中 電 控 股 有 限 公 司
CLP Holdings Limited

(incorporated in Hong Kong with limited liability)
(Stock Code: 00002)

Announcement of Annual Results from 1 January 2019 to 31 December 2019, Dividend Declaration and Closure of Books

Financial Highlights

- Group operating earnings of HK$11,121 million were 20.5% lower than 2018 reflecting the full year impact of the lower permitted rate of return in Hong Kong and a challenging environment in Australia; total earnings decreased by 65.6% to HK$4,657 million after an impairment of EnergyAustralia's retail goodwill of HK$6,381 million.
- Operating earnings from our local electricity business in Hong Kong and our businesses outside Hong Kong decreased by 13.0% to HK$7,448 million and by 28.4% to HK$4,441 million, respectively.
- Consolidated revenue decreased by 6.3% to HK$85,689 million.
- Fourth interim dividend of HK$1.19 per share; including the first three interim dividends paid, total dividends for 2019 are HK$3.08 per share (2018: HK$3.02 per share).

CHAIRMAN'S STATEMENT

Global trade tensions and the rising impacts of climate change combined with local circumstances here in Hong Kong and in Australia to make 2019 one of the most challenging years we have experienced in recent memory. However, the nature of our business and the ongoing development of the markets in which we operate mean that we are inevitably subject to, and must be prepared for, continuous challenges. At CLP, we take a long-term view and continue to proactively drive change within the Company in order to build a sustainable business fit for the future.

The Group's operating earnings for the year decreased 20.5% to HK$11,121 million, largely due to the expected lower permitted rate of return in Hong Kong, a reduction in our share of earnings in India following the strategic partial-divestment, and the continued challenges in Australia. Earnings in Mainland China and Southeast Asia were higher.

The Board is recommending a fourth interim dividend for 2019 of HK$1.19 per share. Total dividends per share for 2019 are HK$3.08, an increase of 2.0% from 2018.

The world needs a sustainable future, so it is pleasing to see increasing interest in Environmental, Social and Governance issues from investors and regulators alike. Properly addressing these issues requires vision and a commitment to manage with a long-term view, two things which have always been a hallmark of CLP's approach. That's why CLP is not only focusing relentlessly on the reliability and affordability of supply today, but also delivering a decarbonisation strategy that is essential to the future of the planet as well as our own prosperity and sustainability as a business.

Late last year we released our updated Climate Vision 2050, which will play a key role in delivering our vision of being the leading responsible energy provider in the Asia-Pacific region. At its heart is a pledge not to invest in any additional coal-fired generation assets, and to phase out our existing coal-fired assets by 2050 at the latest. We have also pledged to revisit and strengthen our decarbonisation targets at least every five years as technologies advance and costs reduce, tracking our progress against the goals of the Paris Climate Change Agreement.

These pledges can be seen in another context. Around 20% of our revenue comes from coal-fired generation so to ensure the long-term sustainability of our business we not only need to decarbonise, we will need to evolve and replace this revenue over time. We started the process of investing in renewable generation in the mid-1990s and we are continuing this process today. We are actively pursuing further opportunities in non-coal electricity generation, transmission and distribution, as well as in new energy services such as those springing from the development of "smart cities".

We also remain deeply committed to, and positive about, our home market of Hong Kong which is as much the foundation stone of our business as it was in 1901. The clearest sign of this is the HK$53 billion of investment we have committed for future energy supply during the course of the current Development Plan to 2023, much of which will go towards improving Hong Kong's energy security and reducing overall emissions.

As the world has noticed, Hong Kong has been experiencing a period of unrest. My family first came to this wonderful city 140 years ago and it has been disheartening to see the disharmony that has affected the entire community. My profound belief in Hong Kong's future is undimmed. My father once said to me that Hong Kong is like a rubber ball: the further it drops the higher it bounces back – a testimony to the resilience, fortitude and "can do spirit" of the people of Hong Kong. This is a time when I often remember his wise words.

Our future is in the hands of young people and it rests on us to create hope for them. I am proud that the CLP Power Academy in Hong Kong, which we established in 2017 to provide young people with more options and a sense of future, has proven to be a popular choice for those who wish to study power engineering in a professional environment, as an alternative to university. The Academy now has 500 students studying in programmes it runs in collaboration with four renowned education institutions in Hong Kong and abroad. As well as offering a springboard for a career, this initiative helps ensure an adequate supply of skilled engineers for our industry, drives overall excellence and builds partnerships between CLP, the broader industry and academia. We are also now offering our employees in Hong Kong, many of whom are from the younger generations, a home loan scheme that supports them as they look to get on the property ladder and buy their first home. Buying a property in Hong Kong is not easy and it is rewarding to see relatively junior employees able to do that.

Safety remains an absolute priority for the Group and we are continuously and measurably improving safety across the business. However, I do have to report the sad death of a team member of one of our subcontractors in Hong Kong. The Board, on behalf of everybody at CLP, expresses its condolences to their family. We are focused on the highest possible standards and our target of zero harm for everybody.

As we look to the future, it is critical that we take stock of how we work and to continue to refresh our Board and management to ensure that we are best placed to meet the evolving challenges ahead. In 2019, we completed a Board progression exercise to further enhance the way the Board works to shape CLP's future success. Further details of the outcomes of this exercise can be found in the Corporate Governance Report and Nomination Committee Report.

In line with the retirement guideline we introduced in 2019, two Directors, Mr Vernon Moore and Mr Vincent Cheng, will both retire from the Board at the conclusion of the 2020 Annual General Meeting. I thank them both for their distinguished service and valuable contribution to CLP over many years. We will conduct a director search process in 2020 to ensure we can continue to have the best Board to take the Company forward.

We are also continually reinforcing our management team and in 2019, following the retirements of Mr Roy Massey and Mr Derek Parkin, we were pleased to welcome Ms Eileen Burnett-Kant as Chief Human Resources Officer and Mr David Smales as Chief Operating Officer, two very important roles in the Senior Management. Eileen and David bring with them a wealth of valuable experience and I look forward to working with them.

As I look back on 2019, I see an increasingly people-focused organisation that has rolled-up its sleeves and is hard at work delivering results from our existing assets and committing to new projects that will generate returns in the short and medium term. With the renewed Climate Vision 2050 we are ensuring we can respond to the transformative shifts in our industry, play a pivotal role in the decarbonisation that the world needs, and build a solid platform for our business to grow further and thrive for many decades to come.

The Honourable Sir Michael Kadoorie

CEO'S STRATEGIC REVIEW

Our 2019 results reflect the changes, challenges and opportunities in our business. This period of transition is being managed for the best long-term outcome, with the aim of ensuring that we are fit for the future and well-positioned for ongoing operational and financial stability across the Group.

Notable results from 2019 include:

- In Hong Kong we delivered good progress on our Development Plan, while earnings were subject to a full-year effect of the lower permitted rate of return under the new Scheme of Control Agreement;

- Our low-carbon generation portfolio in Mainland China brought us stable and reliable results;
- In India, 2019 saw our first investment in transmission assets, representing a diversification in a marketplace that has great potential;
- In Australia, issues with asset availability, fierce competition and regulatory interventions impacted profitability and significantly reduced the value of goodwill on our balance sheet; we adjusted our retail business to the new regulated pricing regime and addressed significant constraints on our major generation units; and
- We launched a revised version of our Climate Vision 2050, further updating our strategy for existing and future investments.

Against the backdrop of accelerating climate change and its impacts, decarbonisation continued to be a key priority of CLP in 2019. The updated Climate Vision 2050 is the foundation stone of our business strategy, giving us a roadmap for deep decarbonisation aligned with local policies in each of our markets, and demonstrating our desire to contribute to the world's journey towards a sustainable energy future.

As we transition to a Utility of the Future, we are further digitalising our operations which is another strategic priority of CLP. We are focused on opportunities that will deliver robust performance from today's asset base well into the medium term in addition to sustainable results from low-carbon solutions in the longer term. In the past year, these strategies continued to steer us forward amid the fluctuations in both our business and operating environment.

Hong Kong

Electricity sales in Hong Kong rose 1.8% in 2019 due to higher demand from most customer segments. Operating earnings decreased 13.0% to HK$7,448 million largely due to the lower permitted rate of return. The reset in our earnings was fully anticipated and we now have a predictable earnings trajectory as we continue with the critical investments under the current Development Plan.

We are a partner to Hong Kong and in 2019, we continued to progress projects with a clear strategy of decarbonisation, digitalisation and driving greater energy efficiency. Our approach to reducing coal from our generation mix is supported by further investment in Black Point Power Station where we expect to commission an additional gas-fired unit in the coming months and another unit in 2023. We are also making progress with the construction of the offshore LNG terminal. This will further improve Hong Kong's energy security with direct access to international sources of natural gas, diversifying Black Point's current supply. We are on track to play our part in meeting the Hong Kong Government's target of increasing the amount of gas-generated electricity in Hong Kong to around 50% by 2020.

We responded to the Government's public engagement on a long-term decarbonisation strategy. Hong Kong is a high-density urban environment with great electricity needs. The Government's energy policy objectives – ensuring the community's needs are met safely, reliably, efficiently and at reasonable prices, with minimal environmental impact – are fully aligned with CLP's purpose.

Mainland China

Our non-carbon portfolio continues to be the main driver of growth in Mainland China. The Daya Bay and Yangjiang nuclear plants provided stable earnings while our renewable energy assets contributed higher earnings from our diversified portfolio of hydro, wind and solar facilities. Lower coal prices and higher output supported an increased contribution from Fangchenggang Power Station. Overall, operating earnings for the year increased 5.3% to HK$2,277 million.

We expanded our renewable portfolio through the acquisition of a 100% stake in the 36MW Meizhou Pingyuan solar plant, the commissioning of the 49.5MW CLP Laizhou II wind farm and continued construction of the 50MW Laiwu III wind project, although cash flow of our renewable energy projects was adversely affected by the significant delay in subsidy payments due from local governments. Supported by opportunities offered by digitalisation and market reform, we are also expanding into other parts of the electricity value chain. Having previously announced our award of a contract to deliver an incremental distribution network at a technology zone at Fangchenggang, we are pleased to see that the project started providing electricity supply services to customers in the area in January 2020. In the meantime, we continue to explore development opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area.

India

In India our partnership with Caisse de dépôt et placement du Québec and the expiry of the long-term power purchase agreement for the Paguthan power plant have reduced our earnings by 54.0% to HK$263 million. With the strategic support and additional resources provided by the partnership, CLP India agreed to acquire three transmission assets across the country in 2019. Our renewable energy investment strategy has now been running in India for over a decade and in 2019 we bid successfully in a government auction for a 250MW wind project in the state of Gujarat, which is set to be the biggest wind farm across the CLP Group once commissioned in 2021. During the year we saw a marked increase in delay in payments for renewable energy projects from local distribution companies experiencing financial hardship.

There is a need for a strengthened grid in India to support the country’s transition to cleaner forms of energy, as well as the overall system stability. We are pleased to be further developing our focus here while also leveraging the opportunities to build a more comprehensive, synergised portfolio of business.

Southeast Asia and Taiwan

Operating earnings in the market rose 106.8% to HK$335 million due to good performance of the Ho-Ping coal-fired power plant and the Lopburi solar plant.

As part of our strategic decision stated in Climate Vision 2050 not to add any new coal-fired generation assets to our portfolio, we have decided to exit from two legacy coal developments in Vietnam. In the future our efforts in the country will focus on investment opportunities in renewable generation.

Australia

A challenging year in Australia was marked by reduced performance at the Yallourn and Mount Piper power stations caused by safety works and coal supply issues respectively. The implementation of new energy price regulations by national and regional governments also had a significant impact on results. Operating earnings therefore reduced significantly by 52.6% to HK$1,566 million.

While we do not expect the uncertainty of the regulatory environment to ease in the short term, we are managing the change of circumstances strategically. EnergyAustralia invested to strengthen the reliability of its existing assets including a more diversified supply of coal for Mount Piper and enhancements to safety and other operational systems at the Yallourn power station. Yallourn has the capacity to supply two million homes every day and employs hundreds of people. We plan to run the plant to 2032 or as long as policy and regulation permit. To assist system planning and the local community, we have committed to giving at least five years notice of its closure where circumstances remain within our control.

As well as continuing to optimise our existing portfolio, we are playing our part in seeking to build a modern, cleaner energy system for the country. Absorbing high volumes of renewables into the grid brings the challenge of supply volatility and the need for consistent base load. Therefore EnergyAustralia has made capacity purchases of renewable energy and is exploring the addition of flexible generation such as the possibility to expand the gas-fired power station at Tallawarra and the potential of pumped hydro.

Putting customers at the centre of our business and the energy system, we continued to improve customer experience during the year and leveraged the introduction of safety-net electricity prices to launch new products and services that are simpler and lower-cost.

Digitalising our business

As a Group, our business spans across the entire energy value chain, all aspects of which are increasingly supported by smart energy services. To fully unlock the potential of the digital transformation, we need to develop customised strategies and solutions for each of the markets in which we operate.

The launch of Smart Energy Connect is a prime example of our efforts in 2019. As the first online energy app store in Asia, it offers a range of innovative and practical applications to help businesses and organisations in the region manage energy use in a greener and smarter way.

In our retail businesses in Australia and Hong Kong we have further invested in operations and customer service by digitalising our service operations. In Australia this enables an improvement in customer experience to make it easier for us to attract, acquire and retain customers.

With a high population density and large concentration of skyscrapers, Hong Kong is an excellent testbed for energy innovation. In 2019, we took Free Electrons, the global energy start-up accelerator programme, to Hong Kong for a week-long event filled with sharing and pitching of fresh ideas. EnergyAustralia also continued to partner with world-leading accelerator Startupbootcamp to work with some of the most innovative startups in the energy space.

Looking into the Future

Looking ahead, we will continue to manage our operations and make investments as guided by our strategic focuses of decarbonisation and digitalisation. Opportunities are emerging from an increasing number of organisations in the region that are committing to procure renewable energy. Underpinned by our Climate Vision 2050 as well as both technical and commercial excellence, we are well placed to maximise these opportunities at the heart of the global energy transformation.

In Hong Kong, our long-term vision and confidence remain undimmed and we will continue to focus on delivering our ambitious Development Plan. These investments in Hong Kong will underpin the performance of the business in the years ahead and, in the near term, will take up the bulk of the Group's capital expenditure. This, together with our dividend policy and prudent approach to financing, will limit our resources to invest in other areas over this period, but we will continue to prudently pursue opportunities that help us move towards a digital, low-carbon future.

As 2019 drew to a close and the new year commenced, nowhere was the risk of a changing climate more vividly displayed than by the bushfires in Australia. The scale, magnitude and extent of damage of these fires are certainly galvanising attention to the urgency for climate actions. At the same time, they highlight the need for a strong and resilient power system, and an acceleration of policy changes. Australia has lived with bushfires for years, and so too Hong Kong has lived with typhoons. However, the catastrophic bushfires in Australia and Super Typhoon Mangkhut that hit the region in 2018 have taken these climatic events to an unprecedented level. As the physical impact of these extreme events become clear, so too are the risks to businesses. When we formulate measures to reinforce our power systems, we need to plan for very extreme scenarios and make sure that power systems can withstand unprecedented circumstances. We also need to accelerate our transition towards a low-carbon world while continuing to deliver safe, reliable and affordable power to the communities we serve.

All markets go through transition periods and any country with a legacy of coal generation assets will require its private sector energy partners to be ready for the challenge of decarbonisation. In Australia, India and Mainland China, much like in Hong Kong and the other markets in which we operate, we see ourselves as a ready, willing and highly capable partner in the transition to a low-carbon energy future.

In the midst of all these changes, a word on our people. As the Chairman mentioned, we were deeply saddened to report a fatality of an employee of a subcontractor in Hong Kong this year. It is a reminder that we must continue to relentlessly develop our efforts to understand the cause of all accidents and prevent them. Above all, it is my colleagues working tirelessly every day who make CLP what it is. Together we steer this business through changes and challenges so that we can continue to serve the communities across Asia Pacific who place great trust in us.

Going through the transition in 2019 has not been easy and our results are a stark reminder of the disruption in our industry. Nevertheless, we are striving to deliver on our investments, decarbonise, digitalise our operations and keep innovation at the heart of our ongoing development, all while continuing to pursue excellence in our existing operations. My thanks go to my colleagues for everything they are doing to achieve that and together we go forward.

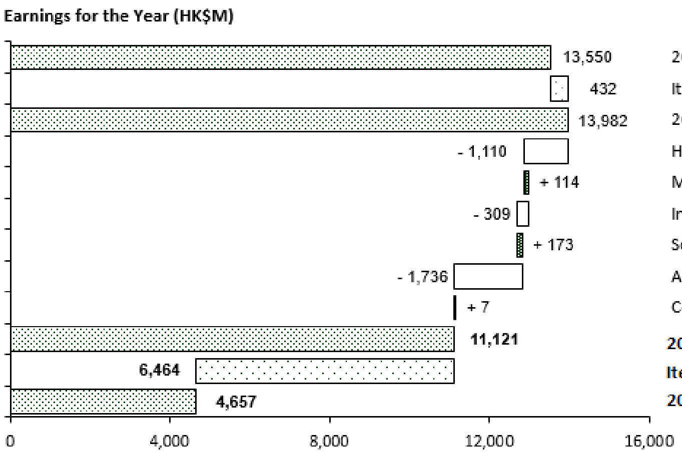
Richard Lancaster

FINANCIAL PERFORMANCE

Group operating earnings of HK$11,121 million were 20.5% lower than 2018 reflecting the full year impact of the lower permitted rate of return in Hong Kong and a challenging environment in Australia; total earnings decreased by 65.6% to HK$4,657 million after an impairment of EnergyAustralia's retail goodwill of HK$6,381 million.

	2019 HK$M	2018 HK$M	**Increase/ (Decrease) %**
Hong Kong electricity business	**7,448**	8,558	(13.0)
Hong Kong electricity business related*	**211**	227	
Mainland China	**2,277**	2,163	5.3
India	**263**	572	(54.0)
Southeast Asia and Taiwan	**335**	162	106.8
Australia	**1,566**	3,302	(52.6)
Other earnings in Hong Kong	**(199)**	(92)	
Unallocated net finance costs	**(42)**	(54)	
Unallocated Group expenses	**(738)**	(856)	
Operating earnings	**11,121**	13,982	(20.5)
Items affecting comparability			
Impairment provision	**(6,381)**	(450)	
Property revaluation	**(83)**	18	
Total earnings	**4,657**	13,550	(65.6)

* Hong Kong electricity business related includes PSDC, Hong Kong Branch Line and sales to Guangdong from Hong Kong



The performance of individual business is analysed under each business section.

BUSINESS PERFORMANCE AND OUTLOOK

Hong Kong

Financial and Operational Performance

Overview

CLP continued to provide Hong Kong with a safe and highly reliable electricity supply in an environmentally-friendly way and at a reasonable cost throughout 2019. Sales of electricity within Hong Kong rose 1.8% to 34,284GWh as warmer weather lifted demand in the residential, commercial as well as infrastructure and public services customer sectors. A new local demand peak of 7,206MW was reported on 9 August 2019, 51MW higher than the previous record set in 2017. The figure would have been 62MW higher had CLP not actively pursued demand response initiatives to ask key customers to reduce electricity use.

In addition to this underlying growth, major local infrastructure developments, including the commencement of the Guangzhou-Shenzhen-Hong Kong High Speed Rail (Hong Kong Section) and the Hong Kong-Zhuhai-Macao Bridge, also resulted in more electricity use. There were no sales to Mainland China in 2019, after the expiry of the electricity supply contract with Shekou in June 2018.

In 2019, the number of customer accounts rose to 2.64 million, compared with 2.60 million in 2018. CLP places a very high importance on continuing to deliver positive outcomes for its communities and customers, and in doing so throughout 2019 it achieved an overall supply reliability of 99.999%.

Hong Kong Electricity Sales in 2019

	Year-on-Year Change Increase/(Decrease)		Share of Total Local Sales
	GWh	%	%
Residential	260	2.8	27
Commercial	159	1.2	40
Infrastructure and Public Services	244	2.6	28
Manufacturing	(41)	(2.4)	5

Operating earnings declined 13.0% from 2018 to HK$7,448 million due to the full-year impact of the reduced permitted rate of return in the Scheme of Control (SoC) agreement that came into effect in October 2018.

To support the Government’s environmental policy, CLP is using substantially more natural gas for electricity generation in 2020. This resulted in a 3-cent increase in the Fuel Cost Adjustment to 30.8 cents per unit of electricity in 2020. The Average Basic Tariff was raised by 1.2 cents per unit of electricity, but the increase would be offset by a Rent and Rates Special Rebate for the entire year. Therefore, the Average Net Tariff increased 2.5% to 121.8 cents per unit of electricity from the beginning of the year.

Continuing the Decarbonisation Journey

The Hong Kong Government is developing a long-term decarbonisation strategy and as part of this exercise, in June 2019 the Council for Sustainable Development launched a public engagement exercise on ways to reduce the city's carbon emissions. In its response, CLP highlighted two broad directions that could increase the supply of low-carbon electricity: adding local gas-fired generation, and sourcing more zero-carbon energy via regional cooperation. Both options present opportunities and challenges, and elements of each option could be combined. Once a future policy direction is set, CLP will use its power expertise to work with the Government and the community in delivering a practical and reliable electricity supply solutions for the city's future.

The Government has previously established a fuel mix target of increasing gas-fired power generation to around 50% in 2020. In full support of this, CLP has continued to make progress in the construction of a 550MW Combined Cycle Gas Turbine (CCGT) unit at Black Point Power Station which is currently being commissioned. Preparations for another CCGT unit on an adjacent site is also underway with the Front-End Engineering Design (FEED) process commencing from mid-2019. CLP expects to apply for the environmental permit for this second unit in 2020, with completion scheduled by the end of 2023. Once commissioned, the two new gas units will be among the world's most efficient and will help with the replacement of coal-fired generation units at Castle Peak A Power Station.

This energy transition has implications for the fuel supply chain and CLP has therefore taken additional steps to increase the diversity of sources of natural gas and ensure security of supply. At present, CLP receives gas from CNOOC through the Yacheng pipeline from Wenchang and other gas fields in the South China Sea under the new contract with CNOOC. CLP also takes supplies through an undersea pipeline connecting the West-East-Pipeline Phase II at Dachan Island in Shenzhen to Black Point as part of a 20-year supply contract with PetroChina that began in 2013.

To access competitive supplies from the global LNG market for the long term, CLP is developing an offshore LNG terminal in Hong Kong waters, jointly with The Hongkong Electric Co., Ltd. Significant progress was made in 2019 as the FEED process for the offshore jetty facility and the subsea pipelines was completed. The Engineering, Procurement and Construction contract was awarded in January 2020, putting the project on course to begin construction in 2020 and to be completed by the end of 2021. A long-term time charter agreement was signed with Mitsui O.S.K. Lines, Ltd. for a Floating Storage and Regasification Unit, and a long-term LNG supply agreement was signed with Shell Eastern Trading (Pte) Ltd. Once completed, this facility will enhance and diversify CLP's fuel supply, adding supply security and the flexibility to access competitively-priced gas from around the world.

In addition to the large-scale developments noted above, CLP continues to invest in other sustainable power generation facilities. The West New Territories Landfill project started commissioning from December 2019 which will use waste gas from landfills to generate enough energy to power around 17,000 residential households per year.

Transportation currently accounts for around 18% of Hong Kong's greenhouse gas emissions and CLP is playing a key role to facilitate the decarbonisation of the sector. During the year CLP increased its electric vehicle (EV) fleet and began to upgrade its network of free EV charging stations across the city. Moreover, CLP has been supporting the network extension by MTR which forms part of the Government's "rail first" policy.

Helping Customers Optimise Their Energy Use

Building a sustainable future for Hong Kong requires effort from all sectors of society, including energy consumers. CLP therefore launched a broad range of initiatives to encourage customers to embrace greener lifestyles.

The new Eco Building Fund provided subsidies for more than 600 residential and commercial buildings to install energy-efficient equipment in 2019, saving around 50GWh of electricity. Commercial and industrial customers also took advantage of CLP's Energy Audit service to find ways to lower their electricity bills and in 2019, CLP helped over 600 business customers save around 55GWh of electricity potentially.

The Feed-in Tariff (FiT) scheme, which encourages customers to install solar or wind energy generation systems, had received more than 6,900 applications by the end of 2019. Around 84% of projects, representing a total capacity of around 90MW, have already been approved or connected to the grid. In addition, there was a positive response to the offer of Renewable Energy Certificates (RECs) since January 2019 for CLP customers to support local renewable energy generation.

Accurate and timely information about electricity usage is extremely useful to customers who want to change their consumption habits. In November 2018, CLP started a programme to replace conventional electricity meters with smart meters for all of its customers by 2025. By the end of 2019, around 421,000 smart meters had already been connected.

Supporting Hong Kong in Difficult Times

The social unrest experienced by Hong Kong in the second half of 2019 saw the economy face some of its most challenging times in recent history. As the city's biggest utility company, CLP is committed to helping customers through this difficult period.

CLP has launched a HK$200 million relief programme to help ease the burden on small businesses and underprivileged people. Measures include a subsidy to offset the upward adjustment in Average Net Tariff for 320,000 small and medium-sized enterprises (SMEs) for the first six months of 2020, in addition to the Rent and Rates Special Rebate.

The Power of Innovation

CLP has been acting as an innovation accelerator by adopting cutting-edge technologies in its operations and introducing innovative products and services to customers. We brought Free Electrons, the global energy start-up accelerator programme, to Hong Kong for the first time in 2019. The event connected utility companies with some of the world's most innovative start-up companies behind new technologies that deliver smarter and cleaner energy. They included Hong Kong-based Ambi Labs, whose products help users enhance air conditioning comfort with artificial intelligence technologies. CLP began piloting Ambi Labs' products with residential customers, promoting them on its online platform to help bring them to a wider audience.

New products and solutions from start-up companies, along with other smart city technologies and innovative energy solutions, were demonstrated at CLP's new SmartHub@CLP exhibition centre which showcases the Company's role as a smart city enabler and a pioneer of smart living.

In recent years, more businesses have started to look at Hong Kong as a potential location to set up data centres, taking advantage of the city's first-class infrastructure and connectivity. CLP supports this drive and is committed to providing a reliable electricity supply to further strengthen Hong Kong's role as a regional hub for these important facilities.

Environmental Performance

Environmental Regulatory Compliance

All Hong Kong assets under CLP's operational control maintained full compliance with environmental regulations in 2019.

CLP complied with all the emissions caps set by the Government in 2019. It has achieved this while maintaining supply reliability and by optimising its diversified fuel mix and maintaining the effectiveness of its emissions control facilities. It also complied with the new mercury emissions limit set from April 2019 onwards for Castle Peak.

Air Emissions

The Government launched a public consultation in July 2019 following the completion of the Air Quality Objectives (AQOs) Review in 2018. Based on the review's findings, Hong Kong's air quality will be further improved by 2025 through the implementation of a variety of ongoing and new measures, including CLP's increased use of gas-fired electricity generation. Legislation for the proposed tightening of the AQOs will begin in 2020. CLP is committed to playing a key role in achieving better air quality and long-term decarbonisation for Hong Kong.

Outlook

Hong Kong is on an important journey of decarbonisation. CLP will do its best to support the Government's environmental goals and emission reduction targets. Besides moving decisively on investments to add gas-fired capacity and enhance gas supply reliability, it is leading the way in the development of renewable energy in Hong Kong through the FiT and RECs schemes.

In 2020, for the first time, around half of the electricity sold by CLP will be generated by natural gas. Added to the around one-third zero carbon energy from Daya Bay, this represents a significant milestone on the road to lower emissions. However, the switch to gas – which costs more than coal or nuclear energy – will inevitably lead to upward pressure on tariffs. To ease this, CLP is committed to continuing to implement stringent cost control measures across its operations.

Hong Kong is CLP's home. It remains committed as ever to work with the Government and the community to support the city through challenging times and steer it towards a dynamic new chapter of growth and opportunity in a greener, brighter future.

Mainland China

Financial and Operational Performance

Overview

The economy of Mainland China grew by 6.1% in 2019, its slowest rate in 29 years, putting pressure on electricity demand. CLP was affected by the slowdown, although to a lesser degree than other power companies because its diversified portfolio and the steady performance of its non-carbon assets helped weather some of the fluctuation.

Operating earnings in 2019 increased 5.3% to HK$2,277 million.

CLP's performance in Mainland China is summarised below:

Operating Earnings	**2019 HK$M**	2018 HK$M	Change %
Nuclear Energy	**1,688**	1,720	(1.9)
Renewable Energy	**547**	530	3.2
Thermal Energy	**264**	36	633.3
Operating and Development Expenditure	**(222)**	(123)	80.5
Total	**2,277**	2,163	5.3

Nuclear Energy Portfolio

Nuclear energy projects play a pivotal role in the transition towards a low-carbon economy and represent CLP's main source of income in Mainland China, amounting to around two-thirds of operating earnings for the year.

The sixth and final generating unit of Yangjiang Nuclear Power Station was commissioned in July 2019, contributing higher earnings to the Group. However, that contribution was more than offset by higher service and statutory charges, planned outages and lower value-added tax (VAT) refund.

The full operation of the project represents a milestone in CLP's decarbonisation efforts, adding 1,108MW of non-carbon generation capacity to its portfolio and helping the company towards its Climate Vision 2050 targets. Daya Bay Nuclear Power Station, meanwhile, continued to operate steadily.

Renewable Energy Portfolio

Renewable energy projects are another major source of income in Mainland China. While earnings from renewable projects were higher in 2019, the performance of different asset types was mixed.

CLP's solar energy portfolio grew through the acquisition of a 100% stake in Meizhou Pingyuan Solar Power Station in Guangdong Province in January 2019, the first time CLP has bought an operating renewable project in Mainland China. The acquisition raised both output and earnings. Performance of CLP's other solar projects remained stable.

Earnings from hydro energy projects were higher too, largely because abundant rainfall in the first half of the year led to increased generation from the Huaiji plants in Guangdong. This, however, was partially offset by the impact of lower rainfall at Yang_er Hydro Power Station in Yunnan Province.

Wind energy projects, on the other hand, reported lower earnings due to reduced wind resources in Shandong Province although the situation of grid curtailment in northeast China has improved. In Shandong, the CLP Laizhou II project was commissioned in June while construction began on the Laiwu III project in the second quarter of 2019.

In the past year, payment of subsidies from the Central Government for renewable energy projects had been delayed with the total amount due increasing to RMB1.14 billion (HK$1.27 billion) as of 31 December 2019.

Thermal Energy Portfolio

CLP's only majority-owned coal-fired project in Mainland China, Fangchenggang Power Station, recorded good performance in 2019. Its utilisation was higher due to economic growth in the Guangxi Zhuang Autonomous Region and less competition from hydro power generation due to low rainfall. The plant continued its evolution into an integrated energy provider by supplying steam and carbon dioxide (CO_2) to a nearby factory, thereby helping to secure more generation hours. The granting of approval for direct unloading of imported coal at the Fangchenggang Power Station dedicated jetty also helped to lower fuel costs.

Innovation

CLP has taken part in the development and operation of an incremental distribution network (IDN) at Fangchenggang Hi-Tech Zone to provide electricity supply services to customers in the park – the Group's first investment in distribution grids in Mainland China. The project provides a solid foundation for similar opportunities in southern China as reform of the electricity sector continues. It started services in January 2020 and CLP's involvement was through TUS-CLP Smart Energy Technology Co. Ltd., its joint venture with a subsidiary of TUS-Holdings which is affiliated to Tsinghua University. The IDN project demonstrates CLP's capability in supporting the further development of smart distribution grid and smart energy solutions in Mainland China.

Environmental Performance

Environmental Regulatory Compliance

All assets under CLP's operational control in Mainland China maintained full compliance with environmental regulations in 2019.

Air Emissions

CLP continued to explore innovative technologies to further reduce emissions and greenhouse gases in 2019. A pilot project was launched using flue gas generated from Fangchenggang as a source of CO_2 to cultivate microalgae in partnership with a nearby farm.

There was a significant decrease in sulphur dioxide (SO_2) since the completion of the emissions control retrofit project at Fangchenggang by the end of 2018. However, as output was approximately 33% higher in 2019 compared with a year earlier, nitrogen oxides (NO_X) and particulate matter (PM) increased. As a result, total air emissions remained at a similar level to that in 2018.

Outlook

The economy of Mainland China is in a period of structural change in which heavy industry is giving way to more diverse commercial activities and expanding domestic consumption. This transformation has had an impact on demand for electricity and is expected to lead to an oversupply in some parts of China.

Reforms, meanwhile, are continuing in the electricity market, particularly in relation to market sales, the introduction of a carbon trading regime and the development of trading mechanism for renewable energy certificates. In response, CLP has formulated strategies based on market conditions in different provinces and regions to secure more sales and is carefully observing the evolution of market regulations in order to capitalise on the opportunities arisen from the market reforms.

Overall, about half of CLP's total generation volumes across all projects were through market sales in 2019, and the proportion of market sales is expected to rise continuously. Although tariffs under the market mechanism are generally lower than the benchmark tariff, sales strategies and initiatives in different provinces and regions have helped improve dispatch levels.

While coal remains an important source of fuel in Mainland China, it is gradually being replaced by non-carbon sources because of the recognition for cleaner air. CLP will therefore continue to develop its non-carbon portfolio to play a part in the energy transition.

Because of a decline in manufacturing costs, subsidies to renewable energy providers have been scaled back. Going forward, therefore, CLP will opt for renewable projects that can achieve grid parity or compete with conventional projects on cost. In view of the increasing competition for new wind and solar projects, CLP will also explore offshore options.

India

Financial and Operational Performance

Overview

CLP India continued to expand its portfolio and explore new business opportunities in 2019. The performance of operating assets was strong, with Jhajjar Power Station and renewable energy assets reporting higher earnings.

Operating earnings attributed to the CLP Group were nonetheless 54.0% lower than in the previous year. Paguthan Power Station did not report any significant generation during 2019 after a power purchase agreement expired in December 2018, resulting in an operating loss. In addition, a 40% stake in CLP India was sold to the Canadian pension fund Caisse de dépôt et placement du Québec (CDPQ) in December 2018, thereby diluting our share of earnings.

Our performance in India is summarised below:

Operating Earnings	**2019 HK$M**	2018 HK$M	Change %
Renewable Energy and Transmission	**359**	244	47.1
Thermal Energy	**60**	328	(81.7)
Profit attributable to non-controlling interest (CDPQ)	**(156)**	-	
Total	**263**	572	(54.0)

New Horizons

CLP India entered the power transmission sector in 2019 by agreeing to acquire three transmission assets from Kalpataru Power Transmission Ltd. and Techno Electric & Engineering Co. Ltd. One of the projects, Satpura Transco Private Ltd. (STPL), formerly known as Kalpataru Satpura Transco Private Ltd., was successfully transferred to CLP India in November 2019. STPL reported an availability of 100% in 2019. The other two projects, Alipurduar Transmission Ltd. and Kohima Mariani Transmission Ltd., are expected to be taken over by CLP India in 2020. The acquisitions represent a milestone for CLP India, which has now broadened its portfolio to include two of the three main segments in the country's power value chain. They will also enable CLP India to expand its geographic reach across the country and reinforce its commitment to expand its low-carbon investments.

CLP India also made its first successful bid for a wind project at competitive auction in 2019, securing about 250MW in wind capacity which it plans to develop in Sidhpur in Gujarat state. When the project is commissioned in 2021, it will be the biggest of all wind assets in the CLP Group.

Renewable Energy Portfolio

Renewable energy projects accounted for about 85% of CLP India's operating earnings in 2019. The wind energy portfolio performed well thanks to better operational management. Availability reached 95.8%, an increase on 2018's 95.4%, while output also improved marginally.

Performance of the solar energy portfolio was stable, helped by higher availability and generation at the Veltoor Solar Farm. A pilot project for dry cleaning of PV modules was initiated to reduce water consumption. The Veltoor plant won a number of awards including Outstanding Renewable Energy Generation Project (Solar) at the Indian Federation of Green Energy's India Green Energy Awards 2019, Top Plant of 2019 in the renewable energy sector by the Power Magazine, and Best Performing Project of the Year (100MW and below) in the India Solar Week Excellence Awards.

Thermal Energy Portfolio

Jhajjar achieved a commercial availability of 89.2% in 2019 on the back of improved coal supply and operational management. The plant also recorded a satisfactory financial performance as it collected higher capacity charges from increased availability.

As part of its efforts to comply with the Government's environmental requirements, the Jhajjar project became one of the first in India to successfully dispose of 100% of ash generated by the plant.

In recognition of its high safety standards, Jhajjar became the first CLP India asset to receive the ISO 45001:2018 certification, and also won the Greentech Safety Gold Award.

Despite repeated attempts by CLP India to sell output from Paguthan on the Indian Energy Exchange, the plant did not undertake any significant commercial generation over the course of the year.

Environmental Performance

Environmental Regulatory Compliance

Further to the more stringent SO_2 emission limit at the end of January 2019, there were five minor licence limit exceedances at Jhajjar in the first half of 2019, while the flue-gas desulfurisation (FGD) units became fully operational. None of them resulted in any action from authorities.

Air Emissions

To meet India's new compliance requirements, the FGD units at Jhajjar went into partial operation in the second half of 2018 and full operation from February 2019 onwards. The units significantly reduced SO_2 emissions from 5.02kg/MWh* in 2017 to 2.75kg/MWh* in 2018 and 0.74kg/MWh in 2019.

PM emission in 2019 was 0.15kg/MWh, same as 2018. The combustion optimisation carried out in 2018 helped reduce NOx emissions in 2018 and 2019 to 0.85kg/MWh* and 0.93kg/MWh respectively, compared with 1.36kg/MWh* in 2017.

*Restated by using electricity sent-out, instead of gross output, to calculate the intensity

Water

CLP India received the Second Runner Up Jury Special Mention Award in an award programme organised by Frost & Sullivan and The Energy and Resources Institute for the Jhajjar plant's achievements in water management. Despite the continuous operation of the FGD units since February 2019, water consumption remained stable at 2.47m^3/MWh in 2019 which is substantially below the statutory authorisation of 3.5m^3/MWh.

Outlook

Although the country's economic growth and electricity demand both slowed down in 2019, CLP India remains confident in the future of the country's power market, particularly in its potential for low-carbon projects as India undergoes an energy transition.

There are risks in a rapidly-changing energy market. Of particular concern is the evolution of the financial health of the state distribution companies to whom CLP India sells renewable energy. Total receivables relating to revenue from our renewable projects increased to HK$805 million as of 31 December 2019. CLP will therefore continue to seek out quality projects such as our recent acquisition of transmission assets and the new greenfield wind development project we successfully bid for in Gujarat.

As there is no commercial market for the output of the Paguthan plant, CLP India will explore whether there are opportunities to utilise the site.

For the longer term, CLP India will continue to diversify its revenue stream and expand its non-generation operation in transmission, distribution and other customer-focused businesses. Innovation and new business models will also be pursued as and when the opportunities arise.

Southeast Asia and Taiwan

Financial and Operational Performance

Overview

The coal-fired Ho-Ping Power Station in Taiwan continued to deliver a stable supply of electricity in 2019. The plant also produced sound financial results due to lower coal costs and a higher energy tariff. Under its power purchase agreement with Government-owned Taiwan Power Company, Ho-Ping's annual energy tariff was increased in 2019 to reflect higher coal costs in the previous year.

In Thailand, the Lopburi solar plant operated steadily with higher levels of solar irradiance.

In late 2019 CLP published its updated Climate Vision 2050 and gave an undertaking not to invest in any additional coal-fired generation assets. As a result it is in the process of withdrawing from two legacy coal-fired power plant developments in Vietnam.

Our performance in Southeast Asia and Taiwan is summarised below:

Operating Earnings	**2019** **HK$M**	2018 HK$M	Change %
Renewable Energy	**80**	69	15.9
Thermal Energy	**272**	131	107.6
Operating and Development Expenditure	**(17)**	(38)	(55.3)
Total	**335**	162	106.8

Outlook

In accordance with Taiwan's Electricity Act of 2017, Ho-Ping will invest in renewables in the coming years. CLP will also continue to explore ways to expand its renewable energy footprint in Thailand, and will explore new investment opportunities in renewable generation in Vietnam.

Australia

Financial and Operational Performance

Overview

The Australian market provided a sharp reminder of its volatile nature in 2019 with EnergyAustralia's business enduring one of its most challenging years since it began a programme of value restoration in 2014.

The introduction of regulated pricing in July represented the most significant change to energy retailing in years while retail competition remained intense. Wholesale market prices continued to track around historical highs, reflecting the energy supply-demand imbalance in Australia. Unfortunately, operational issues reduced output at its two largest plants, which meant EnergyAustralia was not able to fully participate in the wholesale market.

Consequently, EnergyAustralia's operating earnings declined 52.6% from a year earlier to HK$1,566 million. An anticipated reduction in future earnings from its retail business associated with the introduction of regulated retail prices led EnergyAustralia to record a one-off, non-cash impairment of goodwill of HK$6,381 million as part of the Group's 2019 interim results.

The erosion in its financial performance was disappointing. Nonetheless, EnergyAustralia's value-restoration programme has set a solid foundation for the business, allowing it to withstand some of the worst of the headwinds. It has already identified good opportunities to operate more efficiently and reduce costs so that it can better navigate the challenging market conditions ahead.

Focusing on Customers

Prices for all existing EnergyAustralia customers were either unchanged or reduced in 2019, reflecting sustained and intense competition and a significant shift in retail electricity regulation.

The Default Market Offer (DMO) and the Victorian Default Offer (VDO) were both introduced on 1 July 2019, effectively capping retail electricity prices at lower levels.

EnergyAustralia approached the change as an opportunity to launch a new suite of products comprising simple, lower-cost services. Existing customers were proactively approached well ahead of the changes to seek to ensure they were on the best plan.

In November 2019, Victoria's independent regulator responsible for reviewing electricity supply costs announced an increase to the VDO for households and businesses of an average 7.8% in 2020. After reviewing the decision, EnergyAustralia increased tariffs for most customers in the state by a similar amount from 27 January 2020.

EnergyAustralia recorded an improved Net Promoter Score, showing an improved inclination of its retail customers to recommend the company to other people. Market churn has reduced across all states since the introduction of regulated pricing, and EnergyAustralia continued to perform better than the market average. However, customer accounts decreased by 84,000 or 3% over the course of the year.

In November 2019, the Australian Energy Regulator (AER) began proceedings against EnergyAustralia for alleged non-compliance with hardship disconnection rules in relation to eight customers. These proceedings were ongoing at the time this report went to print.

The AER also issued four infringement notices to EnergyAustralia for alleged breaches of the requirements to obtain explicit informed consent in relation to four customers, resulting in penalties totalling A$80,000. Another four infringement notices were issued for failures to promptly appoint a metering coordinator in response to metering installation malfunctions, leading to penalties totalling A$80,000.

EnergyAustralia meanwhile reported a number of incidents to the AER regarding registering life support needs for some of its customers.

It remains focused on improving its compliance across each of these areas and is fully cooperating with the regulators.

Managing the Transition

EnergyAustralia's generation fleet dealt with a number of operational challenges in 2019. Output at Yallourn Power Station in Victoria was restricted by a combination of planned and forced outages, and the implementation of new safety measures following an investigation into a workplace fatality in late 2018. The new measures were implemented for all four power generation units by mid-November 2019 and availability is expected to progressively return to previous levels in 2020.

Mount Piper Power Station in New South Wales (NSW) produced substantially less energy in 2019 than in the previous year due to disruptions to the fuel supply from Springvale, the single coal mine supplying the plant. Improved levels of supply were eventually achieved in November 2019 after the underground mining operations at Springvale moved to a new seam and temporary facilities were opened to enable deliveries of coal by rail from a second mine source. EnergyAustralia is working to secure long-term improvements to fuel security for the power station. Meanwhile, work has started on a turbine upgrade which will increase Mount Piper's capacity by 60MW without the plant needing to burn additional coal. The work is scheduled for completion in 2021.

EnergyAustralia's gas-fired power facilities in NSW, Victoria, and South Australia operated with high reliability throughout the year, supporting its generation portfolio through periods of reduced baseload generation. Capacity at Hallett Power Station has increased 30MW in early 2020 following successful upgrade works.

Wholesale prices on average remained higher during 2019, largely due to market-wide baseload reliability issues, prolonged drought impacting hydro-electricity generation mainly in NSW, and delays to the integration of new renewable energy capacity.

Towards a Low-Carbon Future

EnergyAustralia continues to advocate and support development of a modern, cleaner energy system for the country – one that will benefit all customers no matter where they live or how much they earn.

It believes the components of such a system exist: wind and solar power, supported by storage, demand response, energy efficient technology, and flexible generation.

EnergyAustralia has committed to power purchase agreements over the years representing over 820MW, underpinning new wind and solar power projects. These include Coleambally Solar Farm and Bodangora Wind Farm in NSW, which commenced operations in January and April 2019 respectively.

To accelerate the integration of intermittent solar and wind power into the national grid, EnergyAustralia continued to assess potential investments in new, flexible generation and storage projects.

It is considering building a second gas-fired plant at the site of its existing gas-fired plant at Tallawarra in NSW to provide fast-start dispatchable generation that will support the integration of renewable energy and contribute to reliability and stability. The implications of the determination made by the Civil Aviation Safety Authority against the plan are being considered and EnergyAustralia is assessing options.

EnergyAustralia continues to evaluate other flexible capacity projects including pumped hydro projects at Cultana in South Australia and Kidston in Queensland.

EnergyAustralia’s demand response contracted capacity now stands at 56MW. The programme, part of an Australian Government initiative, rewards residential and large commercial and industrial customers for curtailing demand at peak periods. The company has exceeded its initial 50MW commitment, with more than 20,000 residential and large commercial and industrial customers committing to the programme.

EnergyAustralia operates the largest battery trading portfolio of any retailer in the National Electricity Market, presenting 80MWh of storage. The assets are providing valuable insights into the role of large-scale, commercial storage in a modern energy system.

New Business

In July 2019, EnergyAustralia expanded its offer to commercial and industrial customers through the acquisition of a 49% interest in Echo Group, a rooftop solar and LED lighting company.

It also launched “On by EnergyAustralia” in October, a separate test-and-learn retail platform. “On by EnergyAustralia” allows for the rapid in-market trials of new products and the first market trial is of subscription-based electricity plans.

EnergyAustralia’s partnership with the Startupbootcamp programme, which is aimed at fast-tracking new energy-related start-up businesses, entered its second year. After receiving more than 1,000 applications, 11 start-ups from around the world pitched their ideas to potential investors and members of the business community. EnergyAustralia continues to liaise with the participants and looks forward to their success stories.

<u>Environmental Performance</u>

Environmental Regulatory Compliance

EnergyAustralia was not subject to any fines or prosecutions arising from environment-related regulatory non-compliances in 2019.

There were two brief exceedances of NO_x emissions at Tallawarra in February 2019, neither of which resulted in action from the Environment Protection Authority (EPA). Corrective action was taken during a station outage in 2019 to prevent any future incidents. In addition, there were two oil spillage non-compliance incidents and one minor hydrocarbon exceedance to the Trade Waste Licence at Newport Power Station. The EPA was notified and no fines or penalties were imposed. Investigation and corrective actions have been taken to prevent a repeat of similar incidents.

Air Emissions

Overall CO_2 emissions from EnergyAustralia's power stations decreased in 2019 compared with 2018. Yallourn saw a 7% drop due to improved efficiency and a 4.5% reduction in output. Emissions from Mount Piper were 42.8% lower after output fell by 46.8% while those at Tallawarra were 48.1% higher as output rose 54.6%. Generation at Hallett was 43.5% higher, resulting in a 26% increase in emissions.

Ensuring a Safe Workplace

Safety is EnergyAustralia's leading priority. Following two workplace fatalities in 2018, it has finalised detailed investigations and implemented the key recommendations. In 2019 EnergyAustralia had its best ever safety performance. Currently it is prioritising new programmes on employee wellbeing and the development of centralised safety risk databases.

Outlook

Wholesale electricity prices in Australia are expected to decline in the coming year as additional renewable energy capacity is added to the system.

Operationally, EnergyAustralia's focus will remain the optimisation of its generation portfolio, enhancing asset reliability. It will continue to work to ensure it is able to secure adequate fuel supply for the Mount Piper Power Station in both the short and long term. It will also explore the integration of flexible capacity options, including pumped hydro and gas-fired generation. These are the types of projects with the potential to safeguard and enhance the reliability and affordability of power as the country moves towards a low-carbon future.

There is no sign the intense competition and acute focus on electricity pricing in retail markets will ease. EnergyAustralia will continue its work to improve the customer experience and ease pressure on household budgets, while managing costs.

EnergyAustralia will continue to press the case for a clear and stable national policy that supports the development of a modern, cleaner energy system for the good of Australia and at an acceptable and affordable cost to customers and taxpayers.

Safety

Worker safety has always been the leading priority of CLP, and the Group remains committed to ensuring the highest safety standards and to making continuing improvements in those standards across its entire operations.

Tragically, a fatal accident resulted in the death of a subcontractor's worker in Hong Kong in early 2019. An internal panel conducted an investigation into the incident to determine the causes and allow for improvements in safety standards and procedures. Investigations were also carried out into other isolated incidents with the potential to cause serious injury.

The increase in the Group's injury rates in 2019 was driven primarily by the construction of an additional gas-fired generation unit in Hong Kong. The start of other planned capital projects will also affect the Group's safety risk profile over time. At the same time, there has been an increase in the quality, frequency, and consistency of incident reporting across the Group as a result of the Health, Safety and Environment (HSE) Improvement Strategy established in 2018.

The HSE improvement strategy aims to raise the Group's safety culture across operating regions, promote more proactive risk management, and engage employees, contractors, and other key stakeholders to collectively implement changes to improve CLP's safety performance. CLP is committed to ongoing efforts to find better ways of working by learning from investigations into incidents and by adopting best practice. CLP has established Group-wide principles for safety behaviour which set expectations at all levels of the organisation and encourage behavioural safety observation programmes at key assets. CLP also continues to implement consistent standards for risk management.

Human Resources

At the end of 2019, CLP had 7,960 full-time and part-time employees, compared with 7,843[1] in 2018. A total of 4,305 employees were engaged in the Hong Kong electricity and related businesses and 3,294 by its businesses in Mainland China, India, Southeast Asia, Taiwan and Australia, with the remaining 361 employed by CLP Holdings. Total remuneration for the year ended 31 December 2019 was HK$6,054 million compared with HK$5,935 million in 2018, including retirement benefit costs of HK$593 million compared with HK$584 million in 2018.

Note 1: Data includes full-time and part-time employees. Previously-reported data for 2018 included full-time employees only.

FINANCIAL INFORMATION

The financial information has been reviewed by the Audit & Risk Committee, approved by the Board and agreed by the Group's external auditor, PricewaterhouseCoopers, to the amounts set out in the audited financial statements.

Consolidated Statement of Profit or Loss

for the year ended 31 December 2019

	Note	**2019 HK$M**	2018 HK$M
Revenue	*3*	**85,689**	91,425
Expenses			
Purchases of electricity, gas and distribution services		**(32,967)**	(34,214)
Staff expenses		**(4,535)**	(4,449)
Fuel and other operating expenses		**(26,039)**	(26,595)
Depreciation and amortisation		**(8,118)**	(8,005)
		(71,659)	(73,263)
Other charge	*5*	**(6,381)**	-
Operating profit	*6*	**7,649**	18,162
Finance costs		**(1,983)**	(2,049)
Finance income		**162**	192
Share of results, net of income tax			
Joint ventures		**885**	518
Associates		**1,828**	1,818
Profit before income tax		**8,541**	18,641
Income tax expense	*7*	**(2,787)**	(4,014)
Profit for the year		**5,754**	14,627
Earnings attributable to:			
Shareholders		**4,657**	13,550
Perpetual capital securities holders		**212**	250
Other non-controlling interests		**885**	827
		5,754	14,627
Earnings per share, basic and diluted	*9*	**HK$1.84**	HK$5.36

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2019

	2019 HK$M	2018 HK$M
Profit for the year	**5,754**	14,627
Other comprehensive income		
Items that can be reclassified to profit or loss		
Exchange differences on translation	**(936)**	(5,177)
Cash flow hedges	**423**	(284)
Costs of hedging	**10**	29
Share of other comprehensive income of joint ventures	**1**	1
	(502)	(5,431)
Items that cannot be reclassified to profit or loss		
Fair value changes on equity investments	**31**	(37)
Remeasurement losses on defined benefit plans	**(4)**	(8)
Share of other comprehensive income of an associate	**-**	4
	27	(41)
Other comprehensive income for the year, net of tax	**(475)**	(5,472)
Total comprehensive income for the year	**5,279**	9,155
Total comprehensive income attributable to:		
Shareholders	**4,263**	8,035
Perpetual capital securities holders	**212**	250
Other non-controlling interests	**804**	870
	5,279	9,155

Consolidated Statement of Financial Position
as at 31 December 2019

	Note	2019 HK$M	2018 HK$M
Non-current assets			
Fixed assets	*10*	**143,615**	141,309
Leasehold land and land use rights under operating leases	*10*	**-**	5,432
Right-of-use assets	*11*	**6,050**	-
Investment property		**1,121**	1,204
Goodwill and other intangible assets		**20,111**	26,910
Interests in and loans to joint ventures		**9,999**	9,674
Interests in associates		**8,708**	7,746
Deferred tax assets		**524**	835
Derivative financial instruments		**1,389**	1,000
Other non-current assets		**1,280**	904
		192,797	195,014
Current assets			
Inventories – stores and fuel		**2,510**	2,840
Renewable energy certificates		**996**	847
Property under development		**2,973**	2,971
Trade and other receivables	*12*	**12,986**	15,917
Derivative financial instruments		**1,035**	799
Short-term deposits and restricted cash		**445**	4,761
Cash and cash equivalents		**7,881**	7,365
		28,826	35,500
Current liabilities			
Customers' deposits		**(5,679)**	(5,476)
Fuel clause account		**(1,131)**	(901)
Trade payables and other liabilities	*13*	**(17,586)**	(19,061)
Income tax payable		**(1,522)**	(1,399)
Bank loans and other borrowings		**(13,551)**	(13,535)
Derivative financial instruments		**(993)**	(1,262)
		(40,462)	(41,634)
Net current liabilities		**(11,636)**	(6,134)
Total assets less current liabilities		**181,161**	188,880

Consolidated Statement of Financial Position (continued)
as at 31 December 2019

	Note	**2019 HK$M**	2018 HK$M
Financed by:			
Equity			
Share capital		**23,243**	23,243
Reserves	*15*	**82,212**	85,810
Shareholders' funds		**105,455**	109,053
Perpetual capital securities		**3,887**	5,791
Other non-controlling interests		**9,987**	10,088
		119,329	124,932
Non-current liabilities			
Bank loans and other borrowings		**38,798**	41,763
Deferred tax liabilities		**15,117**	14,650
Derivative financial instruments		**1,305**	1,547
Scheme of Control (SoC) reserve accounts	*14*	**1,500**	998
Asset decommissioning liabilities and retirement obligations		**3,513**	3,558
Other non-current liabilities		**1,599**	1,432
		61,832	63,948
Equity and non-current liabilities		**181,161**	188,880

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, Mainland China, India and Australia, and investment holding of power projects in Mainland China, Southeast Asia and Taiwan.

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

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

The financial information relating to the year ended 31 December 2019 included in this preliminary announcement of 2019 annual results does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622) is as follows:

The Company will deliver the financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap.622) in due course.

The Company's auditor has reported on the financial statements of the Group for the year ended 31 December 2019. The auditor's report is unqualified; does not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and does not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap.622).

2. Changes in Accounting Policies

The following new standard, interpretation, amendments and improvements to standards, which are relevant to the Group, are first effective from 1 January 2019.

- Annual Improvements to HKFRSs 2015-2017 Cycle
- Amendments to HKFRS 9 Prepayment Features with Negative Compensation
- Amendments to HKAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures
- HK(IFRIC)-Int 23 Uncertainty over Income Tax Treatments
- HKFRS 16 Leases

2. Changes in Accounting Policies (continued)

Except for HKFRS 16, the adoption of these interpretation and amendments to standards does not have any significant impact on the results and the financial position of the Group.

The Group has adopted HKFRS 16 from 1 January 2019. HKFRS 16 establishes new accounting requirements on leases which lead to the recognition of lease transactions in lessees' financial statements. HKFRS 16 focuses on whether an arrangement contains a lease or a service agreement and introduces a substantial change to lessee accounting. The previous distinction between operating and finance leases is eliminated for lessee. A right-of-use asset (representing the right to use the leased asset for the lease term) and a lease liability (representing the obligation to pay rentals) are recognised for all leases. The lessor accounting largely remains unchanged.

In accordance with the transition provisions of HKFRS 16, the Group has adopted the modified retrospective application for existing leases at 1 January 2019 with certain transition reliefs and under which comparative figures are not restated.

For leases previously classified as operating leases, the Group has elected to measure the right-of-use assets at the amounts equal to the lease liabilities adjusted by any prepaid or accrued lease payments. For those leases previously classified as finance leases, the right-of-use assets and lease liabilities are measured at the date of initial application at the same amounts as under HKAS 17 immediately before the date of initial application. Accordingly, no adjustments were recognised to the opening balance of retained profits at the date of initial application.

The Group reassessed all lease contracts as well as contracts which did not satisfy the definition of a lease under the previous accounting standard (HKAS 17) at 1 January 2019. The Capacity Purchase Contract entered into by Hong Kong Pumped Storage Development Company, Limited which was previously classified as an operating lease when applying HKAS 17 does not meet the definition of a lease under HKFRS 16. All other existing lease contracts (which mainly relate to leases for land and buildings) retain their lease classification.

There were no contracts that were not classified as a lease under HKAS 17 which satisfy the definition of a lease under HKFRS 16. The Group identified that an existing water treatment service contract in Australia meets the definition of a lease. This asset is currently under construction and will be accounted for in accordance with HKFRS 16 upon its commercial operation in 2020.

The Group applied the following practical expedients on transition to HKFRS 16 for those leases which were previously classified as operating leases under HKAS 17.

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the recognition exemption for leases for which the lease term ends within 12 months of the date of initial application
- Applied the recognition exemption for leases of low value assets
- Excluded the initial direct costs from the measurement of the right-of-use assets
- Used hindsight in determining lease term if the contract contained an option to extend or terminate the lease

2. Changes in Accounting Policies (continued)

Upon the adoption of HKFRS 16, the Group reclassified assets under finance leases (mainly leasehold land) from fixed assets, and leasehold land and land use rights under operating leases to right-of-use assets for presentation purpose.

The table below explains the difference between operating lease commitments disclosed at 31 December 2018 by applying HKAS 17 and lease liabilities recognised at 1 January 2019 by applying HKFRS 16:

	HK$M
Operating lease commitments at 31 December 2018	2,337
Less:	
Capacity Purchase Contract reassessed as service agreement	(1,592)
Exemption for short term leases	(5)
Leases committed but not yet commenced	(556)
Operating lease liabilities before discounting at 31 December 2018	184
Effect of discounting at the incremental borrowing rate at 1 January 2019*	(6)
Operating lease liabilities recognised at 1 January 2019	178
Finance lease liabilities at 31 December 2018	79
Total lease liabilities at 1 January 2019	257

* The weighted average incremental borrowing rate was 3.1%.

The table below summarises the impact on the adoption of HKFRS 16:

	At 1 January 2019 HK$M
Decrease in fixed assets	(413)
Decrease in leasehold land and land use rights under operating leases	(5,432)
Increase in right-of-use assets	6,000
Increase in trade payables and other liabilities	60
Increase in other non-current liabilities	95

	For the year ended 31 December 2019 HK$M
Decrease in fuel and other operating expenses	(78)
Increase in depreciation and amortisation	97
Increase in finance costs	8
Decrease in income tax expense	(7)
Decrease in earnings attributable to shareholders	(20)

	HK$
Decrease in earnings per share, basic and diluted	(0.01)

3. Revenue

The Group's revenue primarily represents sales of electricity and gas, which is recognised over time, and is disaggregated as follows:

	2019	2018
	HK$M	HK$M
Revenue from contracts with customers		
Sales of electricity in Hong Kong	**40,473**	40,982
Transfer for SoC from revenue (note)	**(714)**	(322)
SoC sales of electricity	**39,759**	40,660
Sales of electricity outside Hong Kong	**35,801**	39,121
Sales of gas in Australia	**5,445**	6,146
Others	**995**	1,132
	82,000	87,059
Other revenue		
Operating lease income under Power Purchase Agreement (PPA)		
Fixed payments	**748**	774
Variable payments	**2,445**	2,540
Lease service income under PPA	**182**	652
Finance lease income under PPA	**-**	100
Others	**314**	300
	3,689	4,366
	85,689	91,425

Note: Under the SoC Agreements, 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 profit or loss.

4. Segment Information

The Group operates, through its subsidiaries, joint ventures and associates, in five major geographical regions – Hong Kong, Mainland China, India, Southeast Asia and Taiwan, and Australia. The operating segments are based on geographical regions. 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.

4. Segment Information (continued)

Information about the Group's operations by geographical region is as follows:

	Hong Kong HK$M	Mainland China HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Australia HK$M	Unallocated Items HK$M	Total HK$M
For the year ended 31 December 2019							
Revenue from contracts with customers	40,457	1,629	1,217	11	38,686	-	82,000
Other revenue	131	45	3,434	-	66	13	3,689
Revenue	40,588	1,674	4,651	11	38,752	13	85,689
EBITDAF*	15,743	1,405	1,657	6	(2,166)	(702)	15,943
Share of results, net of income tax							
Joint ventures	(18)	558	-	329	16	-	885
Associates	-	1,828	-	-	-	-	1,828
Consolidated EBITDAF	15,725	3,791	1,657	335	(2,150)	(702)	18,656
Depreciation and amortisation	(4,821)	(735)	(626)	-	(1,900)	(36)	(8,118)
Fair value adjustments	(5)	-	-	-	(171)	-	(176)
Finance costs	(1,014)	(276)	(520)	-	(109)	(64)	(1,983)
Finance income	1	28	62	-	49	22	162
Profit/(loss) before income tax	9,886	2,808	573	335	(4,281)	(780)	8,541
Income tax expense	(1,798)	(305)	(150)	-	(534)	-	(2,787)
Profit/(loss) for the year	8,088	2,503	423	335	(4,815)	(780)	5,754
Earnings attributable to							
Perpetual capital securities holders	(212)	-	-	-	-	-	(212)
Other non-controlling interests	(710)	(15)	(160)	-	-	-	(885)
Earnings/(loss) attributable to shareholders	7,166	2,488	263	335	(4,815)	(780)	4,657
Excluding: Items affecting comparability	83	-	-	-	6,381	-	6,464
Operating earnings	7,249	2,488	263	335	1,566	(780)	11,121
Capital additions	9,046	345	52	-	1,894	53	11,390
Impairment provisions							
Fixed assets	-	-	-	-	7	-	7
Goodwill	-	-	-	-	6,381	-	6,381
Receivables and others	4	-	36	-	354	-	394
At 31 December 2019							
Fixed assets, right-of-use assets and investment property	119,272	9,021	10,454	-	11,873	166	150,786
Goodwill and other intangible assets	5,545	4,199	27	-	10,340	-	20,111
Interests in and loans to joint ventures	162	7,767	-	1,958	112	-	9,999
Interests in associates	-	8,708	-	-	-	-	8,708
Deferred tax assets	-	92	39	-	393	-	524
Other assets	8,099	3,252	3,951	41	12,163	3,989	31,495
Total assets	133,078	33,039	14,471	1,999	34,881	4,155	221,623
Bank loans and other borrowings	41,171	5,777	5,401	-	-	-	52,349
Current and deferred tax liabilities	15,150	1,214	267	-	8	-	16,639
Other liabilities	21,801	1,090	490	2	9,477	446	33,306
Total liabilities	78,122	8,081	6,158	2	9,485	446	102,294

* EBITDAF stands for earnings before interest, taxes, depreciation and amortisation, and fair value adjustments. For this purpose, fair value adjustments include fair value gains or losses on derivative financial instruments relating to transactions not qualifying as hedges and ineffectiveness of cash flow hedges.

4. Segment Information (continued)

	Hong Kong HK$M	Mainland China HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Australia HK$M	Unallocated Items HK$M	Total HK$M
For the year ended 31 December 2018							
Revenue from contracts with customers	41,487	1,441	1,146	16	42,969	-	87,059
Other revenue	136	54	4,123	-	44	9	4,366
Revenue	41,623	1,495	5,269	16	43,013	9	91,425
EBITDAF	17,580	1,346	1,543	(9)	6,596	(821)	26,235
Share of results, net of income tax							
Joint ventures	(21)	354	-	170	15	-	518
Associates	-	1,863	-	-	(45)	-	1,818
Consolidated EBITDAF	17,559	3,563	1,543	161	6,566	(821)	28,571
Depreciation and amortisation	(4,985)	(696)	(608)	-	(1,681)	(35)	(8,005)
Fair value adjustments	(18)	-	-	-	(50)	-	(68)
Finance costs	(1,011)	(269)	(582)	-	(97)	(90)	(2,049)
Finance income	-	34	48	1	73	36	192
Profit/(loss) before income tax	11,545	2,632	401	162	4,811	(910)	18,641
Income tax expense	(1,971)	(267)	(267)	-	(1,509)	-	(4,014)
Profit/(loss) for the year	9,574	2,365	134	162	3,302	(910)	14,627
Earnings attributable to							
Perpetual capital securities holders	(250)	-	-	-	-	-	(250)
Other non-controlling interests	(805)	(10)	(12)	-	-	-	(827)
Earnings/(loss) attributable to shareholders	8,519	2,355	122	162	3,302	(910)	13,550
Excluding: Items affecting comparability	(18)	-	450	-	-	-	432
Operating earnings	8,501	2,355	572	162	3,302	(910)	13,982
Capital additions	8,872	525	48	-	2,221	32	11,698
Impairment provisions							
Fixed assets	-	13	-	-	1	-	14
Receivables and others	3	-	496	-	399	-	898
At 31 December 2018							
Fixed assets, leasehold land and land use rights and investment property	115,631	8,997	11,287	-	11,922	108	147,945
Goodwill and other intangible assets	5,545	4,453	27	-	16,885	-	26,910
Interests in and loan to joint ventures	42	7,689	-	1,866	77	-	9,674
Interests in associates	-	7,746	-	-	-	-	7,746
Deferred tax assets	-	94	130	-	611	-	835
Other assets	10,206	4,128	6,698	67	14,354	1,951	37,404
Total assets	131,424	33,107	18,142	1,933	43,849	2,059	230,514
Bank loans and other borrowings	38,636	6,080	6,182	-	-	4,400	55,298
Current and deferred tax liabilities	13,641	1,282	307	-	819	-	16,049
Other liabilities	21,088	1,494	552	18	10,643	440	34,235
Total liabilities	73,365	8,856	7,041	18	11,462	4,840	105,582

5. Other Charge

During the first half of 2019, the Default Market Offer and the Victorian Default Offer (collectively, the "default offers") were released in Australia which took effect from 1 July 2019. The default offers serve as a price cap for electricity for those previously paying the highest prices on contracts known as "standing offers". The default offers impact gross margin by stipulating a new, lower standing offer. This resets the market baseline for future market offers, providing an indicator that the value of the energy retail goodwill, which is included in energy retail cash generating unit (CGU) of EnergyAustralia Holdings Limited (EnergyAustralia) could be impaired.

Given these regulatory changes and the expected resulting change to the market, an assessment of the value in use of the energy retail CGU was performed at 30 June 2019 to determine the recoverable amount. The recoverable amount did not support the carrying value of the energy retail CGU as at 30 June 2019. As a result, the Group has recognised an impairment on the energy retail goodwill of HK$6,381 million (A$1,176 million) in the profit or loss. The recoverable amount of energy retail CGU was reassessed at year end and there was minimal headroom at 31 December 2019.

6. Operating Profit

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

	2019	2018
	HK$M	HK$M
Charging		
Retirement benefits costs[(a)]	**451**	437
Auditors' remuneration		
Audit services		
PricewaterhouseCoopers	**39**	39
Other auditor[(b)]	**2**	2
Permissible audit related and non-audit services		
PricewaterhouseCoopers[(c)]	**9**	9
Other auditor[(b)]	**-**	-
Operating lease expenditure on the agreement with Ecogen	**-**	83
Variable lease payments expenses	**67**	63
Net loss on disposal of fixed assets	**424**	416
Impairment of		
Fixed assets	**7**	14
Trade receivables	**383**	890
Inventories – stores and fuel	**11**	8
Revaluation loss/(gain) on investment property	**83**	(18)
Net exchange loss	**33**	87
Crediting		
Net fair value (gains)/losses on non-debt related derivative financial instruments		
Reclassified from cash flow hedge reserve and costs of hedging reserves to		
Purchases of electricity, gas and distribution services	**(53)**	(453)
Fuel and other operating expenses	**(162)**	(77)
Transactions not qualifying as hedges	**292**	68
Ineffectiveness on cash flow hedges	**7**	-
Rental income from investment property	**(35)**	(40)
Dividends from equity investments	**(13)**	(13)

6. Operating Profit (continued)

Notes:

(a) Retirement benefits costs for the year amounted to HK$593 million (2018: HK$584 million), of which HK$142 million (2018: HK$147 million) was capitalised.

(b) KPMG India has been the statutory auditor of CLP India Private Limited (CLP India) and its subsidiaries (CLP India group) since April 2017. The Group does not regard KPMG India as a principal auditor of the Group given the relative small quantum of the audit fees, which reflect the scale of operation of CLP India group. Our policy with regard to non-principal auditors for providing non-audit services is to ensure that, within country, the non-audit fees are not paid out of proportion to the audit fees so as to compromise in-country independence. The figure of audit related and non-audit services represented KPMG India's fees charged to CLP India group. Other KPMG offices have also provided services to our businesses in other regions which amounted to HK$16 million during the year (2018: HK$6 million).

(c) Permissible audit related and non-audit services provided by PricewaterhouseCoopers comprised Sustainability Report assurance, Continuing Connected Transactions limited assurance, limited assurance over EnergyAustralia's regulatory reviews and reporting, assurance and agreed-upon-procedures related to debt offerings, audits of CLP's provident funds, auditor's attestation and other advisory services.

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:

	2019 HK$M	2018 HK$M
Current income tax	**2,189**	3,565
Deferred tax	**598**	449
	2,787	4,014

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 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.

8. Dividends

	2019		2018	
	HK$ per Share	**HK$M**	HK$ per Share	HK$M
First to third interim dividends paid	**1.89**	**4,775**	1.83	4,623
Fourth interim dividend declared	**1.19**	**3,007**	1.19	3,007
	3.08	**7,782**	3.02	7,630

At the Board meeting held on 24 February 2020, the Directors declared the fourth interim dividend of HK$1.19 per share (2018: HK$1.19 per share). The fourth interim dividend is not reflected as dividends payable in the financial statements.

9. Earnings per Share

The earnings per share are computed as follows:

	2019	2018
Earnings attributable to shareholders (HK$M)	**4,657**	13,550
Weighted average number of shares in issue (thousand shares)	**2,526,451**	2,526,451
Earnings per share (HK$)	**1.84**	5.36

Basic and fully diluted earnings per share are the same as the Company did not have any dilutive equity instruments throughout the year ended 31 December 2019 (2018: nil).

10. Fixed Assets and Leasehold Land and Land Use Rights under Operating Leases

Fixed assets included assets under construction with book value of HK$15,754 million (2018: HK$12,333 million). Movements in the accounts are as follows:

	Fixed Assets					**Leasehold Land and Land Use Rights under Operating Leases**
	Land					
	Freehold HK$M	**Leased HK$M**	**Buildings HK$M**	**Plant, Machinery and Equipment HK$M**	**Total HK$M**	**HK$M**
Net book value at 1 January 2019, as previously reported	1,203	357	20,562	119,187	141,309	5,432
Effects of the adoption of HKFRS 16 (Note 2)	-	(357)	-	(56)	(413)	(5,432)
Net book value at 1 January 2019, as restated	1,203	-	20,562	119,131	140,896	-
Acquisition of a subsidiary (note)	-	-	5	333	338	-
Additions	3	-	1,517	8,746	10,266	-
Transfers and disposals	-	-	(54)	(413)	(467)	-
Depreciation	-	-	(692)	(6,123)	(6,815)	-
Impairment charge	-	-	-	(7)	(7)	-
Exchange differences	(25)	-	(74)	(497)	(596)	-
Net book value at 31 December 2019	**1,181**	**-**	**21,264**	**121,170**	**143,615**	**-**
Cost	1,275	-	35,105	219,302	255,682	-
Accumulated depreciation and impairment	(94)	-	(13,841)	(98,132)	(112,067)	-
Net book value at 31 December 2019	**1,181**	**-**	**21,264**	**121,170**	**143,615**	**-**

Note: In January 2019, the Group acquired all the shares in Pingyuan Litian New Energy Power Co., Ltd. (Meizhou Solar), which owns and operates a 36MW solar farm in Guangdong Province, China, for a consideration of HK$26 million (RMB23 million).

11. Right-of-Use Assets

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

	Prepaid Leasehold Land HK$M	**Land and Buildings HK$M**	**Machinery and Equipment HK$M**	**Total HK$M**
Net book value at 1 January 2019, as previously reported	-	-	-	-
Effects of the adoption of HKFRS 16 (Note 2)	5,789	165	46	6,000
Net book value at 1 January 2019, as restated	5,789	165	46	6,000
Acquisition of a subsidiary (Note 10)	2	-	-	2
Additions	187	118	44	349
Depreciation	(191)	(96)	(8)	(295)
Exchange differences	(5)	-	(1)	(6)
Net book value at 31 December 2019	**5,782**	**187**	**81**	**6,050**

12. Trade and Other Receivables

	2019 HK$M	2018 HK$M
Trade receivables	**10,791**	11,229
Deposits, prepayments and other receivables	**1,985**	3,547
Dividend receivables from		
Joint ventures	**80**	57
Associates	**-**	949
Loans to and current accounts with		
Joint ventures	**129**	134
Associates	**1**	1
	12,986	15,917

The Group has established credit policies for customers in each of its retail businesses. In Hong Kong, customers are allowed to settle their electricity bills within two weeks after issue. To limit the credit risk exposure, customers' receivable balances are generally secured by 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. In Australia, customers are allowed to settle their electricity bills in no more than 47 days after issue. Trade receivables arising from sales of electricity to the offtakers in Mainland China and India are due for settlement within 30 to 90 days and 15 to 60 days after bills issue respectively.

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

	2019 HK$M	2018 HK$M
30 days or below*	**8,237**	8,992
31 – 90 days	**869**	820
Over 90 days	**1,685**	1,417
	10,791	11,229

* Including unbilled revenue

13. Trade Payables and Other Liabilities

	2019 HK$M	2018 HK$M
Trade payables	**5,850**	6,653
Other payables and accruals	**6,743**	7,273
Lease liabilities	**99**	21
Advances from non-controlling interests	**1,344**	1,522
Current accounts with		
Joint ventures	**1**	1
Associates	**468**	517
Deferred revenue	**3,081**	3,074
	17,586	19,061

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

	2019 HK$M	2018 HK$M
30 days or below	**5,580**	6,404
31 – 90 days	**172**	145
Over 90 days	**98**	104
	5,850	6,653

14. SoC Reserve Accounts

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

	2019 HK$M	2018 HK$M
Tariff Stabilisation Fund	**1,478**	941
Rate Reduction Reserve	**22**	11
Rent and Rates Refunds (note)	**-**	46
	1,500	998

Note: CLP Power Hong Kong has been challenging the amount of Government rent and rates levied dating back to the year of assessment 2001/02. While the appeals up to 2007/08 have been settled, final resolution for the remaining appeals for rating years from 2008/09 has not yet been completed.

Interim refunds of HK$757 million have been paid by the Hong Kong Government on a without prejudice basis for the appeal years 2008/09 to 2012/13. Using the refunds received (totalling HK$2,054 million including the interim refunds), CLP Power Hong Kong has provided customers with the Rent and Rates Special Rebate. In 2019 a rebate of HK$46 million was paid to customers. All refunds received to date have been fully expended.

CLP Power Hong Kong maintains that it will recover no less than the interim refunds received to date for the remaining years under appeal in the final outcome of these appeals. The rent and rates refunds are classified within the SoC reserve accounts, and the Rent and Rates Special Rebate to customers was offset against the refunds received.

In the event that the final amount recovered on conclusion of the remaining appeals is less than the total amount rebated to customers in respect of these years, CLP Power Hong Kong will seek to recover any shortfall in the amounts of Rent and Rates Special Rebate already paid to customers. Similarly, if the final amount recovered for the remaining years exceeds the special rebates paid out, the additional amounts will be returned to customers.

15. Reserves

	Translation Reserves HK$M	Cash Flow Hedge Reserve HK$M	Costs of Hedging Reserves HK$M	Other Reserves HK$M	Retained Profits HK$M	Total HK$M
Balance at 1 January 2019	(7,429)	404	(43)	1,567	91,311	85,810
Earnings attributable to shareholders	-	-	-	-	4,657	4,657
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	(586)	(2)	-	-	2	(586)
Joint ventures	(136)	-	-	-	-	(136)
Associates	(131)	-	-	-	-	(131)
Cash flow hedges						
Net fair value gains	-	797	-	-	-	797
Reclassification to profit or loss	-	(199)	-	-	-	(199)
Tax on the above items	-	(171)	-	-	-	(171)
Costs of hedging						
Net fair value losses	-	-	(74)	-	-	(74)
Amortisation/reclassification to profit or loss	-	-	79	-	-	79
Tax on the above items	-	-	(1)	-	-	(1)
Fair value gains on equity investments	-	-	-	31	-	31
Remeasurement losses on defined benefit plans	-	-	-	-	(4)	(4)
Share of other comprehensive income of joint ventures	-	1	-	-	-	1
Total comprehensive income attributable to shareholders	(853)	426	4	31	4,655	4,263
Transfer to fixed assets	-	1	-	-	-	1
Appropriation of reserves	-	-	-	14	(14)	-
Dividends paid						
2018 fourth interim	-	-	-	-	(3,007)	(3,007)
2019 first to third interim	-	-	-	-	(4,775)	(4,775)
Acquisition of non-controlling interests	-	-	-	10	-	10
Reclassification of perpetual capital securities to other borrowings	-	-	-	-	(90)	(90)
Balance at 31 December 2019	**(8,282)**	**831**	**(39)**	**1,622**	**88,080**(note)	**82,212**

Note: The fourth interim dividend declared for the year ended 31 December 2019 was HK$3,007 million (2018: HK$3,007 million). The balance of retained profits after the fourth interim dividend of the Group was HK$85,073 million (2018: HK$88,304 million).

16. Commitments

(A) Capital expenditure on fixed assets and leasehold land as well as intangible assets contracted for but not yet incurred at the end of the year amounted to HK$6,580 million (2018: HK$5,497 million).

(B) At 31 December 2019, the total future lease payments for leases committed but not yet commenced in relation to land and buildings and a water treatment plant were HK$778 million and HK$694 million respectively.

(C) The Group has entered into agreements for the purchase of power transmission assets in India at a total consideration of approximately HK$1.3 billion (2018: nil). These agreements remain subject to certain regulatory approvals. At 31 December 2019, outstanding committed shareholder's loan facilities to a joint venture amounted to HK$1,533 million (2018: nil). In addition, equity contributions to be made for joint ventures and private equity partnerships were HK$75 million (2018: HK$27 million) and HK$115 million (2018: HK$136 million) respectively.

(D) At 31 December 2019, the Group's shares of capital, lease and other commitments of its joint ventures and associates were HK$3,135 million (2018: HK$860 million) and HK$1,317 million (2018: HK$1,526 million) respectively.

17. Contingent Liabilities

(A) CLP India – Deemed Generation Incentive Payment and Interest on Deemed Loans

This is a dispute between CLP India and its offtaker Gujarat Urja Vikas Nigam Limited (GUVNL) under the PPA for Paguthan Plant (Paguthan). GUVNL is required to make a "deemed generation incentive" payment to CLP India when plant availability is above a set threshold. GUVNL has been making such payments since December 1997.

In September 2005, GUVNL filed a petition before the Gujarat Electricity Regulatory Commission (GERC) claiming that the "deemed generation incentive" payment should not be paid for periods when Paguthan is declared with availability to generate on "naphtha" as fuel rather than on "gas". GUVNL's contention is based on a 1995 Government of India notification which disallowed "deemed generation incentive" for naphtha-based power plants. The total amount of the claim plus interest and tax with respect to the "deemed generation incentive" is Rs8,533 million (HK$931 million) as at 31 December 2019. CLP India's position, amongst other arguments, is that Paguthan is not naphtha-based and therefore the Government of India notification does not apply to disallow the payments of the "deemed generation incentive".

GUVNL also claimed that CLP India has wrongly received interest on "deemed loans" under the existing PPA. GUVNL's claim rests on two main grounds: (i) CLP India had agreed that interest paid by GUVNL for the period from December 1997 to 1 July 2003 was to be refunded; and (ii) interest was to be calculated on a reducing balance rather than on the basis of a bullet repayment on expiry of the loan term. The total amount of the claim plus interest for the "deemed loans" amounts to a further Rs830 million (HK$91 million) (2018: Rs830 million (HK$93 million)).

17. Contingent Liabilities (continued)

(A) CLP India – Deemed Generation Incentive Payment and Interest on Deemed Loans (continued)

In February 2009, the GERC found in favour of GUVNL on the “deemed generation incentive” but held that GUVNL’s claim up to 14 September 2002 was time-barred under the Limitations Act of India. The GERC also dismissed GUVNL’s claim to recover interest on the “deemed loans”. CLP India appealed the GERC’s decision to the Appellate Tribunal for Electricity (APTEL). GUVNL also filed an appeal against the order for the time-barred claim. In January 2010, the APTEL upheld the decision of the GERC. Both CLP India and GUVNL have filed further cross appeals in the Supreme Court of India. The appeals were heard by the Supreme Court on 24 September 2019 and are now reserved for judgment, which is expected to be received in 2020.

While CLP India has not altered its view regarding the legal merits of the claim, in view of the expiry of the PPA in December 2018 and uncertainty on the timing of recoverability, a provision of Rs3,796 million (HK$450 million) was made in 2018 against the amounts withheld by GUVNL. This will not prejudice the stance CLP India has taken all along and CLP India remains committed to pursuing this case and closing it successfully. If this is eventually achieved and the monies are recovered from GUVNL, the provision would be reversed.

At 31 December 2019, the time-barred portion of the claim plus interest and tax with respect to the “deemed generation incentive” amounted to Rs4,737 million (HK$517 million) (2018: Rs4,737 million (HK$530 million)). On the basis of legal advice obtained, the Directors are of the opinion that CLP India has a strong case on appeal to the Supreme Court. In consequence, no provision has been made in the financial statements at this stage in respect of the time-barred portion of the claim plus interest and tax.

(B) Indian Wind Power Projects – WWIL’s Contracts

CLP India group has invested in approximately 533MW of wind power projects developed with Wind World India Limited (WWIL). WWIL’s major shareholder, Enercon GmbH, commenced litigation against WWIL claiming infringement of intellectual property rights. CLP India group, as a customer of WWIL, has been named as a defendant. Enercon GmbH is also seeking an injunction restraining CLP India group’s use of certain rotor blades acquired from WWIL. As at 31 December 2019, the Group considered that CLP India group has good prospects of defending these claims and the legal proceedings are unlikely to result in any material outflow of economic benefits from the Group.

17. Contingent Liabilities (continued)

(C) JPL – Disputed Charges with Offtakers

Jhajjar Power Limited (JPL) has disputes with its offtakers over "Commercial Operation Date" of the project, applicable tariff of capacity charges and energy charges relating to transit loss. At 31 December 2019, total disputed amounts were Rs3,034 million (HK$331 million) (2018: Rs2,719 million (HK$305 million)). The Group considers that JPL has a strong case and hence, no provision has been made.

JPL filed a petition to Central Electricity Regulatory Commission (CERC) against its offtakers in September 2013. In January and April 2016, CERC pronounced its judgment in favour of JPL, which supports the Group's decision that no provision should be made. The offtakers filed an appeal against the CERC's order at the APTEL in April 2016 and April 2017. JPL also filed an appeal challenging certain findings of the CERC in April and August 2016. The appeal proceedings are currently underway.

(D) EnergyAustralia – Disposal of Iona Gas Plant

In December 2015, EnergyAustralia completed the disposal of its entire interest in the Iona Gas Plant for a total consideration of A$1,780 million (HK$9,991 million). On 19 May 2017, EnergyAustralia received a Statement of Claim issued by Lochard Energy (Iona Operations Holding) Pty Ltd, the purchaser of the Iona Gas Plant, and certain related entities (together "the plaintiff"), commencing formal legal proceedings seeking A$967 million (approximately HK$5,269 million) or alternatively A$780 million (approximately HK$4,250 million) in damages. The claims allege that certain information regarding the technical performance of the Iona Gas Plant, and on which the plaintiff claims to have relied to make its offer, were incomplete or misleading. On 6 May 2019, an amended Statement of Claim was issued by the plaintiff which introduced (as a third alternative method of quantifying its damages) a damages claim based on the cost to fix the alleged issues with the plant as well as alleged associated losses and costs. EnergyAustralia has rejected the claims and is vigorously defending the legal proceedings. On the basis of currently available information, the Directors' view is that a material outflow of economic benefits is unlikely and no provision has been made in the financial statements.

SUPPLEMENTARY INFORMATION ON TREASURY ACTIVITIES

In 2019, the Group achieved a number of new financing arrangements to support the growth in our key markets. CLP Group maintained strong liquidity with undrawn bank facilities of HK$18.9 billion and bank balances of HK$8.3 billion as at the end of December 2019 to meet business growth and contingencies.

CLP Power Hong Kong issued US$500 million perpetual capital securities at 3.55% coupon and applied US$250 million internal resources to redeem the original US$750 million perpetual capital securities issued in 2014 and callable in November 2019. It was nearly 6.4 times over-subscribed (i.e. over US$3.2 billion orders) with overwhelming support from 151 global investors. The coupon rate was 0.7% tighter than that of the existing perpetual capital securities and represented a new lowest ever coupon rate for a USD denominated Asian rating agency equity targeted corporate hybrid transaction. Also, CLP Power Hong Kong issued a HK$200 million 15-year private bond at 2.74% coupon placement bond and arranged HK$1.8 billion one to two-year bank loan facilities at attractive interest rates.

CAPCO issued a HK$170 million 25-year green bond at 2.8% coupon in July 2019 to fund the construction of West New Territories Landfill energy-from-waste project. This is an inaugural green financing for our SoC business under the CLP Climate Action Finance Framework.

Both CLP Power Hong Kong and CAPCO have Medium Term Note Programmes in place under which bonds in aggregate amounts of up to US$4.5 billion and US$2 billion may be issued respectively. As at 31 December 2019, notes with an aggregate nominal value of about HK$25.4 billion and HK$4.1 billion had been issued by the two entities respectively.

Meanwhile, CLP's businesses outside Hong Kong maintained adequate liquidity, and arranged additional bank facilities to meet business requirements. CLP India, for example, procured Rs6.5 billion (HK$710 million) in bank facilities mainly to support new renewable and transmission projects. CLP Holdings received total consideration proceeds equivalent to HK$2.9 billion in December 2018 and June 2019 from Caisse de dépôt et placement du Québec (CDPQ) for the transfer of a 40% shareholding in CLP India Private Limited. CLP China arranged RMB736 million (HK$820 million) onshore and offshore bank loan facilities of between two- to 15-year tenors to expand its portfolio, and EnergyAustralia paid back A$406 million (HK$2.2 billion) to CLP Holdings in the form of dividend, shareholder's loan repayment, and interest payments.

As at 31 December 2019, the Group maintained HK$71.2 billion in financing facilities, including HK$14 billion for subsidiaries in Mainland China and India. Of the facilities available, HK$52.3 billion had been drawn down, of which HK$11 billion related to subsidiaries in Mainland China and India. The Group's net debt to total capital ratio was 26.7% (2018: 25.5%) and fixed-rate debt as a proportion of total debt was 54% (2018: 53%) excluding perpetual capital securities or 57% (2018: 57%) including perpetual capital securities. FFO (Funds From Operations) Interest Cover for the year ended 31 December 2019 was 12 (2018: 13) times.

Between May and October 2019, Standard & Poor's ("S&P") and Moody's affirmed their credit ratings for CLP Holdings (A and A2), CLP Power Hong Kong (A+ and A1) and CAPCO (AA- and A1) with stable outlooks. S&P opined that CLP's Hong Kong business benefits from the highly visible and stable operating cash flows as well as the more timely fuel-cost adjustment under the new SoC agreement. Moody's, meanwhile, opined the credit ratings reflect CLP Holdings' strong financial profile, well-managed debt maturities, and sound liquidity profile. Moody’s also noted SoC business’ predictable cash flow, low-risk business profile and good operating track record.

In November 2019, S&P affirmed EnergyAustralia's BBB+ credit rating with stable outlook. The credit rating reflects EnergyAustralia's significant balance sheet capacity to undertake growth-related investments. S&P noted EnergyAustralia's operating challenges including coal quality issues at Mount Piper Power Station, as well as the impact of default retail price regulations.

As at 31 December 2019, the Group had notional value of outstanding derivative financial instruments amounting to HK$57.6 billion for hedging of foreign exchange and interest rate risks, and notional volumes of outstanding energy derivatives amounting to 175,097GWh and 6.3 million barrels for electricity and oil respectively. The fair value of these derivative instruments was a net surplus of HK$126 million, representing the net amount receivable if these contracts were closed out on 31 December 2019. However, changes in the fair value of derivatives have no impact on cash flows until settlement.

CORPORATE GOVERNANCE

The CLP Code on Corporate Governance (CLP Code) is our own unique code on corporate governance (available on our website or from the Company Secretary on request). The CLP Code incorporates and goes beyond the principles of good corporate governance, and the two levels of recommendations (Code Provisions and Recommended Best Practices) in The Corporate Governance Code and Corporate Governance Report (the Stock Exchange Code), Appendix 14 of the Rules Governing the Listing of Securities (the Listing Rules) issued by The Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange).

CLP deviates from only one Recommended Best Practice in the Stock Exchange Code – that an issuer should announce and publish quarterly financial results. While CLP does issue quarterly statements which set out key financial and business information such as electricity sales, dividends and progress in major activities, we do not issue quarterly financial results. We have taken this considered approach as we are of the view that quarterly financial reporting does not bring significant benefits to our shareholders, and it encourages a short-term view of our business performance and activities which would not be consistent with the longer term nature of our activities and investments.

Throughout the year, the Company has met the Code Provisions and Recommended Best Practices, other than the exception explained above, as provided in the Stock Exchange Code.

The accounting principles and practices adopted by the Group, and the Financial Statements for the year ended 31 December 2019, have been reviewed by the Audit & Risk Committee.

During 2019, the Audit & Risk Committee monitored and reviewed management’s periodic internal control review updates and the Group’s quarterly risk management reports, these were greatly assisted by the Group Internal Audit and by the external auditor’s report of their testing of the control environment of the Group. During the period from 1 January 2019 to the date of this announcement, no internal control issues that would be material to the integrity of the financial statements were identified.

The Audit & Risk Committee also received and considered reports from the Senior Director – Group Internal Audit. Group Internal Audit issues two types of reports. Opinion audit reports provide independent appraisal of the audit unit’s compliance with prescribed policies and procedures, and evaluation of the effectiveness of the overall controls. Special review reports focus on new business areas and emerging risks, where control advisory is provided. For the year 2019, a total of 29 opinion audit and 11 special review were completed. Two of the opinion audit reports carried an unsatisfactory audit opinion which related to inadequate control over the payroll processes and management of regulatory compliance obligations in EnergyAustralia. None of the control weaknesses identified had a material impact on the financial statements.

The Audit & Risk Committee was satisfied that the Group’s risk management and internal control systems were effective for the year ended 31 December 2019 and that these continue to be effective and adequate as at the date of this announcement.

CLP’s own Code for Securities Transactions (CLP Securities Code) is largely based on the Model Code set out in Appendix 10 of the Listing Rules and is on terms no less exacting than those in the Model Code. All Directors have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2019 they have complied with the required standard set out in the Model Code and CLP Securities Code.

We appreciate that some of our staff may in their day-to-day work have access to potentially inside information. As such, our Senior Management and selected members of staff, “Specified Individuals”, are subject to securities dealing restrictions in the CLP Securities Code.

All members of the Senior Management have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2019 they have complied with the required standard set out in the Model Code and CLP Securities Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company’s listed shares by the Company or any of its subsidiaries during the year ended 31 December 2019.

FOURTH INTERIM DIVIDEND

Today, the Board of Directors of the Company declared the fourth interim dividend for 2019 at HK$1.19 per share (2018: HK$1.19 per share). This fourth interim dividend will be payable on all shares in issue as at the close of business on 9 March 2020 after deducting any shares repurchased and cancelled up to the close of business on 9 March 2020. As at 31 December 2019, 2,526,450,570 shares of the Company were in issue. The fourth interim dividend of HK$1.19 per share will be payable on 19 March 2020 to shareholders registered as at 10 March 2020.

The Register of Shareholders will be closed on 10 March 2020. To rank for the fourth interim dividend, all transfers should be lodged with the Company’s Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 9 March 2020.

ANNUAL GENERAL MEETING

The twenty second Annual General Meeting (AGM) will be held at the Grand Ballroom, Level 2, Kerry Hotel, Hong Kong, 38 Hung Luen Road, Hung Hom Bay, Kowloon, Hong Kong on Friday, 8 May 2020, at 11:00 a.m. The Notice of AGM will be published on the websites of the Company and the Hong Kong Stock Exchange and despatched to shareholders on or about 25 March 2020.

To facilitate the processing of proxy voting, the Register of Shareholders will be closed from 5 May 2020 to 8 May 2020, both days inclusive, during which period the registration of transfers of shares will be suspended. To be entitled to attend and vote at the AGM, all transfers should be lodged with the Company’s Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 4 May 2020.

By Order of the Board
David Simmonds
Company Secretary

Hong Kong, 24 February 2020

The Company's Annual Report containing the Directors' Report and Financial Statements for the year ended 31 December 2019 will be published on the Company's website at www.clpgroup.com and the website of the Hong Kong Stock Exchange on or about 9 March 2020. The Annual Report and the Notice of AGM will be despatched to shareholders on or about 25 March 2020. All of these will be made available on the Company's website.

中 電 控 股 有 限 公 司
CLP Holdings Limited

(incorporated in Hong Kong with limited liability)
(Stock Code: 00002)

The Directors of CLP Holdings as at the date of this announcement are:

Non-executive Directors:	The Hon Sir Michael Kadoorie, Mr William Mocatta, Mr J. A. H. Leigh, Mr Andrew Brandler and Mr Philip Kadoorie
Independent Non-executive Directors:	Mr V. F. Moore, Sir Rod Eddington, Mr Nicholas C. Allen, Mr Vincent Cheng, Mrs Fanny Law, Mrs Zia Mody and Ms May Siew Boi Tan
Executive Directors:	Mr Richard Lancaster and Mr Geert Peeters

Energy for Brighter Tomorrows