Our Business Model and Value Creation Journey

CLP’s core business is providing reliable and safe electricity to our customers at a reasonable price and with minimum impact to the environment. As the world moves into a smarter and greener era, we recognise that helping our customers to manage their electricity use more efficiently is of increasing importance. To achieve this, we draw on all of our resources, experience and talent at CLP, and apply the highest standard of governance to provide our customers with choice and quality service and create values for all of our stakeholders along the way. The following diagram demonstrates how CLP created value and benefits for our stakeholders in 2016.
Operating Earnings HK$12,334 million
Total Earnings HK$12,711 million

Customer Promise and Experience

Generation
- Operate Power Plants
- Design and Build Power Stations

Delivery
- Operate Transmission and Distribution Networks
- Design and Build Transmission and Distribution Networks

Corporate Governance
- Do-the-right-thing Culture
- High-integrity Governance Framework
- Effective Board Oversight
- Transparent Shareholder Communication

CLP Holdings 2016 Annual Report
Economic Value Retained

HK$ 13,369 million

Notes:
1. From power stations in which CLP has invested and capacity purchase arrangements
2. On equity basis and capacity purchase arrangements
3. Average of the past 36 months
4. Including 2.52 million in Hong Kong and 2.63 million in Australia
5. Economic value generated consists of revenue (HK$79,434 million) and share of profits (HK$791 million). Share of profits represents share of results (net of income tax) from joint ventures and associates netted with earnings attributable to other non-controlling interests
6. Netted with finance income and include payments made to perpetual capital securities holders
7. Represents earnings attributable to shareholders (before depreciation, amortisation and deferred tax) for the year retained
### Gross Capacity and CLP Net Capacity by Market:

<table>
<thead>
<tr>
<th>Market</th>
<th>Gross Capacity</th>
<th>CLP Net Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>7,483MW</td>
<td>7,483MW</td>
</tr>
<tr>
<td>Mainland China</td>
<td>20,974MW</td>
<td>8,069MW</td>
</tr>
<tr>
<td>India</td>
<td>3,029MW</td>
<td>2,978MW</td>
</tr>
<tr>
<td>Southeast Asia and Taiwan</td>
<td>1,383MW</td>
<td>285MW</td>
</tr>
<tr>
<td>Australia</td>
<td>5,087MW</td>
<td>4,966MW</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>37,956MW</strong></td>
<td><strong>23,781MW</strong></td>
</tr>
</tbody>
</table>

*Equity basis and capacity purchase arrangements

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**Notes:**
- **Mainland China** includes projects in China, Mainland India, and other countries.
- **Australia** includes projects in Australia, New Zealand, and other countries.
- **India** includes projects in India and Sri Lanka.
- **Southeast Asia and Taiwan** includes projects in Southeast Asia and Taiwan.
- **Total** includes all regions mentioned above.

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**CLP Holdings 2016 Annual Report**

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**Generation Types:**
- Coal
- Gas
- Nuclear
- Wind
- Hydro
- Solar
- Other

**Transmission & Distribution Network**

**Customer Service**

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**A detailed list of CLP’s investments**

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**Image:**
- Illustration showing CLP’s investments in various regions, including Mainland China, India, Mainland China – Shenzhen, and Hong Kong. The image highlights assets wholly or majority-owned by CLP and those in which CLP has no majority shareholding.