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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 2022 to 31 December 2022, Dividend Declaration and Closure of Books

Financial Highlights

- Consolidated revenue increased 20% to HK$100,662 million.
- Strong performance from our core markets Hong Kong and Mainland China, with combined Operating Earnings of HK$10.9 billion, an increase of HK$0.8 billion.
- Losses in our Australia business impacted the Group's results reflecting the challenges of a market in energy transition. Group Operating Earnings before and after EnergyAustralia fair value movements down by 23% to HK$7,560 million and 51% to HK$4,623 million respectively.
- Items affecting comparability, mainly associated with the accounting impact of the sell down of Apraava Energy, brought total earnings to HK$924 million.
- Total dividends for 2022 are HK$3.10 per share, same as 2021; this includes the fourth interim dividend of HK$1.21 per share declared by the Board and the first three interim dividends paid.

CHAIRMAN'S STATEMENT

Looking back, the year of 2022 was largely defined by the conflict in Ukraine and its related energy crisis as well as the lingering impact of the pandemic. I speak for everyone at CLP that I sincerely hope that these crises end very soon.

There have been consequences around the world, not least in the energy markets which were already experiencing a period of volatility. With rising inflation and interest rates, this has become one of the most economically challenging years in recent history and we have all been dealing with the impact in varying degree.

However, despite the difficulties, I am proud of our people across the Group who continued to work extremely hard in maintaining a high level of service expected and deserved by the communities we serve. In Hong Kong, where CLP is the largest electricity supplier, we worked closely with Government departments during the peak of the COVID-19 fifth wave in early 2022 to provide new power supplies in record-breaking time for the construction and operation of the much-needed community isolation and treatment facilities. This is a display of exemplary dedication.

At the same time, CLP reduced the impact of the energy shocks and other disruptions, thanks to our fuel diversification strategy, long-term planning and solid fundamentals. We have continued to support customers and communities and, wherever possible, to provide protection from the worst of the electricity price rises seen in other parts of the world. Meanwhile we remained focused on our strategy and continued to invest in growth opportunities, underpinned by robust performance in our core markets in Hong Kong and Mainland China.

While the majority of our business has been solid and consistent with 2021, the Group's financial performance was affected by EnergyAustralia's operating loss and the accounting loss associated with the sale of an additional 10% interest in Apraava Energy. As a result, in 2022, the Group's operating earnings decreased 51.4% to HK$4,623 million, compared with HK$9,517 million a year earlier, while total earnings were HK$924 million, 89.1% lower than a year ago. The Board, recognising the progress in implementing our strategy and the overall solid performance of the Group, has approved a fourth interim dividend payment for 2022 of HK$1.21 per share, which is in line with 2021. Total dividends per share for 2022 are maintained at HK$3.10.

We are working with the Hong Kong SAR Government on the Development Plan for 2024 to 2028, the second five-year period of the current Scheme of Control Agreement. This is a defining moment as the required investments will represent a key step in Hong Kong's decarbonisation roadmap beyond 2035 and towards the Government's target of achieving carbon neutrality before 2050. Our investments for a decarbonised future will continue to focus on securing reliability, security and stability for customers, and tapping into resources that Hong Kong's closer integration with Mainland China can unleash.

In Mainland China, we have seen strong performance from our renewable energy projects and nuclear power investments. We continued to grow our renewable portfolio as three wind and solar projects with a combined capacity of 280MW broke ground and an agreement to build and transfer another 100MW solar project was reached. During the year, we divested our interest in the Fangchenggang coal-fired power station, in line with our commitment to accelerate the phase-out of coal-based assets from our portfolio.

The energy transition will be demanding and highly capital intensive, and no organisation is capable of delivering it alone. This is why we work so closely with partners, policymakers and other stakeholders and I am proud that this has continued despite the difficulties of the year.

With the further strengthening of our relationship with CDPQ in our business in India, Apraava Energy is now an equally-owned joint venture between CLP and CDPQ. Bringing in a strategic partner has enabled our Indian business to be self-sustaining while having additional resources to pursue a faster pace of growth in non-carbon opportunities. It also supported CLP's strategic priority of investing in the growth of our core markets of Hong Kong and Mainland China. The Apraava Energy story speaks true to our ability to once again execute our strategy well.

In Australia, the second half of 2022 saw a continuation of the operational issues from earlier in the year including the lower generation from Yallourn and Mount Piper power stations that had a significant bearing on the financial performance of EnergyAustralia. EnergyAustralia is bringing forward major outages at Yallourn to 2023 and 2024 to address the ongoing reliability issues while at Mount Piper the main coal supply contract has been renegotiated to include a backup mine. These actions have been taken to restore operational and financial performance.

The Australian electricity market is going through a volatile period of energy transition. Nonetheless the transition requires significant investment, and our existing generation and customer businesses mean we are well placed to take advantage of the opportunity. We have continued to introduce more flexible capacity to support a smooth transition while working with policymakers to secure the best possible environment for doing so. There is great potential for partnership given our existing platform and we continue to explore opportunities in this respect.

In 2022, our approach to tackle the threats of climate change continued to demonstrate its robustness and it is pleasing to note that we remain on track on the targets within our Climate Vision 2050, as we continued to decarbonise our business.

Our approach to provide sustainable energy solutions making use of innovation and our engineering expertise to pave the way for a decarbonised future has also borne fruit. We saw our partnership with Qingdao TGOOD Electric Company Limited (TGOOD) being fully realised with the launch of a joint venture to invest in an electric vehicle (EV) charging network in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). Meanwhile, we have moved forward in our partnership with ESR HK Limited on the development of sustainable data and logistics centres in the GBA.

The demand for sustainable energy solutions will only continue to grow along with energy services that give customers greater control over their energy usage. Our future is not just one where we are suppliers and producers of energy, but where we provide elevated service to support customers to meet their energy demand, make better energy choices and find solutions to meet their own sustainability targets. Our strategy to evolve the business into an Energy-as-a-Service (EaaS) model is another example of us looking ahead and preparing ourselves to be sustainable for generations to come.

By investing in an agile and innovative workforce, we are building the team that can thrive through this period of evolution.

2022 heralded some significant changes in our Board composition. Mr William Mocatta retired after more than 30 years on the Board and I would like to record my deep gratitude to him for his invaluable contribution over such a long period. Mr Andrew Brandler has succeeded Mr Mocatta as the Vice Chairman of the Board while Mrs Betty Yuen, who has held a number of senior roles within CLP since she joined us in 1999, has become a Non-executive Director and the Chairman of CLP Power Hong Kong Limited. I would also like to welcome Mr Bernard Chan to our Board.

As we hope for a 2023 of less conflict and more stability, we maintain our primary focus on decarbonisation and sustainable energy solutions in Hong Kong and Mainland China with disciplined presence elsewhere. By investing strategically and in partnership where appropriate, we can deliver against the growth opportunities as we take our business forward into the future.

The Honourable Sir Michael Kadoorie

CEO'S STRATEGIC REVIEW

We report our 2022 results in the context of an energy crisis that began in Europe before spreading around the world. During the year, we were focused on navigating this landscape at a time when the impact of COVID-19 remained so real, while staying on track with delivery against our strategy to decarbonise and digitalise our operations.

At times such as these we look not just to our strategy but also to our Value Framework, with care for people, customers, community, environment and performance at the centre of not just what we do but how we do it. Just as our strategic priorities have been in evidence in 2022, so too have our core values.

Hong Kong

Our business in Hong Kong is at an important moment as 2023 will see us working with the Hong Kong SAR Government on the Development Plan for 2024-2028. The Scheme of Control Agreement is a clear framework for our business in our home market and allows us to invest with the right degree of certainty to ensure we deliver world-class electricity services to customers while working to meet the Government's policy objectives, including the 2050 climate targets.

We believe maintaining investment for the period to 2028 will be important for the city's energy security and reliability, a critical ingredient of which is diversification. That is why CLP has brought nuclear power to Hong Kong across the border since decades ago and recently invested in additional capacity at Black Point Power Station. The offshore LNG terminal, which began construction long before the current energy crisis, will prove even more strategically significant than initially imagined. The infrastructure underlines the importance of long-term planning in the energy industry where investments often take years to materialise and last for decades. On the other hand, early planning also affords sufficient time for us to repurpose existing facilities as a cost-effective and flexible way to lower emissions, as we pay close attention to the growing potential of hydrogen in facilitating the energy transition.

In line with the increase in invested capital, operating earnings from Hong Kong energy business increased 3.2% in 2022 to HK$8,403 million.

At a time of elevated and volatile energy prices globally, Hong Kong is inevitably affected. We understand everyone is concerned about electricity tariff, and we did our best to minimise the impact of rising fuel cost through a fuel diversification strategy in which nuclear energy plays a key role. We also managed to maintain our Basic Tariff at the same level for three years in a row with stringent cost controls measures. Although there was an increase in tariff at the start of the year, it is worth noting that the scale did not reach the magnitude seen in many other parts of the world. In addition, we are providing rebates as well as incentivising some sectors in our community to save energy. The CLP Community Energy Saving Fund has launched a series of initiatives, including the HK$100 million CLP Fuel Cost Subsidy Programme, to support families in need.

As the largest power company in Hong Kong, customers are our primary focus and our strategy seeks to get better at how we offer them technology-enabled, greener energy services. During the year we continued to invest in the digitalisation of the energy system from smart meters and Feed-in Tariffs to EV charging.

We have announced a collaboration with the Chinachem Group to upgrade the chiller system of its iconic Nina Tower to dramatically improve efficiency and to make it zero-carbon and renewable energy certified. We are working with property company Shui On Group on a similar project and also with real estate investment trust Link Asset Management Limited to bring solar power and battery storage to their buildings. These projects see our strategy in action: in partnership, bringing EaaS at scale to key sites and decarbonising our communities.

In June 2022, a cable bridge fire led to a loss of service and disruption in a few districts, affecting a large number of customers. Our engineers worked tirelessly over the night to restore service in the next morning and we once again would like to apologise for the inconvenience caused. A thorough investigation completed in August 2022 revealed the likely cause was a rare fault in a fluorescent light. However rare, we take such incidents extremely seriously and we have taken on board all the recommendations of the investigation panel. We have also conducted a comprehensive review of our facilities and implemented a series of actions to minimise the chances of such an event occurring again.

Mainland China

Our business in Mainland China has seen strong performance in 2022 rooted in the non-carbon portfolio. During the year, operating earnings were HK$2,229 million, a 34.3% increase from a year ago.

Our nuclear investments reported robust performance, providing energy security to Hong Kong in addition to their contribution to the Group's financial performance. In particular, generation at Yangjiang Nuclear Power Station reached a record high as electricity demand continued to grow.

The renewable energy portfolio has continued to deliver steadily. The Qian'an III wind project began commercial operations in March 2022 and other renewable energy projects including the Xundian II and Bobai wind farms have made good progress. All three projects do not rely on government subsidies. At the same time, construction of an 80MW solar project in Jiangsu province has begun while a build-and-transfer agreement for a 100MW solar project in Guangdong province has been signed.

Meanwhile, thermal assets saw higher earnings due to increased tariffs, despite the impact of raised coal prices.

We made further forays into digitally-led EaaS projects in 2022, including our collaboration with the MTR Corporation (Shenzhen) Limited on a distributed solar project at its headquarters building in the Longhua District in Shenzhen and our investment in Beijing-based Venturous Group to develop smart energy technology businesses in the GBA.

In line with our focus on zero-carbon projects, we have sold our 70% stake in Fangchenggang Power Station. The transaction will provide us with the capital to accelerate our investment in clean energy projects and keep us on track with our Climate Vision 2050 commitments.

The scale of opportunity in China is huge, as is the level of contributions to the Group. In addition to the financial contribution, the Mainland will play a growing role in the energy security, affordability and sustainability for Hong Kong. Integrated energy systems, underpinned by a diversified strategy, are core to our energy future, especially given the Chinese Government's clear ambition to increase the overall percentage of renewable energy.

Looking ahead, we will continue to focus on the development of new grid-parity renewable energy projects which can play an important role in local security of supply, as well as sustainable energy solutions and strengthened collaboration.

Australia

Our business in Australia continued to be impacted by unprecedented conditions. It has been a more volatile market for some time and a confluence of factors have affected recent performance, including an operating loss of HK$5,267 million recorded in 2022.

Entering into forward energy contracts is a very well-established and common market and CLP practice. In normal times, this reduces exposure to market volatility and secures earnings in advance, subject to our own generation assets being able to meet the contracted supply. In the case of EnergyAustralia, most of its generation was contracted in advance of the sharp increases in wholesale electricity prices in 2022, meaning the sold contract prices were significantly lower than elevated spot market rates. This coincided with the shortfalls in coal-fired generation at Yallourn Power Station because of unplanned outages, and at Mount Piper Power Station due to less coal than contracted being supplied, resulting in increased costs to settle the forward contracts and a negative impact on EnergyAustralia's financial performance.

In addition, the requirement to mark-to-market forward energy contracts against higher prevailing energy prices resulted in large negative fair value movements at the end of the year, although our position was much improved in December 2022 compared with half a year ago thanks to a moderation in prices. These unrealised losses are based on our open contract positions at a particular point in time and are subject to change.

The performance of our retail business in Australia has improved, delivering growth in the overall number of accounts through higher customer acquisitions and lower churn. We have continued to provide support to customers impacted by higher power costs and cost-of-living issues in addition to the relief measures for those affected by flooding in eastern Australia in 2022. However, the operating environment remains competitive and continues to see a high level of government intervention.

We continue to invest in the transition to a clean energy future with new forms of on-demand generation capacity and flexible assets which play an important role alongside renewables. We have partnered with Edify Energy on two new battery projects in New South Wales and we are studying a grid-scale 500MW battery project at our existing site in Mount Piper.

The construction of a second gas-fired turbine at Tallawarra Power Station in New South Wales remains on track, as is the Kidston pumped hydro storage project in Queensland. The business also commenced planning for the Wooreen battery energy storage system in Victoria and technical investigations for a proposed pumped hydro project have begun at Lake Lyell in New South Wales.

Our focus for the year ahead is on enhancing the performance of Yallourn and the security of coal supply to Mount Piper. Strategically, we are also adding a strong base of flexible capacity to support our presence in the customer market and generation capabilities. This provides a powerful platform for others with investment potential to enter the market in partnership and support Australia's energy transition.

India

After the sale of an additional 10% of Apraava Energy to CDPQ, the strengthened strategic partnership enables our Indian business to pursue faster growth in clean energy investments including renewable energy, transmission and smart meters through a strong platform with more capital. However, the successful completion of our sell-down on Apraava Energy has resulted in a loss of HK$3,537 million.

There has been continued progress on construction of the new 251MW Sidhpur wind project in Gujarat state, a project that is expected to be fully commissioned in the first half of 2023. Apraava Energy continues to explore other renewable energy opportunities.

Overall wind and solar generation dropped compared to 2021 due to lower resources and some one-off operational issues, most of which have been resolved. There were also strong operations at Jhajjar Power Station although contributions were affected by lower capacity charges. In 2022, operating earnings for Apraava Energy decreased 12.7% to HK$193 million. During the year, overdue receivables from state distribution companies related to the purchase of renewable energy have shown a welcome reduction with the support from a Central government scheme.

Our transmission assets have brought higher contributions after the addition of a new interstate project and we see plenty of potential for Apraava Energy to further invest in transmission and distribution. In addition, Apraava Energy is foraying into the advanced metering infrastructure business after becoming the most competitive bidder for two projects to install around 3 million smart meters in Assam and Gujarat states.

We recognise the unique challenges and opportunities presented in India's energy transition. Our strengthened strategic partnership with CDPQ gives us an excellent platform to contribute to the transition and achieve further growth.

Focussing on the future, today

Our transformation into a Utility of the Future is well underway. Our strategy, underpinned by our core values with a clear path to net zero, is central to how we manage our business regardless of the external shocks and unexpected macroeconomic changes in the current environment. We can now see a stable core business, on plan, managing specific challenges and ensuring we maintain performance while investing in new opportunities not just to deliver our own energy transition but also support that of others.

The global energy crisis and price volatility have underscored the importance of careful coordination and long-term planning to ensure we maintain our focus on people, customers, community, environment and performance. This is a moment where we need to stay committed to executing a strategy that is designed to drive growth through new opportunities building on our existing strengths and capabilities.

Finally, I want to acknowledge CLP's people across the Group, who have continued to work hard to deliver a better future for customers, shareholders and communities. They have stayed focused on operating CLP's assets safely, serving customers and communities, and supporting each other through very challenging times. I thank them sincerely for their efforts.

These moments of uncertainty demand that we look at our markets in new ways. But we must also view ourselves through new lens: our future growth and success no longer rest solely on the operation of assets or discrete business units in regions, but on an integrated approach with diversification across geographies and through partnership. Our progress on that strategic journey continues.

Richard Lancaster

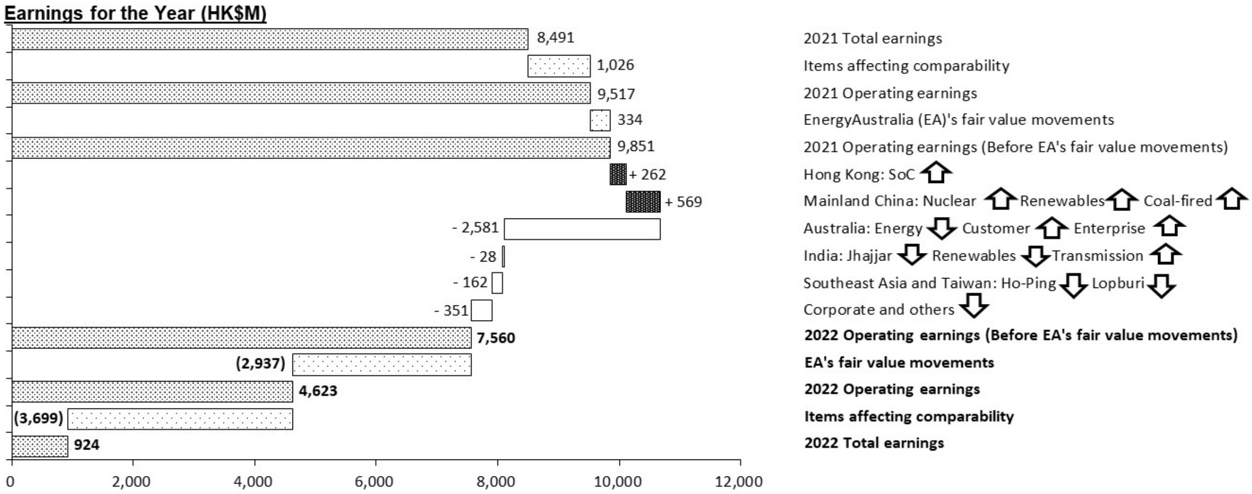
FINANCIAL PERFORMANCE

Strong performance in Hong Kong and Mainland China, more than offset by operational challenges from our generation portfolio in Australia, resulting in Group operating earnings (before fair value loss of HK$2,937 million on energy forward contracts in Australia) reduced by HK$2,291 million to HK$7,560 million. Total earnings decreased to HK$924 million after considering this unrealised fair value loss and items affecting comparability. Dividend is maintained at the same level as in 2021.

	2022 HK$M	2021 HK$M	**Increase/ (Decrease) %**
Hong Kong energy business[1]	**8,403**	8,141	3.2
Hong Kong energy business related[2]	**263**	301	
Mainland China	**2,229**	1,660	34.3
Australia	**(5,267)**	(83)	
India	**193**	221	(12.7)
Southeast Asia and Taiwan	**11**	173	(93.6)
Other earnings in Hong Kong[1]	**(65)**	(18)	
Unallocated net finance costs	**(6)**	(9)	
Unallocated Group expenses	**(1,138)**	(869)	
Operating earnings	**4,623**	9,517	(51.4)
Items affecting comparability[3]	**(3,699)**	(1,026)	
Total earnings	**924**	8,491	(89.1)

Notes:
1. Reflecting our business initiatives in energy and infrastructure solutions in Hong Kong, the 2021 earnings of CLP*e* have been reclassified from other earnings in Hong Kong to Hong Kong energy business to align with current year presentation.
2. Hong Kong energy business related includes PSDC and Hong Kong Branch Line supporting SoC business.
3. Including (i) loss on sell down of Apraava Energy and related adjustment (HK$3,537 million), (ii) loss on sale of Fangchenggang (HK$185 million), and other items affecting comparability in Hong Kong. Please refer to Notes 5(a) and 6(e) to the Financial Information of this Announcement for more details of items (i) and (ii) respectively.

Earnings for the Year (HK$M)



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

BUSINESS PERFORMANCE AND OUTLOOK

Hong Kong

Overview

The Hong Kong economy came under sustained pressure from extended COVID-19-related restrictions, surging global interest rates and a challenging macroeconomic environment in 2022. As a key utility provider, CLP Power Hong Kong Limited (CLP Power) stepped up to its responsibilities and introduced measures to ease the financial pressure on customers and the Hong Kong community while continuing to offer a safe and reliable electricity supply.

Demand for electricity was marginally lower, dipping 1.5% to 34,824 gigawatt hours (GWh), partially because of the much cooler weather in May which reduced consumption by residential customers. The economic slowdown also led to a fall in electricity demand from the commercial and manufacturing sector, particularly among restaurants, property management companies and retail outlets. This decrease was partly offset by the continuing growth in sales to data centres. An increase in the number of residential accounts saw the customer account total rise to 2.75 million from 2.71 million in 2021.

Hong Kong Electricity Sales in 2022

	2022 (GWh)	2021 (GWh)	Change	Proportion
Residential	**10,113**	10,525	-3.9%	29%
Commercial	**13,233**	13,423	-1.4%	38%
Infrastructure & Public Services	**9,863**	9,742	+1.2%	28%
Manufacturing	**1,615**	1,665	-3.0%	5%
Total Local Sales	**34,824**	35,355	-1.5%	100%

Operating earnings from the Hong Kong energy business rose to HK$8,403 million, up 3.2% from HK$8,141 million a year ago, because of higher invested capital.

Helping Customers through Challenging Times

Electricity tariffs rocketed worldwide because of surging global fuel prices and a global energy crisis triggered by the war in Ukraine. Residential tariffs in Singapore, Tokyo and London, for instance, increased by between 43% and 102% from the start of 2021 to the end of 2022. In Hong Kong, CLP Power kept its Basic Tariff for 2023 unchanged for the third consecutive year by adopting a host of cost-cutting measures and drawing on its Tariff Stabilisation Fund. Higher fuel costs nevertheless pushed up the Average Net Tariff to 154.4 cents per unit of electricity in January 2023, 19.8% higher than 12 months earlier.

To reduce some of the financial impact on customers and to encourage greater energy efficiency, CLP Power drew down the balance of its Tariff Stabilisation Fund to establish a new Special Energy Saving Rebate in 2023 for residential and some business customers. It also allocated HK$200 million from the CLP Community Energy Saving Fund to offer a range of community support programmes for underprivileged households, including the CLP Fuel Cost Subsidy Programme which will support 150,000 families in need and people living in subdivided units.

As the city's largest power supplier, CLP Power has a responsibility to support customers and the broader community through challenging times. When a fifth wave of the pandemic swept the city in early 2022, CLP Power engineers worked around the clock to arrange electricity supply to anti-pandemic centres and facilities in record time. Employees utilised innovation and digital technology to help develop a digital solutions management system for a relief organisation to handle its service requests and volunteer database, while CLP volunteers distributed daily necessities and anti-virus supplies to low-income families, elderly people and other underprivileged customers. The company meanwhile rolled out a range of support measures, including electricity bill deferments for small and medium enterprises (SMEs) in the catering and retail sectors, which were particularly hard hit by the outbreak. The CLP Retail and Catering Coupons Programme was revived to promote consumer spending and ease the burden on underprivileged households, such as elderly people and tenants of subdivided units.

CLP Power places top priority on maintaining its exemplary levels of safety and reliability. In June, however, a rare outage took place when a cable bridge in Yuen Long caught fire, affecting the power supply to around 175,000 customers in the northwest New Territories area. An expert panel set up by CLP Power carried out a comprehensive investigation into the incident and concluded it was highly likely that a fluorescent light in the cable bridge caught fire and ignited the nearest pilot cable below, with the fire then spreading to the adjacent pilot and power cables. CLP Power has since conducted a detailed fire risk assessment of all its facilities and identified follow-up steps to safeguard against any repeat of the unfortunate incident. Most steps have already been carried out while the remainder will be completed in the coming months.

CLP Power extended its sincere apologies to those affected and thanked Government departments and community leaders for their assistance and invaluable advice. As a gesture of gratitude for their understanding, CLP Power distributed Appreciation Vouchers worth HK$20 million to residential customers affected by the incident to spend in the affected districts.

As technology continues to transform the way we live and work, CLP Power is digitalising its products and services to further improve support for customers. In 2022, more than 60% of its most common service requests from customers were received and dealt with electronically, compared with just 7% in 2018. CLP Power aims to increase that figure to more than 80% in the coming years as it invites customers onto an enhanced digital platform that offers a better user experience and interaction.

Shaping the Future with Crucial Infrastructure

Despite the logistical and supply chain challenges caused by the pandemic, CLP Power pressed ahead with a wide range of large infrastructure projects that support Hong Kong's transition towards the use of cleaner fuels, such as natural gas and renewable energy.

Construction of a second gas-fired generation unit with a combined-cycle gas turbine continued at Black Point Power Station with most engineering and procurement works now completed. The new unit, D2, is scheduled for full operation in 2024 and will play a key role in allowing older coal-fired generation units at Castle Peak A Power Station to be retired in the next few years.

Construction of a marine jetty and undersea gas pipelines for an offshore LNG terminal was completed and the terminal is due to go into service later in 2023, further improving Hong Kong's long-term natural gas supply stability and allowing for natural gas to be bought from the international market at competitive prices.

Natural gas is a transition fuel that will help Hong Kong achieve its climate targets. However, more renewable energy is needed if Hong Kong is to reach a net-zero carbon future, and CLP Power promotes the development of renewable energy to customers through two key initiatives.

The Renewable Energy Feed-in Tariff scheme, launched in 2018, continued to receive strong interest from customers. Around 93% of total applications have been approved, representing some 336MW of capacity approved or connected to the grid by the end of 2022, up from 309MW six months earlier.

The second initiative is the development of utility-scale renewable energy projects. Because of Hong Kong's limited available land, offshore wind is likely to be the biggest contributor to the Hong Kong Government's target of increasing renewable energy generation to between 7.5% and 10% of Hong Kong's total electricity supply by 2035 and later to 15%. CLP Power is putting forward a proposal for Hong Kong to construct its own offshore wind farm in its south-eastern waters. It also continued to explore the possibility for greater cooperation within the Greater Bay Area (GBA) particularly with investment in the development of offshore wind projects in Mainland China waters close to Hong Kong to supply renewable energy to the city. Work to enhance the Clean Energy Transmission System to allow for the import of more zero-carbon energy from Mainland China to Hong Kong moved forward and is expected to be completed by 2025.

Treading More Lightly on Our Planet

Decarbonisation is a journey everyone must make together. While CLP Power works to decarbonise electricity generation, it also encourages and helps customers who want to reduce their carbon footprint.

The CLP Renewable Energy Certificates (RECs) programme gives customers the opportunity to support local renewable energy projects. In October, HSBC committed to buy 300GWh of RECs between 2022 and 2027, equivalent to a reduction of over 117,000 tonnes in carbon emissions over the six-year period; this is the biggest purchase of CLP RECs to date.

CLP Power also made considerable progress in its plan to replace traditional meters with smart meters for all residential and SME customers by 2025. More than 1.78 million smart meters were connected by the end of 2022, accounting for 63% of eligible homes and businesses. Smart meters give customers greater control over their electricity use by providing them with timely, detailed consumption data. On 12 and 25 of July during Hong Kong's hottest month on record, around 600,000 households with smart meters took part in the Summer Saver Rebates programme and lowered their energy use during peak demand periods. A total of 300,000kWh of electricity was saved in the two events that lasted for a total of four hours. Industrial and commercial customers also contributed to the reduction in demand by participating in other demand response programmes. The combined programmes significantly reduced demand on the evening of 25 July, when electricity demand hit a new high of 7,720MW. Demand would have been more than 130MW higher without the initiatives, hence saving additional investment in the longer term while supply reliability is maintained.

Commercial customers are increasingly focused on sustainable development and Environmental, Social and Governance (ESG) issues, and CLP Power has launched a variety of programmes to help them achieve their ESG goals. One of these initiatives involves working in partnership with banks to provide energy management expertise and solutions to commercial customers, allowing them to gain access to banks' sustainability-linked loans and financing.

In November, DBS Hong Kong and CLP Power announced a joint initiative to help companies of all sizes transition to more sustainable business models. Both DBS Hong Kong and CLP Power recognise the need to make sustainable financing solutions more accessible to SMEs constrained by the lack of resources, time, expertise and funds. The initiative also applies to energy audits, which often require expertise and additional funding. Under the initiative, DBS Hong Kong and CLP Power offer flexible and innovative financing loan solutions to businesses based on energy-saving services, which include sustainability performance targets measured with reference to CLP Power's existing energy-saving funding schemes. By combining CLP Power's comprehensive energy expertise with DBS's extensive experience in strategic green advisory and financing, the two companies can offer comprehensive support and capital for businesses, allowing them to invest in energy efficiency and expand sustainably.

Transport currently accounts for around 20% of Hong Kong's greenhouse gas emissions, and CLP Power is committed to promote the use of electric vehicles (EVs) as part of the city's low-carbon transformation. CLP Power will continue to provide free EV charging facilities until the end of 2023 and support the installation of new EV charging infrastructure for customers in partnership with the Government through CLP's Eco Charge 2.0 programme launched more than two years ago. By the end of 2022, CLP Power has completed preliminary assessments for around 96% of 500-plus applications for Government funding, which cover around 126,000 EV-enabled bays in the car parks of private residential blocks. The Regalia housing estate in Kowloon is the first CLP Power's customer to have completed the installation of EV charging-enabling infrastructure under the scheme and the largest project of its kind across Hong Kong. The project, completed in January 2023, converted more than 300 existing parking spaces into EV charging-enabled bays.

CLP Power also helped Kowloon Motor Bus Co. (1933) Ltd. electrify its fleet by providing technical support and guidance for the setting up of quick chargers at its depots using their existing power capacity, making the project more cost and time effective.

Engaging Customers with Energy as a Service

CLP*e*, a wholly-owned subsidiary of the CLP Group providing integrated energy and infrastructure solutions, expanded offerings in Hong Kong under the Energy-as-a-Service (EaaS) model. In its first infrastructure-scale centralised cooling project, CLP*e* is helping the Chinachem Group replace the chiller plants at Nina Tower, a multipurpose complex and one of Hong Kong's tallest buildings. Under a Build-Own-Operate-Transfer (BOOT) agreement, CLP*e* will be responsible for the re-engineering works of the chiller system, including introducing an artificial intelligence (AI) optimisation control system and taking charge of operation and maintenance works for 20 years. As well as increasing energy efficiency at the landmark building, the electricity consumption of the chiller plants will be matched by Green Electricity Certificates linked to a renewable energy project of CLP Holdings, making it Hong Kong's first zero-carbon chiller system.

CLP*e* is also working with SOCAM Development Limited, a listed subsidiary of Shui On Group, to install a new cooling system at the Shui On Centre, a 35-storey Grade A office building in Hong Kong. CLP*e* will fund, design, construct, operate and maintain the freshwater-cooled chiller plant equipped with an AI management system.

In another green energy project, CLP Power and CLP*e* have signed a memorandum of understanding (MoU) with ESR HK Limited (ESR) to develop sustainable data centres and logistics centres in Hong Kong and the GBA. Under the MoU, CLP Power and CLP*e* will use their energy and infrastructure solutions expertise to help ESR design, construct, and operate sustainable data and logistics centres. The collaboration will set metrics that can potentially be used for green financing, such as sustainability-linked loans.

Outlook

Electricity is a capital-intensive industry that requires long-term planning. CLP Power is working closely with the Hong Kong Government on its next five-year Development Plan covering the period of 2024 to 2028 to support Hong Kong's future growth and roadmap to carbon neutrality by 2050.

The policy address from the new administration in 2022 made it clear that creating a strong impetus for economic growth is a high priority for Hong Kong. CLP Power will continue to ensure the timely delivery of reliable and cost-effective power sources for a faster pace of development in homes and businesses, infrastructure and public facilities, as well as providing an electricity supply to the new Northern Metropolis and the Kau Yi Chau Artificial Islands Development.

As well as working tirelessly to create the infrastructure for the wider use of clean energy, CLP Power is constantly exploring new ways to support the energy transition. To ensure Hong Kong's ports remain competitive and meet the rising expectations of the maritime sector, for instance, CLP Power is working with the Government and other partners to make LNG available as a fuel for ocean-going vessels docking in Hong Kong, bringing further air quality and environmental benefits to the wider community.

CLP Power is also exploring the use of battery energy storage systems (BESS) to support the integration of increasing levels of non-fossil fuel generation as technology in the energy storage field advances. It is also monitoring the development of hydrogen, which has a potential key role to play in future zero-carbon electricity generation, and is exploring a pilot project of using hydrogen in combination with natural gas at Black Point Power Station within the next five years.

Nuclear power is a clean energy source and has been indispensable in Hong Kong's fuel mix for decades given its reliable supply and relative stable and competitive price. As an investor and importer of nuclear energy for almost 30 years, CLP Power believes nuclear energy is well placed to become one of the major low-carbon energy sources for Hong Kong and the world for years to come. CLP Power is dedicated to working closely with the Government and the community to support the city on its long-term decarbonisation, including importing more zero carbon energy, such as nuclear and renewable energy, from Mainland China if and when required.

As the city's largest electricity supplier, CLP Power has a vital role to play in helping move Hong Kong towards a net-zero carbon future. In the short to medium term, an increased use of natural gas and the phasing out of coal will have a noticeable impact on CLP Power's greenhouse gas emissions. In the long term, zero-carbon electricity generation from offshore wind farms and nuclear plants combined with the exciting potential of hydrogen will steer Hong Kong towards a future of sustainable growth, clearer skies and brighter tomorrows.

Mainland China

Overview

The Chinese economy faced a combination of domestic and external challenges throughout 2022. A flare-up in COVID-19 cases led to lockdowns in major cities, slowing retail consumption and cooling the property sector. Softening global demand meanwhile hampered exports.

However, the Central Government's relaxation of pandemic restrictions in the closing weeks of the year ushered in a wave of new growth momentum going into 2023. Gross domestic product increased 3% year-on-year, while electricity consumption – a key barometer of economic activity – maintained a stable growth rate of 3.6%.

CLP China continued to operate its assets reliably to meet the country's power needs, with operating earnings increasing 34.3% to HK$2,229 million. The performance of the business is summarised below:

Operating Earnings	**2022 HK$M**	2021 HK$M	Change %
Nuclear Energy	**1,965**	1,908	3.0
Renewable Energy	**610**	545	11.9
Thermal Energy	**45**	(572)	N/A
Operating and Development Expenditure	**(391)**	(221)	76.9
Total	**2,229**	1,660	34.3

Nuclear Plants Drive Growth

CLP China's two nuclear energy projects in Guangdong province continued to perform strongly. Yangjiang Nuclear Power Station achieved record electricity generation, increasing output in response to unmet demand after high fuel costs deterred some coal-fired assets from generating, and output from hydro plants declined. The plant optimised refuelling outages to avoid supply disruption, and benefitted from higher electricity tariffs. Output from Daya Bay Nuclear Power Station was slightly lower because of planned refuelling outages for both units in 2022, compared to one unit in 2021.

Renewable Projects See Rising Output

Output from CLP China's renewable energy portfolio rose, largely because of the early commercial operation of Qian'an III Wind Farm and an improved performance in the hydro segment as a result of higher water availability which offset a decline in wind resources.

Qian'an III Wind Farm is CLP China's first grid-parity renewable energy project in Mainland China. It operates without Government subsidies and is the first CLP China project equipped with a battery energy storage system. The success of Qian'an III has inspired CLP China to develop other grid-parity projects, including Xundian II Wind Farm in Yunnan province and Bobai Wind Farm in Guangxi Zhuang Autonomous Region.

Despite disruption from strong winds and heavy rain, four of eight wind turbines at Xundian II were installed and the farm is expected to be in service by the end of the first quarter of 2023. Meanwhile, preparations for the construction of Bobai began in the second half of the year and the plant is expected to go into operation in 2024.

Concerted efforts have been made to expand business and build new power plants across Mainland China. CLP China reached an agreement to acquire greenfield solar projects in Jiangsu province. Construction of the first – an 80MW solar project – began in the fourth quarter, and CLP China also signed a build and transfer agreement for a 100MW solar project in Guangdong province. Both projects are expected to go into operation in 2023.

With the support of the Central Government on the collection of delayed national subsidy payments owed to CLP China's renewable projects during the year, the receivables position has improved.

Thermal Projects Register Higher Contribution

The contribution of coal projects to CLP China in 2022 was higher year-on-year because of increased tariffs, despite the impact of high fuel costs on generation.

In line with the Group's commitment to phase out coal-based assets before 2040, CLP China sold its 70% stake in Fangchenggang Power Station in Guangxi for HK$1,648 million, incurring a loss of HK$185 million. Fangchenggang is one of the country's most efficient coal-fired projects and will continue to produce electricity to meet the rising demand in the region.

Making Connections in the Greater Bay Area

CLP continued to expand its service offerings in 2022 in response to growing demand for sustainable and integrated energy solutions in the Greater Bay Area (GBA) and beyond. CLP*e*, a wholly-owned subsidiary of CLP Holdings, launched initiatives to help customers embrace low-carbon business models and lifestyles as part of its mission to be a trusted partner for energy and infrastructure solutions to customers across the GBA.

CLP*e* signed a memorandum of understanding with the Longhua District People's Government of Shenzhen Municipality in August to develop digitalised energy projects in the southern Chinese city. The company will implement one-stop smart energy projects and solutions for buildings and parks to support Longhua's transformation into a national pilot area for energy digitalisation, including renewable energy solutions, electric vehicle charging solutions and cooling systems. CLP*e* will also establish its GBA head office in Longhua.

The first project in the district is a collaboration on a distributed solar project with MTR Corporation (Shenzhen) Limited (MTR Shenzhen). CLP*e* has agreed to fund, design, and construct the system, which is an Energy-as-a-Service (EaaS) model involving the installation of more than 2,000 solar panels at the headquarters building of MTR Shenzhen. CLP*e* will be responsible for the operation and maintenance of the system while MTR Shenzhen will benefit from the zero carbon electricity generated by the system at a favourable price. The first phase of the project was commissioned in September. CLP*e* and MTR Shenzhen are exploring the possibility of installing more distributed solar systems on the premises of MTR Shenzhen.

CLP Group has also formed a strategic partnership to develop smart energy technology businesses in the GBA with Venturous Group, a company specialising in smart city technologies in which CLP has a 5% stake.

To accelerate the growth of green transport in Mainland China, CLP Holdings and smart charging network operator Qingdao TGOOD Electric Company Limited have formed a joint venture to invest in charging infrastructure networks for electric vehicles in the GBA. The project's initial focus areas include Shenzhen, Dongguan and Zhuhai.

In another venture, CLP*e* signed a 15-year build-operate-transfer agreement with Guangdong Weixin Biological Technology Limited in October for an integrated energy station that will provide chilled water, steam and compressed air to the food and nutritional supplement manufacturer's industrial park in Guangdong province. It is CLP's first integrated EaaS project in the GBA and construction is expected to begin in the first quarter of 2023.

In April, CLP*e*'s EaaS project to help modernise the centralised cooling system at Po Park Shopping Plaza in central Guangzhou began commercial operation after retrofitting works were completed. A new fleet of chiller units has helped improved the efficiency of the cooling system by over 50%. The project will provide CLP*e* with a steady income stream for about 15 years.

<u>Outlook</u>

China has set targets of reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060, commitments that were reiterated by President Xi Jinping at the national party congress in October. The systemic transformation involved in meeting those targets presents significant investment opportunities for the development of non-carbon energy generation and storage infrastructure.

CLP China will continue to strengthen its non-carbon pipeline in support of the decarbonisation strategy, predominately by adding more grid-parity renewable energy projects. It will also explore the development of battery energy storage systems to support its new renewable projects with storage capacity. In terms of geographical focus, CLP China will consider opportunities presented by national policies in the new development areas designated by the Central Government, in addition to the coastal provinces where it already has operations.

CLP China is well-positioned to support Mainland China on its decarbonisation journey with its extensive portfolio of wind and solar project. As an increasing number of companies, particularly multinational corporations, make net zero carbon commitments, CLP China will support them by providing and sourcing clean energy for them, whether that be through direct and exclusive arrangements or through corporate renewable procurement.

Looking ahead, CLP China will continue to expand its renewable energy portfolio through either greenfield or acquisition opportunities that contribute to profitability. It will also maintain its current projects steadily and reliably. Nuclear projects are expected to remain the main earnings driver for the time being, although a couple of long outages planned for 2023 and 2024 at Daya Bay could affect their output.

Demand for smart energy solutions will continue to bring exciting opportunities for CLP*e* to expand in the GBA and other parts of the country. CLP*e* stands ready to draw on its expertise to invest in and implement more EaaS projects and to help shape Mainland China's new energy future.

Australia

Overview

Australia's energy market was profoundly affected in 2022 by multiple supply shocks triggered by extreme weather events, generator reliability issues and the impact of the Ukraine conflict on coal and gas prices. These factors resulted in tighter supply and imbalances in demand, sharply pushing up prices of electricity and gas.

The extent of the volatility was highlighted when, in an unprecedented move, the Australian Energy Market Operator (AEMO) suspended spot trading in the National Electricity Market for more than a week in June following outages at major Australian coal-fired power stations and increased power demand caused by cold weather. EnergyAustralia offered all its available generation capacity to the AEMO during the market suspension.

Against this background, EnergyAustralia paid higher costs when settling sold forward contracts as less fuel supplied than contracted and unplanned outages led to shortfalls in production from its coal-fired generators. EnergyAustralia's earnings were negatively impacted as a result.

EnergyAustralia's retail business saw growth in both earnings and customer numbers. Forward purchasing of electricity prior to the volatile pricing environment led to a one off benefit in lower energy supply costs. The benefit, however, was more than offset by the impact of generation shortfalls and resulted in EnergyAustralia reporting an operating loss of HK$5,267 million for 2022.

The requirement to mark-to-market forward contracts against higher prevailing market prices resulted in unfavourable fair value movements, which affected earnings. These fair value losses are characterised as unrealised accounting losses based on contract positions at a particular point in time. In an illustration of the volatile nature of these contracts, EnergyAustralia's post-tax fair value loss amounted to HK$2,937 million for the full year of 2022, down from HK$7,957 million reported in June largely because of a decrease in forward energy prices towards the end of the year. The sale price of the forward contract will be realised at contract expiry and matched against the generation hedged, provided EnergyAustralia's generating assets are available to meet the contracted supply.

With higher wholesale electricity prices in 2022, EnergyAustralia faced working capital pressures from the mark-to-market cash margin calls on its futures energy contracts that were out of the money. To service these requirements, EnergyAustralia arranged an additional syndicated debt facility.

Supporting Customers

EnergyAustralia announced increases in electricity and gas tariffs from 1 August 2022 for most residential and small business customers not on fixed-rate contracts, reflecting the rise in wholesale energy prices. The company remains committed to offering affordable energy services and value for customers in the face of rising power costs and growing cost of living pressures and offered a range of measures to help customers struggling to pay their energy bills.

Several smaller energy retailers impacted by the market conditions in 2022 ceased operating, and some customers were transferred to EnergyAustralia under the Australian Energy Regulator's and the Essential Services Commission's Retailer of Last Resort mechanism which protects customers from failed retailers by passing them on to new providers. At the end of December, EnergyAustralia had 2.46 million retail customer accounts, a small year-on-year increase. Despite the market turbulence, the company also improved its customer churn performance.

Restoring Generation

Output at Yallourn Power Station in Victoria was reduced due to higher unplanned outages driven by latent and emerging age-related degradation including multiple tube leaks at its generation units. Mount Piper Power Station also saw lower output as a result of fuel conservation, with coal deliveries from its supplier below the contracted amount. While coal deliveries improved in the second half of the year, generation from Mount Piper was below 2021's levels as coal was conserved to build up the coal stock pile for higher demand periods.

EnergyAustralia's gas-fired power facilities in New South Wales, Victoria and South Australia increased generation with a high degree of reliability to offset the reduction in coal-fired generation, supporting the company's portfolio through a period of volatility and high prices. Operating costs rose substantially because of high gas prices resulting from the war in Ukraine. The company has dispatch rights to two grid-scale batteries which helped ensure stability in the National Electricity Market during spells of intense volatility.

EnergyAustralia recorded six environmental licence breaches in 2022. Three of the breaches were related to marginal air emissions exceedances – one of which was related to particulate matter emissions at Mount Piper while the other two involved particulate matter and sulphur dioxide emissions at Yallourn. The fourth and fifth breaches occurred at Mount Piper during a 21-day emergency water discharge event. One of these involved exceedances of the daily limit of discharge volume, while the other involved missing of testing of oil and grease in the weekly water samples. In all five incidents, the local Environment Protection Authority (EPA) was notified, and corrective and preventive active actions have been taken to prevent recurrence. None resulted in any actions by the EPA.

The sixth breach related to the failure of a unit transformer at Jeeralang Power Station, resulting in some transformer oil coming out of the plant even though some was contained onsite in an oil interceptor pit. Most of the oil water was cleaned up on the day of the incident. EnergyAustralia has notified the local EPA and is liaising over a case review.

Powering Australia's Energy Transition

EnergyAustralia is committed to developing flexible capacity to support the energy transition. Construction of the Tallawarra B plant in New South Wales began in 2021, creating Australia's first carbon offset hydrogen and gas-capable power plant. Notwithstanding the engineer contractor has changed ownership following its voluntary administration, the project remains on track to be completed by late 2023.

Work also continued at the Kidston pumped hydro energy storage project in Queensland, underpinned by EnergyAustralia through a long-term energy storage services agreement with developer Genex. The project will support 250MW of power generation over an eight-hour period and energisation is scheduled for late 2024.

EnergyAustralia entered into a long-term energy storage services agreement with Edify Energy in April to support two utility-scale batteries in New South Wales with a combined capacity of 90MW/180MWh. The batteries will go into service in the summer of 2023-24.

In Victoria, progress was made towards the development of a battery energy storage project in Wooreen with a capacity of up to 335MW and a duration of up to four hours. Final investment decision of the project is scheduled for the end of 2023.

EnergyAustralia is also investigating the development of two flexible capacity projects near Mount Piper, a pumped hydro energy storage project with a capacity of up to 350MW and a duration of up to eight hours at Lake Lyell, and a separate battery energy storage project with a capacity of up to 500MW and a duration of up to four hours.

Meanwhile, EnergyAustralia has in place power purchase agreements representing more than 870MW of large-scale wind and solar projects in the National Electricity Market.

Making Homes and Businesses Smarter

Demand response provides incentives for customers to reduce electricity consumption from the grid during periods of high demand. Utilising demand response may enable customer to derive a revenue stream from actions such as operational curtailment, switching on underutilised generation assets or utilising battery storage.

At the end of 2022, more than 318,000 residential customers have enrolled in PowerResponse, EnergyAustralia's demand response programme which helps customers save on power bills while supporting the grid during periods of high demand. In addition, over 100 customers have installed batteries at their homes as part of EnergyAustralia's Virtual Power Plant programme. They are given credits on their bills for allowing the company to dispatch their rooftop solar energy when it is needed most by the grid.

The Solar Home Bundle programme for homes across New South Wales was extended in 2022 with more than 200 households signing up to the programme. Participating customers have integrated solar and battery systems installed with no upfront costs after committing to seven-year electricity contracts.

In addition, EnergyAustralia helps customers reduce their carbon footprint and energy bills through its solar and energy efficiency arm, Echo Group, which installed about 6MW of renewable generation at Australian homes and businesses in 2022.

EnergyAustralia's Go Neutral programme remains one of the largest certified carbon offsetting schemes in the country. More than 81,000 residential and business customers joined the programme over the course of the year, bringing the total to 525,300.

EnergyAustralia also continued its clean energy partnership with the Melbourne Cricket Ground (MCG), providing all renewable electricity used by the stadium for the first half of 2022. MCG is the first major Australian stadium to run entirely on green power.

Addressing Safety Issues

EnergyAustralia pleaded guilty in December to three charges under the Victorian Occupational Health and Safety Act relating to the 2018 death of Graeme Edwards, an operator at Yallourn. EnergyAustralia again expressed its profound regret and remorse for the tragic and avoidable death of Mr Edwards and acknowledged the impact it has had on his family and his workmates. Sentencing took place in the County Court of Victoria in February 2023 and EnergyAustralia received an A$1.5 million penalty.

Outlook

An Energy Bill Relief Fund was jointly announced by Federal and State Governments in December to address rising concern over the impact of rapidly increasing electricity and gas prices. The plan includes price caps on wholesale gas and coal, and targeted support for retail and small business consumers.

Officials believe these measures will dampen predicted gas price increases and reduce the impact of anticipated electricity price hikes in 2023-24. EnergyAustralia is examining the impact of these Government interventions on its business and will work with Governments to reduce the impact of the higher cost of coal and gas on customers.

Global energy prices look set to remain volatile in 2023 as Australia faces up to the immense and complex challenges of advancing a transition to net-zero at a time of considerable geopolitical unrest and market uncertainty.

Despite this, EnergyAustralia expects to see operational performance improves thanks to a number of measures.

First, renegotiation of the main coal supply contract for Mount Piper has introduced a second mine, Airly, to support Springvale, thereby partially reducing supply risk. Second, major outages for each of the four units at Yallourn will be accelerated for two units in 2023 and two units in 2024. This will provide the opportunity to address in a targeted way the main causes of forced outages in 2022.

EnergyAustralia has also lowered the target level of forward contracting for Yallourn, reducing the financial exposure from forced outages.

These actions will position the company to improve generation operational performance and thereby its contribution to CLP's financial performance, to support the transition to renewable energy and to provide an avenue to more affordable energy for customers.

India

Overview

India's economy grew strongly in 2022 thanks to robust domestic demand and foreign investment, which strengthened the country's macroeconomic fundamentals and helped it rebound sharply as the impact of COVID-19 receded. Against this backdrop, Apraava Energy continued to sharpen its focus on developing and investing in clean energy and power transmission projects to support India's energy transition.

Earnings from Apraava Energy's transmission portfolio rose significantly thanks to a stable operational performance and the contribution of a new project. However, CLP's operating earnings in India fell by 12.7% to HK$193 million because Apraava Energy's renewable and thermal energy businesses were affected by lower resources, one-off issues and reduced tariffs. The performance of CLP's business in India is summarised below:

Operating Earnings	**2022 HK$M**	2021 HK$M	Change %
Renewable Energy	**158**	186	(15.1)
Thermal Energy and Corporate	**(3)**	28	N/A
Transmission	**38**	7	442.9
Total	**193**	221	(12.7)

A Rewarding Partnership

CLP and its partner CDPQ deepened their relationship which began in 2018 as the Canada-based global investment group increased its strategic participation in Apraava Energy from 40% to 50%. The transaction, completed in December, reflects the strategic alignment and commitment shared by the partners and provides a stronger platform for Apraava Energy to capture opportunities offered by India's decarbonisation initiatives.

Renewable Energy Projects Disrupted

The performance of Apraava Energy's renewable energy portfolio was hampered by low resources for both wind and solar projects while individual projects were affected by one-off issues. Operations at Theni Wind Farm in Tamil Nadu state were partially interrupted after a wind turbine generator collapsed, while in Madhya Pradesh state operations at Chandgarh Wind Farm were interrupted by contractual disputes. In Maharashtra state, the Gale and Tornado solar projects were disrupted by a land dispute between local farmers and the original developer of the plants. Interim resolutions to these disputes have allowed operations at these plants to resume.

Construction of Sidhpur Wind Farm in Gujarat state continued and the project is expected to be commissioned by June 2023.

Local distribution companies continued to make payments for renewable energy to Apraava Energy. A new scheme to ensure better payment discipline in the long term was introduced by the Ministry of Power in June and outstanding receivables decreased considerably to HK$564 million by the end of December, compared with HK$883 million a year earlier.

Expanding Business Boundaries

Apraava Energy entered the power transmission sector in 2019 by taking a 100% stake in Satpura Transco Private Ltd (STPL), which owns an intrastate project in Madhya Pradesh state. In December 2021, Apraava Energy completed the acquisition of a 49% interest in Kohima Mariani Transmission Ltd (KMTL), which owns an interstate transmission project in northeast India. Apraava further increased its stake to 74% in February 2023 and is due to take up the balance 26% by the end of 2025.

Both STPL and KMTL performed reliably in 2022 with close to 100% availability. The inclusion of the KMTL project in Apraava Energy portfolio provided a strong boost to earnings in the segment.

To further diversify its business in non-carbon growth areas, Apraava Energy has emerged as the most competitive bidder in the contracts to provide advanced metering infrastructure services in Assam and Gujarat states. Formal contract signing is expected to take place soon.

Power Station Performs Strongly

Apraava Energy's only coal-fired project in India – Jhajjar Power Station in Haryana state – recorded a year of stable operation, boosted by rising demand for electricity. However, availability and utilisation were lower than in 2021 because of an increase in planned outages and coal shortages at the beginning of the year. Earnings from the plant also decreased because the level of capacity tariff it was entitled to receive under its long-term power purchase agreements fell by more than 20% from April onwards.

Jhajjar was nevertheless able to achieve its greatest level of efficiency in terms of heat rate since 2019 when its flue gas desulphurisation units went into continuous operation, thanks to well-timed maintenance works and improved operational practices. The plant also received national and international awards in recognition of its contribution to biodiversity, workplace wellness as well as safety and environmental performance.

However, there were eight short-term licence limit exceedances for sulphur dioxide at the plant. To control the emission, Jhajjar requested to reduce loading or shut down the units in all incidents but was required by authorities keep them operational owing to high power demand in the state. All the exceedances were reported to the regulators which have not imposed penalties or taken any further action.

Apraava Energy is exploring ways to use Paguthan Combined Cycle Power Plant in Gujarat state which ceased operations in 2018. Initial efforts were stalled by the pandemic but have been restarted in recent months.

Outlook

Apraava Energy is strongly positioned to expand its non-carbon portfolio and play an important part in India's energy transition, with the support of CLP and CDPQ. It will continue to focus on becoming a sustainable power company that invests only in low-carbon growth areas, including renewable generation, transmission, distribution and other customer-focused energy businesses. Following the successful bids of its first smart meter projects, Apraava Energy aims to tap this fast-growing market by securing similar projects across the country.

While CLP targets to phase out all coal-fired projects before 2040, Apraava Energy seeks to operate Jhajjar at an optimal level as it continues to take steps to further increase its efficiency.

Southeast Asia and Taiwan

Overview

Ho-Ping Power Station in Taiwan reported reliable operations following the completion of a major overhaul in the first quarter of 2022. The plant's contribution to the Group was significantly impacted by high coal costs during the year. In particular, in the first half of the year the plant's contribution was negative as the energy tariff it received was insufficient to offset the higher coal costs. An amendment to the tariff reimbursement mechanism, effective from July onwards, greatly relieved the margin pressure and led to a minimal profit for the year.

Elsewhere in the region, Thailand's Lopburi Solar Farm performed steadily, however its contribution was lowered by a decrease in the tariff for one phase of the plant, following the expiration of the preferential tariff period.

The operating earnings for Southeast Asia and Taiwan dropped 93.6% to HK$11 million. CLP's performance in the market is summarised below:

Operating Earnings	**2022 HK$M**	2021 HK$M	Change %
Renewable Energy	**16**	61	(73.8)
Thermal Energy	**3**	126	(97.6)
Other	**(8)**	(14)	42.9
Total	**11**	173	(93.6)

Outlook

CLP will continue to carefully manage its investments in the region and ensure they perform reliably and safely.

Safety

The Group launched an updated multi-year health, safety and environment (HSE) strategy with a focus on creating safer work processes through improved organisational learning. The strategy will further strengthen CLP's efforts to prevent fatalities and serious incidents while driving increased digitalisation through the application of software solutions to replace some manual safety management processes. Additionally, there was a focus on increasing the resilience of business operations against unplanned events.

CLP implemented an awareness campaign for employees on the risks of people and objects falling in the workplace and conducted a review of high-risk activities to improve safety.

In 2022, the total recordable injury rate (TRIR) and lost time injury rate (LTIR) for employees and contractors were marginally higher than a year earlier, mostly related to maintenance activity at Castle Peak Power Station. There was a reduction in injury rates at EnergyAustralia, reflecting ongoing safety improvements in its operations. Meanwhile, additional project activities at Apraava Energy resulted in a small increase in minor incidents. In 2022, there was an increase of more than two million manhours for operational and project activities across the Group.

Human Resources

At the end of 2022, CLP had 8,318 full-time and part-time employees, compared with 8,116 a year earlier. A total of 4,063 employees was engaged in regulated electricity operations in Hong Kong, 1,554 in other energy-related businesses across Hong Kong and Mainland China, 2,701 by the businesses in Australia, India, Southeast Asia and Taiwan. Total remuneration for the year ended 31 December 2022 was HK$6,360 million compared with HK$6,684 million in 2021, including retirement benefit costs of HK$630 million compared with HK$652 million in 2021.

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 2022

	Note	**2022 HK$M**	2021 HK$M
Revenue	*3*	**100,662**	83,959
Expenses			
Purchases and distributions of electricity and gas		**(40,710)**	(28,752)
Staff expenses		**(4,668)**	(5,107)
Fuel and other operating expenses		**(41,096)**	(28,581)
Depreciation and amortisation		**(8,904)**	(9,308)
		(95,378)	(71,748)
Other charges	*5*	**(4,312)**	(1,110)
Operating profit	*6*	**972**	11,101
Finance costs		**(2,085)**	(1,744)
Finance income		**243**	108
Share of results, net of income tax			
Joint ventures		**325**	(97)
Associates		**2,135**	2,071
Profit before income tax		**1,590**	11,439
Income tax expense	*7*	**(103)**	(1,965)
Profit for the year		**1,487**	9,474
Earnings attributable to:			
Shareholders		**924**	8,491
Perpetual capital securities holders		**139**	138
Other non-controlling interests		**424**	845
		1,487	9,474
Earnings per share, basic and diluted	*9*	**HK$0.37**	HK$3.36

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2022

	Note	2022 HK$M	2021 HK$M
Profit for the year		**1,487**	9,474
Other comprehensive income			
Items that can be reclassified to profit or loss			
Exchange differences on translation		**(4,608)**	(879)
Cash flow hedges		**1,310**	934
Costs of hedging		**(171)**	(109)
Share of other comprehensive income of joint ventures		**(1)**	(4)
Translation and other reserves reclassified upon sale of subsidiaries	*5(a)*	**2,505**	-
Translation reserve reclassified upon sale of a joint venture	*6(e)*	**18**	-
		(947)	(58)
Items that cannot be reclassified to profit or loss			
Fair value (losses)/gains on investments		**(73)**	100
Remeasurement gains on defined benefit plans		**10**	77
		(63)	177
Other comprehensive income for the year, net of tax		**(1,010)**	119
Total comprehensive income for the year		**477**	9,593
Total comprehensive income attributable to:			
Shareholders		**250**	8,660
Perpetual capital securities holders		**139**	138
Other non-controlling interests		**88**	795
		477	9,593

Consolidated Statement of Financial Position
as at 31 December 2022

	Note	**2022 HK$M**	2021 HK$M
Non-current assets			
Fixed assets	*10*	**147,267**	154,058
Right-of-use assets	*11*	**7,582**	7,130
Investment property		**909**	966
Goodwill and other intangible assets		**18,451**	19,710
Interests in and loans to joint ventures		**11,748**	10,602
Interests in associates		**9,090**	8,769
Deferred tax assets		**2,132**	376
Derivative financial instruments		**1,943**	2,007
Other non-current assets		**2,443**	2,303
		201,565	205,921
Current assets			
Inventories – stores and fuel		**3,696**	2,941
Renewable energy certificates		**804**	1,166
Properties for sale/under development		**2,711**	2,980
Trade and other receivables	*12*	**17,314**	15,404
Income tax recoverable		**-**	546
Fuel clause account		**3,543**	1,116
Derivative financial instruments		**2,107**	1,475
Short-term deposits and restricted cash		**35**	61
Cash and cash equivalents		**4,251**	8,199
		34,461	33,888
Current liabilities			
Customers' deposits		**(6,633)**	(6,254)
Trade payables and other liabilities	*13*	**(19,627)**	(18,381)
Income tax payable		**(1,577)**	(1,349)
Bank loans and other borrowings		**(11,314)**	(10,512)
Derivative financial instruments		**(5,310)**	(1,302)
		(44,461)	(37,798)
Net current liabilities		**(10,000)**	(3,910)
Total assets less current liabilities		**191,565**	202,011

Consolidated Statement of Financial Position (continued)
as at 31 December 2022

	Note	2022 HK$M	2021 HK$M
Financed by:			
Equity			
Share capital		**23,243**	23,243
Reserves	*15*	**82,255**	89,791
Shareholders' funds		**105,498**	113,034
Perpetual capital securities		**3,887**	3,887
Other non-controlling interests		**6,309**	9,788
		115,694	126,709
Non-current liabilities			
Bank loans and other borrowings		**47,903**	47,703
Deferred tax liabilities		**16,246**	15,886
Derivative financial instruments		**1,405**	1,364
Scheme of Control (SoC) reserve accounts	*14*	**3,094**	3,440
Asset decommissioning liabilities and retirement obligations		**4,375**	4,346
Other non-current liabilities		**2,848**	2,563
		75,871	75,302
Equity and non-current liabilities		**191,565**	202,011

Notes:

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

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

The 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 2022 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 and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

The financial information relating to the years ended 31 December 2021 and 2022 included in this preliminary announcement of 2022 annual results does not constitute the Company's statutory annual consolidated financial statements for those years 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 has delivered the financial statements for the year ended 31 December 2021 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) and will deliver the financial statements for the year ended 31 December 2022 in due course.

The Company's auditor has reported on the financial statements of the Group for the years ended 31 December 2021 and 2022. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap.622).

2. Changes in Significant Accounting Policies

There have been a number of amendments to standards effective in 2022. Amendments which are applicable to the Group include:

- Amendments to HKFRS 3 Reference to the Conceptual Framework;
- Amendments to HKFRS 9 Fees in the '10 per cent' Test for Derecognition of Financial Liabilities;
- Amendments to HKAS 16 Property, Plant and Equipment – Proceeds before Intended Use; and
- Amendments to HKAS 37 Onerous Contracts – Cost of Fulfilling a Contract.

2. Changes in Significant Accounting Policies (continued)

The Group has applied the above amendments for the first time in 2022. The adoption of these amendments has had no significant impact on the results and financial position of the Group. The Group does not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

The Group also implemented the IFRS Interpretations Committee agenda decision on demand deposits with restriction on use which has resulted in the re-presentation of the comparatives of HK$299 million from restricted cash classification to cash and cash equivalents on the consolidated statement of financial position and the related update of the 2021 consolidated statement of cash flows. Such amount was related to the deposits under the trust accounts of which the restrictions did not preclude the Group to withdraw the balance on demand.

3. Revenue

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

	2022 HK$M	2021 HK$M
Revenue from contracts with customers		
Sales of electricity in Hong Kong	**50,919**	45,222
Transfer for SoC from revenue (note)	**(604)**	(1,183)
SoC sales of electricity	**50,315**	44,039
Sales of electricity outside Hong Kong	**39,186**	29,719
Sales of gas in Australia	**5,183**	5,121
Sales of properties in Hong Kong	**421**	-
Others	**1,459**	1,174
	96,564	80,053
Other revenue		
Power purchase agreements		
Fixed capacity charge	**400**	593
Variable capacity charge	**275**	267
Energy charge	**3,087**	2,704
Others	**336**	342
	4,098	3,906
	100,662	83,959

Note: Under the SoC Agreement, if the gross tariff revenue in a period is less than or exceeds the total of the SoC operating costs, permitted return and taxation charges, such deficiency shall be deducted from, or such excess shall be added to, the Tariff Stabilisation Fund. In any period, the amount of deduction from or addition to the Tariff Stabilisation Fund is recognised as a revenue adjustment to the extent that the return and charges under the SoC are recognised in the profit or loss.

4. Segment Information

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

4. Segment Information (continued)

	Hong Kong HK$M	Mainland China HK$M	Australia HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Unallocated Items HK$M	Total HK$M
For the year ended 31 December 2022							
Revenue from contracts with customers	51,638	1,824	41,778	1,320	4	-	96,564
Other revenue	138	53	61	3,833	-	13	4,098
Revenue	51,776	1,877	41,839	5,153	4	13	100,662
EBITDAF*	17,541	1,260	(695)	(2,887)	(6)	(1,087)	14,126
Share of results, net of income tax							
Joint ventures	(21)	327	-	-	19	-	325
Associates	-	2,135	-	-	-	-	2,135
Consolidated EBITDAF	17,520	3,722	(695)	(2,887)	13	(1,087)	16,586
Depreciation and amortisation	(5,388)	(814)	(2,368)	(283)	-	(51)	(8,904)
Fair value adjustments	(54)	-	(4,196)	-	-	-	(4,250)
Finance costs	(973)	(245)	(345)	(498)	-	(24)	(2,085)
Finance income	136	9	34	46	-	18	243
Profit/(loss) before income tax	11,241	2,672	(7,570)	(3,622)	13	(1,144)	1,590
Income tax (expense)/credit	(1,893)	(356)	2,303	(155)	(2)	-	(103)
Profit/(loss) for the year	9,348	2,316	(5,267)	(3,777)	11	(1,144)	1,487
Earnings attributable to							
Perpetual capital securities holders	(139)	-	-	-	-	-	(139)
Other non-controlling interests	(848)	(9)	-	433	-	-	(424)
Earnings/(loss) attributable to shareholders	8,361	2,307	(5,267)	(3,344)	11	(1,144)	924
Excluding: Items affecting comparability	(23)	185	-	3,537	-	-	3,699
Operating earnings	8,338	2,492	(5,267)	193	11	(1,144)	4,623
Capital additions	12,283	588	2,335	620	-	29	15,855
Impairment provisions							
Receivables and others	13	30	195	27	-	-	265
At 31 December 2022							
Fixed assets, right-of-use assets and investment property	132,791	9,158	13,628	-	-	181	155,758
Goodwill and other intangible assets	5,545	3,396	9,510	-	-	-	18,451
Interests in and loans to joint ventures	1,910	5,138	-	3,106	1,594	-	11,748
Interests in associates	-	9,090	-	-	-	-	9,090
Deferred tax assets	3	83	2,046	-	-	-	2,132
Other assets	14,446	6,510	16,489	632	72	698	38,847
Total assets	154,695	33,375	41,673	3,738	1,666	879	236,026
Bank loans and other borrowings	48,559	5,531	5,127	-	-	-	59,217
Current and deferred tax liabilities	16,586	1,191	14	-	32	-	17,823
Other liabilities	26,856	931	15,002	3	2	498	43,292
Total liabilities	92,001	7,653	20,143	3	34	498	120,332

*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 non-debt related derivative financial instruments relating to transactions not qualifying for hedge accounting, ineffectiveness and de-designation of cash flow hedges.

4. Segment Information (continued)

	Hong Kong HK$M	Mainland China HK$M	Australia HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Unallocated Items HK$M	Total HK$M
For the year ended 31 December 2021							
Revenue from contracts with customers	44,869	1,747	32,215	1,218	4	-	80,053
Other revenue	125	53	56	3,648	-	24	3,906
Revenue	44,994	1,800	32,271	4,866	4	24	83,959
EBITDAF	17,471	1,539	1,230	1,189	296	(819)	20,906
Share of results, net of income tax							
Joint ventures	(20)	(271)	-	-	194	-	(97)
Associates	-	2,071	-	-	-	-	2,071
Consolidated EBITDAF	17,451	3,339	1,230	1,189	490	(819)	22,880
Depreciation and amortisation	(5,507)	(807)	(2,327)	(617)	-	(50)	(9,308)
Fair value adjustments	(20)	-	(477)	-	-	-	(497)
Finance costs	(907)	(253)	(133)	(436)	-	(15)	(1,744)
Finance income	39	14	7	42	-	6	108
Profit/(loss) before income tax	11,056	2,293	(1,700)	178	490	(878)	11,439
Income tax (expense)/credit	(2,040)	(329)	524	(52)	(68)	-	(1,965)
Profit/(loss) for the year	9,016	1,964	(1,176)	126	422	(878)	9,474
Earnings attributable to							
Perpetual capital securities holders	(138)	-	-	-	-	-	(138)
Other non-controlling interests	(789)	(3)	-	(53)	-	-	(845)
Earnings/(loss) attributable to shareholders	8,089	1,961	(1,176)	73	422	(878)	8,491
Excluding: Items affecting comparability	34	-	1,093	148	(249)	-	1,026
Operating earnings	8,123	1,961	(83)	221	173	(878)	9,517
Capital additions	10,443	826	2,666	174	-	47	14,156
Impairment provisions							
Fixed assets	-	-	-	330	-	-	330
Receivables and others	11	-	214	31	-	-	256
At 31 December 2021							
Fixed assets, rights-of-use assets and investment property	126,255	9,960	14,551	11,175	-	213	162,154
Goodwill and other intangible assets	5,545	3,675	10,476	14	-	-	19,710
Interests in and loans to joint ventures	1,191	7,531	-	-	1,880	-	10,602
Interests in associates	-	8,769	-	-	-	-	8,769
Deferred tax assets	5	88	246	37	-	-	376
Other assets	12,737	5,375	12,566	3,985	72	3,463	38,198
Total assets	145,733	35,398	37,839	15,211	1,952	3,676	239,809
Bank loans and other borrowings	46,351	5,856	-	6,008	-	-	58,215
Current and deferred tax liabilities	15,655	1,220	7	318	35	-	17,235
Other liabilities	24,291	1,252	11,153	467	2	485	37,650
Total liabilities	86,297	8,328	11,160	6,793	37	485	113,100

5. Other Charges

	2022 HK$M	2021 HK$M
Loss on sale of subsidiaries [(a)]	**4,312**	-
The Settlement [(b)]	**-**	1,110
	4,312	1,110

Notes:

(a) In late December 2022, CLP GPEC (Mauritius) Holdings Limited, an indirect wholly-owned subsidiary of the Company, completed the sale of 10% shareholding in Apraava Energy Private Limited (Apraava Energy) in India to CDPQ Infrastructures Asia II Pte. Ltd. for a total consideration of US dollar equivalent of Rs6.6 billion (HK$625 million) (the "Sell Down"). The Group's equity interest in Apraava Energy was reduced from 60% to 50%. Apraava Energy and its subsidiaries (Apraava Energy group) ceased to be subsidiaries (deconsolidated from the date of disposal) and became a joint venture of the Group.

Apraava Energy group was presented as a disposal group held for sale on 30 June 2022 and losses of HK$1,635 million (CLP's share: HK$986 million) on measurement of the disposal group to the lower of its carrying amount and its fair value less costs to sell were recognised and included as part of the loss on sale of subsidiaries. The measurement losses have been applied to reduce the carrying amounts of goodwill and fixed assets within the disposal group.

Calculation of the loss on sale of subsidiaries is as follows:

	HK$M
<u>On reclassification to asset held for sale</u>	
Loss on measurement of the disposal group upon initial classification	**(1,635)**
<u>On completion of the Sell Down (i.e. date of disposal)</u>	
Cash consideration for sale of 10% interest	**625**
Fair value of 50% interest retained (i.e. joint venture)	**3,106**
Carrying value of 40% non-controlling interest	**2,628**
Less: Carrying amount of net assets disposed of*	**(6,531)**
Reclassification of CLP's share of reserves to profit or loss	
Translation reserve	**(2,515)**
Cash flow hedge reserve	**10**
Loss on disposal upon completion of the Sell Down	**(2,677)**
Total loss on sale of subsidiaries#	**(4,312)**

* Adjusted for loss on measurement of Apraava Energy group upon initial classification as a disposal group held for sale in June 2022

Total loss on sale of subsidiaries attributable to shareholders amounted to HK$3,663 million

(b) In March 2021, full and final settlement of all claims made by Lochard Energy (Iona Operations Holding) Pty Ltd against EnergyAustralia arising from the disposal of Iona Gas Plant ("The Settlement") was paid.

6. Operating Profit

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

	2022	2021
	HK$M	HK$M
Charging		
Retirement benefits costs [(a)]	**473**	510
Auditors' remuneration		
Audit services		
PricewaterhouseCoopers	**42**	41
Other auditor [(b)]	**3**	2
Permissible audit related and non-audit services		
PricewaterhouseCoopers [(c)]	**12**	10
Other auditor [(b)]	**-**	-
Variable lease expenses	**21**	15
Cost of properties sold	**325**	-
Net losses on disposal of fixed assets	**241**	386
Impairment of		
Fixed assets [(d)]	**-**	330
Inventories – stores and fuel	**10**	12
Trade receivables	**255**	244
Revaluation loss on investment property	**57**	34
Loss/(gain) on sale of a joint venture [(e)]	**185**	(307)
Morwell River Diversion solution [(f)]	**-**	452
Fair value losses/(gains) on investments at fair value through profit or loss	**13**	(163)
Net exchange losses/(gains)	**373**	(8)
Crediting		
Gain on sale of a subsidiary	**-**	(79)
Rental income from investment property	**(26)**	(25)
Dividends from equity investments	**(14)**	(15)
Net fair value (gains)/losses on non-debt related derivative financial instruments		
Cash flow hedge		
Reclassified from cash flow hedge reserve and cost of hedging reserve to		
Purchases and distributions of electricity and gas	**(1,693)**	(1,182)
Fuel and other operating expenses [(g)]	**(1,691)**	(39)
Ineffectiveness of cash flow hedge	**(52)**	(100)
Not qualified for hedge accounting	**5,606**	631

6. Operating Profit (continued)

Notes:

(a) Retirement benefits costs for the year amounted to HK$630 million (2021: HK$652 million), of which HK$157 million (2021: HK$142 million) was capitalised.

(b) KPMG India has been the statutory auditor of Apraava Energy 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 operations of Apraava Energy 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 Apraava Energy group during the period from 1 January 2022 to the date of disposal (the Period). Other KPMG offices have also provided services to our businesses in other regions which amounted to HK$7 million for the Period (2021: HK$14 million).

(c) Permissible audit related and non-audit services provided by PricewaterhouseCoopers comprised Sustainability Report limited assurance, Continuing Connected Transactions limited assurance, review on accounting policies and profit projection for business development, limited assurance over EnergyAustralia's regulatory reviews and reporting, audits of CLP's provident funds, auditor's attestation and other advisory services.

(d) In 2021, management viewed that it was unlikely that Jhajjar's power purchase agreements would be renewed after their expiry and an impairment provision of HK$330 million was recognised.

(e) In November 2022, the Group completed the sale of its entire 70% interest in CLP Guangxi Fangchenggang Power Company Limited (Fangchenggang), at a consideration of RMB1,507 million (HK$1,648 million). As a result, a loss of HK$185 million was recognised. Consideration receivable was included under trade and other receivables at 31 December 2022.

In 2021, a gain of HK$307 million was recognised from the sale of its entire interest in a joint venture, OneEnergy Asia Limited.

(f) After exceptionally heavy rain in June 2021, cracks were discovered in the structures of the Morwell River Diversion which runs through the Yallourn mine site and an expenditure of HK$452 million was recognised in 2021 for repairs and damage assessment.

(g) Net fair value gains of HK$1,500 million (2021: HK$34 million) were reclassified from cash flow hedge reserve upon de-designation of certain energy contracts in Australia.

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:

	2022 **HK$M**	2021 HK$M
Current income tax expense	**1,649**	1,720
Deferred tax (credit)/expense	**(1,546)**	245
	103	1,965

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 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

	2022		2021	
	HK$ per Share	**HK$M**	HK$ per Share	HK$M
First to third interim dividends paid	**1.89**	**4,775**	1.89	4,775
Fourth interim dividend declared	**1.21**	**3,057**	1.21	3,057
	3.10	**7,832**	3.10	7,832

At the Board meeting held on 27 February 2023, the Directors declared the fourth interim dividend of HK$1.21 per share (2021: HK$1.21 per share). The fourth interim dividend is not reflected as a dividend payable in the financial statements.

9. Earnings per Share

The earnings per share are computed as follows:

	2022	2021
Earnings attributable to shareholders (HK$M)	**924**	8,491
Weighted average number of shares in issue (thousand shares)	**2,526,451**	2,526,451
Earnings per share (HK$)	**0.37**	3.36

Basic and fully diluted earnings per share are the same as the Company did not have any dilutive equity instruments throughout the years ended 31 December 2022 and 2021.

10. Fixed Assets

The movements during the year are set out below:

	Freehold Land HK$M	Buildings HK$M	Plant, Machinery and Equipment HK$M	Total HK$M
Net book value at 1 January 2022	1,108	22,408	130,542	154,058
Additions	3	1,708	12,853	14,564
Transfers and disposals	-	(32)	(288)	(320)
Depreciation	-	(828)	(7,019)	(7,847)
Loss on measurement of disposal group upon reclassification (Note 5(a))	-	(170)	(1,452)	(1,622)
Reclassification to assets of disposal group (Note 5(a))	(753)	(378)	(8,154)	(9,285)
Exchange differences	(62)	(275)	(1,944)	(2,281)
Net book value at 31 December 2022	**296**	**22,433**	**124,538**	**147,267**
Cost	374	38,086	232,606	271,066
Accumulated depreciation and impairment	(78)	(15,653)	(108,068)	(123,799)
Net book value at 31 December 2022	**296**	**22,433**	**124,538**	**147,267**

11. Right-of-Use Assets

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

	Prepaid Leasehold Land HK$M	Land and Buildings HK$M	Plant, Machinery and Equipment HK$M	Total HK$M
Net book value at 1 January 2022	5,864	618	648	7,130
Additions	878	84	(1)	961
Transfers and disposals	-	(12)	-	(12)
Depreciation	(202)	(98)	(52)	(352)
Reclassification to assets of disposal group (Note 5(a))	(47)	-	-	(47)
Exchange differences	(18)	(38)	(42)	(98)
Net book value at 31 December 2022	**6,475**	**554**	**553**	**7,582**

12. Trade and Other Receivables

	2022 HK$M	2021 HK$M
Trade receivables	**10,504**	11,707
Deposits, prepayments and other receivables#	**6,499**	2,526
Dividend receivables from		
Joint ventures	**76**	190
An associate	**228**	975
Current accounts with		
Joint ventures	**6**	5
An associate	**1**	1
	17,314	15,404

Including EnergyAustralia's futures margin account of HK$3.4 billion (2021: HK$1.1 billion) and the consideration receivable from the sale of Fangchenggang of HK$1,684 million (2021: nil), 90% of which was received in February 2023 with the remaining to be received in the first half of 2023.

The Group has established credit policies for customers in each of its retail businesses. In Hong Kong, electricity bills are due within two weeks after issuance. To limit the credit risk exposure, the Group has a policy to require cash deposits or bank guarantees from customers for an amount determined from time to time by reference to the usage of the customers, and in the normal course of events will not exceed the highest expected charge for 60 days. In Australia, customers are allowed to settle their electricity bills in no more than 45 days after issue, while certain large commercial customers can range up to 90 days. Trade receivables arising from sales of electricity to the offtakers in Mainland China, which are mainly state-owned enterprises, are due for settlement within 30 to 90 days after bills issuance.

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

	2022 HK$M	2021 HK$M
30 days or below*	**9,257**	9,285
31 – 90 days	**585**	670
Over 90 days	**662**	1,752
	10,504	11,707

* Including unbilled revenue

13. Trade Payables and Other Liabilities

	2022 HK$M	2021 HK$M
Trade payables	**6,511**	6,119
Other payables and accruals	**8,868**	7,504
Lease liabilities	**229**	217
Advances from non-controlling interests	**860**	832
Current accounts with		
Joint ventures	**2**	1
An associate	**359**	564
Deferred revenue	**2,798**	3,144
	19,627	18,381

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

	2022 HK$M	2021 HK$M
30 days or below	**6,345**	5,800
31 – 90 days	**144**	219
Over 90 days	**22**	100
	6,511	6,119

14. SoC Reserve Accounts

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

	2022 HK$M	2021 HK$M
Tariff Stabilisation Fund	**2,928**	3,109
Rate Reduction Reserve	**40**	3
Rent and Rates Refunds (note)	**126**	328
	3,094	3,440

Note: CLP Power has been challenging the amount of Government rent and rates levied dating back to the year of assessment 2001/02. Following the settlement of appeals up to 2017/18 in 2020, CLP Power further reached settlement with the Hong Kong Government in respect of the remaining appeals from 2018/19 to 2021/22.

Following settlement with the Hong Kong Government of the remaining appeals from 2018/19 to 2021/22, a refund of HK$200 million was received for the appeals from 2018/19 to 2020/21, and a HK$40 million refund was receivable for the 2021/22 appeal. Using the total amount of refunds from the Hong Kong Government for all appeal years of HK$3,031 million, CLP Power has provided customers with the Rent and Rates Special Rebate. Including the rebate of HK$442 million paid during the year, the Rent and Rates Special Rebate made to customers has reached an aggregate amount of HK$2,905 million.

The refunds are classified within the SoC reserve accounts. The Rent and Rates Special Rebate paid to customers was offset against the refunds received.

15. Reserves

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

	Translation Reserve HK$M	Cash Flow Hedge Reserve HK$M	Cost of Hedging Reserve HK$M	Other Reserves HK$M	Retained Profits HK$M	Total HK$M
Balance at 1 January 2022	(5,372)	1,011	(3)	1,642	92,513	89,791
Earnings attributable to shareholders	-	-	-	-	924	924
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	(2,779)	(109)	-	-	109	(2,779)
Joint ventures	(857)	-	-	-	-	(857)
Associates	(644)	-	-	-	-	(644)
Cash flow hedges						
Net fair value gains	-	4,766	-	-	-	4,766
Reclassification to profit or loss	-	(2,962)	-	-	-	(2,962)
Tax on the above items	-	(508)	-	-	-	(508)
Costs of hedging						
Net fair value losses	-	-	(238)	-	-	(238)
Reclassification to profit or loss	-	-	59	-	-	59
Tax on the above items	-	-	30	-	-	30
Fair value losses on investments	-	-	-	(73)	-	(73)
Remeasurement gains on defined benefit plans	-	-	-	-	10	10
Share of other comprehensive income of joint ventures	-	(1)	-	-	-	(1)
Sale of subsidiaries (Note 5(a))	2,515	(10)	-	789	(789)	2,505
Sale of a joint venture (Note 6(e))	18	-	-	-	-	18
Release of revaluation gains upon sale of properties	-	-	-	(219)	219	-
Total comprehensive income attributable to shareholders	(1,747)	1,176	(149)	497	473	250
Transfer to fixed assets	-	46	-	-	-	46
Appropriation of reserves	-	-	-	55	(55)	-
Dividends paid						
2021 fourth interim	-	-	-	-	(3,057)	(3,057)
2022 first to third interim	-	-	-	-	(4,775)	(4,775)
Balance at 31 December 2022	**(7,119)**	**2,233**	**(152)**	**2,194**	**85,099** (note)	**82,255**

Note: The fourth interim dividend declared for the year ended 31 December 2022 was HK$3,057 million (2021: HK$3,057 million). The balance of retained profits after the fourth interim dividend of the Group was HK$82,042 million (2021: HK$89,456 million).

16. Commitments

(A) Capital expenditure on fixed assets, leasehold land and intangible assets contracted for but not yet incurred at the end of the year amounted to HK$9,686 million (2021: HK$13,150 million).

(B) At 31 December 2022, leases for assets committed but not yet commenced were as follows:

(i) Kidston Pumped Hydro Energy Storage Facility

The Group has entered into a long-term Energy Storage Services Agreement (ESSA) to be the market operator of the 250MW Kidston pumped hydro energy storage facility in Queensland. This facility is currently under construction and the ESSA is subject to a number of conditions precedent which must be satisfied before the lease commencement date, which is expected to occur before 31 December 2025. At 31 December 2022, the expected undiscounted contractual lease payments under this agreement were approximately HK$1.9 billion (2021: HK$2.1 billion).

(ii) Riverina Battery Storage Systems

The Group has entered into two long-term Battery Storage Services Agreements to be the market operator of two Riverina battery storage systems with a combined 90MW capacity in New South Wales. These facilities are currently under construction and the lease commencement date is expected to occur in December 2023. At 31 December 2022, the expected undiscounted contractual lease payments under these agreements were approximately HK$0.4 billion (2021: nil).

(C) At 31 December 2022, outstanding committed shareholder's loan facilities to a joint venture amounted to HK$296 million (2021: HK$518 million). In addition, equity contributions to be made for joint ventures and private equity partnerships were HK$199 million (2021: HK$54 million) and HK$163 million (2021: HK$203 million) respectively.

(D) At 31 December 2022, the Group's shares of capital, lease and other commitments of its joint ventures and associates were HK$4,190 million (2021: HK$4,219 million) and HK$638 million (2021: HK$782 million) respectively.

SUPPLEMENTARY INFORMATION ON TREASURY ACTIVITIES

CLP took active steps in financing in 2022 to meet the needs of its operations and support growth. It continued to exercise prudence through regular reviews of its liquidity position and risk management to ensure ongoing financial integrity, and took proactive action persistently when appropriate to uphold a strong financial profile. The Company also moved pre-emptively to arrange major financing activities with preferential terms, while spreading out the debt maturity profile and sources of funding.

As a result, the Group's liquidity strengthened with undrawn facilities and bank balances increasing to HK$31.6 billion and HK$4.3 billion respectively as of 31 December 2022, compared with HK$19.5 billion and HK$3.7 billion respectively six months earlier. Meanwhile CLP Holdings maintained HK$13.5 billion of liquidity on 31 December 2022, more than double the HK$6 billion held on 30 June 2022. This higher level of liquidity is expected to remain in 2023 and will be supported by dividend income from subsidiaries, joint ventures and associates, and the arrangement of debt facilities in appropriate amount.

CLP followed its prudent financing and treasury management philosophies to take timely action in the first quarter to secure most of its funding needs before market liquidity was tightened after March 2022 while achieving sustainability-related benefits in the process. This helped CLP retain its financial headroom for growth at attractive commercial terms in a more socially responsible way. A good example was the JPY15 billion (HK$1 billion), three-year samurai cross-border syndicated loan facility which carries emission reduction-linked features, with proceeds fully swapped into Hong Kong dollars through a sustainability-linked derivative. The financial derivative was reported to be one of the first of its type arranged for a corporate in Hong Kong.

This transaction was soon followed by a total of HK$9 billion financing for CLP Holdings, CLP Power and CAPCO. The three entities executed HK$4.7 billion, HK$1 billion and HK$3.3 billion, respectively, of new short- to medium-term bank facilities at competitive terms. They further raised the financial headroom of CLP Holdings and expanded the company's capabilities to pursue business opportunities and meet contingencies. The loan facilities completed by the Scheme of Control entities provided support to continuous capital and operational expenditures in Hong Kong in line with the decarbonisation commitments of the Hong Kong Government and CLP, and included ESG features similar to some existing loan facilities.

Both CLP Power 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 respectively may be issued. As of 31 December 2022, notes with aggregate nominal values of around HK$27.5 billion and HK$9.1 billion had been issued by the two entities respectively.

Extraordinary volatility and higher prices in forward energy markets in Australia from March to July 2022 once posed immense challenges to EnergyAustralia to meet margin calls on its energy contracts within very short term notice. CLP Holdings leveraged on its good networking in the financial market and extended strong support to EnergyAustralia for the business unit to complete a A$1 billion (HK$5.5 billion) non-recourse syndicated credit facility in July. This credit facility was split into revolving cash advance loan and amortising term loan to cater for EnergyAustralia's fund flow requirements and enabled the business to replenish liquidity. EnergyAustralia also upsized its revolving bank debt facility from A$2.5 million (HK$14 million) to A$750 million (HK$4 billion) in April and arranged A$300 million (HK$1.6 billion) bank guarantee facilities in December to meet its needs.

In Mainland China, CLP worked with existing and new lenders to lower the financing cost and extend debt tenor for four renewable energy projects. As a result, a total of RMB1.1 billion (HK$1.2 billion) non-recourse project loan facilities were refinanced, enhancing the economic value of the investments. In addition, new non-recourse project loan facilities in total of RMB1.2 billion (HK$1.3 billion) were arranged for two renewable energy projects.

As at 31 December 2022, the Group maintained HK$90.8 billion in financing facilities, including HK$17.1 billion for subsidiaries in Australia and Mainland China. Of the facilities available, HK$59.2 billion had been drawn down, of which HK$10.7 billion related to subsidiaries in Australia and Mainland China. The Group's net debt to total capital ratio was 32.0% (2021: 28.1%) and fixed-rate debt as a proportion of total debt was 52% (2021: 61%) excluding perpetual capital securities or 55% (2021: 64%) including perpetual capital securities. FFO (Funds From Operations) Interest Cover for the year ended 31 December 2022 was 7 (2021: 12) times.

Following CLP's strategic divestment of an additional 10% stake in Apraava Energy to CDPQ in December, Apraava Energy is accounted for as a joint venture and its debt balance has been excluded from the CLP's overall debt profile. This would further strengthen CLP's financing capability to invest in renewable energy and decarbonisation projects. Apraava Energy arranged Rs55 billion (HK$5.2 billion) of debt facilities at competitive interest rates mainly to refinance existing loans to fund power transmission and renewable energy projects.

CLP recognises the importance of maintaining strong investment-grade credit ratings to achieve its business and climate objectives. Standard & Poor's (S&P) affirmed CLP Holdings' A rated credit rating in July and opined that CLP's regulated business in Hong Kong remained intact, while the Company's financials were likely to be constrained by the weak Australian segment. Moody's opined in October that CLP Holdings has maintained adequate financial profile and sound liquidity within its current A2 credit rating profile. In December, Moody's assigned an inaugural Baa2 credit rating to EnergyAustralia with a stable outlook, noting the importance of its generation fleet to the National Electricity Market and parent support from CLP. In the same month, EnergyAustralia asked S&P to withdraw its BBB- credit rating with negative outlook.

As at 31 December 2022, the Group had notional value of outstanding derivative financial instruments amounting to HK$64.5 billion for hedging of foreign exchange and interest rate risks, and notional volumes of outstanding energy derivatives amounting to 333,062GWh, 11 million barrels and 1,919TJ for electricity, oil and gas respectively. The fair value of these derivative instruments was a net deficit of HK$2,665 million on 31 December 2022.

CORPORATE GOVERNANCE

The Company has its own unique code namely The CLP Code on Corporate Governance (CLP Code) which is on our website and available on request. In 2023, we have updated the CLP Code to reflect the new requirements under the Corporate Governance Code (the Corporate Governance Code), Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules). The CLP Code goes beyond the principles of good corporate governance and incorporates the code provisions on a “comply or explain” basis and certain recommended best practices as set out in the Corporate Governance Code.

CLP deviates from only one recommended best practice in the Corporate Governance 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 financial year ended 31 December 2022, the Company has complied with the code provisions and the recommended best practices, other than the exception explained above, as provided in the Corporate Governance Code.

The accounting principles and practices adopted by the Group, and the financial statements for the year ended 31 December 2022, have been reviewed by the Audit & Risk Committee (ARC).

The ARC’s monitoring of the risk management and internal control systems was supported by the review work and reporting by Group Internal Audit (GIA) and by the independent auditor’s report of their testing of the control environment of the Group. During the period from 1 January 2022 to the date of this announcement, no internal control issue that would be material to the integrity of the financial statements was identified.

The ARC analysed and was satisfied that the Group’s risk management and internal control systems were effective and adequate for the year ended 31 December 2022 and up to the date of this announcement.

The ARC also received and considered reports from the Senior Director – GIA. GIA issues two types of reports: a) audit reports which provide independent appraisal of the audit unit’s compliance with prescribed policies and procedures, and evaluation of the effectiveness of the overall controls; and b) special review reports which focus on new business areas and emerging risks, where control advisory is provided. GIA has also conducted desktop review for selected lower risk audit units to enhance audit effectiveness and timeliness of communication with auditees. For the year 2022, a total of 22 audit, 13 special review and one desktop review were completed. One of the audit reports carried a not satisfactory audit opinion. None of the control weaknesses identified had a material impact on the financial statements.

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 2022 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 potential 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 2022 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 2022.

FOURTH INTERIM DIVIDEND

Today, the Board of Directors of the Company declared the fourth interim dividend for 2022 at HK$1.21 per share (2021: HK$1.21 per share). This fourth interim dividend will be payable on all shares in issue as at the close of business on 13 March 2023 after deducting any shares repurchased and cancelled up to the close of business on 13 March 2023. As at 31 December 2022, 2,526,450,570 shares of the Company were in issue. The fourth interim dividend of HK$1.21 per share will be payable on 23 March 2023 to shareholders registered as at 14 March 2023.

The Register of Shareholders will be closed on 14 March 2023. 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, 13 March 2023.

ANNUAL GENERAL MEETING

The twenty fifth Annual General Meeting (AGM) will be held on Friday, 5 May 2023, 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 29 March 2023.

To facilitate the processing of proxy voting, the Register of Shareholders will be closed from 2 May 2023 to 5 May 2023, 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 Friday, 28 April 2023.

By Order of the Board
Michael Ling
Joint Company Secretary

Hong Kong, 27 February 2023

The Company's Annual Report containing the Directors' Report and Financial Statements for the year ended 31 December 2022 will be published on the Company's website at www.clpgroup.com and the website of the Hong Kong Stock Exchange on or about 13 March 2023. The Annual Report and the Notice of AGM will be despatched to shareholders on or about 29 March 2023. 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 Andrew Brandler, Mr J. A. H. Leigh, Mr Philip Kadoorie and Mrs Yuen So Siu Mai Betty
Independent Non-executive Directors:	Sir Rod Eddington, Mr Nicholas C. Allen, Mrs Fanny Law, Mrs Zia Mody, Ms May Siew Boi Tan, Ms Christina Gaw, Mr Chunyuan Gu and Mr Chan Bernard Charnwut
Executive Director:	Mr Richard Lancaster

Energy for Brighter Tomorrows