

2022 Operating Earnings

Total HK\$4,623 million

Hong Kong energy and related business	India
нк\$8,666	нк\$193
million	million
Mainland China	Southeast Asia and Taiwan
нк\$2,229	нк\$11
million	million
Australia	Other earnings and unallocated expenses
-HK\$ 5 267	-HK¢ 1 209

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Southeast Asia and Taiwan

Much of the electricity industry in India has traditionally been owned and controlled by the Federal and State Governments. Since 2006, private companies have been encouraged to invest in the generation and increasingly transmission segments. On the distribution side, the Federal Government has recently progressed initiatives for more privatisation. Since entering the Indian market in 2002, CLP has built a diversified portfolio comprising wind, solar and supercritical coal generating facilities as well as transmission assets, and is foraying into the advanced metering infrastructure segment. The business, in which the Canada-based global investment group CDPQ has a 50% stake, is operated under the Apraava Energy brand with a focus on clean energy, power transmission and other customer-focused energy businesses.



Mainland China

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Southeast Asia and Taiwan

CLP has minority interests in a solar project in Thailand and a coal-based generation plant in Taiwan. The electricity industry is government-controlled in both markets.

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Financial Highlights

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.

			Increase/ (Decrease)
	2022	2021	%
For the year (in HK\$ million)			
Revenue			
Hong Kong electricity business	50,600	44,311	14.2
Energy businesses outside Hong Kong	48,873	38,941	25.5
Others	1,189	707	
Total	100,662	83,959	19.9
Earnings			
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	(3,699)	(1,026)	
Total earnings	924	8,491	(89.1)
Net cash inflow from operating activities	12,734	17,806	(28.5)
At 31 December (in HK\$ million)			
Total assets	236,026	239,809	(1.6)
Total borrowings	59,217	58,215	1.7
Shareholders' funds	105,498	113,034	(6.7)
Per share (in HK\$)			
Earnings per share	0.37	3.36	(89.1)
Dividend per share	3.10	3.10	-
Shareholders' funds per share	41.76	44.74	(6.7)
Ratios			
Return on equity ³ (%)	0.8	7.5	
Net debt to total capital 4 (%)	32.0	28.1	
FFO interest cover ⁵ (times)	7	12	
Price / Earnings 6 (times)	154	23	
Dividend yield ⁷ (%)	5.4	3.9	

- 1 Reflecting our business initiatives in energy and infrastructure solutions in Hong Kong, the 2021 earnings of CLPe have been reclassified from other earnings in Hong Kong to Hong Kong energy business to align with
- 2 Hong Kong energy business related includes PSDC and Hong Kong Branch Line supporting SoC business
- 3 Return on equity = Total earnings / Average shareholders' funds
- 4 Net debt to total capital = Net debt / (Equity + advances from non-controlling interests + net debt); debt = bank loans and other borrowings; net debt = debt – bank balances, cash and other liquid funds
- 5 FFO (Funds from operations) interest cover = Cash inflow from operations / (Interest charges + capitalised
- 6 Price/Earnings = Closing share price on the last trading day of the year/Earnings per share
- 7 Dividend yield = Dividend per share / Closing share price on the last trading day of the year

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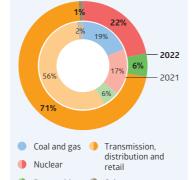


Operating Earnings * (Before Unallocated Expenses)

Operating earnings Items affecting comparability

Total earnings

Revenue HK\$M



Renewables Others

* Excluding fair value movements of energy forward contracts from EnergyAustralia

About the CLP Group

The CLP Group is one of the largest investor-owned power businesses in Asia Pacific with investments in Hong Kong, Mainland China, Australia, India, Southeast Asia and Taiwan. Its business spans every major segment of the electricity value chain ranging from power generation, transmission and distribution to retail and smart energy services. To meet the evolving needs of energy users in a world being reshaped by decarbonisation and digitalisation, CLP strives to embrace new opportunities and expand its horizons as it transforms into a Utility of the Future.

	Current Operations	Potential Opportunities
Generation	•	0
Transmission		0
Distribution		0
Retail		0
Smart Energy Services		0



Hong Kong

Hong Kong's electricity sector is regulated by the Scheme of Control Agreements and operated by two vertically integrated utility companies that serve different geographical areas of the city. CLP Power Hong Kong Limited, the larger of the two companies and a wholly owned subsidiary of the Group, provides a power supply of over 99.997% world-class reliability to more than 2.75 million customers in Kowloon, the New Territories and most of the outlying islands, serving about 80% of the city's population.

Mainland China



The electricity industry in Mainland China is largely state-controlled. Transmission and distribution are principally operated by two state-owned enterprises while generation is open for investment. As the country continues to open up its energy market, the provision of sustainable energy services to customers also presents great potential for private investments. CLP first entered the market in 1979 when the Group began providing electricity to Guangdong province. Today, CLP China is the largest external investor in the energy sector in Mainland China with over 50 power projects in 16 provinces, municipalities and autonomous regions, concentrating on low-carbon energy, including nuclear power and renewable energy, in addition to opportunities in smart energy services.

Australia



EnergyAustralia is one of the largest privately owned electricity generators under the National Electricity Market (NEM), a major gas and electricity retailer in New South Wales, Victoria, South Australia and the Australian Capital Territory, and an electricity retailer in Queensland. Private generators operating under the NEM and a number of government-owned assets provide generation services in a competitive wholesale market. The electricity retail market is partially regulated while the transmission and distribution segments remain substantially regulated.

A Snapshot of **CLP in 2022**

7 A Snapshot of CLP in 2022

1 A Snapshot of CLP in 2022

Our purpose and strategy

Purpose

CLP provides sustainable energy solutions to create value for shareholders, customers, employees and the wider community. We aim to be the leading responsible energy provider in the Asia-Pacific region, from one generation to the next.

Strategic priorities

business portfolio

discipline

climate change

manage social impact

Continue to grow a sustainable

Accelerate our response to

Serve growing demand for

customer-facing energy solutions

> Pursue growth opportunities from energy

infrastructure, Energy-as-a-Service and

Leverage technology for experience

and empower customers in making better

Adopt technologies to enhance operating

Invest to build an agile, innovative

> Invest to build organisational agility and

Support CLP's people to thrive in change,

promoting health and wellbeing

performance and drive new business

> Deliver leading customer experiences

energy solutions

and performance

energy choices

workforce

develop future skills

> Growing provision of energy solutions in the

Asia-Pacific region underpinned by capital

> Accelerate decarbonisation of CLP's portfolio,

reinforce resilience in a changing climate and

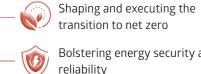
Strategy

Through our values and commitments, we work every day to grow our business and meet our strategic priorities: creating a sustainable business portfolio; accelerating our response to climate **change** for our business and the communities we operate in; serving growing demand for energy **solutions**; **leveraging technology** to deliver leading customer experiences and enhance operating performance; and investing to build an agile and innovative workforce.

Double materiality assessment

Material ESG topics:

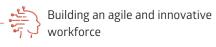
Financially material



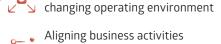
Bolstering energy security and



Pursuing energy growth opportunities in our core markets



Reinforcing resilience in a



Aligning business activities 🔭 🌓 with community, employee and customer expectations

Impact material

Megatrends analysis

How we measure success

2021: HK\$8,491

million

Key performance indicators

нк 924 Total earnings

нк\$4.623 Operating earnings

million

Apraava Energy climate

changing weather patterns

liability in Hong Kong

99.997%

2021:99.999%

risk assessment on

potential impacts of

2021: HK\$9,517 2021: HK\$7,832

5.21 million 87.360 Retail customer million kWh accounts in Hong **Electricity sent out** Kong and Australi 2021: 91,183 2021: 5.15

6 cases 2021 : 5 cases

Resilience projects and investments 0.55kg CO₂e/kWh Climate change adaptation Greenhouse gas study for CLP Power to strengthen climate risk management 2021: 0.57kg

3.611_{MW} energy capacity 2021: 3,624MW

CO₂e/kWh

expenses) by asset type

million kWh

HK\$9,065

to energy efficiency

for CLP Power,

with more than

60% of customer

account activities

online channels

Average

training hours

per employee

2021 : 51.6

conducted through

Coal Gas Nuclear Renewables HK\$17,849 distribution

Notes: 1 Any minor discrepancies in totals are due to rounding of figures

2 Excluding EnergyAustralia's fair value movements. 3 Capital investments in coal assets include maintenance, upgrades, and efficiency improvements only.

million

Capital investment

(on accrual basis)

by asset type

Initiatives / investments in new products and services

- > MoU with Longhua District People's Government of Shenzhen Municipality on energy digitalisation
- Partnership with Venturous Group on smart energy technologies in the GBA
- MoU with ESR to develop sustainable data centres and logistics centres Joint venture with TGOOD to develop EV charging
- infrastructure in the GBA > Partnership with SEA Electric to accelerate the transition to
- clean energy for truck fleets in Australia

CLP Power 2021:73

-6.9 EnergyAustralia

2021 : -6.7#

Lost time injury rate

2021:0.07

0.25

Total recordable

injury rate

2021:0.23

2021 figure has been restated

connected for Hong Kong customers since 2018

over 1.78 million

connected for EnergyAustralia's customers in 2022

Feed-in Tariff Scheme Digital adoption in Hong Kong Strong growth in digitalisation

Adoption of new products and services

336_{MW} approved or connected to grid since May 2018

> Distributed solar project at MTR Shenzhen headquarters in Longhua

> Solar energy systems for shopping centres of Link Properties

> Hong Kong's biggest EV charging infrastructure project at The Regalia

> Joint initiative with DBS Hong Kong on sustainable financing for businesses linked

> Build Hong Kong's first zero-carbon chiller system at Nina Tower with Chinachem

> Cooling-as-a-Service contract with SOCAM Development for Shui On Centre in

Renewable Energy Certificates sales in Hong Kong in 2022 100_{GWh}

29.1%

2021:30.5% 13.0% Women in engineerin

2021:12.3%

26.7% 2021:26.3%

Demand response

programmes

over 130_{MW}

maximum demand

reduced in Hong Kong

246.4_{MW}

capacity contracted

in Australia

41 Graduate Trainees hired in Hong Kong 2021:32

Creating Value for Stakeholders





2022 Sustainabilit

How we create value

At CLP, we utilise various capitals to create value for shareholders, customers, employees and the wider community.

Risks

Inputs used

Resources and infrastructure Financing

- > Generation and energy storage capacity of 17,970 equity MW > Shareholders' funds of HK\$105,498 million
- > Long-term capacity and energy purchase agreements > Total borrowings of of 5.098MW HK\$59,217 million
 - > 394,274TJ of coal and 151,327TJ of gas consumed
 - > Transmission and high voltage distribution lines of around 16,900 km
 - > 15,653 primary and secondary substations in Hong Kong

Risks

- > Financial risk > Operational risk > Commercial risk
 - > Extreme weather as a result of climate change

Talent and expertise

Risks

> Human resources risk

Health and safety

> 18,752 employees and contractors in our total workforce

Technology

- > Strengthened technological capabilities to develop Energy-as-a-Service business model
- Digitalisation of operations
- > Investments in technology companies and funds
- > Partnerships with innovation accelerators

Electric Vehicle

Risks

Commercial risk

What we do

We operate in

different parts of

the energy value

chain in each of

the markets we

are in, tailoring our

solutions based on

the local context.

CLP's key

stakeholders



deployment of low-carbon energy sources

Design, build and operate distribution networks

> Integrate distributed energy resources into the grid

Generation

energy into the grid



Transmission •

> Procure adequate and appropriate fuels and energy resources from diversified sources

> Design, build, operate and enhance transmission networks to facilitate integration of more clean



Energy Orchestration

- > Develop and deploy customer-oriented, technologyenabled energy services that help customers become Design, build, operate and invest in centralised and decentralised generation facilities with increasing active participants of a power system
 - > Widen and deepen customer relationships as an energy orchestrator to enable decarbonisation, electrification, energy efficiency and management,

Safe workplace and career

> Comprehensive measures to safeguard

Over 6.000 employees and contractors

shape workplace culture

Hong Kong and Mainland China

wellbeing of workforce amid pandemic

participated in interactive online forum to

> 41% increase in recruitment in core markets of

progression

Our People





and Battery

decentralised generation and storage

> Enable dynamic system balancing that integrates centralised and decentralised generation, and balances demand against different generation profiles to optimise cost efficiency, reliability and environmental performance

HK\$1,649 million

HK\$81,806 million

> Operating costs of

> Enable delivery of smarter and greener energy products and services

Renewable Energy

•••

Outputs Competitive funding and attractive financial returns

> Total dividends of HK\$7.832 million to shareholders

New technologies and

digital applications

- > Strong liquidity position with access to cost-effective sources of sustainable financing
- > Coal asset divestment to channel more capital to invest in clean energy

Capital Providers

Reliable, reasonably priced and low-carbon electricity supply and sustainable energy solutions

> Data analytics, artificial intelligence and

of entire energy system

Internet of Things (IoT) facilitate flexibility

> Operational resilience and secure energy supply in core markets

Customers

- > Stringent cost control to mitigate tariff impact for customers
- > Diversified solutions to help customers improve energy efficiency and reduce emissions

> Over 46 hours of internal and external training

and development per employee on average

Partners

Contribution to policy, Positive social impact/ business and economic climate action conscious > Donations of HK\$10 million

- development > Current income tax of
 - > Strengthen community wellbeing and resilience as COVID-19 impacts recede > Promote public awareness on

efficiency

- > Expanding partnerships for lowcarbon economic transition
- > Supporting national- to city-level policymaking on decarbonisation
 - development

Community

> Commitment to youth

decarbonisation and energy

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8.318

for CLP Group

2021:8,116