value of the CGU is adopted to estimate the cash flows to be generated for the periods beyond ten years. This is expressed as a multiple of net asset values which corresponds to our return model based on fixed assets investment. The terminal value is a multiple of 1.2 times of the net asset values forecasted at the end of 2035.
- ◆ The cash flow projections are discounted using a pre-tax discount rate of 9.83% (2024: 9.78%), or a post-tax return of 8.00% (2024: 8.00%) which reflects the SoC return rate applicable to the electricity business in Hong Kong.

Up to the date of this report, there were no reasonably possible changes in any of the key assumptions mentioned above that would have caused the recoverable amount of this CGU to be less than its carrying value.

### 13. Goodwill and Other Intangible Assets (continued)

	Goodwill <sup>(a)</sup> HK\$M	Capacity Right <sup>(b)</sup> HK\$M	Others HK\$M	Total HK\$M
Net carrying value at 1 January 2024	8,070	3,089	1,695	12,854
Additions	–	12	651	663
Amortisation	–	(283)	(416)	(699)
Write-offs	–	–	(30)	(30)
Exchange differences	(241)	–	(102)	(343)
Net carrying value at 31 December 2024	<u>7,829</u>	<u>2,818</u>	<u>1,798</u>	<u>12,445</u>
Cost	18,850	5,768	5,729	30,347
Accumulated amortisation and impairment	(11,021)	(2,950)	(3,931)	(17,902)
Net carrying value at 31 December 2024	<u>7,829</u>	<u>2,818</u>	<u>1,798</u>	<u>12,445</u>
Net carrying value at 1 January 2025	7,829	2,818	1,798	12,445
Additions	–	7	749	756
Amortisation	–	(284)	(476)	(760)
Exchange differences	183	–	61	244
<b>Net carrying value at 31 December 2025</b>	<b><u>8,012</u></b>	<b><u>2,541</u></b>	<b><u>2,132</u></b>	<b><u>12,685</u></b>
Cost	19,914	5,775	6,837	32,526
Accumulated amortisation and impairment	(11,902)	(3,234)	(4,705)	(19,841)
<b>Net carrying value at 31 December 2025</b>	<b><u>8,012</u></b>	<b><u>2,541</u></b>	<b><u>2,132</u></b>	<b><u>12,685</u></b>

Notes:

- (a) Goodwill mainly arose from the acquisitions of energy retail business in Australia of HK\$2,434 million (2024: HK\$2,254 million) and the acquisition of CAPCO under Hong Kong electricity business of HK\$5,545 million (2024: HK\$5,545 million).
- (b) Capacity right represents the right to use 50% of the pumped storage capacity of Phase I of the Guangzhou Pumped Storage Power Station in Conghua, Guangzhou and the corresponding right to use the associated transmission facilities until 2034.

## 14. Interests in and Loans to Joint Ventures Accounting Policy No. 3(B)

The table below lists the material joint ventures of the Group at 31 December 2025:

Name	% of Ownership Interest at 31 December 2024 and 2025	Place of Incorporation / Business	Principal Activity
Apraava Energy Private Limited (Apraava Energy)	50	India	Generation of electricity and power projects investment holding
CSEC Guohua International Power Company Limited (CSEC Guohua) <sup>(a)</sup>	30	Chinese Mainland	Generation of electricity
Hong Kong LNG Terminal Limited (HKLTL) <sup>(b)</sup>	49	Hong Kong	Operation, maintenance and owning of LNG terminal and provision of related services
OneEnergy Taiwan Ltd (OneEnergy Taiwan) <sup>(c)</sup>	50	British Virgin Islands / Taiwan Region	Investment holding
ShenGang Natural Gas Pipeline Company Limited (SNGPC) <sup>(d)</sup>	40	Chinese Mainland	Natural gas transportation

Notes:

- (a) Registered as foreign-invested enterprise (unlisted joint stock company) under People's Republic of China (PRC) law
- (b) HKLTL is 70% owned by CAPCO which is 70% owned by CLP Power
- (c) OneEnergy Taiwan indirectly owns 40% interest in Ho-Ping Power Company
- (d) Registered as foreign-invested enterprise (joint venture company with limited liability) under PRC law



More detailed information of our joint ventures can be found on "Our Portfolio" on pages 262 to 265 of the Annual Report.

## 14. Interests in and Loans to Joint Ventures (continued)

Summarised financial information of joint ventures and the Group's share of results and net assets are as follows:

	Apraava Energy HK\$M	CSEC Guohua* HK\$M	HKLTL HK\$M	OneEnergy Taiwan HK\$M	SNGPC HK\$M	Others HK\$M	Total HK\$M
<b>For the year ended 31 December 2025</b>							
Revenue	6,788	11,825	788	–	850	978	21,229
Depreciation and amortisation	(405)	(957)	(288)	–	(264)	(468)	(2,382)
Interest income	83	2	–	–	3	5	93
Interest expense	(494)	(71)	(256)	–	(60)	(4)	(885)
Other (expenses)/income	(5,331)	(14,615)	(244)	8	(148)	(411)	(20,741)
Share of results of joint ventures	–	–	–	462	–	(4)	458
Profit/(loss) before income tax	641	(3,816)	–	470	381	96	(2,228)
Income tax expense	(170)	–	–	–	(124)	(44)	(338)
Profit/(loss) for the year	471	(3,816)	–	470	257	52	(2,566)
Non-controlling interests	–	1,793	–	–	–	(1)	1,792
Profit/(loss) for the year attributable to shareholders	471	(2,023)	–	470	257	51	(774)
Profit/(loss) for the year	471	(3,816)	–	470	257	52	(2,566)
Other comprehensive income	(2)	–	–	–	–	136	134
Total comprehensive income	469	(3,816)	–	470	257	188	(2,432)
Group's share							
Profit/(loss) for the year	235	(607)	–	235	103	22	(12)
Other comprehensive income	(1)	–	–	–	–	68	67
Total comprehensive income	234	(607)	–	235	103	90	55
Dividends received from joint ventures	266	13	–	205	83	62	629
<b>For the year ended 31 December 2024</b>							
Revenue	6,207	13,083	785	–	838	3,058	23,971
Depreciation and amortisation	(436)	(889)	(267)	–	(255)	(909)	(2,756)
Interest income	118	3	–	–	6	6	133
Interest expense	(436)	(87)	(257)	–	(72)	(56)	(908)
Other expenses	(4,289)	(12,064)	(261)	(4)	(173)	(1,948)	(18,739)
Share of results of joint ventures	–	–	–	523	–	2	525
Profit before income tax	1,164	46	–	519	344	153	2,226
Income tax expense	(261)	(1)	–	–	(116)	(46)	(424)
Profit for the year	903	45	–	519	228	107	1,802
Non-controlling interests	–	(40)	–	–	–	–	(40)
Profit for the year attributable to shareholders	903	5	–	519	228	107	1,762
Profit for the year	903	45	–	519	228	107	1,802
Other comprehensive income	(1)	–	–	–	–	–	(1)
Total comprehensive income	902	45	–	519	228	107	1,801
Group's share of profit and total comprehensive income	451	1	–	260	91	42	845
Dividends received from joint ventures	345	59	–	136	163	67	770

\* Due to the decrease in utilisation hours of certain coal-fired power plants under CSEC Guohua, primarily driven by lower demand and intense competition from new renewable energy capacity, an impairment assessment on CSEC Guohua's assets was performed and an impairment loss of HK\$608 million (2024: nil) was recognised and included in the share of results in 2025.

## 14. Interests in and Loans to Joint Ventures (continued)

	Apraava Energy HK\$M	CSEC Guohua HK\$M	HKLTL HK\$M	OneEnergy Taiwan HK\$M	SNGPC HK\$M	Others HK\$M	Total HK\$M
<b>At 31 December 2025</b>							
Non-current assets	9,375	13,870	4,873	3,630	4,564	5,488	41,800
Current assets							
Cash and cash equivalents	1,337	731	2	17	672	849	3,608
Other current assets	5,045	1,245	225	1	50	1,393	7,959
	6,382	1,976	227	18	722	2,242	11,567
Current liabilities							
Financial liabilities <sup>(e)</sup>	(1,951)	(1,731)	(151)	-	(53)	(45)	(3,931)
Shareholders' loans	-	-	(95)	-	-	-	(95)
Other current liabilities <sup>(e)</sup>	(1,446)	(1,854)	(90)	(2)	(105)	(1,066)	(4,563)
	(3,397)	(3,585)	(336)	(2)	(158)	(1,111)	(8,589)
Non-current liabilities							
Financial liabilities <sup>(e)</sup>	(5,315)	(935)	(1,762)	-	(432)	(1,502)	(9,946)
Shareholders' loans	-	-	(3,002)	-	-	-	(3,002)
Other non-current liabilities <sup>(e)</sup>	(445)	(2,145)	-	-	(1,982)	(18)	(4,590)
	(5,760)	(3,080)	(4,764)	-	(2,414)	(1,520)	(17,538)
Non-controlling interests	-	(4,044)	-	-	-	(23)	(4,067)
Net assets	6,600	5,137	-	3,646	2,714	5,076	23,173
Group's share of net assets	3,300	1,541	-	1,823	1,085	2,242	9,991
Goodwill	-	-	-	-	-	32	32
Interests in joint ventures	3,300	1,541	-	1,823	1,085	2,274	10,023
Loans to joint ventures	-	-	2,102 <sup>(f)</sup>	-	-	-	2,102
	3,300	1,541	2,102	1,823	1,085	2,274	12,125
<b>At 31 December 2024</b>							
Non-current assets	9,338	17,484	5,020	3,399	4,278	3,026	42,545
Current assets							
Cash and cash equivalents	1,483	618	-	13	390	343	2,847
Other current assets	3,590	1,561	189	1	42	1,232	6,615
	5,073	2,179	189	14	432	1,575	9,462
Current liabilities							
Financial liabilities <sup>(e)</sup>	(1,411)	(1,828)	(142)	-	(50)	(52)	(3,483)
Shareholders' loans	-	-	(88)	-	-	-	(88)
Other current liabilities <sup>(e)</sup>	(1,053)	(1,914)	(198)	-	(112)	(240)	(3,517)
	(2,464)	(3,742)	(428)	-	(162)	(292)	(7,088)
Non-current liabilities							
Financial liabilities <sup>(e)</sup>	(4,683)	(1,357)	(1,913)	-	(463)	(48)	(8,464)
Shareholders' loans	-	-	(2,868)	-	-	(38)	(2,906)
Other non-current liabilities <sup>(e)</sup>	(277)	(2,022)	-	-	(1,559)	(13)	(3,871)
	(4,960)	(3,379)	(4,781)	-	(2,022)	(99)	(15,241)
Non-controlling interests	-	(5,659)	-	-	-	-	(5,659)
Net assets	6,987	6,883	-	3,413	2,526	4,210	24,019
Group's share of net assets	3,494	2,065	-	1,706	1,010	1,865	10,140
Goodwill	-	-	-	-	-	30	30
Interests in joint ventures	3,494	2,065	-	1,706	1,010	1,895	10,170
Loans to joint ventures	-	-	2,008 <sup>(f)</sup>	-	-	10	2,018
	3,494	2,065	2,008	1,706	1,010	1,905	12,188

## 14. Interests in and Loans to Joint Ventures (continued)

Notes:

- (e) Financial liabilities exclude trade and other payables and provisions which are included in other current and non-current liabilities.
- (f) Pursuant to agreement between shareholders of HKLTL, shareholders' loan facilities are provided to HKLTL by the shareholders pro-rata to their shareholdings. The loans to HKLTL are unsecured, carry interest at rates which are benchmarked to market interest rates with instalment repayments, and with final maturity at the end of the related asset lives of the LNG terminal. At 31 December 2025, the current portion of the loans of HK\$67 million (2024: HK\$61 million) was included under the Group's trade and other receivables (Note 19).

The expected credit loss of loans to joint ventures is close to zero.

	2025 HK\$M	2024 HK\$M
Share of capital commitments	4,727	4,817
Share of other commitments*	1,152	1,239
Share of lease commitments	99	-
Share of contingent liabilities	-	-

\* Including the share of other commitments in relation to operation of a floating storage and regasification unit and standby vessels.

The Group's capital commitments in relation to its interests in joint ventures are disclosed in Note 31(D).

## 15. Interests in Associates Accounting Policy No. 3(B)

The table below lists the associates of the Group at 31 December 2025:

Name	% of Ownership Interest at 31 December 2024 and 2025	Place of Incorporation / Business	Principal Activity
Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) <sup>(a)</sup>	25	Chinese Mainland	Generation of electricity
Yangjiang Nuclear Power Co., Ltd. (Yangjiang Nuclear) <sup>(a)</sup>	17	Chinese Mainland	Generation of electricity



More detailed information of our associates can be found on "Our Portfolio" on page 263 of the Annual Report.

## 15. Interests in Associates (continued)

Summarised financial information of the associates and the Group's share of results and net assets are as follows:

	GNPJVC HK\$M	Yangjiang Nuclear <sup>(b)</sup> HK\$M	Total HK\$M
<b>For the year ended 31 December 2025</b>			
Revenue	8,599	18,266	26,865
Profit and total comprehensive income	3,863	3,773	7,636
Group's share of profit and total comprehensive income	966	641	1,607
Dividends received from associates	863	899	1,762
<b>For the year ended 31 December 2024</b>			
Revenue	8,416	20,045	28,461
Profit and total comprehensive income	3,834	5,009	8,843
Group's share of profit and total comprehensive income	959	851	1,810
Dividends received from associates	990	669	1,659
<b>At 31 December 2025</b>			
Non-current assets	4,609	81,189	85,798
Current assets	10,343	17,297	27,640
Current liabilities	(2,140)	(24,963)	(27,103)
Non-current liabilities	(5,460)	(28,406)	(33,866)
Net assets	7,352	45,117	52,469
Group's share of net assets	1,838	7,670	9,508
<b>At 31 December 2024</b>			
Non-current assets	4,892	80,042	84,934
Current assets	10,154	13,995	24,149
Current liabilities	(5,617)	(19,326)	(24,943)
Non-current liabilities	(5,612)	(30,405)	(36,017)
Net assets	3,817	44,306	48,123
Group's share of net assets	954	7,532	8,486

At 31 December 2025, the Group's share of capital commitments of its associates was HK\$342 million (2024: HK\$279 million).

Notes:

(a) Registered as foreign-invested enterprise (joint venture company with limited liability) under PRC law

(b) The share of results of Yangjiang Nuclear included amortisation of the fair value adjustment on fixed assets

## 16. Derivative Financial Instruments

### Accounting Policy

A derivative is initially recognised at fair value on the date a derivative contract is entered into and is subsequently remeasured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Fair value gain or loss arising from derivatives not designated or not qualified for hedge accounting are recognised immediately in profit or loss.

The Group designates certain derivatives as either fair value hedges, which are hedges of the fair value of recognised financial assets or financial liabilities or firm commitments (e.g. fixed interest rate loans and foreign currency trade receivables) or cash flow hedges, which are hedges of the cash flows of recognised financial assets or financial liabilities or highly probable forecast transactions (e.g. floating interest rate loans and future purchases of fuels denominated in US dollar).

The Group documents at the inception of the hedging the economic relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging relationship meets the hedge effectiveness requirements.

#### (A) Fair value hedges

Changes in the fair values of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss, which offset any changes in the fair values recognised in profit or loss of the corresponding hedged asset or liability that are attributable to the hedged risk and achieve the overall hedging result.

#### (B) Cash flow hedges

The effective portion of changes in the fair values of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged items affect profit or loss. Such reclassification from equity will offset the effect on profit or loss of the corresponding hedged item to achieve the overall hedging result. However, when the highly probable forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset at the time of acquisition. The deferred amounts are ultimately recognised in fuel costs in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. Any cumulative gain or loss remains in equity at that time is accounted for according to the nature of the underlying transactions (as discussed above) once the hedged cash flow occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that has been recorded in equity is reclassified to profit or loss immediately.

## 16. Derivative Financial Instruments (continued)

**Accounting Policy (continued)**

## (C) Costs of hedging

Forward element of forward contracts and foreign currency basis spread of financial instruments may be separated and excluded from the designated hedging instruments. In such case, the Group treats the excluded elements as costs of hedging. The fair value changes of these elements are recognised in a separate component of equity. For time-period related hedged items, these elements at the date of designation (to the extent that it relates to the hedged item) are amortised on a systematic and rational basis to profit or loss over the hedging period. For transaction related hedged items, the cumulative change of these elements is included in the initial carrying amount of any non-financial asset recognised when the hedged transaction occurs or is recognised in profit or loss if the hedged transaction affects profit or loss.

## (D) Rebalancing of hedge relationships

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

	2025		2024	
	Assets HK\$M	Liabilities HK\$M	Assets HK\$M	Liabilities HK\$M
Cash flow hedges				
Forward foreign exchange contracts	43	15	119	36
Cross currency interest rate swaps	16	1,351	4	1,026
Interest rate swaps	16	–	28	4
Energy contracts	497	654	1,499	483
Fair value hedges				
Cross currency interest rate swaps	29	109	17	659
Interest rate swaps	19	18	19	53
Not qualified for hedge accounting				
Forward foreign exchange contracts	6	5	5	89
Cross currency interest rate swaps	127	–	–	–
Interest rate swaps	–	49	–	–
Energy contracts	205	290	343	223
	<b>958</b>	<b>2,491</b>	2,034	2,573
Current	444	1,054	900	1,185
Non-current	514	1,437	1,134	1,388
	<b>958</b>	<b>2,491</b>	2,034	2,573

At 31 December 2025, the contractual maturity profile of the hedging instruments from the end of the reporting period is summarised below:

Forward foreign exchange contracts	Up to 3 years
Cross currency interest rate swaps	Up to 11 years
Interest rate swaps	Up to 7 years
Energy contracts	Up to 5 years

## 17. Other Non-current Assets

### Accounting Policy

#### (A) Investments

Investments in equity instruments classified at fair value through other comprehensive income are initially recognised at fair value and are elected to present subsequent changes in fair value in other comprehensive income. The gains or losses on such investments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Cumulative gains and losses recognised in other comprehensive income are transferred to retained profits on disposal of the investment. Dividends on the investments are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are deducted from the carrying amounts of the investments directly.

Investments classified at fair value through profit or loss (mainly investments in funds) are initially recognised at fair value and subsequent changes in fair value are recognised in profit or loss.

#### (B) Contract acquisition costs

Incremental costs to obtain a contract with a customer are capitalised if they are expected to be recoverable. Costs capitalised are amortised on a straight-line basis over the expected benefit periods of the contracts. Non-incremental costs, i.e. costs that would have been incurred regardless of whether the contract is obtained, are expensed when incurred.

	2025 HK\$M	2024 HK\$M
Investments at fair value through other comprehensive income	35	35
Investments at fair value through profit or loss	630	464
Contract acquisition costs	310	274
Defined benefit asset (note)	190	191
Prepayments	538	276
Others	446	224
	<b>2,149</b>	<b>1,464</b>

Note: The most recent actuarial valuation of the defined benefit plans for the Group's Australian subsidiaries, at 31 December 2025, was prepared by Mr Mark Samuels of Mercer Consulting (Australia) Pty Ltd, a fellow of the Institute of Actuaries of Australia. In respect of the plans for the Group's Australian subsidiaries: (i) the principal actuarial assumptions used include discount rate of 5.0% (2024: 5.0%), expected salary increase rate of 4.00% – 4.25% (2024: 4.0%) and pension increase rate of 2.5% (2024: 2.5%); (ii) the level of funding is 151% (2024: 151%).

The costs for these defined benefit plans represent an immaterial portion to the Group's total retirement benefit costs. For the year ended 31 December 2025, the associated costs represented 0.0% (2024: 0.0%) of the Group's total retirement benefit costs.

## 18. Properties for Sale

### Accounting Policy

Properties for sale comprise leasehold land and building and are carried at the lower of cost and net realisable value. Properties for sale are included in current assets when it is expected to be realised or is intended for sales in the normal operating cycle.

On 18 December 2017, the Group and Sino Land Company Limited (Sino Land) agreed to collaborate on redeveloping the Group's former headquarters at Argyle Street for residential purposes and to preserve the Clock Tower building for community use. Under the development arrangement, Sino Land is fully responsible for all development costs such as land premium, construction costs, professional fees etc. and paid a non-refundable upfront payment of HK\$3 billion to the Group. The residential property development was completed in November 2022 and the sale of residential units is undergoing.

The arrangement entered into by the Group and Sino Land does not involve an establishment of a separate legal entity and is considered as a joint operation under HKFRS 11 Joint Arrangements. The non-refundable upfront payment forms part of the proceeds from the property development and is recorded as deferred revenue (Note 22(e)). When legal titles of the units in the developed property are passed to the purchasers, deferred revenue and the percentage share of the sale proceeds to which the Group is entitled will be credited to the profit or loss as revenue, while cost of properties will be charged to the profit or loss as cost of sales.

In 2025, cost of properties of HK\$1,176 million (2024: HK\$306 million) and deferred revenue of HK\$1,163 million (2024: HK\$303 million) were recognised to profit or loss.

## 19. Trade and Other Receivables

### Accounting Policy

Trade and other receivables are recognised initially at transaction price and are subsequently stated at amortised cost using the effective interest method, less allowances for expected credit losses. The Group measures the loss allowance for its trade receivables at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to its recognised amount, is recognised in profit or loss, as an impairment loss or a reversal of an impairment loss. Trade and other receivables are written off (either partially or in full) when there is no reasonable expectation of recovery.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the trade receivables. Expected credit losses on trade receivables are calculated by using the provision matrix approach. Trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

If there is no significant increase in credit risk since initial recognition, impairment on other receivables is measured at 12-month expected credit losses. If a significant increase in credit risk has occurred, then impairment is measured as lifetime expected credit losses.

## 19. Trade and Other Receivables (continued)

### Critical Accounting Estimates and Judgements: Recoverability of Trade Receivables

Provision for expected credit losses is made when the Group does not expect to collect all amounts due. The provision is determined by grouping together trade debtors with similar risk characteristics and collectively or individually assessing them for likelihood of recovery. The provision reflects lifetime expected credit losses i.e. possible default events over the expected life of the trade receivables, weighted by the probability of that default occurring. Judgement has been applied in determining the level of provision for expected credit losses, taking into account the credit risk characteristics of customers and the likelihood of recovery assessed on a combination of collective and individual basis as relevant. While the provision is considered appropriate, changes in estimation basis or in economic conditions could lead to a change in the level of provision recorded and consequently on the charge or credit to profit or loss.

	2025 HK\$M	2024 HK\$M
Trade receivables <sup>(a)</sup>	11,466	11,367
Deposits, prepayments and other receivables	1,285	1,874
Loans to a joint venture (Note 14(f))	67	61
Dividend receivables from		
Joint ventures	29	29
An associate	–	777
Current accounts with <sup>(b)</sup>		
Joint ventures	7	4
An associate	2	2
	<b>12,856</b>	<b>14,114</b>

Notes:

(a) Trade receivables

The ageing analysis of the trade receivables at 31 December based on invoice date is as follows:

	2025 HK\$M	2024 HK\$M
30 days or below*	9,437	9,618
31 – 90 days	857	754
Over 90 days	1,172	995
	<b>11,466</b>	<b>11,367</b>

\* Including unbilled revenue

### Movements in provision for impairment of trade receivables

	2025 HK\$M	2024 HK\$M
Balance at 1 January	870	836
Provision for impairment	477	456
Receivables written off during the year as uncollectible	(305)	(337)
Amounts reversed	(1)	(4)
Exchange differences	70	(81)
Balance at 31 December	<b>1,111</b>	<b>870</b>

## 19. Trade and Other Receivables (continued)

Notes (continued):

### (a) Trade receivables (continued)

#### Credit risk management

The Group has no significant concentrations of credit risk with respect to the trade receivables in Hong Kong and Australia as their customer bases are widely dispersed in different sectors and industries. The Group has established credit policies for customers in each of its retail businesses.

In Hong Kong, electricity bills are due within two weeks after issuance. To limit the credit risk exposure, the Group has a policy to require cash deposits or bank guarantees from customers for an amount determined from time to time by reference to the usage of the customers, and in the normal course of events will not exceed the highest expected charge for 60 days. For all the deposits held, customers are paid at a floating market interest rate equivalent to the HSBC bank saving rate. At 31 December 2025, such cash deposits amounted to HK\$7,541 million (2024: HK\$7,207 million) and the bank guarantees stood at HK\$1,008 million (2024: HK\$952 million). The customers' deposits are treated on the statement of financial position as current liabilities on the basis that they are repayable on demand.

In Australia, customers are allowed to settle their electricity bills generally no more than 45 days after issuance, while commercial and industrial customers can range up to 60 days. EnergyAustralia has policies in place to ensure that sales of products and services are made to retail customers (including residential, commercial and industrial customers) with a satisfactory credit profile. For residential customers however, where EnergyAustralia is the designated Financially Responsible Market Participant for electricity customers and/or gas customers, it is obliged to accept the customer, irrespective of their credit worthiness. In these instances, information obtained in relation to the customer's credit worthiness is utilised for the purposes of risk segmentation and prioritisation of collection strategies to mitigate risk. Collectability is reviewed on an ongoing basis.

Trade receivables arising from sales of electricity to the off-takers on the Chinese Mainland, which are mainly state-owned enterprises, are due for settlement within 30 to 90 days after bills issuance. Management has closely monitored the credit qualities and the collectability of these trade receivables.

#### Expected credit losses

For trade receivables relating to accounts which are long overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance. CLP Power and EnergyAustralia determine the provision for expected credit losses by grouping together trade receivables with similar credit risk characteristics and collectively assessing them for likelihood of recovery, taking into account prevailing economic conditions and forward looking assumptions.

#### CLP Power

CLP Power classifies its trade receivables by nature of customer accounts. These include active accounts and terminated accounts.

	Lifetime Expected Credit Loss Rate	Gross Carrying Amount HK\$M	Lifetime Expected Credit Loss HK\$M	Net Carrying Amount HK\$M
<b>At 31 December 2025</b>				
Active accounts				
Provision on individual basis	100%	4	(4)	–
Provision on collective basis	0%*	2,627	(16)	2,611
Terminated accounts				
Provision on individual basis	100%	10	(10)	–
Provision on collective basis	34%	10	(4)	6
		<u>2,651</u>	<u>(34)</u>	<u>2,617</u>
<b>At 31 December 2024</b>				
Active accounts				
Provision on individual basis	100%	6	(3)	3
Provision on collective basis	0%*	2,574	(16)	2,558
Terminated accounts				
Provision on individual basis	100%	15	(15)	–
Provision on collective basis	26%	10	(3)	7
		<u>2,605</u>	<u>(37)</u>	<u>2,568</u>

\* Expected credit loss rate is close to zero as these trade receivables are mostly secured by cash deposits or bank guarantees from customers and have no recent history of default.

## 19. Trade and Other Receivables (continued)

Notes (continued):

(a) Trade receivables (continued)

### Expected credit losses (continued)

#### EnergyAustralia

EnergyAustralia categorises its trade receivables based on their ageing. EnergyAustralia recognises lifetime expected credit losses for receivables by assessing future cash flows for each group of trade receivables including a probability weighted amount determined by evaluating a range of possible outcomes based on twelve month rolling historical credit loss experience by customer segment, geographical region, tenure and type of customer and applying that weighting to the receivables held at reporting date.

	<b>Weighted Average Lifetime Expected Credit Loss Rate</b>	<b>Gross Carrying Amount HK\$M</b>	<b>Lifetime Expected Credit Loss HK\$M</b>	<b>Net Carrying Amount HK\$M</b>
<b>At 31 December 2025</b>				
Current	0%	3,697	(14)	3,683
1 – 30 days	7%	469	(31)	438
31 – 60 days	9%	389	(36)	353
61 – 90 days	16%	305	(47)	258
Over 90 days	51%	1,753	(900)	853
		<u>6,613</u>	<u>(1,028)</u>	<u>5,585</u>
<b>At 31 December 2024</b>				
Current	0%	3,453	(12)	3,441
1 – 30 days	3%	726	(21)	705
31 – 60 days	7%	379	(26)	353
61 – 90 days	21%	152	(32)	120
Over 90 days	47%	1,484	(700)	784
		<u>6,194</u>	<u>(791)</u>	<u>5,403</u>

#### Chinese Mainland

At 31 December 2025, the Group had total receivables of HK\$2,517 million (2024: HK\$2,716 million) relating to unpaid Renewable National Subsidies. The application, approval and settlement of the Renewable National Subsidy are governed by the relevant policies issued by the Central People's Government. All of the relevant wind and solar projects are qualifiable for renewable energy subsidy in accordance with the prevailing government policies. Out of the 16 projects with unpaid Renewable National Subsidies, 5 of them are in the process of applying for approval. Management does not anticipate any foreseeable obstacles that would prevent approval by the relevant government authorities. Under normal operating cycle, it takes a relatively long time for settlement as the collection is subject to the allocation of funds by relevant government authorities to local grid companies and there is no due date for the settlement of Renewable National Subsidies. The expected credit loss is close to zero as continuous settlements have been noted with no history of default and the subsidy is funded by the Renewable Energy Development Fund set up and administered by the Ministry of Finance.

(b) The current accounts with joint ventures and an associate are unsecured, interest free and have no fixed repayment terms.

## 20. Fuel Clause Account

The cost of fuel consumed by CLP Power is passed on to the customers. Any variations between the actual cost of fuel and the fuel cost billed to customers are captured in the Fuel Clause Account. The balance on the account (inclusive of interest) represents amounts over-recovered or under-recovered and is treated as an amount due to or from customers. CLP Power may adjust fuel related tariff from time to time, including on a monthly basis in accordance with the SoC, to reflect changes in the cost of fuels consumed by the SoC Companies for the generation of electricity.

## 21. Bank Balances, Cash and Other Liquid Funds

	2025 HK\$M	2024 HK\$M
Cash and cash equivalents		
Deposits with banks with maturities of less than three months	1,484	3,224
Cash at banks and on hand	2,421	1,752
	<b>3,905</b>	4,976
Short-term deposits and restricted cash		
Bank deposits with maturities of more than three months	2	2
Restricted cash*	21	21
	<b>23</b>	23
Bank balances, cash and other liquid funds	<b>3,928</b>	4,999

\* Represents restricted bank balances held by the stakeholders of the properties held for sale (Note 18) which can be released to stakeholders after relevant conditions are met.

The bank balances, cash and other liquid funds are denominated in the following currencies:

	2025 HK\$M	2024 HK\$M
Hong Kong dollar	1,645	3,496
Renminbi	1,916	1,314
Australian dollar	170	108
US dollar	189	74
Others	8	7
	<b>3,928</b>	4,999

The balances denominated in the currencies other than the functional currencies of the corresponding Group entities amounted to HK\$353 million (2024: HK\$411 million) which were mostly denominated in Renminbi (2024: Renminbi).

## 22. Trade Payables and Other Liabilities

### Accounting Policy

#### (A) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### (B) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments with reference to an expected lease term, which includes optional lease periods when the lessee is reasonably certain to exercise the option to extend or not to terminate the lease. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable; variable lease payments that depend on an index or a rate; and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Lease payments are discounted using the interest rate implicit in the lease, if this cannot be readily determined, an incremental borrowing rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, over a similar term and with a similar security. Lease liabilities are subsequently measured by increasing the carrying amounts to reflect interest on the lease liabilities (using the effective interest method) and by reducing the carrying amounts to reflect the lease payments made. Lease liabilities are remeasured (with a corresponding adjustment made to the related right-of-use asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options under certain conditions.

	2025 HK\$M	2024 HK\$M
Trade payables <sup>(a)</sup>	6,188	6,848
Other payables and accruals	10,819	10,037
Lease liabilities <sup>(b)</sup>	163	148
Advances from non-controlling interests <sup>(c)</sup>	207	311
Current accounts with <sup>(d)</sup>		
Joint ventures	11	6
An associate	364	454
Deferred revenue <sup>(e)</sup>	846	1,984
	<b>18,598</b>	<b>19,788</b>

Notes:

(a) The ageing analysis of trade payables at 31 December based on invoice date is as follows:

	2025 HK\$M	2024 HK\$M
30 days or below	5,931	6,409
31 – 90 days	186	355
Over 90 days	71	84
	<b>6,188</b>	<b>6,848</b>

At 31 December 2025, trade payables denominated in currencies other than the functional currencies of the corresponding Group entities amounted to HK\$998 million (2024: HK\$930 million), of which HK\$807 million (2024: HK\$805 million) were denominated in US dollar (2024: US dollar).

## 22. Trade Payables and Other Liabilities (continued)

Notes (continued):

(b) Maturity profile of the lease liabilities at 31 December is as follows:

	2025 HK\$M	2024 HK\$M
Within one year	163	148
Between one and two years	133	123
Between two and five years	392	356
Over five years	341	356
	<b>1,029</b>	983
Less: amount due after one year included under other non-current liabilities	<b>(866)</b>	(835)
	<b>163</b>	148

- (c) The advances from non-controlling interests represented the advances from China Southern Power Grid International (HK) Co., Limited (CSGHK) to CAPCO. Pursuant to the agreement between the shareholders of CAPCO, both CLP Power and CSGHK are required to provide shareholders' advances pro rata to their shareholdings in CAPCO. The advances are unsecured, interest free and repayable on demand. The advances are denominated in Hong Kong dollar.
- (d) The amounts payable to joint ventures and an associate are unsecured, interest free and have no fixed repayment terms.
- (e) Deferred revenue included the non-refundable upfront payment for the property development at Argyle Street of HK\$0.7 billion (2024: HK\$1.9 billion) (Note 18) and payments received in advance for other services. Non-current deferred revenue of HK\$1,479 million (2024: HK\$1,539 million) was included under other non-current liabilities.

## 23. Bank Loans and Other Borrowings

### Accounting Policy

Borrowings are recognised initially at fair value of proceeds received, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial liability. Borrowings are subsequently stated at amortised cost and, if included as a hedged item in a fair value hedge relationship, are revalued to reflect the fair value movements on the associated hedged risk. Any difference between the proceeds (net of transaction costs) and the redemption value is amortised to profit or loss or capitalised as cost of the qualifying assets over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has a right at the end of the reporting period to defer settlement of the liability for at least 12 months after the end of the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying the loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the end of the reporting period.

The Group's bank loans and other borrowings at 31 December were repayable as follows:

	Bank Loans		Other Borrowings*		Perpetual Capital Securities (Note 29(A))		Total	
	2025 HK\$M	2024 HK\$M	2025 HK\$M	2024 HK\$M	2025 HK\$M	2024 HK\$M	2025 HK\$M	2024 HK\$M
Within one year	8,025	8,820	1,648	3,146	–	3,883	9,673	15,849
Between one and two years	6,744	6,632	11,160	1,646	–	–	17,904	8,278
Between two to five years	4,934	6,565	14,153	11,451	–	–	19,087	18,016
Over five years	5,110	3,869	10,055	19,142	–	–	15,165	23,011
	<b>24,813</b>	25,886	<b>37,016</b>	35,385	–	3,883	<b>61,829</b>	65,154

\* Representing Medium Term Notes



Another presentation of the Group's liquidity risk is set out on pages 241 to 243.

## 23. Bank Loans and Other Borrowings (continued)

Bank loans for subsidiaries on the Chinese Mainland of HK\$7,793 million (2024: HK\$5,256 million) are secured by the rights of receipt of tariff, fixed assets and land use rights with carrying amounts totalling HK\$11,265 million (2024: HK\$8,942 million).

At 31 December 2025 and 2024, all of the Group's borrowings are either in the functional currencies of the corresponding Group entities or hedged into those currencies.

At 31 December 2025, the Group had undrawn bank loans and overdraft facilities of HK\$25.5 billion (2024: HK\$31.0 billion).

## 24. Deferred Tax

### Accounting Policy

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is also provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are netted off when the taxes relate to the same tax authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately on the consolidated statement of financial position:

	2025 HK\$M	2024 HK\$M
Deferred tax assets	1,943	1,625
Deferred tax liabilities	(17,978)	(17,348)
	<b>(16,035)</b>	<b>(15,723)</b>



Deferred tax asset = income tax recoverable in the future  
Deferred tax liability = income tax payable in the future

## 24. Deferred Tax (continued)

The gross movement on the deferred tax account is as follows:

	2025 HK\$M	2024 HK\$M
Balance at 1 January	(15,723)	(14,711)
Charged to profit or loss (Note 7)	(850)	(858)
Credited to other comprehensive income	416	14
Exchange differences	122	(168)
Balance at 31 December	<b>(16,035)</b>	<b>(15,723)</b>

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the year are as follows:

### Deferred tax assets (prior to offset)

	Tax Losses <sup>(a)</sup>		Accruals and Provisions		Derivative Financial Instruments		Others <sup>(b)</sup>		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Balance at 1 January	1,427	1,776	1,471	1,591	220	312	450	485	3,568	4,164
(Charged)/credited to profit or loss	(95)	(195)	153	33	5	(22)	(93)	(1)	(30)	(185)
Credited/(charged) to other comprehensive income	-	-	-	-	379	(44)	-	-	379	(44)
Exchange differences	107	(154)	120	(153)	24	(26)	35	(34)	286	(367)
Balance at 31 December	<b>1,439</b>	<b>1,427</b>	<b>1,744</b>	<b>1,471</b>	<b>628</b>	<b>220</b>	<b>392</b>	<b>450</b>	<b>4,203</b>	<b>3,568</b>

### Deferred tax liabilities (prior to offset)

	Accelerated Tax Depreciation		Withholding Tax		Intangibles		Derivative Financial Instruments		Others <sup>(b)</sup>		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Balance at 1 January	(17,276)	(16,901)	(429)	(451)	(569)	(613)	(379)	(276)	(638)	(634)	(19,291)	(18,875)
(Charged)/credited to profit or loss	(769)	(449)	(40)	13	71	39	45	(210)	(127)	(66)	(820)	(673)
Credited to other comprehensive income	-	-	-	-	-	-	37	58	-	-	37	58
Exchange differences	(52)	74	(12)	9	(6)	5	(37)	49	(57)	62	(164)	199
Balance at 31 December	<b>(18,097)</b>	<b>(17,276)</b>	<b>(481)</b>	<b>(429)</b>	<b>(504)</b>	<b>(569)</b>	<b>(334)</b>	<b>(379)</b>	<b>(822)</b>	<b>(638)</b>	<b>(20,238)</b>	<b>(19,291)</b>

Notes:

- (a) The deferred tax asset arising from tax losses mainly related to the energy business in Australia. There is no expiry on tax losses recognised.
- (b) Others mainly included temporary differences arising from right-of-use assets and corresponding lease liabilities.

## 25. SoC Reserve Accounts

### Critical Accounting Estimates and Judgements: Classification of SoC-related Accounts

As stipulated in the SoC, the balances in the Tariff Stabilisation Fund and the Rate Reduction Reserve shall represent liabilities in the financial statements of CLP Power and shall not accrue to the benefit of its shareholders save as provided for by the SoC. The Group considers that CLP Power is required under the SoC to discharge its obligations arising from the SoC upon the expiry of the SoC Agreement such that these account balances meet the definition of a liability.

The Tariff Stabilisation Fund and Rate Reduction Reserve of the Group's major subsidiary, CLP Power, are collectively referred to as SoC reserve accounts. The respective balances at the end of the year are:

	2025 HK\$M	2024 HK\$M
Tariff Stabilisation Fund (A)	2,786	3,048
Rate Reduction Reserve (B)	85	124
	<b>2,871</b>	<b>3,172</b>

The movements in SoC reserve accounts during the year are shown as follows:

#### (A) Tariff Stabilisation Fund

	2025 HK\$M	2024 HK\$M
At 1 January	3,048	2,529
Transfer from Rate Reduction Reserve	124	114
Transfer under the SoC <sup>(a)</sup>		
– transfer for SoC (to) /from revenue (Note 3)	(296)	505
– charge for asset decommissioning <sup>(b)</sup>	(90)	(80)
Special energy saving rebate to customers <sup>(c)</sup>	–	(20)
At 31 December	<b>2,786</b>	<b>3,048</b>

Notes:

- (a) Under the SoC Agreement, if the gross tariff revenue in a period is less than or exceeds the total of the SoC operating costs, permitted return and taxation charges, such deficiency shall be deducted from, or such excess shall be added to, the Tariff Stabilisation Fund. In any period, the amount of deduction from or addition to the Tariff Stabilisation Fund is recognised as a revenue adjustment to the extent that the return and charges under the SoC are recognised in the profit or loss.
- (b) Under the SoC, a periodic charge to accrue for asset decommissioning is made with corresponding deferred liabilities recognised in the statement of financial position of the SoC Companies. The balance of the asset decommissioning liabilities account of HK\$1,711 million (2024: HK\$1,647 million) (Note 26) recognised under the SoC represents a liability of the Group.
- (c) The amount represented the adjustments for the 2023 special energy saving rebate provided to customers.

#### (B) Rate Reduction Reserve

	2025 HK\$M	2024 HK\$M
At 1 January	124	114
Transfer to Tariff Stabilisation Fund	(124)	(114)
Interest expense charged to profit or loss (Note 6)	85	124
At 31 December	<b>85</b>	<b>124</b>

## 26. Asset Decommissioning Liabilities and Retirement Obligations

### Accounting Policy

When the Group has a legal and/or constructive obligation for remediation and the likelihood of economic outflow is probable, provisions for asset retirement obligations are recorded for estimated remediation costs of reclamation, plant closure, dismantling and waste disposal. A provision for asset retirement costs is determined by estimating the expected costs associated to remediate the site based on the current legal requirements and technologies and is discounted to its present value with an unwind adjustment recognised in finance costs. An asset is recognised on initial recognition of the provision and is depreciated over the useful life of the facility. The asset retirement costs are reviewed annually and adjustments are made to the carrying amount of the assets to reflect changes made to these estimated discount rates or future costs.

### Critical Accounting Estimates and Judgements

Estimating the amount and timing of the obligation to be recorded requires significant judgement. Management has assessed the Group's obligations for each asset based on the local regulatory environment and expected closure dates.

CLP Power has been investing in the transmission and distribution network to supply electricity to the customers in its supply area in Hong Kong. As CLP Power expects that the land sites being used for the transmission and distribution network will continue to be used for the distribution of electricity supply to its customers, it is currently considered remote that the network would be removed from the existing land sites. Therefore in accordance with applicable accounting standards, asset retirement obligations for these assets have not been recognised by CLP Power.

With all the coal-fired generation units at Castle Peak "A" Station (CPA units) reached their end of book lives, the removal of CPA units becomes probable. In support of the Government's net-zero carbon emissions targets in the "Hong Kong's Climate Action Plan 2050", CAPCO is working on the phase-out of coal at Castle Peak "B" Station by 2035 and exploring ways to convert its gas-fired generation facilities to operate on green fuels. While it is envisaged that the remaining generation units will have their roles in supporting the Government's Climate Action Plan 2050, with the continuous development in decarbonisation technologies, the removal of these units and replacement by alternative facilities is possible.

Under the SoC, CAPCO makes a periodic charge to accrue in a liability balance to be utilised in discharging asset decommissioning costs if and when incurred. CAPCO considers that the decommissioning obligation for CPA units is covered under the SoC asset decommissioning liability balance as at 31 December 2025. While no provision for asset retirement obligations for the other generation units has been recognised, it is expected that if such an obligation be incurred, it will be met by the SoC asset decommissioning liability accrued and the cost recovery mechanism under the SoC.

Asset retirement obligations of EnergyAustralia at 31 December 2025 amounted to HK\$3,462 million (2024: HK\$3,143 million) which mainly related to the provision for land remediation and decommissioning of generation assets. The provisions are largely based on estimates by external and internal experts and estimated cash flows are discounted over periods aligned to internally determined end-of-plant lives. The calculation of the provision requires management judgement with respect to estimating the timing of asset retirement, costs to remove infrastructure, remediate soil and groundwater, water usage and technological developments. The terms associated with the decommissioning of certain assets including site restoration plans are expected to evolve as plans are refined and agreed with the governing bodies when approaching facility closure dates. Any future agreements with regulators or changes to regulatory requirements could impact the cost estimates used in the decommissioning provision. On an ongoing basis, we continually review and update underlying assumptions relating to future rehabilitation estimates and timelines.

## 26. Asset Decommissioning Liabilities and Retirement Obligations (continued)

	2025 HK\$M	2024 HK\$M
Asset decommissioning liabilities (Note 25(A)(b))	1,711	1,647
Provisions for land remediation and restoration costs (note)	3,352	3,049
	<b>5,063</b>	4,696

Note: The movements of the balances, including the current portion of HK\$110 million (2024: HK\$94 million) under the Group's trade payables and other liabilities, are as follows:

	2025 HK\$M	2024 HK\$M
Balance at 1 January	3,143	3,544
Effect of changes in discount rate	(53)	(107)
Additional provisions	119	40
Amounts used	(91)	(92)
Unwinding of discount	90	95
Exchange differences	254	(337)
Balance at 31 December	<b>3,462</b>	3,143

## 27. Share Capital

	2025		2024	
	Number of Ordinary Shares	Amount HK\$M	Number of Ordinary Shares	Amount HK\$M
Issued and fully paid, at 31 December	<b>2,526,450,570</b>	<b>23,243</b>	2,526,450,570	23,243

## 28. Reserves

The movements in reserves attributable to shareholders during the year are shown as follows:

	Translation Reserve HK\$M	Cash Flow Hedge Reserve HK\$M	Cost of Hedging Reserve HK\$M	Other Reserves HK\$M	Retained Profits HK\$M	Total HK\$M
Balance at 1 January 2024	(7,341)	236	38	1,939	84,216	79,088
Earnings attributable to shareholders	-	-	-	-	11,742	11,742
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	(1,773)	(78)	-	-	78	(1,773)
Joint ventures	(430)	-	-	-	-	(430)
Associates	(271)	-	-	-	-	(271)
Early termination of a joint venture agreement	(68)	-	-	-	-	(68)
Cash flow hedges						
Net fair value gains	-	1,250	-	-	-	1,250
Reclassification to profit or loss	-	(1,495)	-	-	-	(1,495)
Tax on the above items	-	85	-	-	-	85
Costs of hedging						
Net fair value gains	-	-	396	-	-	396
Reclassification to profit or loss	-	-	(29)	-	-	(29)
Tax on the above items	-	-	(61)	-	-	(61)
Release of other reserves	-	-	-	(2)	-	(2)
Fair value gains on investments	-	-	-	190	-	190
Reclassification of gains on disposal of investments	-	-	-	(81)	81	-
Remeasurement losses on defined benefit plans	-	-	-	-	(4)	(4)
Release of revaluation gains upon sale of properties	-	-	-	(208)	208	-
Total comprehensive income attributable to shareholders	(2,542)	(238)	306	(101)	12,105	9,530
Transfer to fixed assets	-	21	(1)	-	-	20
Appropriation of reserves	-	-	-	253	(253)	-
Dividends paid						
2023 fourth interim	-	-	-	-	(3,057)	(3,057)
2024 first to third interim	-	-	-	-	(4,775)	(4,775)
Reclassification of perpetual capital securities to other borrowings (Note 29(A))	-	-	-	-	6	6
Balance at 31 December 2024	(9,883)	19	343	2,091	88,242 <sup>(note)</sup>	80,812



Translation reserve – exchange rates movements arising from the consolidation of Group entities with different reporting currencies

Cash flow hedge / Cost of hedging reserve – deferred fair value gains/losses on derivative financial instruments which are qualified for hedge accounting; reclassify to profit or loss upon settlement of derivatives or amortisation of costs of hedging

Other reserves – mainly comprise revaluation reserve and other legal reserves allocated from retained profits to meet local statutory and regulatory requirements of Group entities

## 28. Reserves (continued)

	Translation Reserve HK\$M	Cash Flow Hedge Reserve HK\$M	Cost of Hedging Reserve HK\$M	Other Reserves HK\$M	Retained Profits HK\$M	Total HK\$M
Balance at 1 January 2025	(9,883)	19	343	2,091	88,242	80,812
Earnings attributable to shareholders	-	-	-	-	10,468	10,468
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	1,582	27	-	-	(27)	1,582
Joint ventures	181	-	-	-	-	181
Associates	383	-	-	-	-	383
Cash flow hedges						
Net fair value losses	-	(1,246)	-	-	-	(1,246)
Reclassification to profit or loss	-	(422)	-	-	-	(422)
Tax on the above items	-	405	-	-	-	405
Costs of hedging						
Net fair value gains	-	-	28	-	-	28
Reclassification to profit or loss	-	-	(34)	-	-	(34)
Tax on the above items	-	-	1	-	-	1
Remeasurement gains on defined benefit plans	-	-	-	-	9	9
Release of revaluation gains upon sale of properties	-	-	-	(797)	797	-
Share of other comprehensive income of joint ventures	-	68	-	-	(1)	67
Deconsolidation of subsidiaries	-	112	-	-	-	112
Total comprehensive income attributable to shareholders	2,146	(1,056)	(5)	(797)	11,246	11,534
Transfer to fixed assets	-	(21)	-	-	-	(21)
Appropriation of reserves	-	-	-	240	(240)	-
Dividends paid						
2024 fourth interim	-	-	-	-	(3,183)	(3,183)
2025 first to third interim	-	-	-	-	(4,775)	(4,775)
<b>Balance at 31 December 2025</b>	<b>(7,737)</b>	<b>(1,058)</b>	<b>338</b>	<b>1,534</b>	<b>91,290<sup>(note)</sup></b>	<b>84,367</b>

Note: The fourth interim dividend declared for the year ended 31 December 2025 was HK\$3,310 million (2024: HK\$3,183 million). The balance of retained profits after the fourth interim dividend of the Group was HK\$87,980 million (2024: HK\$85,059 million).

## 29. Perpetual Capital Securities and Other Non-controlling Interests

### (A) Perpetual Capital Securities

A total of US\$500 million perpetual capital securities (“Redeemed Securities”) was issued by the wholly-owned subsidiary, CLP Power HK Finance Ltd. (CLPPHKFL) in 2019. The Redeemed Securities were perpetual, non-callable in the first 5.25 years (with issuer call option at par at any time in the 3 months before 5 February 2025) and entitled the holders to receive distributions at a distribution rate of 3.55% per annum in the first 5.25 years and, if not redeemed, at refixed rate thereafter, payable semi-annually in arrears, cumulative and compounding.

Pursuant to the terms and conditions of the Redeemed Securities, CLPPHKFL notified the holders on 23 December 2024 of its decision to redeem the securities. Following notification to the holders, the Redeemed Securities were reclassified from equity to other borrowings (Note 23) as an obligation to deliver cash was created. They were classified as current financial liabilities at 31 December 2024 and subsequently redeemed on 24 January 2025.

On 23 January 2025, CLPPHKFL issued US\$500 million perpetual capital securities (“Existing Securities”) at par to redeem the Redeemed Securities. The Existing Securities are perpetual, non-callable in the first 5.25 years (with issuer call option at par at any time in the 3 months before 23 April 2030) and entitle the holders to receive distributions at a distribution rate of 5.45% per annum in the first 5.25 years, reset fixed rate thereafter and with fixed step up margins at year 10.25 and at year 25.25, payable semi-annually in arrears, cumulative and compounding.

The distributions of both Securities are at the Group’s discretion, as long as the issuer and CLP Power Hong Kong, as guarantor of the securities, do not (a) declare or pay dividends to their shareholders or (b) cancel or reduce their share capitals within each distribution payment period.

### (B) Other Non-controlling Interests

Other non-controlling interests included CSGHK’s pro-rata share of HK\$5,115 million (2024: HK\$5,115 million) of redeemable shareholder capital of CAPCO. The redeemable shareholder capital is subordinated, unsecured, interest free and has no fixed terms of repayment. CAPCO can, at its sole discretion, redeem all or part of the redeemable shareholder capital at any time after 31 December 2032.

As both the perpetual capital securities (before the notice of redemption) and redeemable shareholder capital do not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32, they are classified as equity and regarded as part of non-controlling interests for accounting purpose.

### 30. Notes to the Consolidated Statement of Cash Flows

#### (A) Reconciliation of profit before income tax to net cash inflow from operations

	2025 HK\$M	2024 HK\$M
Profit before income tax	14,201	15,539
Adjustments for:		
Finance costs	1,860	2,254
Finance income	(194)	(235)
Dividends from equity investments	-	(15)
Share of results of joint ventures and associates, net of income tax	(1,595)	(2,655)
Depreciation and amortisation	9,718	9,276
Impairment charge	517	504
Net losses on disposal of fixed assets	319	582
Revaluation loss on investment property	63	67
Gain on deconsolidation of subsidiaries	(460)	-
Fair value gains on investments at fair value through profit or loss	(46)	(2)
Fair value changes of non-debt related derivative financial instruments and net exchange difference	(352)	(1,297)
Exchange gain realised upon early termination of a joint venture agreement	-	(68)
Release of other reserves	-	(2)
SoC items		
Increase in customers' deposits	334	327
Decrease/(increase) in fuel clause account	1,402	(23)
Special rebates to customers	-	(20)
Transfer for SoC	(296)	505
	1,440	789
Increase in inventories	(111)	(395)
Decrease/(increase) in trade receivables and other current assets	919	(552)
Increase in restricted cash	-	(5)
Changes in non-debt related derivative financial instruments	532	659
(Decrease)/increase in trade and other payables	(465)	396
(Decrease)/increase in current accounts due to joint ventures and an associate	(88)	338
Net cash inflow from operations	<b>26,258</b>	<b>25,178</b>

## 30. Notes to the Consolidated Statement of Cash Flows (continued)

## (B) Reconciliation of liabilities arising from financing activities

	Bank Loans and Other Borrowings HK\$M	Interest and Other Finance Costs Payables HK\$M	Lease Liabilities HK\$M	Debt-related Derivative Financial Instruments HK\$M	Advances from Non- controlling Interests HK\$M	Total HK\$M
Balance at 1 January 2024	57,515	238	1,222	2,122	589	61,686
Cash flows changes						
Proceeds from long-term borrowings	9,817	-	-	-	-	9,817
Repayment of long-term borrowings	(7,131)	-	-	-	-	(7,131)
Increase in short-term borrowings	2,269	-	-	-	-	2,269
Payment of principal portion of lease liabilities	-	-	(346)	-	-	(346)
Interest and other finance costs paid	-	(1,765)	-	-	-	(1,765)
Settlement of derivative financial instruments	-	-	-	(648)	-	(648)
Decrease in advances from other non-controlling interests	-	-	-	-	(278)	(278)
Non-cash changes						
Fair value gains of derivative financial instruments charged to equity	-	-	-	(217)	-	(217)
Additions of leases	-	-	144	-	-	144
Net exchange and translation differences	(1,176)	(4)	(94)	-	-	(1,274)
Interest and other finance costs charged to profit or loss	-	1,733	60	468	-	2,261
Reclassification from perpetual capital securities	3,881	-	-	-	-	3,881
Other non-cash movements	(21)	59	(3)	-	-	35
Balance at 31 December 2024	65,154	261	983	1,725	311	68,434
Balance at 1 January 2025	65,154	261	983	1,725	311	68,434
Cash flows changes						
Proceeds from long-term borrowings	12,508	-	-	-	-	12,508
Repayment of long-term borrowings	(10,672)	-	-	-	-	(10,672)
Redemption of perpetual capital securities	(3,933)	-	-	-	-	(3,933)
Decrease in short-term borrowings	(1,768)	-	-	-	-	(1,768)
Payment of principal portion of lease liabilities	-	-	(233)	-	-	(233)
Interest and other finance costs paid	-	(1,418)	-	-	-	(1,418)
Settlement of derivative financial instruments	-	-	-	(381)	-	(381)
Decrease in advances from other non-controlling interests	-	-	-	-	(104)	(104)
Non-cash changes						
Deconsolidation of subsidiaries	(885)	6	-	(130)	-	(1,009)
Fair value losses of derivative financial instruments charged to equity	-	-	-	519	-	519
Additions of leases	-	-	153	-	-	153
Net exchange and translation differences	1,383	-	69	3	-	1,455
Interest and other finance costs charged to profit or loss	-	1,319	57	(415)	-	961
Other non-cash movements	42	40	-	-	-	82
<b>Balance at 31 December 2025</b>	<b>61,829</b>	<b>208</b>	<b>1,029</b>	<b>1,321</b>	<b>207</b>	<b>64,594</b>

## 31. Commitments

- (A) Capital expenditure on fixed assets, leasehold land and intangible assets contracted for but not yet incurred at 31 December 2025 amounted to HK\$11,213 million (2024: HK\$11,467 million).
- (B) The Group has entered into a long-term Energy Storage Services Agreement (ESSA) to be the market operator of the 250MW Kidston pumped hydro energy storage facility in Queensland. This facility is currently under construction and the ESSA is subject to a number of conditions precedent which must be satisfied before the lease commencement date, which is expected to occur in 2027. At 31 December 2025, the expected undiscounted contractual lease payments under this agreement were approximately HK\$2.0 billion (2024: HK\$1.8 billion).
- (C) Wooreen Energy Storage System (Wooreen BESS) in Victoria is under construction and will be a four-hour utility-scale battery of 350MW capacity. The Group will retain first rights to the energy offtake for Wooreen BESS. This will be accounted for as a lease arrangement on the lease commencement date, which is expected to occur in 2027. At 31 December 2025, the expected undiscounted contractual lease payments under this arrangement were approximately HK\$3.0 billion (2024: nil).
- (D) Equity contributions to be made for joint ventures and private equity partnerships at 31 December 2025 were HK\$548 million (2024: HK\$134 million) and HK\$354 million (2024: HK\$138 million) respectively.

## 32. Related Party Transactions

### Accounting Policy

Related parties are individuals and companies, including subsidiaries, fellow subsidiaries, joint ventures, associates and key management personnel, where the individual or company has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. A close family member of any such individual is considered to be a related party.



### Related Parties ≠ Connected Parties

They sometimes overlap but should not be confused. Accounting standards define related parties, while the Listing Rules of the Hong Kong Stock Exchange define connected parties.

Below are the more significant transactions with related parties for the year:

- (A) CLP Power has arrangements with GNPJVC and its shareholder, Guangdong Nuclear Investment Company Limited, to purchase nuclear electricity from Guangdong Daya Bay Nuclear Power Station (GNPS). The base price paid by CLP Power for electricity generated by GNPS is determined by a formula based on GNPS's operating costs and a calculation of profits with reference to the capacity factors. The purchase of nuclear electricity under the arrangements was HK\$6,725 million (2024: HK\$6,629 million).
- (B) CAPCO entered into an arrangement with HKLTL to use the LNG terminal and related LNG storage and regasification services amounting to HK\$480 million (2024: HK\$476 million), which mainly covered the costs incurred in providing the services.
- (C) The loans to joint ventures and related interest income are disclosed under Notes 14 and 6. Other amounts due from and to the related parties at 31 December 2025 are disclosed in Notes 19 and 22 respectively. At 31 December 2025, the Group did not have any guarantees which were of a significant amount given to or received from these entities (2024: nil).

### 32. Related Party Transactions (continued)

#### (D) Remuneration of key management personnel

Under HKAS 24 Related Party Disclosures, key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any directors (whether executive or otherwise) and Senior Management of the Group. The total remuneration of the key management personnel are shown below:

	2025 HK\$M	2024 HK\$M
Fees	16	14
Recurring remuneration items (note)		
Base compensation, allowances & benefits	47	50
Performance bonus		
Annual incentive	38	49
Long-term incentive	16	25
Provident fund contribution	9	10
Non-recurring remuneration items		
Other payments	12	41
	<b>138</b>	<b>189</b>

Note: Refer to remuneration items on page 140 of Human Resources & Remuneration Committee Report.

Remuneration of all Directors for the year totalled HK\$40 million (2024: HK\$68 million). The five highest paid individuals in the Group during the year 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 these five highest paid individuals amounted to HK\$99 million (2024: HK\$128 million). Further details of the remuneration of the Director and Senior Management, on a named basis, and remuneration paid to the five highest paid individuals by bands are disclosed in highlighted sections of the Human Resources & Remuneration Committee Report with a heading of "Audited" on pages 132 and 140 to 145. These sections are part of the financial statements.

#### (E) Interest of Directors

There are no loans, quasi-loans or other dealings in favour of directors, their controlled body corporates and connected entities (2024: nil).

During the year and at the year end, no director of the Company had or has a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Group's business to which the Group was or is a party (2024: nil).

### 33. Non-Adjusting Event After the Reporting Period

Apraava Energy, a joint venture of the Group, expects to complete the sale of its entire equity interest in its wholly owned subsidiary, Jhajjar Power Limited which holds a coal-fired power station in India, during the first quarter of 2026. The final consideration is subject to adjustments in accordance with the mechanisms established and agreed between Apraava Energy and the buyer. The Group is currently assessing the financial impact of the sale.

### 34. Statement of Financial Position of the Company

	2025 HK\$M	2024 HK\$M
<b>Non-current assets</b>		
Fixed assets	110	134
Intangible assets	105	105
Right-of-use assets	257	302
Investments in subsidiaries	45,112	48,578
Other non-current assets	19	16
	<b>45,603</b>	49,135
<b>Current assets</b>		
Trade and other receivables	46	54
Dividend receivable	3,116	-
Cash and cash equivalents	23	11
	<b>3,185</b>	65
<b>Current liabilities</b>		
Trade payables and other liabilities	(564)	(543)
Net current assets/(liabilities)	<b>2,621</b>	(478)
<b>Total assets less current liabilities</b>	<b>48,224</b>	48,657
<b>Financed by:</b>		
<b>Equity</b>		
Share capital	23,243	23,243
Retained profits	24,746	25,139
Shareholders' funds	<b>47,989</b>	48,382
<b>Non-current liabilities</b>		
Lease and other liabilities	235	275
<b>Equity and non-current liabilities</b>	<b>48,224</b>	48,657
The movement of retained profits is as follows:		
Balance at 1 January	25,139	21,013
Profit and total comprehensive income for the year	7,565	11,958
Dividends paid		
2024/2023 fourth interim	(3,183)	(3,057)
2025/2024 first to third interim	(4,775)	(4,775)
Balance at 31 December	<b>24,746</b>	25,139

The fourth interim dividend declared for the year ended 31 December 2025 was HK\$3,310 million (2024: HK\$3,183 million). The balance of retained profits after the fourth interim dividend of the Company was HK\$21,436 million (2024: HK\$21,956 million).



**Andrew Brandler**  
Vice Chairman



**Chiang Tung Keung**  
Chief Executive Officer



**Alexandre Keisser**  
Chief Financial Officer

Hong Kong, 26 February 2026

### 35. Subsidiaries

The table below lists the principal subsidiaries of the Group at 31 December 2025:

Name	Issued Share Capital / Registered Capital	% of Ownership Interest at 31 December 2024 and 2025	Place of Incorporation / Business	Principal Activity
CLP Power Hong Kong Limited	HK\$20,400,007,269.65 divided into 2,488,320,000 ordinary shares	100	Hong Kong	Generation and supply of electricity
Castle Peak Power Company Limited	HK\$50,000,000 divided into 500,000 ordinary shares	70 <sup>(a)</sup>	Hong Kong	Generation and sale of electricity
Hong Kong Pumped Storage Development Company, Limited	HK\$10,000,000 divided into 100,000 ordinary shares	100 <sup>(a)</sup>	Hong Kong	Provision of pumped storage services
Hong Kong Nuclear Investment Company Limited	HK\$300,000,000 divided into 300,000 ordinary shares	100	Hong Kong / Chinese Mainland	Power projects investment holding
CLP Nuclear Power (Yangjiang) Limited	3,138,629,815 ordinary shares of HK\$1 each	100 <sup>(a)</sup>	Hong Kong	Power projects investment holding
CLPe Holdings Limited	HK\$49,950,002 divided into 49,950,002 ordinary shares	100	Hong Kong	Investment holding of energy & infrastructure solutions business
CLP Power Asia Limited	1,000 ordinary shares of US\$1 each	100	British Virgin Islands / International and Chinese Mainland	Power projects investment holding
CLP Power International Limited	692,000 ordinary shares of US\$1,000 each	100 <sup>(a)</sup>	British Virgin Islands / International	Power projects investment holding
CLP Power China Limited	192,000,000 ordinary shares of US\$1 each	100 <sup>(a)</sup>	British Virgin Islands / Chinese Mainland and Hong Kong	Power projects investment holding
CLP Properties Limited	HK\$150,000,000 divided into 15,000,000 ordinary shares	100	Hong Kong	Property investment holding
Sanon Limited	1 ordinary share of HK\$1 each	100 <sup>(a)(d)</sup>	Hong Kong	Property investment holding
CLP Innovation Enterprises Limited	1 ordinary share of HK\$1 each	100	Hong Kong	Innovation projects investment holding
EnergyAustralia Holdings Limited	A\$1,585,491,005 for 1,585,491,005 ordinary shares	100 <sup>(a)</sup>	Australia	Energy business investment holding
EnergyAustralia Yallourn Pty Ltd	A\$15 for 15 ordinary shares	100 <sup>(a)</sup>	Australia	Generation and supply of electricity
EnergyAustralia Pty Ltd	A\$3,368,686,988 for 3,368,686,988 ordinary shares	100 <sup>(a)</sup>	Australia	Retailing of electricity and gas

### 35. Subsidiaries (continued)

Name	Issued Share Capital/ Registered Capital	% of Ownership Interest at 31 December 2024 and 2025	Place of Incorporation/ Business	Principal Activity
EnergyAustralia NSW Pty Ltd	A\$2 for 2 ordinary shares	100 <sup>(a)</sup>	Australia	Generation of electricity
CLP Sichuan (Jiangbian) Power Company Limited <sup>(b)</sup>	RMB496,380,000	100 <sup>(a)</sup>	Chinese Mainland	Generation of electricity
Guangdong Huaiji Changxin Hydro-electric Power Company Limited <sup>(c)</sup>	RMB69,098,976	84.9 <sup>(a)</sup>	Chinese Mainland	Generation of electricity
Guangdong Huaiji Gaotang Hydro-electric Power Company Limited <sup>(c)</sup>	RMB249,430,049	84.9 <sup>(a)</sup>	Chinese Mainland	Generation of electricity
Guangdong Huaiji Weifa Hydro-electric Power Company Limited <sup>(c)</sup>	US\$13,266,667	84.9 <sup>(a)</sup>	Chinese Mainland	Generation of electricity
Guangdong Huaiji Xinlian Hydro-electric Power Company Limited <sup>(c)</sup>	RMB141,475,383	84.9 <sup>(a)</sup>	Chinese Mainland	Generation of electricity

Notes:

(a) Indirectly held through subsidiaries of the Company

(b) Registered as a Wholly Foreign Owned Enterprise under PRC law

(c) Registered as foreign-invested enterprise (joint venture company with limited liability) under PRC law

(d) Acquired in March 2024

Summarised financial information of CAPCO which has material non-controlling interest is set out below:

	2025 HK\$M	2024 HK\$M
Results for the year		
Revenue	21,550	23,447
Profit for the year	3,282	3,146
Other comprehensive income for the year	(78)	124
Total comprehensive income for the year	3,204	3,270
Dividends paid to non-controlling interests	975	973
Net assets		
Non-current assets	44,288	44,540
Current assets	6,548	7,031
Current liabilities	(9,591)	(10,974)
Non-current liabilities	(23,389)	(22,695)
	17,856	17,902
Cash flows		
Net cash inflow from operating activities	4,351	3,983
Net cash outflow from investing activities	(425)	(974)
Net cash outflow from financing activities	(3,925)	(3,009)
Net change in cash and cash equivalents	1	-

# Financial Risk Management

## 1. Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value and cash flow interest rate risks, and energy portfolio risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the impact of exchange rate, interest rate and energy price fluctuations on the Group's financial performance. The Group uses different derivative financial instruments to manage its exposure in these areas. All derivative financial instruments are employed solely for hedging purposes.

Financial risk management for Hong Kong operations is carried out by the Group's central treasury department (Group Treasury) under policies approved by the Board of Directors or the Finance & General Committee of relevant Group entities. Overseas subsidiaries conduct their risk management activities in accordance with policies approved by their respective Boards. Group Treasury identifies, evaluates and monitors financial risks in close co-operation with the Group's operating units. The Group has written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and cash management.

### Foreign exchange risk

The Group operates in the Asia-Pacific region and is exposed to foreign exchange risk arising from future commercial transactions, and from recognised assets and liabilities and net investments in foreign operations. This is primarily with respect to Australian dollar and Renminbi. Additionally, the Group has significant foreign currency obligations relating to its foreign currency denominated debts and major capital project payments, US dollar denominated nuclear power purchase offtake commitments and other fuel related payments. The Group uses forward contracts and currency swaps to manage its foreign exchange risk arising from future commercial transactions, and from recognised assets and liabilities which are denominated in a currency that is not the functional currency of the respective Group entity. Hedging is only considered for firm commitments and highly probable forecast transactions.

#### SoC Companies

Under the SoC, the SoC Companies are allowed to pass-through foreign exchange gains and losses arising from future non-capital projects related commercial transactions and recognised liabilities which are denominated in a currency other than Hong Kong dollar, thus retaining no significant foreign exchange risk of such payments over the long term. The SoC Companies use forward contracts and currency swaps to hedge all their debt repayment obligations denominated in foreign currencies for the full tenor, and a significant portion of their US dollar obligations on fuel and nuclear power purchases, provided that for US dollar the hedging can be accomplished at rates below the Hong Kong Government's historical target peg rate of HK\$7.8 : US\$1. The objective is to reduce the potential impact of foreign exchange movement on electricity tariffs. The SoC Companies also use forward contracts to manage the foreign exchange risks arising from non-Hong Kong dollar payment obligations for major capital projects, for which the exchange gains and losses are capitalised.

At the end of the reporting period, the fair value movement of the derivative financial instruments in a cash flow hedge relationship is recorded in equity. The extent of the impact to the cash flow hedge reserve under equity due to exchange rate movements, with all other variables held constant, is as follows:

	2025 HK\$M	2024 HK\$M
Increase/(decrease) in the cash flow hedge reserve		
Hong Kong dollar against US dollar		
If Hong Kong dollar weakened by 0.6% (2024: 0.6%)	79	91
If Hong Kong dollar strengthened by 0.6% (2024: 0.6%)	(79)	(91)
Hong Kong dollar against Euro		
If Hong Kong dollar weakened by 5% (2024: 3%)	4	2
If Hong Kong dollar strengthened by 5% (2024: 3%)	(4)	(2)

## 1. Financial Risk Factors (continued)

### Foreign exchange risk (continued)

#### The Group's Asia-Pacific Investments

With respect to the power project investments in the Asia-Pacific region, the Group is exposed to both foreign currency translation and transaction risks.

The Group closely monitors translation risk using a Value-at-Risk (VaR) approach but does not hedge foreign currency translation risk because translation gains or losses do not affect the project company's cash flow or the Group's annual profit until an investment is sold. At 31 December 2025, the Group's net investment subject to translation exposure was HK\$44,113 million (2024: HK\$43,150 million), arising mainly from our investments on the Chinese Mainland, Australia, India, and Taiwan Region and Southeast Asia. This means that, for each 1% (2024: 1%) average foreign currency movement, our translation exposure will vary by about HK\$441 million (2024: HK\$432 million). All the translation exposures are recognised in other comprehensive income and therefore have no impact on the profit or loss.

We consider that the non-functional currency transaction exposures at the individual project company level, if not managed properly, can lead to significant financial distress. Our primary risk mitigation is therefore to ensure that project-level debt financings are implemented on a local currency basis to the maximum extent possible. Each overseas subsidiary and project company has developed its own hedging programme into local currency taking into consideration any indexing provision in project agreements, tariff reset mechanisms, lender requirements, and tax and accounting implications.

Most foreign currency exposures of the Group entities are hedged and/or their transactions are predominantly conducted through the functional currency of the respective entity. The following analysis presents the Group's (apart from the SoC Companies) sensitivity to a reasonably possible change in the functional currencies of the Group entities against the US dollar and Renminbi, with all other variables held constant. The sensitivity rates in US dollar and Renminbi used are considered reasonable given the current level of exchange rates and the volatility observed in the different functional currencies of the Group entities. These are both on a historical basis and market expectations for future movement at the end of the reporting period and under the economic environments in which the Group operates. The extent of the impact to post-tax profit or equity due to exchange rate movements of US dollar and Renminbi against different functional currencies of Group entities, with all other variables held constant, is as follows:

	2025 HK\$M	2024 HK\$M
<b>US dollar</b>		
If US dollar strengthened by 5% (2024: 5%)		
Post-tax profit for the year	(2)	2
Equity – cash flow hedge reserve	8	68
If US dollar weakened by 5% (2024: 5%)		
Post-tax profit for the year	2	(2)
Equity – cash flow hedge reserve	(4)	(62)
<b>Renminbi</b>		
If Renminbi strengthened by 5% (2024: 2%)		
Post-tax profit for the year	1	1
Equity – cash flow hedge reserve	-	-
If Renminbi weakened by 5% (2024: 2%)		
Post-tax profit for the year	(1)	(1)
Equity – cash flow hedge reserve	-	-

## 1. Financial Risk Factors (continued)

### Energy portfolio risk

EnergyAustralia's activity in energy markets exposes it to financial risk.

The electricity market is a competitive power pool. In this market generation supply and retail demand are exposed to spot (5-minute intervals) prices. EnergyAustralia purchases and sells majority of its electricity through the pool, at the same time EnergyAustralia enters into electricity spot-price-linked derivative financial instruments to manage the spot electricity price risk against forecast retail and generation exposures.

The gas market is a balancing market. To meet retail demand, EnergyAustralia procures gas supply agreements from various gas producers. The contract prices of certain agreements comprise a fixed component, and a variable component that is linked to oil spot prices on the global markets. EnergyAustralia enters into oil-price-linked derivative financial instruments to manage this oil price risk component.

Energy portfolio exposure is managed through an established risk management framework. The framework consists of policies which place appropriate limits on overall energy market exposures, hedging strategies and targets, delegations of authority on trading, approved product lists, regular exposure reporting, and segregation of duties. The corporate governance process also includes oversight by an Audit & Risk Committee (ARC-EA) which acts on behalf of EnergyAustralia's Board.

At the end of the reporting period, the extent of the impact to the Group's post-tax profits and other comprehensive income due to the change of the observable energy forward market prices is as follows:

	2025 HK\$M	2024 HK\$M
Electricity forward price		
If electricity forward prices were 15% higher (2024: 15%)		
Post-tax profit for the year	9	(118)
Equity – cash flow hedge reserve	188	67
If electricity forward prices were 15% lower (2024: 15%)		
Post-tax profit for the year	(4)	138
Equity – cash flow hedge reserve	(191)	(61)
Oil forward price		
If oil forward prices were 15% higher (2024: 15%)		
Post-tax profit for the year	12	2
Equity – cash flow hedge reserve	182	263
If oil forward prices were 15% lower (2024: 15%)		
Post-tax profit for the year	(12)	(6)
Equity – cash flow hedge reserve	(183)	(263)

### Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The risks are managed by monitoring an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swaps.

The appropriate level of the fixed /floating mix is determined for each operating company subject to a regular review. For instance, SoC Companies conducts an annual review to determine a preferred fixed /floating interest rate mix appropriate for its business profile. Each overseas subsidiary and project company has developed its own hedging programme taking into consideration project debt service sensitivities to interest rate movements, lender requirements, tax and accounting implications.

The sensitivity analysis below presents the effects on the Group's post-tax profit for the year (as a result of change in interest expense on floating rate borrowings) and equity (as a result of change in the fair value of derivative instruments which qualify as cash flow hedges). Such amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged items affect profit or loss, and offset one another in the profit or loss.

## 1. Financial Risk Factors (continued)

### Interest rate risk (continued)

The analysis has been determined based on the exposure to interest rates for both derivative and non-derivative financial instruments at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity to interest rates used is considered reasonable given the market forecasts available at the end of the reporting period and under the economic environments in which the Group operates, with all other variables held constant.

	2025 HK\$M	2024 HK\$M
<b>Hong Kong dollar</b>		
If interest rates were 1% (2024: 0.9%) higher		
Post-tax profit for the year	(189)	(187)
Equity – cash flow hedge reserve	12	14
If interest rates were 1% (2024: 0.9%) lower		
Post-tax profit for the year	189	187
Equity – cash flow hedge reserve	(12)	(14)
<b>Australian dollar</b>		
If interest rates were 1% (2024: 0.8%) higher		
Post-tax profit for the year	(11)	(8)
Equity – cash flow hedge reserve	16	13
If interest rates were 1% (2024: 0.8%) lower		
Post-tax profit for the year	11	8
Equity – cash flow hedge reserve	(16)	(13)
<b>Renminbi</b>		
If interest rates were 1% (2024: 0.2%) higher		
Post-tax profit for the year	(77)	(11)
Equity – cash flow hedge reserve	-	-
If interest rates were 1% (2024: 0.2%) lower		
Post-tax profit for the year	77	11
Equity – cash flow hedge reserve	-	-

### Credit risk

The Group's approach to managing credit risk for trade receivables is discussed in Note 19.

On the treasury side, all finance-related hedging transactions and bank deposits of the Group entities are executed with counterparties with good credit quality in conformance to the Group treasury policies to minimise credit exposure. Good credit ratings from reputable credit rating agencies and scrutiny of the financial position of non-rated counterparties are two important criteria in the selection of counterparties. The credit quality of counterparties will be closely monitored over the life of the transaction. The Group further assigns mark-to-market limits to its financial counterparties to reduce credit risk concentrations relative to the underlying size and credit strength of each counterparty. The Group also monitors potential exposures to each financial institution counterparty. All derivatives transactions are entered into at the sole credit of the respective subsidiaries, joint ventures and associates without recourse to the Company.

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and making available an adequate amount of committed credit facilities with staggered maturities to reduce refinancing risk in any year and to fund working capital, debt servicing, dividend payments and new investments. The Group maintains significant flexibility to respond to opportunities and events by ensuring that committed credit lines are available to meet future funding requirements. In addition, CLP Power will fund its committed contractual maturities through cash flows generated under the SoC and financing available under its credit lines and MTN programme. Management also monitors rolling forecasts of the Group's undrawn borrowing facilities and cash and cash equivalents on the expected cash flows.

## 1. Financial Risk Factors (continued)

### Liquidity risk (continued)

Cash flow forecasting at least for next 12 months of the Group is performed by Group Treasury. It monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational, financing and investing needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times to guard against contingency and uncertainty with consideration that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, applicable financial ratios, covenant compliance, applicable external regulatory or legal requirements, and potential market impacts arising from unforeseeable events such as currency restrictions.

The table below analyses the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, derivative financial liabilities (both net settled and gross settled) and derivative financial assets (gross settled) based on the contractual undiscounted cash flows.

	Within 1 year HK\$M	Between 1 and 2 years HK\$M	Between 2 to 5 years HK\$M	Over 5 years HK\$M	Total HK\$M
<b>At 31 December 2025</b>					
Non-derivative financial liabilities					
Bank loans	8,855	7,078	5,651	5,636	27,220
Other borrowings	2,732	12,231	15,656	10,730	41,349
Customers' deposits	7,542	-	-	-	7,542
Trade payables and other liabilities	17,744	165	439	332	18,680
SoC reserve accounts	-	-	-	2,871	2,871
Fuel clause account	1,043	-	-	-	1,043
Asset decommissioning liabilities	-	-	-	1,711	1,711
	<b>37,916</b>	<b>19,474</b>	<b>21,746</b>	<b>21,280</b>	<b>100,416</b>
Derivative financial liabilities – net settled					
Interest rate swaps	12	26	24	-	62
Energy contracts	637	103	215	-	955
	<b>649</b>	<b>129</b>	<b>239</b>	<b>-</b>	<b>1,017</b>
Derivative financial liabilities – gross settled					
Gross contractual amounts payable					
Forward foreign exchange contracts	4,076	112	6	-	4,194
Cross currency interest rate swaps	1,303	10,077	11,601	7,846	30,827
	<b>5,379</b>	<b>10,189</b>	<b>11,607</b>	<b>7,846</b>	<b>35,021</b>
Gross contractual amounts receivable					
Forward foreign exchange contracts	(4,079)	(111)	(6)	-	(4,196)
Cross currency interest rate swaps	(1,023)	(9,979)	(11,542)	(7,855)	(30,399)
	<b>(5,102)</b>	<b>(10,090)</b>	<b>(11,548)</b>	<b>(7,855)</b>	<b>(34,595)</b>
Net payable/(receivable)	<b>277</b>	<b>99</b>	<b>59</b>	<b>(9)</b>	<b>426</b>
Derivative financial assets – gross settled					
Gross contractual amounts payable					
Forward foreign exchange contracts	14,316	-	-	-	14,316
Cross currency interest rate swaps	168	689	4,253	-	5,110
	<b>14,484</b>	<b>689</b>	<b>4,253</b>	<b>-</b>	<b>19,426</b>
Gross contractual amounts receivable					
Forward foreign exchange contracts	(14,419)	-	-	-	(14,419)
Cross currency interest rate swaps	(240)	(785)	(4,422)	-	(5,447)
	<b>(14,659)</b>	<b>(785)</b>	<b>(4,422)</b>	<b>-</b>	<b>(19,866)</b>
Net receivable	<b>(175)</b>	<b>(96)</b>	<b>(169)</b>	<b>-</b>	<b>(440)</b>
Total net payable/(receivable)	<b>102</b>	<b>3</b>	<b>(110)</b>	<b>(9)</b>	<b>(14)</b>

## 1. Financial Risk Factors (continued)

### Liquidity risk (continued)

	Within 1 year HK\$M	Between 1 and 2 years HK\$M	Between 2 to 5 years HK\$M	Over 5 years HK\$M	Total HK\$M
At 31 December 2024					
Non-derivative financial liabilities					
Bank loans	9,768	7,295	7,287	4,447	28,797
Other borrowings	4,166	2,576	13,306	19,712	39,760
Perpetual capital securities	3,883	-	-	-	3,883
Customers' deposits	7,207	-	-	-	7,207
Trade payables and other liabilities	17,834	153	441	401	18,829
SoC reserve accounts	-	-	-	3,172	3,172
Asset decommissioning liabilities	-	-	-	1,647	1,647
	<u>42,858</u>	<u>10,024</u>	<u>21,034</u>	<u>29,379</u>	<u>103,295</u>
Derivative financial liabilities – net settled					
Forward foreign exchange contracts	5	-	-	-	5
Interest rate swaps	20	16	14	-	50
Energy contracts	597	96	19	27	739
	<u>622</u>	<u>112</u>	<u>33</u>	<u>27</u>	<u>794</u>
Derivative financial liabilities – gross settled					
Gross contractual amounts payable					
Forward foreign exchange contracts	21,347	1,323	109	-	22,779
Cross currency interest rate swaps	2,181	1,286	11,072	16,778	31,317
	<u>23,528</u>	<u>2,609</u>	<u>11,181</u>	<u>16,778</u>	<u>54,096</u>
Gross contractual amounts receivable					
Forward foreign exchange contracts	(21,279)	(1,378)	(115)	-	(22,772)
Cross currency interest rate swaps	(1,776)	(955)	(10,463)	(16,184)	(29,378)
	<u>(23,055)</u>	<u>(2,333)</u>	<u>(10,578)</u>	<u>(16,184)</u>	<u>(52,150)</u>
Net payable	<u>473</u>	<u>276</u>	<u>603</u>	<u>594</u>	<u>1,946</u>
Derivative financial assets – gross settled					
Gross contractual amounts payable					
Forward foreign exchange contracts	4,728	-	-	-	4,728
Cross currency interest rate swaps	2,383	21	558	-	2,962
	<u>7,111</u>	<u>21</u>	<u>558</u>	<u>-</u>	<u>7,690</u>
Gross contractual amounts receivable					
Forward foreign exchange contracts	(4,733)	-	-	-	(4,733)
Cross currency interest rate swaps	(2,390)	(28)	(565)	-	(2,983)
	<u>(7,123)</u>	<u>(28)</u>	<u>(565)</u>	<u>-</u>	<u>(7,716)</u>
Net receivable	<u>(12)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>	<u>(26)</u>
Total net payable	<u>461</u>	<u>269</u>	<u>596</u>	<u>594</u>	<u>1,920</u>

### 2. Hedge Accounting

The Group seeks to apply, wherever possible, hedge accounting to present its financial statements in accordance with the economic purpose of the hedging activity. The Group determines the economic relationship between the hedged items and the hedging instruments by reviewing their critical terms. As a result, the Group concludes that the risk being hedged for the hedged items and the risk inherent in the hedging instruments are sufficiently aligned. There is no inherent mismatch in the hedging relationships. Certain ineffectiveness can arise during the hedging process. The main sources of hedge ineffectiveness are considered to be the effects of re-designation of the hedging relationships and the counterparty credit risks on the hedging instruments.

#### Hedges on debt related transactions

The Group applies various types of derivative financial instruments (forward foreign currency contracts, cross currency interest rate swaps and interest rate swaps) to mitigate exposures arising from the fluctuations in foreign currencies and/or interest rates of debt. In most of the cases, the hedging instruments have a one-to-one hedge ratio with the hedged items. In view of the nature of the hedging activities, no significant ineffectiveness is expected at inception.

#### Hedges on non-debt related transactions

The SoC Companies use forward contracts to manage its foreign exchange risk arising from fuel and nuclear purchases obligations, and payments for major capital projects. The SoC Companies hedge a high portion of committed and highly probable forecast transactions.

EnergyAustralia uses electricity spot-price-linked forward contracts and oil-price-linked forward contracts to mitigate exposures arising from the fluctuations in electricity spot price and oil spot price embedded in gas contracts. In most of the cases, the hedging instruments have a one-to-one hedge ratio with the hedged items.

## 2. Hedge Accounting (continued)

### Effects of hedge accounting

The tables below summarise the effect of the hedge accounting on financial position and performance of the Group for the year ended 31 December 2025 and 2024:

Cash Flow Hedges	Notional amount of hedging instruments HK\$M	Carrying amount of hedging assets / (liabilities) HK\$M	Favourable / (Unfavourable) changes in fair value used for measuring ineffectiveness		Fair value losses / (gains) recognised in cash flow hedge reserve HK\$M	Hedge ineffectiveness credited to profit or loss <sup>(a)</sup> HK\$M	Amount reclassified from cash flow hedge reserve and (charged) / credited to profit or loss <sup>(a)</sup>	
			Hedging instruments HK\$M	Hedged items HK\$M			Hedged items affected HK\$M	Hedged future cash flows no longer expected to occur HK\$M
<b>At 31 December 2025</b>								
Debt related transactions								
Interest rate risk <sup>(b)</sup>	27,131	(1,319)	(506)	500	506	-	(131)	-
Non-debt related transactions								
Foreign exchange risk	18,066	28	60	(60)	(60)	-	107	-
Energy portfolio risk								
– electricity <sup>(c)</sup>	N/A	49	(461)	410	410	51	427	-
– gas <sup>(c)</sup>	N/A	(206)	(396)	395	395	1	(69)	-
<b>At 31 December 2024</b>								
Debt related transactions								
Interest rate risk <sup>(b)</sup>	27,524	(998)	(196)	190	196	-	(356)	-
Non-debt related transactions								
Foreign exchange risk	23,316	83	166	(165)	(166)	-	97	-
Energy portfolio risk								
– electricity <sup>(c)</sup>	N/A	894	974	(953)	(953)	(21)	1,562	-
– gas <sup>(c)</sup>	N/A	122	330	(330)	(330)	-	196	-
<b>Fair Value Hedges</b>								
	Notional amount of hedging instruments HK\$M	Carrying amount of hedged items HK\$M	Accumulated fair value hedge adjustments included in carrying amount of hedged items HK\$M		Favourable / (Unfavourable) changes in fair value used for measuring ineffectiveness		Hedge ineffectiveness credited to finance costs HK\$M	
			Hedging instruments HK\$M	Hedged items HK\$M				
<b>At 31 December 2025</b>								
Debt related transactions								
Interest rate risk <sup>(b)</sup>	6,931	(6,871)			87	600	(598)	(2)
<b>At 31 December 2024</b>								
Debt related transactions								
Interest rate risk <sup>(b)</sup>	7,791	(7,634)			685	(281)	315	(34)

Notes:

- Hedge ineffectiveness and amounts reclassified from cash flow hedge reserve on non-debt and debt related transactions were recognised in fuel and other operating expenses and finance costs respectively.
- Interest rate risk included foreign exchange risk in case of foreign currency debts.
- The aggregate notional volumes of the outstanding energy derivatives were 40,250GWh (2024: 40,944GWh) for and 3.9 million barrels (2024: 4.4 million barrels) for electricity and oil respectively.

## 2. Hedge Accounting (continued)

### Effects of hedge accounting (continued)

An analysis of other comprehensive income by risk category and the reconciliation of the components in equity that arises in connection with hedge accounting are as follows:

	Interest Rate Risk <sup>(b)</sup> HK\$M	Foreign Exchange Risk HK\$M	Energy Portfolio Risk HK\$M	Total HK\$M
<b>Cash Flow Hedge Reserve</b>				
Balance at 1 January 2024	(863)	(37)	968	68
Fair value (losses)/gains	(196)	166	1,283	1,253
Reclassification to profit or loss	356	(97)	(1,758)	(1,499)
Transfer to hedged assets	-	34	-	34
Related deferred tax	(27)	(36)	142	79
Exchange difference	-	(6)	(72)	(78)
Balance at 31 December 2024	(730)	24	563	(143)
Balance at 1 January 2025	(730)	24	563	(143)
Fair value (losses)/gains	(506)	60	(805)	(1,251)
Reclassification to profit or loss	1	(89)	(358)	(446)
Transfer to hedged assets	-	(30)	-	(30)
Related deferred tax	40	30	349	419
Deconsolidation of subsidiaries	130	(18)	-	112
Exchange difference	(2)	4	19	21
<b>Balance at 31 December 2025</b>	<b>(1,067)</b>	<b>(19)</b>	<b>(232)</b>	<b>(1,318)</b>

	Foreign Currency Basis Spread HK\$M
<b>Cost of Hedging Reserve</b>	
Balance at 1 January 2024	36
Changes due to transaction related hedged items	
Fair value gains	34
Reclassification to profit or loss	(4)
Changes due to time-period related hedged items	
Fair value gains	413
Reclassification to profit or loss	(31)
Related deferred tax	(67)
Balance at 31 December 2024	381
Balance at 1 January 2025	381
Changes due to transaction related hedged items	
Fair value gains	52
Reclassification to profit or loss	(33)
Changes due to time-period related hedged items	
Fair value losses	(14)
Reclassification to profit or loss	(11)
Related deferred tax	1
<b>Balance at 31 December 2025</b>	<b>376</b>

### 3. Fair Value Estimation and Hierarchy of Financial Instruments

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using appropriate valuation techniques and making assumptions that are based on market conditions existing at the end of each reporting period.

For the Group's financial instruments that are not measured at fair value, their carrying values approximate their fair values.

Financial instruments measured at fair value are analysed into the following fair value measurement hierarchy:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

#### (A) Fair value hierarchy

The following table presents the Group's financial instruments that are measured at fair value at 31 December:

	Level 1 HK\$M	Level 2 HK\$M	Level 3 HK\$M	Total HK\$M
<b>At 31 December 2025</b>				
Financial assets				
Investments at fair value through other comprehensive income	-	-	35	35
Investments at fair value through profit or loss	-	-	630	630
Forward foreign exchange contracts	-	49	-	49
Cross currency interest rate swaps	-	172	-	172
Interest rate swaps	-	35	-	35
Energy contracts	-	186	516	702
	-	442	1,181	1,623
Financial liabilities				
Forward foreign exchange contracts	-	20	-	20
Cross currency interest rate swaps	-	1,460	-	1,460
Interest rate swaps	-	67	-	67
Energy contracts	193	398	353	944
	193	1,945	353	2,491
<b>At 31 December 2024</b>				
Financial assets				
Investments at fair value through other comprehensive income	-	-	35	35
Investments at fair value through profit or loss	-	-	464	464
Forward foreign exchange contracts	-	124	-	124
Cross currency interest rate swaps	-	21	-	21
Interest rate swaps	-	47	-	47
Energy contracts	139	386	1,317	1,842
	139	578	1,816	2,533
Financial liabilities				
Forward foreign exchange contracts	-	125	-	125
Cross currency interest rate swaps	-	1,685	-	1,685
Interest rate swaps	-	57	-	57
Energy contracts	92	312	302	706
	92	2,179	302	2,573

### 3. Fair Value Estimation and Hierarchy of Financial Instruments (continued)

(A) Fair value hierarchy (continued)

The Group's policy is to recognise transfers into /out of fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer. During 2025 and 2024, there were no transfers between Level 1 and Level 2.

(B) Valuation techniques used to determine fair values

The valuation techniques and inputs used in the fair value measurements within Level 2 and Level 3 are as follows:

Financial Instruments	Valuation Techniques	Significant Inputs
Investments at fair value through profit or loss	Recent arm's length transactions or net asset value of funds	Not applicable
Forward foreign exchange contracts	Discounted cash flow	Observable exchange rates
Cross currency interest rate swaps	Discounted cash flow	Observable exchange rates and swap rates of respective currency
Interest rate swaps	Discounted cash flow	Observable swap rates of respective currency
Energy contracts	Discounted cash flow	Brokers' quotes and observable exchange traded swap and cap price curves; and long-term forward electricity price and cap price curves

The significant unobservable inputs of energy contracts used for fair value measurement included long-term forward electricity price and cap price curve. The finance department of EnergyAustralia includes a specialist team that performs the valuations of non-property assets required for financial reporting purposes, including Level 3 fair values. This team provides reporting directly to EnergyAustralia's Chief Financial Officer (CFO-EA) and ARC-EA. The valuation of Level 3 forward energy contracts involves the use of a short-term forward curve which is observable in the liquid market and an internally generated long-term forward electricity price and cap price curve which is derived using unobservable inputs. This short-term forward curve is reviewed at least once every six months, in line with the Group's half-yearly reporting dates. Review of the long-term forward curve is performed by the CFO-EA and ARC-EA annually due to the lack of market liquidity. Analysis of fair value changes is performed on a monthly basis for reasonableness.

(C) Movements and sensitivity analysis of Level 3 financial instruments

	2025			2024		
	Investments HK\$M	Energy Contracts HK\$M	Total HK\$M	Investments HK\$M	Energy Contracts HK\$M	Total HK\$M
Opening balance	499	1,015	1,514	621	1,323	1,944
Total gains/(losses) recognised in						
Profit or loss and presented in fuel and other operating expenses (note)	39	(81)	(42)	4	342	346
Other comprehensive income	3	(752)	(749)	(5)	(101)	(106)
Purchases	137	-	137	14	-	14
Disposals	(3)	-	(3)	(135)	-	(135)
Settlements/distributions	(10)	(19)	(29)	-	(549)	(549)
Closing balance	665	163	828	499	1,015	1,514

Note: Out of which, unrealised losses recognised in profit or loss relating to the assets and liabilities held at the end of the reporting period was HK\$12 million (2024: gains of HK\$292 million).

The valuation of long tenure energy contracts is sensitive to electricity pool price assumptions. The sensitivities to the balance of the energy contracts, with all other variables held constant, are disclosed as follows:

	2025 HK\$M	2024 HK\$M
Balance of Level 3 energy contracts would increase/(decrease) if		
Electricity prices were 15% higher (2024: 15%)	441	519
Electricity prices were 15% lower (2024: 15%)	(447)	(519)

## 4. Offsetting Financial Assets and Financial Liabilities

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements or similar agreements:

	Effect of offsetting in the consolidated statement of financial position			Related amounts not offset in the consolidated statement of financial position		Net amount <sup>(a)</sup> HK\$M
	Gross amounts recognised HK\$M	Gross amounts offset HK\$M	Net amounts presented in the respective line HK\$M	Financial instruments HK\$M	Financial instrument collateral HK\$M	
<b>At 31 December 2025</b>						
Financial assets						
Trade receivables	5,211	–	5,211	(1,940)	(2,587)	684
Derivative financial instruments	1,424	(523)	901	(149) <sup>(b)</sup>	–	752
	<u>6,635</u>	<u>(523)</u>	<u>6,112</u>	<u>(2,089)</u>	<u>(2,587)</u>	<u>1,436</u>
Financial liabilities						
Customers' deposits	7,541	–	7,541	(2,587)	–	4,954
Bank loans and other borrowings	7,793	–	7,793	–	(1,940)	5,853
Derivative financial instruments	2,963	(523)	2,440	(149) <sup>(b)</sup>	–	2,291
	<u>18,297</u>	<u>(523)</u>	<u>17,774</u>	<u>(2,736)</u>	<u>(1,940)</u>	<u>13,098</u>
<b>At 31 December 2024</b>						
Financial assets						
Trade receivables	5,343	–	5,343	(2,169)	(2,539)	635
Derivative financial instruments	2,467	(573)	1,894	(44) <sup>(b)</sup>	–	1,850
	<u>7,810</u>	<u>(573)</u>	<u>7,237</u>	<u>(2,213)</u>	<u>(2,539)</u>	<u>2,485</u>
Financial liabilities						
Customers' deposits	7,207	–	7,207	(2,539)	–	4,668
Bank loans and other borrowings	5,256	–	5,256	–	(2,169)	3,087
Derivative financial instruments	3,121	(573)	2,548	(44) <sup>(b)</sup>	–	2,504
	<u>15,584</u>	<u>(573)</u>	<u>15,011</u>	<u>(2,583)</u>	<u>(2,169)</u>	<u>10,259</u>

Notes:

- (a) Under HKFRS, amounts cannot be offset if the rights of set-off are conditional on a future event (e.g. default of payment). "Net amount" column represents the net impact that would be shown on the consolidated statement of financial position if all set-off rights (e.g. master netting arrangements, collateral arrangements, etc.) were exercised. At 31 December 2025, these items include (1) trade receivables related to Hong Kong electricity business where customers' deposits are served as security for payments; and (2) bank loans and other borrowings of subsidiaries on the Chinese Mainland which are secured by charges over trade receivables or rights to income.
- (b) For derivative financial instruments, the Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master agreements in which there is a set-off provision. Under certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, a termination value is then assessed and only a single net amount is payable in settlement of all transactions. The ISDA agreements do not meet the criteria for offsetting in the consolidated statement of financial position since the Group does not have any currently legally enforceable right to offset recognised amounts. The right to offset is enforceable only on the occurrence of future events such as a default on the bank transactions or other credit events.

## 5. Capital Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, maintain a strong credit rating and a healthy capital ratio to support the business and to enhance shareholder value.

The Group manages its capital structure and fine-tunes it in light of changes in economic conditions and business strategies. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, issue new shares or change the level of debts. The Group's capital management objectives, policies or processes were unchanged during 2025 and 2024.

The Group monitors capital using "total debt to total capital" and "net debt to total capital" ratios. These ratios are as follows:

	2025 HK\$M	2024 HK\$M
Total debt <sup>(a)</sup>	<b>61,829</b>	61,271
Net debt <sup>(b)</sup>	<b>57,901</b>	56,272
Total equity <sup>(c)</sup>	<b>117,632</b>	114,312
Total capital (based on total debt) <sup>(d)</sup>	<b>179,461</b>	175,583
Total capital (based on net debt) <sup>(e)</sup>	<b>175,533</b>	170,584
Total debt to total capital (based on total debt) ratio (%)	<b>34.5</b>	34.9
Net debt to total capital (based on net debt) ratio (%)	<b>33.0</b>	33.0

Net debt to total capital remain unchanged as the impact of higher net debt to support renewable energy projects on the Chinese Mainland was offset by the increased retained earnings.

Certain entities of the Group are subject to loan covenants. For both 2025 and 2024, there is no material non-compliance with those loan covenants.

As disclosed in Note 23, the entire non-current portion of bank loans and other borrowings is subject to certain covenants which the relevant Group entities are required to comply with. Under the terms of the loan agreements, certain entities of the Group are required to comply with financial covenants applicable to certain bank loans, which includes interest coverage ratio and debt gearing ratio that are assessed at the end of each interim and /or annual period. Non-financial related covenants that the Group's entities must comply with are terms that commonly applicable to borrowers based on the prevalent financial market practice and assessed on the date agreed upon with the lenders.

There are no indications that the Group entities would have difficulties complying with the covenants within 12 months after the end of the reporting period.

Notes:

- (a) Total debt equals bank loans and other borrowings and excludes perpetual capital securities.
- (b) Net debt equals total debt less bank balances, cash and other liquid funds.
- (c) Total equity equals equity (including perpetual capital securities) plus advances from non-controlling interests.
- (d) Total capital (based on total debt) equals total debt plus total equity.
- (e) Total capital (based on net debt) equals net debt plus total equity.

# Scheme of Control Statement

## CLP Power Hong Kong Limited and Castle Peak Power Company Limited

### Overview

In Hong Kong, CLP Power Hong Kong Limited (CLP Power) operates a vertically integrated electricity generation, transmission and distribution business. The generating plants in Hong Kong are owned by Castle Peak Power Company Limited (CAPCO), in which CLP Power owned 70%. CLP Power builds and operates CAPCO's power stations under contract and is the sole customer for CAPCO's electricity which CLP Power transmits and distributes to its customers in Kowloon, New Territories and most of the outlying islands. CLP Power owns the transmission and distribution network.

Since financial year 1964, the electricity-related operations of CLP Power and CAPCO (the SoC Companies) have been governed by a Scheme of Control (SoC) Agreement with the Hong Kong Government. The SoC specifies the SoC Companies' obligations to supply adequate and reliable electricity supplies to customers at the lowest reasonable cost and the mechanism for the Hong Kong Government to monitor their financial affairs and operating performance. In return, CLP Power is allowed to charge tariffs designed to recover the operating costs (including tax) and allowed net return of the SoC Companies.

The current SoC took effect from 1 October 2018 and covers a term of over 15 years ending on 31 December 2033. The SoC contains a provision to give the SoC Companies protection for stranded costs, which may arise as a result of future changes to the market structure which adversely impact on the SoC Companies' ability to recover and to earn returns on existing investments made in good faith in accordance with the SoC. These costs will include the costs of investments, fuel and power purchase agreements previously approved by the Hong Kong Government. If stranded costs arise after the SoC Companies have implemented mitigation measures reasonably required by the Hong Kong Government, the SoC Companies are entitled to recover them from the market, consistent with international practice. Three years before market changes are introduced, the SoC Companies and the Hong Kong Government will agree on the amount of stranded costs and the mechanism for their recovery by the SoC Companies.

### Tariff Setting Mechanism

For each year, CLP Power designs the total tariff it charges to cover the SoC Companies' operating costs and allowed net return. The total tariff consists of the following components:

- (i) basic tariff rate which is derived by taking into account the annual forecast of (a), (b) and (c) below, using the formula  $(a-b)/c$ :
  - (a) the allowed net return and operating costs including the standard cost of fuels; generation, transmission, distribution and administration expenses; depreciation; interest expenses; and taxes;
  - (b) 80% of the profit on electricity sales to the Chinese Mainland; and
  - (c) local unit sales as determined by the load forecast.
- (ii) fuel clause charge or rebate (Fuel Cost Adjustment) which represents the difference between the cost of fuels (including natural gas, coal and oil) and the standard cost recovered through the basic tariff rate. The Fuel Cost Adjustment may be adjusted from time to time, including on a monthly basis, to reflect changes in the cost of fuels consumed by the SoC Companies for the generation of electricity.

Any difference between the actual profit for SoC operations and the permitted return for the year is transferred to or from a Tariff Stabilisation Fund. The Tariff Stabilisation Fund does not form part of distributable shareholders' funds and represents a liability in the accounts of CLP Power. A charge on the average balance of the Tariff Stabilisation Fund is credited to a Rate Reduction Reserve in the accounts of CLP Power, which balance as at the end of each year is to be transferred to the Tariff Stabilisation Fund in the following year.

## Scheme of Control Statement

### Permitted and Net Return

The permitted and net return that the SoC Companies are allowed under the SoC are calculated as follows:

- ❖ The annual permitted return under the SoC is 8% of the SoC Companies' average net fixed assets.
- ❖ The net return under the SoC is the permitted return after the deduction or adjustment of the following items:
  - (a) interest up to a maximum of 7% per annum on borrowed capital arranged for financing fixed assets;
  - (b) a charge of the average one-month Hong Kong Interbank Offered Rate on the average balance of the Tariff Stabilisation Fund under the SoC, which is credited to the Rate Reduction Reserve;
  - (c) an excess capacity adjustment of 8% less an allowed interest charge up to 7% per annum on the average related excess capacity expenditure;
  - (d) interest up to 7% per annum on the increase in average balance of the customers' deposits in excess of the balance as at 30 September 1998; and
  - (e) performance-linked incentives/penalties adjustments

Category	% incentives (+)/penalties (-)
Operation performance related incentives/penalties	in the range of -0.05% to +0.05% on average net fixed assets
Energy efficiency and renewable performance incentives	<ul style="list-style-type: none"><li>❖ a maximum of 0.315% on average net fixed assets</li><li>❖ incentive of 10% of renewable energy certificates sales revenue</li><li>❖ five-year energy saving and renewable energy connections incentives with a maximum of 0.11% on the average net fixed assets at the final year of the five-year period</li></ul>
Demand response reduction incentive	a maximum of 0.025% on average net fixed assets
Large-scale electricity supply interruption penalty (effective from 2024)	a maximum of 0.03% on average net fixed assets for each single large-scale electricity supply interruption incident

The net return is divided between the SoC Companies in accordance with the provisions of the agreements between the SoC Companies. These provisions state that each company will receive that proportion of the total net return represented by the net return that company would receive if it were the only company under the SoC and the net return were calculated solely on the basis of its own financial statements.

Under the SoC, 65% of the energy efficiency incentives earned by the SoC Companies are to be contributed to a CLP Community Energy Saving Fund (CESF) to support programmes in promotion of energy efficiency, use of renewable energy, the disadvantaged groups and other programmes as agreed with the Hong Kong Government. In addition, a new mechanism to provide additional financial support (special tariff relief) by the SoC Companies in the event of severe international fuel crisis capped at HK\$180 million has become effective from 2024 to help targeted residential customers most in need of support.

The calculations shown on next page are in accordance with the SoC and the agreements between the SoC Companies.

**For the year ended 31 December**

	2025 HK\$M	2024 HK\$M
<b>SoC revenue</b>	<b>49,121</b>	50,804
Expenses		
Operating costs	6,040	5,571
Fuel	17,674	19,713
Purchases of nuclear electricity	5,885	5,800
Provision for asset decommissioning	90	80
Depreciation	5,832	5,683
Operating interest	1,252	1,407
Taxation	2,086	2,112
	<b>38,859</b>	40,366
Profit after taxation	10,262	10,438
Interest on increase in customers' deposits	11	39
Interest on borrowed capital	1,488	1,700
Adjustment for performance incentives	(526)	(481)
Profit for SoC	11,235	11,696
Transfer from/(to) Tariff Stabilisation Fund	386	(425)
Permitted return	11,621	11,271
Deduct interest on/Adjustment for		
Increase in customers' deposits as above	11	39
Borrowed capital as above	1,488	1,700
Performance incentives as above	(526)	(481)
Tariff Stabilisation Fund to Rate Reduction Reserve	85	124
	<b>1,058</b>	1,382
<b>Net return</b>	<b>10,563</b>	9,889
CESF contribution	(242)	(238)
<b>Net return after CESF contribution</b>	<b>10,321</b>	9,651
Divisible as follows:		
CLP Power	7,081	6,536
CAPCO	3,240	3,115
	<b>10,321</b>	9,651
CLP Power's share of net return after CESF contribution		
CLP Power	7,081	6,536
Interest in CAPCO	2,268	2,180
	<b>9,349</b>	8,716

## Five-year Summary: CLP Group Economic and Financial Data

	2025	2024	2023	2022	2021
<b>Consolidated Operating Results (HK\$M)</b>					
Revenue					
Hong Kong electricity business	49,576	50,657	50,630	50,600	44,311
Energy businesses outside Hong Kong	36,066	38,901	35,039	48,873	38,941
Others	2,376	1,406	1,500	1,189	707
Total	88,018	90,964	87,169	100,662	83,959
Earnings					
Hong Kong energy business	9,312	8,694	8,536	8,445	8,157
Hong Kong energy business related	232	201	287	263	301
Chinese Mainland	1,598	1,851	2,073	2,229	1,660
Australia	85	591	(182)	(2,330)	251
India	221	329	301	193	221
Taiwan Region and Southeast Asia	179	260	307	11	173
Other earnings in Hong Kong	(76)	(58)	(112)	(65)	(18)
Unallocated net finance income/(costs)	44	45	43	(6)	(9)
Unallocated Group expenses	(910)	(964)	(1,126)	(1,138)	(869)
Operating earnings before fair value movements	10,685	10,949	10,127	7,602	9,867
Fair value movements	224	699	2,125	(2,979)	(350)
Operating earnings	10,909	11,648	12,252	4,623	9,517
Property revaluation	(63)	(67)	(25)	(57)	(34)
Profit from sale of properties	185	56	112	80	-
Gains/(losses) on sales of investments	390	-	-	(3,722)	249
Impairment provision	(608)	-	(5,983)	-	(148)
Other items affecting comparability	(345)	105	299	-	(1,093)
Total earnings	10,468	11,742	6,655	924	8,491
Dividends	8,085	7,958	7,832	7,832	7,832
Depreciation and amortisation, owned and leased assets	9,718	9,276	8,594	8,904	9,308
<b>Consolidated Statement of Financial Position (HK\$M)</b>					
Capital assets <sup>1</sup>					
SoC	145,237	140,993	136,482	130,842	124,353
Non-SoC	44,330	40,984	38,035	43,367	57,511
Interests in and loans to joint ventures	12,125	12,188	12,518	11,748	10,602
Interests in associates	9,508	8,486	9,380	9,090	8,769
Other non-current assets	4,606	4,223	5,706	6,518	4,686
Current assets	22,838	26,839	26,930	34,461	33,888
Total assets	238,644	233,713	229,051	236,026	239,809
Shareholders' funds	107,610	104,055	102,331	105,498	113,034
Perpetual capital securities	3,872	-#	3,887	3,887	3,887
Other non-controlling interests	5,943	6,063	6,164	6,309	9,788
Equity	117,425	110,118	112,382	115,694	126,709
Bank loans and other borrowings	61,829	65,154#	57,515	59,217	58,215
SoC reserve accounts	2,871	3,172	2,643	3,094	3,440
Other current liabilities	28,741	28,955	29,907	33,147	27,286
Other non-current liabilities	27,778	26,314	26,604	24,874	24,159
Total liabilities	121,219	123,595	116,669	120,332	113,100
Equity and total liabilities	238,644	233,713	229,051	236,026	239,809
<b>Consolidated Statement of Cash Flows (HK\$M)</b>					
Net cash inflow from operations	26,258	25,178	25,597	13,555	20,223
Net cash inflow from operating activities	24,378	23,140	23,567	12,734	17,806
Net cash outflow from investing activities	(14,328)	(16,216)	(9,472)	(15,382)	(11,787)
Net cash outflow from financing activities	(11,221)	(7,040)	(13,142)	(987)	(8,484)
Capital expenditure	(15,539)	(15,076)	(11,776)	(14,553)	(12,431)



	2025	2024	2023	2022	2021
<b>Per Share Data (HK\$)</b>					
Shareholders' funds per share	42.59	41.19	40.50	41.76	44.74
Earnings per share					
Total earnings	4.14	4.65	2.63	0.37	3.36
Operating earnings	4.32	4.61	4.85	1.83	3.77
Dividends per share	3.20	3.15	3.10	3.10	3.10
Closing share price					
Highest	69.80	71.50	64.45	80.35	80.90
Lowest	61.30	59.70	55.55	51.80	71.75
As at year end	69.60	65.30	64.45	56.95	78.75
<b>Ratios</b>					
Return on equity (%)	9.9	11.4	6.4	0.8	7.5
Operating return on equity (%)	10.3	11.3	11.8	4.2	8.5
Total debt to total capital (%)	34.5	34.9 <sup>#</sup>	33.7	33.7	31.3
Net debt to total capital (%)	33.0	33.0 <sup>#</sup>	31.6	32.0	28.1
Price/Earnings (times)	17	14	25	154	23
Dividend yield (%)	4.6	4.8	4.8	5.4	3.9
Dividend cover (times)					
Total earnings	1.3	1.5	0.8	0.1	1.1
Operating earnings	1.3	1.5	1.6	0.6	1.2
Dividend pay-out (%)					
Total earnings	77.2	67.8	117.7	847.6	92.2
Operating earnings	74.1	68.3	63.9	169.4	82.3
Total return to shareholders (%)	4.9	3.9	4.7	2.6	5.8
<b>Financial Information by Asset Type</b>					
Capital investment incurred by asset type <sup>2</sup> (HK\$M)					
Transmission, distribution and retail	7,969	8,074	6,936	6,379	5,957
Renewables	3,560	2,300	766	1,785	860
Nuclear	-	-	-	-	-
Gas	1,736	2,333	4,336	6,713	5,639
Coal <sup>3</sup>	2,342	2,352	2,921	2,280	2,628
Others <sup>4</sup>	1,316	3,946 <sup>*</sup>	715	692	327
	<b>16,923</b>	<b>19,005</b>	<b>15,674</b>	<b>17,849</b>	<b>15,411</b>
Operating earnings before fair value movements by asset type <sup>5</sup> (HK\$M)					
Transmission, distribution and retail	6,315	5,752	6,594	6,534	6,095
Renewables	706	899	1,001	553	640
Nuclear	1,487	1,671	1,888	1,965	1,908
Gas	1,961	2,157	2,026	1,466	1,312
Coal	1,420	1,692	55	(1,478)	763
Others <sup>4</sup>	120	68	42	116	254
	<b>12,009</b>	<b>12,239</b>	<b>11,606</b>	<b>9,156</b>	<b>10,972</b>
Revenue by asset type (HK\$M)					
Transmission, distribution and retail	40,785	41,015	40,248	39,169	N/A <sup>^</sup>
Renewables	2,083	2,091	2,224	3,498	
Nuclear	7,154	7,014	6,943	7,000	
Gas	20,592	21,883	20,075	21,657	
Coal	12,260	15,039	13,800	26,188	
Others <sup>4</sup>	5,144	3,922	3,879	3,150	
	<b>88,018</b>	<b>90,964</b>	<b>87,169</b>	<b>100,662</b>	<b>83,959</b>

<sup>#</sup> Excludes perpetual capital securities of HK\$3,883 million on a consistent basis across the years

<sup>\*</sup> Includes acquisition of CLP Headquarters in Kai Tak

<sup>^</sup> Information on revenue by asset type only available since 2022

<sup>1</sup> Includes fixed assets, right-of-use assets, investment property, goodwill and other intangible assets

<sup>2</sup> On an accrual basis and includes: i) capital expenditure in fixed assets, right-of-use assets, investment property and intangible assets; ii) changes in investments and advances to joint ventures and associates; and iii) acquisitions of assets and / or businesses

<sup>3</sup> The capital investment in coal assets is for maintenance, upgrades and efficiency improvements only and not for the development of new coal-fired power plants

<sup>4</sup> Includes oil, energy storage, energy services, other businesses outside of power generation, transmission, distribution and retail, as well as corporate or enterprise items

<sup>5</sup> Before unallocated expenses

# Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data

Performance Indicators <sup>1</sup>	Units	2025	2024	2023	2022	2021	Disclosure Standards <sup>2</sup>
<b>Greenhouse gas emissions</b>							
<b>CLP Group<sup>3</sup></b>							
<b>Total CO<sub>2</sub>e emissions – on an equity basis</b>	kt	<b>45,783</b>	50,692	52,988	60,223	65,017	
Scope 1	kt	<b>34,356</b>	38,055	38,163	44,141	47,690	GRI 305-1/HKEX D28(a)/ HKFRS S2-29(a)/ HKFRS S2/SASB IF-EU-110a.1
Percentage of emissions covered under emissions-limiting regulations <sup>4</sup>	%	<b>14</b>	N/A	N/A	N/A	N/A	HKFRS S2/SASB IF-EU-110a.1
Percentage of emissions covered under emissions-reporting regulations <sup>5</sup>	%	<b>100</b>	N/A	N/A	N/A	N/A	
Scope 2	kt	<b>302</b>	361	229	220	236	GRI 305-2/HKEX D28(b)/ HKFRS S2-29(a)
Scope 3	kt	<b>11,125</b>	12,276	14,597	15,861	17,091	GRI 305-3/HKEX D28(c), D29(d)/ HKFRS S2-29(a)
Category 1: Purchased goods and services	kt	<b>587</b>	1,040	1,056	912	901	
Category 2: Capital goods	kt	<b>630</b>	587	816	902	1,488	
Category 3: Fuel- and energy-related activities	kt	<b>8,433</b>	9,105	11,053	12,046	12,733	
Category 5: Waste generated in operations	kt	<b>43</b>	16	46	56	80	
Category 6: Business travel	kt	<b>4</b>	5	4	2	1	
Category 7: Employee commuting	kt	<b>7</b>	4	4	5	4	
Category 11: Use of sold products	kt	<b>1,422</b>	1,519	1,617	1,939	1,884	
<b>Greenhouse gas emissions intensity</b>							
<b>CLP Group – GHG emissions intensity of generation and energy storage portfolio<sup>6</sup></b>							
On an equity basis <sup>7</sup>	kg CO <sub>2</sub> e/kWh	<b>0.58</b>	0.61	0.62	0.63	0.65	GRI 305-4/ HKFRS S2-33(a)
On an equity plus long-term capacity and energy purchase basis <sup>8</sup>	kg CO <sub>2</sub> e/kWh	<b>0.50</b>	0.53	0.54	0.55	0.57	
<b>Environmental regulations and compliances</b>							
Environmental regulatory non-compliances resulting in fines or prosecutions	number	<b>0</b>	0	0	0	0	GRI 2-27/ HKEX General Disclosure A1
<b>Resource use &amp; emissions</b>							
Nitrogen oxides (NO <sub>x</sub> )	kt	<b>29.7</b>	33.7	32.3	43.5	45.7	GRI 305-7/HKEX A1.1/ SASB IF-EU-120.a.1
Sulphur dioxide (SO <sub>2</sub> )	kt	<b>42.9</b>	43.0	40.6	48.9	52.7	
Particulates	kt	<b>5.5</b>	6.4	6.7	6.8	7.6	
Sulphur hexafluoride (SF <sub>6</sub> )	kt	<b>0.003</b>	0.003	0.004	0.003	0.004	
Mercury	t	<b>0.23</b>	0.28	0.22	0.52	0.31	GRI 305-7/HKEX A1.1/ SASB IF-EU-120.a.1
Hazardous waste produced <sup>9</sup>	t (solid)/kl (liquid)	<b>1,161/877</b>	818/621	3,617/1,935	869/1,103	1,524/1,017	GRI 306-3/HKEX A1.3
Non-hazardous waste produced <sup>9</sup>	t (solid)/kl (liquid)	<b>20,130/0</b>	9,899/0	12,326/0	12,702/23	24,481/65	GRI 306-3/HKEX A1.4
Ash produced/reused or recycled or sold	kt	<b>952/214</b>	1,130/241	1,045/328	3,066/2,365	3,403/2,501	SASB IF-EU-150a.1
Gypsum produced/reused or recycled or sold	kt	<b>33/33</b>	39/36	52/61	286/280	367/365	
Total water withdrawal <sup>10</sup>	Mm <sup>3</sup>	<b>4,025.1</b>	4,254.8	4,249.0	5,339.3	5,243.7	GRI 303-3/ HKFRS S2/SASB IF-EU-140a.1
<b>Fuel use</b>							
Coal consumed (for power generation)	TJ	<b>229,475</b>	260,615	250,177	394,274	426,190	GRI 302-1/HKEX A2.1
Gas consumed (for power generation)	TJ	<b>151,027</b>	151,371	146,370	151,327	142,304	
Oil consumed (for power generation)	TJ	<b>2,069</b>	2,732	2,854	2,936	2,717	

## Notes:

- Numbers have been subject to rounding. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.
- This ESG data table references the following key disclosure standards: GRI (Global Reporting Initiative Standards); HKEX (Hong Kong Exchanges and Clearing Limited's Environmental, Social and Governance Reporting Code); HKFRS S2 (Hong Kong Financial Reporting Standard S2 Climate-related Disclosures); and SASB (Sustainability Accounting Standards Board Standards for the Electric Utilities & Power Generators industry).
- Refers to a range of businesses, including power generation and energy storage portfolio, transmission and distribution, retail and others.
- This relates to the fossil fuel generation assets on the Chinese Mainland, which fall under the mandatory national emissions trading scheme where CLP holds a minority stake.
- This relates to the Scope 1 CO<sub>2</sub>e emissions of the CLP Group, as per the mandatory disclosure requirements for CLP Holdings under the Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code.
- In accordance with the Greenhouse Gas Protocol, direct CO<sub>2</sub> emissions from Jhajjar Power Station's biomass combustion and WE Station's landfill gas from waste for power generation are not included in CLP's Scope 1 CO<sub>2</sub>e emissions inventory and are reported separately. In 2025, the CO<sub>2</sub> emissions from Jhajjar Power Station's biomass combustion are 296kt, while the CO<sub>2</sub> emissions from the WE Station's landfill gas combustion are 35kt. Both assets' non-CO<sub>2</sub> GHG emissions (i.e. CH<sub>4</sub> and N<sub>2</sub>O) are included in CLP's Scope 1 CO<sub>2</sub>e emissions.
- Numbers include Scope 1 and Scope 2 emissions.
- Numbers include Scope 1, Scope 2 and Scope 3 Category 3 emissions (direct emissions from the generation of purchased electricity that is sold to CLP's customers).
- Waste is categorised in accordance with local regulations.
- Excludes water used for hydropower generation. Respective usage for each hydropower asset is provided in the respective Asset Performance Statistics.

Performance Indicators <sup>1</sup>	Units	2025	2024	2023	2022	2021	Disclosure Standards <sup>2</sup>
<b>Asset management</b>							
<b>Total generation and energy storage capacity by asset type (on an equity basis)<sup>11</sup></b>	MW (%)	<b>18,740 (100%)</b>	17,893 (100%)	18,123 (100%)	17,970 (100%)	20,018 (100%)	GRI EU1
Wind <sup>12</sup>	MW (%)	2,508 (13.4%)	2,227 (12.4%)	1,827 (10.1%)	1,680 (9.3%)	1,747 (8.7%)	
Solar <sup>12</sup>	MW (%)	1,356 (7.2%)	1,013 (5.7%)	548 (3.0%)	554 (3.1%)	499 (2.5%)	
Hydro <sup>12</sup>	MW (%)	489 (2.6%)	489 (2.7%)	489 (2.7%)	489 (2.7%)	489 (2.4%)	
Waste-to-energy <sup>12</sup>	MW (%)	10 (0.1%)	10 (0.1%)	7 (0.0%)	7 (0.0%)	7 (0.0%)	
Nuclear	MW (%)	1,621 (8.7%)	1,600 (8.9%)	1,600 (8.8%)	1,600 (8.9%)	1,600 (8.0%)	
Gas	MW (%)	4,963 (26.5%)	4,976 (27.8%)	4,938 (27.2%)	4,934 (27.5%)	4,666 (23.3%)	
Coal	MW (%)	7,222 (38.5%)	7,222 (40.4%)	8,486 (46.8%)	8,486 (47.2%)	10,795 (53.9%)	
Energy Storage	MW (%)	362 (1.9%)	147 (0.8%)	18 (0.1%)	10 (0.1%)	5 (0.0%)	
Others	MW (%)	210 (1.1%)	210 (1.2%)	210 (1.2%)	210 (1.2%)	210 (1.0%)	
<b>Total generation and energy storage capacity by asset type (on an equity plus long-term capacity and energy purchase basis)<sup>11</sup></b>	MW (%)	<b>23,366 (100%)</b>	22,582 (100%)	23,291 (100%)	23,068 (100%)	25,108 (100%)	GRI G4 EU 2/ HKFRS S2/SASB IF-EU-000.D
Wind <sup>13</sup>	MW (%)	2,800 (12.0%)	2,625 (11.6%)	2,391 (10.3%)	2,264 (9.8%)	2,331 (9.3%)	
Solar <sup>13</sup>	MW (%)	1,650 (7.1%)	1,307 (5.8%)	842 (3.6%)	848 (3.7%)	793 (3.2%)	
Hydro <sup>13</sup>	MW (%)	489 (2.1%)	489 (2.2%)	489 (2.1%)	489 (2.1%)	489 (1.9%)	
Waste-to-energy <sup>13</sup>	MW (%)	14 (0.1%)	14 (0.1%)	10 (0.0%)	10 (0.0%)	10 (0.0%)	
Nuclear	MW (%)	2,750 (11.8%)	2,685 (11.9%)	2,685 (11.5%)	2,685 (11.6%)	2,685 (10.7%)	
Gas	MW (%)	6,118 (26.2%)	6,131 (27.1%)	6,093 (26.2%)	6,089 (26.4%)	5,813 (23.2%)	
Coal	MW (%)	8,140 (34.8%)	8,140 (36.0%)	9,719 (41.7%)	9,719 (42.1%)	12,027 (47.9%)	
Energy Storage	MW (%)	1,107 (4.7%)	892 (4.0%)	763 (3.3%)	665 (2.9%)	660 (2.6%)	
Others	MW (%)	300 (1.3%)	300 (1.3%)	300 (1.3%)	300 (1.3%)	300 (1.2%)	
<b>Total energy sent out by asset type (on an equity basis)</b>	GWh (%)	<b>59,882 (100%)</b>	62,383 (100%)	62,052 (100%)	69,726 (100%)	73,113 (100%)	GRI G4 EU 2/ HKFRS S2/SASB IF-EU-000.D
Wind <sup>14</sup>	GWh (%)	3,550 (5.9%)	3,056 (4.9%)	3,164 (5.1%)	3,146 (4.5%)	2,959 (4.0%)	
Solar <sup>14</sup>	GWh (%)	1,047 (1.8%)	932 (1.5%)	920 (1.5%)	901 (1.3%)	922 (1.3%)	
Hydro <sup>14</sup>	GWh (%)	1,862 (3.1%)	1,776 (2.8%)	1,626 (2.6%)	1,835 (2.6%)	1,668 (2.3%)	
Waste-to-energy <sup>14</sup>	GWh (%)	42 (0.1%)	31 (0.0%)	32 (0.1%)	29 (0.0%)	27 (0.0%)	
Nuclear	GWh (%)	12,442 (20.8%)	12,064 (19.3%)	12,128 (19.5%)	12,346 (17.7%)	12,302 (16.8%)	
Gas	GWh (%)	14,401 (24.1%)	14,154 (22.7%)	13,817 (22.3%)	14,435 (20.7%)	13,233 (18.1%)	
Coal	GWh (%)	26,519 (44.3%)	30,372 (48.7%)	30,364 (48.9%)	37,031 (53.1%)	42,002 (57.4%)	
Energy Storage	GWh (%)	19 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	
Others	GWh (%)	0 (0.0%)	1 (0.0%)	0 (0.0%)	1 (0.0%)	0 (0.0%)	
<b>Total energy sent out by asset type (on an equity plus long-term capacity and energy purchase basis)</b>	GWh (%)	<b>77,268 (100%)</b>	79,760 (100%)	79,512 (100%)	87,360 (100%)	91,183 (100%)	GRI G4 EU 2/ HKFRS S2/SASB IF-EU-000.D
Wind <sup>15</sup>	GWh (%)	4,495 (5.8%)	4,482 (5.6%)	4,688 (5.9%)	4,709 (5.4%)	4,611 (5.1%)	
Solar <sup>15</sup>	GWh (%)	1,573 (2.0%)	1,491 (1.9%)	1,480 (1.9%)	1,472 (1.7%)	1,524 (1.7%)	
Hydro <sup>15</sup>	GWh (%)	1,862 (2.4%)	1,776 (2.2%)	1,626 (2.0%)	1,835 (2.1%)	1,668 (1.8%)	
Waste-to-energy <sup>15</sup>	GWh (%)	60 (0.1%)	44 (0.1%)	45 (0.1%)	42 (0.0%)	38 (0.0%)	
Nuclear	GWh (%)	21,160 (27.4%)	19,878 (24.9%)	20,098 (25.3%)	20,836 (23.9%)	20,962 (23.0%)	
Gas	GWh (%)	20,092 (26.0%)	19,847 (24.9%)	19,203 (24.2%)	19,507 (22.3%)	18,461 (20.2%)	
Coal	GWh (%)	27,993 (36.2%)	32,234 (40.4%)	32,418 (40.8%)	39,027 (44.7%)	43,995 (48.2%)	
Energy Storage	GWh (%)	33 (0.0%)	8 (0.0%)	-46 (-0.1%)	-69 (-0.1%)	-75 (-0.1%)	
Others	GWh (%)	1 (0.0%)	1 (0.0%)	1 (0.0%)	2 (0.0%)	1 (0.0%)	

Notes:

- 11 Generation capacity is reported based on design capacity, which represents the maximum output as defined by each asset's technical specifications.
- 12 Renewables include wind, solar, hydro and waste-to-energy. The total capacity of renewables on an equity basis is 4,363MW (23.3%) in 2025.
- 13 Renewables include wind, solar, hydro and waste-to-energy. The total capacity of renewables on an equity plus long-term capacity and energy purchase basis is 4,952MW (21.2%) in 2025.
- 14 Renewables include wind, solar, hydro and waste-to-energy. The total sent out of renewables on an equity basis is 6,501GWh (10.9%) in 2025.
- 15 Renewables include wind, solar, hydro and waste-to-energy. The total sent out of renewables on an equity plus long-term capacity and energy purchase basis is 7,990GWh (10.3%) in 2025.

## Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data

Performance Indicators <sup>1</sup>	Units	2025	2024	2023	2022	2021	Disclosure Standards <sup>2</sup>
<b>Employees</b>							
Total employee headcount	number	8,539	8,415	8,041	8,318	8,116	GRI 2-7/HKEX B1.1
By gender <sup>16</sup>							
Male	number	6,276	6,161	5,849	6,098	5,984	GRI 2-7/HKEX B1.1
Female	number	2,263	2,254	2,192	2,220	2,132	GRI 2-7/HKEX B1.1
By employment type							
Full time	number	8,376	8,249	7,882	8,154	7,930	GRI 2-7/HKEX B1.1
Part-time	number	163	166	159	164	186	GRI 2-7/HKEX B1.1
By age group							
Below 30	number	1,236	1,328	1,236	1,219	1,036	GRI 405-1/HKEX B1.1
30-39	number	2,619	2,611	2,459	2,621	2,481	GRI 405-1/HKEX B1.1
40-49	number	2,222	2,147	2,033	2,113	2,147	GRI 405-1/HKEX B1.1
50 and above	number	2,462	2,329	2,313	2,365	2,452	GRI 405-1/HKEX B1.1
By region							
Hong Kong	number	5,484	5,397	5,163	4,954	4,771	GRI 2-7/HKEX B1.1
Chinese Mainland	number	788	763	702	663	627	GRI 2-7/HKEX B1.1
Australia	number	2,267	2,255	2,176	2,251	2,281	GRI 2-7/HKEX B1.1
Voluntary staff turnover rate <sup>17, 18</sup>							
Group total	%	5.1	6.8	8.1	10.2	8.1	GRI 401-1/HKEX B1.2
By gender							
Male	%	4.6	6.1	4.9	8.6	7.3	GRI 401-1/HKEX B1.2
Female	%	6.3	8.8	3.2	14.4	10.5	GRI 401-1/HKEX B1.2
By age group							
Below 30	%	8.4	12.5	2.7	13.7	12.7	GRI 401-1/HKEX B1.2
30-39	%	5.6	8.7	5.7	13.1	10.7	GRI 401-1/HKEX B1.2
40-49	%	4.7	5.1	3.3	10.1	6.9	GRI 401-1/HKEX B1.2
50 and above	%	3.6	4.3	1.9	5.8	5.1	GRI 401-1/HKEX B1.2
By region							
Hong Kong	%	3.7	5.4	5.4	6.6	4.6	GRI 401-1/HKEX B1.2
Chinese Mainland	%	2.4	2.8	2.6	2.3	2.3	GRI 401-1/HKEX B1.2
Australia	%	8.9	11.2	15.2	18.8	16.1	GRI 401-1/HKEX B1.2
Percentage of employees trained							
Group total	%	99.0	98.5	98.5	98.5	98.5	HKEX B3.1
By gender							
Male	%	99.2	98.8	98.7	99.0	98.7	HKEX B3.1
Female	%	98.3	97.8	97.9	98.5	97.7	HKEX B3.1
By professional category							
Managerial	%	97.1	95.3	95.3	95.8	94.2	HKEX B3.1
Professional	%	98.9	98.3	98.0	98.8	98.5	HKEX B3.1
General & technical staff	%	99.3	99.2	99.5	99.3	99.0	HKEX B3.1
Average training hours per employee							
Group total	hours	51.9	42.7	44.1	46.2	51.6	GRI 404-1/HKEX B3.2
By gender							
Male	hours	61.1	50.2	51.4	53.6	58.2	GRI 404-1/HKEX B3.2
Female	hours	26.5	22.8	24.4	26.0	33.3	GRI 404-1/HKEX B3.2
By professional category							
Managerial	hours	22.7	17.5	27.2	23.0	29.5	GRI 404-1/HKEX B3.2
Professional	hours	36.1	30.4	32.5	33.5	41.2	GRI 404-1/HKEX B3.2
General & technical staff	hours	74.0	60.2	59.6	63.9	65.8	GRI 404-1/HKEX B3.2
Training hours dedicated to upskilling and reskilling	%	17.7	15.4	N/A	N/A	N/A	

### Notes:

- 16 Data of other gender identities are tracked. They are statistically insignificant and not separately disclosed.
- 17 Refers to employees leaving the organisation voluntarily and does not include dismissal, retirement, company-initiated termination or end of contract.
- 18 Includes permanent employees only, except for the Chinese Mainland where both permanent and fixed-term contract employees are included due to local employment legislation.

Performance Indicators <sup>1</sup>	Units	2025	2024	2023	2022	2021	Disclosure Standards <sup>2</sup>
<b>Safety</b> <sup>19, 20</sup>							
Fatalities - employees only <sup>21</sup>	number of personnel	0	0	0	0	0	GRI 403-9/HKEX B2.1
Fatalities - contractors only <sup>21</sup>	number of personnel	1	0	0	0	0	
Fatalities - employees and contractors combined <sup>21</sup>	number of personnel	1	0	0	0	0	
Fatality Rate - employees only <sup>22, 23</sup>	number per 200,000 work hours	0.00	0.00	0.00	0.00	0.00	GRI 403-9/HKEX B2.1/ SASB IF-EU-320a.1
Fatality Rate - contractors only <sup>22, 23</sup>	number per 200,000 work hours	0.01	0.00	0.00	0.00	0.00	
Fatality Rate - employees and contractors combined <sup>22, 23</sup>	number per 200,000 work hours	0.01	0.00	0.00	0.00	0.00	GRI 403-9/ SASB IF-EU-320a.1
Total Recordable Injury Rate - employees only <sup>23, 24</sup>	number per 200,000 work hours	0.22	0.28	0.13	0.17	0.14	
Total Recordable Injury Rate - contractors only <sup>23, 24</sup>	number per 200,000 work hours	0.10	0.21	0.22	0.31	0.29	GRI 403-9/ SASB IF-EU-320a.1
Total Recordable Injury Rate - employees and contractors combined <sup>23, 24</sup>	number per 200,000 work hours	0.16	0.24	0.18	0.25	0.23	
Lost Days - employees only <sup>25</sup>	number of days	344 <sup>26</sup>	471	125	176	304	GRI 403-9/HKEX B2.2
<b>Governance</b>							
Convicted cases of corruption reported to the Audit & Risk Committee	cases	0	0	0	0	0	GRI 205-3/HKEX B7.1
<b>Availability and Reliability - CLP Power</b>							
System Average Interruption Frequency Index (SAIFI) <sup>27</sup>		0.20	0.26	0.27	0.27	0.21	HKFRS S2/SASB IF-EU-550a.2
System Average Interruption Duration Index (SAIDI) <sup>27</sup>	hours	0.23	0.30	0.29	0.30	0.23	
Unplanned Customer Minutes Lost (CML) <sup>27</sup>	minutes	1.8 <sup>28</sup>	6.0	6.0	5.7	1.0	
<b>Supply Chain</b>							
Number of suppliers by geographical regions <sup>29</sup>							GRI 2-6/HKEX B5.1
Australia	number	1,754	1,800	1,853	1,894	1,942	
Chinese Mainland	number	1,377	1,101	1,090	1,257	1,216	
Hong Kong	number	940	1,043	1,030	1,058	1,025	
India	number	2	5	3	1,667	1,197	
Others (Asia Pacific)	number	53	45	63	64	67	
Europe	number	85	100	96	105	112	
America	number	63	73	78	88	98	
Rest of the world	number	4	9	2	1	2	

Notes:

- 19 The safety figures include majority owned entities by CLP or under CLP's operational control, defined as those that have full authority to implement CLP's operating policies, and under construction or in operation during the reporting year.
- 20 The system of rules applied in recording and reporting accident statistics complies with the International Labour Organization (ILO) Code of Practice on Recording and Notification of Occupational Accidents and Diseases.
- 21 Refers to the number of fatalities as a result of work-related injury.
- 22 Refers to the number of fatal injuries per 200,000 work hours in the year.
- 23 Rates are normalised to 200,000 work hours, which approximately equals to the number of hours worked by 100 people in one year.
- 24 Refers to the number of Total Recordable Injuries per 200,000 work hours in the year. Total Recordable Injuries include Fatalities, Days Away From Work Injuries, Restricted Work Injuries, and Medical Treatment Injuries.
- 25 It is the total sum of calendar days (consecutive or otherwise) lost after the days on which the work-related injuries and work-related ill health occurred.
- 26 121 out of 344 days were carried forward from two incidents in 2024.
- 27 The numbers are derived by calculating the average of data from the most recent three years. For example, the figures under year 2025 are the 3-year averages of data from 2023 to 2025.
- 28 2023-2025 average for CLP Power was 1.8 minutes; Taking out the impact due to Major Event Day (such as Typhoon Saola in 2023, Typhoons Wipha & Ragasa in 2025), the three-year average was 1.1 minutes.
- 29 There are a few multinational companies having transactions in more than one regions through their local offices. However, these local offices of one multinational companies are treated as one supplier in our supply base.

All 2025 data in the above table have been independently verified by KPMG **except** those numbers which are shaded in dark grey.

For more detailed narrative relating to ESG data, please refer to the Managing What Matters to Our Business chapter and the Corporate Governance Report of this report.

For comprehensive disclosure of ESG data, please refer to 2025 [ESG Datahub](#) in 2025 Sustainability Report website.



# Five-year Summary: Scheme of Control Financial & Operating Statistics

CLP Power Hong Kong Limited and Castle Peak Power Company Limited

	2025	2024	2023	2022	2021
<b>SoC Financial Statistics</b>					
<b>Combined Profit &amp; Loss Statement, HK\$M</b>					
Profit for SoC	11,235	11,696	10,690	10,876	10,926
Transfer from/(to) Tariff Stabilisation Fund	386	(425)	168	(531)	(1,072)
Permitted return	11,621	11,271	10,858	10,345	9,854
Deduct interest on/Adjustment for					
Borrowed capital	1,488	1,700	1,539	1,115	1,018
Increase in customers' deposits	11	39	37	4	-
Performance incentives	(526)	(481)	(642)	(448)	(438)
Tariff Stabilisation Fund	85	124	114	40	3
Net return	10,563	9,889	9,810	9,634	9,271
<b>Combined Balance Sheet, HK\$M</b>					
Net assets employed					
Fixed assets	147,397	143,124	138,657	132,792	125,827
Non-current assets	106	36	16	74	134
Current assets	5,175	5,487	5,706	9,681	8,359
	152,678	148,647	144,379	142,547	134,320
Less: current liabilities	29,778	28,641	32,472	27,881	25,311
Net assets	122,900	120,006	111,907	114,666	109,009
Exchange fluctuation account	821	647	1,183	465	606
	123,721	120,653	113,090	115,131	109,615
Represented by					
Equity	58,405	56,036	54,364	52,528	49,934
Long-term loans and other borrowings	41,321	40,860	35,967	40,680	38,328
Deferred liabilities	21,209	20,709	20,230	18,995	18,244
Tariff Stabilisation Fund	2,786	3,048	2,529	2,928	3,109
	123,721	120,653	113,090	115,131	109,615
<b>Other SoC Information, HK\$M</b>					
Total electricity sales	48,967	50,649	50,288	50,919	45,222
Capital expenditure	10,559	10,818	11,670	12,573	11,222
Depreciation	5,832	5,683	5,380	5,313	5,434
<b>SoC Operating Statistics</b>					
<b>Customers and Sales</b>					
Number of customers (thousand)	2,895	2,830	2,790	2,752	2,711
Sales analysis, millions of kWh					
Commercial	13,824	13,882	13,673	13,233	13,423
Manufacturing	1,540	1,573	1,594	1,615	1,665
Residential	9,966	10,204	9,929	10,113	10,525
Infrastructure and Public Services	10,430	10,466	10,196	9,863	9,742
Local	35,760	36,125	35,392	34,824	35,355
Export	-	-	-	-	-
Total Electricity Sales	35,760	36,125	35,392	34,824	35,355
Annual change, %	(1.0)	2.1	1.6	(1.5)	4.1
Renewable Energy Certificate Sold, millions of kWh	363	340	172	100	15
Local consumption, kWh per person	5,622	5,687	5,595	5,680	5,704
Electricity Tariff per Tariff Review, HK¢ per kWh					
Average Basic Tariff	98.0	96.6	93.7	93.7	93.7
Fuel Cost Adjustment <sup>1</sup>	46.3	46.3	62.0	38.6	28.1
Special Rebate <sup>2</sup>	-	-	-	(2.1)	-
Rent and Rates Special Rebate <sup>3</sup>	-	-	(1.3)	(1.3)	-
Average Net Tariff	144.3	142.9	154.4	128.9	121.8
Annual change in Average Basic Tariff, %	1.4	3.1	-	-	1.6
Annual change in Average Net Tariff, %	1.0	(7.4)	19.8	5.8	-



	2025	2024	2023	2022	2021
<b>Generation (Including Affiliated Generating Companies)</b>					
Installed capacity, MW	9,258	9,202	9,648	9,648	9,623
System maximum demand					
Local, MW <sup>4</sup>	7,455	7,336	7,452	7,720	7,477
Annual change, %	1.6	(1.6)	(3.5)	3.2	2.9
System load factor, %	59.2	60.9	58.9	56.0	58.8
Generation by CAPCO stations, millions of kWh	25,066	27,034	26,102	24,828	25,330
Sent out, millions of kWh –					
From own generation	23,946	25,761	24,846	23,602	24,109
Net transfer from GNPS/GSPS/Others	12,673	11,335	11,552	12,289	12,484
From Feed-in Tariff customers	370	316	267	199	111
Total	36,989	37,412	36,665	36,090	36,704
Fuel consumed, terajoules –					
Oil	1,492	2,061	2,161	1,875	1,928
Coal	55,622	69,394	76,699	77,172	75,307
Gas	140,126	146,100	135,670	128,453	132,609
Total	197,240	217,555	214,530	207,500	209,844
Cost of fuel, HK\$ per gigajoule – Overall	82.98	85.17	91.97	99.18	70.25
Thermal efficiency, % based on units sent out	43.6	42.6	41.6	40.9	41.3
Plant availability, %	89.1	89.1	85.8	89.1	84.4
<b>Transmission and Distribution</b>					
Network, circuit kilometres					
400kV	556	556	556	555	555
132kV	1,727	1,666	1,659	1,651	1,638
33kV	22	22	22	22	22
11kV	15,053	14,879	14,683	14,450	14,182
Transformers, MVA	72,167	70,728	69,128	68,343	67,479
Substations –					
Primary	257	250	241	240	237
Secondary	15,944	15,759	15,539	15,413	15,204
<b>Employees and Productivity</b>					
Number of SoC employees	4,411	4,317	4,101	4,012	3,900
Productivity, thousands of kWh per employee	8,194	8,583	8,725	8,803	9,111

Notes:

- The Fuel Cost Adjustment has replaced the Fuel Clause Charge effective from October 2014. Commencing 1 October 2018, the Fuel Cost Adjustment is automatically adjusted on a monthly basis to reflect changes in actual price of fuel used.
- In 2023, in addition to the 9.3 cents per unit 2023 Special Energy Saving Rebate to eligible Residential Tariff (RT) and Non-Residential Tariff (NRT) bills, a one-off three-month special fuel rebate was provided to cap the Fuel Cost Adjustment from April to June at 62.8 cents per unit for all customers.
- CLP Power provided customers with a Rent and Rates Special Rebate of 1.3 cents per unit from January 2022 to 28 April 2023, returning to customers the refunds received from the Government in relation to CLP Power's claims against the Government's overcharged rent and rates.
- Without taking into account the effect of the customer programme of demand response pursued to reduce electricity usage, the maximum demand would have been higher at 7,551MW in 2021, 7,858MW in 2022, 7,641MW in 2023, 7,349MW in 2024 and 7,532MW in 2025.

