CLP 中電

Connected as One
Embracing the Future

2024 Annual Report

Stock Code: 00002

2024 Annual Report

Introduction

Welcome to CLP's 2024 Annual Report. At a time of rapid change in the Asia Pacific energy sector, this report offers in-depth insights into the Group's efforts to seize new opportunities and uplift its organisational capabilities as our solid results lay strong foundations for the business to transform and grow.

Our commitment to sustainability and decarbonisation is crucial to our success. On top of the regulatory disclosures, our Annual Report seeks to provide our readers with a deeper understanding of our ongoing efforts to build a long-term business, an assessment of our exposure to sustainability-related risks and an overview of our investment opportunities. On the regulatory side, the 2024 Annual Report has been prepared in accordance with the new Hong Kong Financial Reporting Standard (HKFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information and HKFRS S2 Climate-related Disclosures, with supplementary disclosures provided in the linked Sustainability Report and *CLP's Climate Vision 2050: Powering an orderly transition*. We also followed the reporting principles set out in the new Environmental, Social and Governance (ESG) Reporting Code of the Stock Exchange of Hong Kong, which came into effect on 1 January 2025.

A broader set of sustainability-related targets and metrics are provided in this Annual Report to allow readers to evaluate how we managed our key business matters. A review is currently underway to further enhance our disclosures of the financial effects of sustainability and climate-related risks and opportunities in the next reporting cycle.

The rigour of CLP's reporting methodology is underpinned by a comprehensive annual materiality assessment to identify key sustainability-related impacts, risks and opportunities. The process and selected sustainability-related metrics were also externally assured. We continued to structure our reporting under the double materiality approach adopted by the Group since 2021. The Annual Report focuses on discussions of financially material risks and opportunities while the Sustainability Report addresses topics that have a material impact on people, the environment and the economy.

We sincerely hope our reports give you useful insights into our strategies and priorities as we work closely with our stakeholders across the region to innovate and grow responsibly as a leading power company for decades to come.

A Snapshot of 2024 Annual Report

2024 Sustainability Report

Climate Vision 2050: Powering an orderly transition

FAQs from Our Shareholders

Throughout the year, we receive a range of pertinent questions from our shareholders, many of these are very relevant to our business which readers of our Annual Report may be interested in. These topics are covered in various sections of our Annual Report.

Topics

1 **Major focus** – Financial and operational performance, capital allocation, corporate strategy, balance sheet management, dividend, decarbonisation

Sections
- Chairman's Statement (page 12)
- CEO's Strategic Review (page 16)
- Financial Review (page 26)
- Managing What Matters to Our Business (page 40)

2 **Hong Kong** – Scheme of Control Agreement, 2024-2028 Development Plan, Tariff Review, nuclear energy imports, growth opportunities, integration with Mainland China

Sections
- Chairman's Statement (page 12)
- CEO's Strategic Review (page 16)
- Managing What Matters to Our Business (page 40)

3 **Mainland China** – Growth, capital investments and returns for renewable energy development, regulatory and macroeconomic developments, geopolitics

Sections
- Chairman's Statement (page 12)
- CEO's Strategic Review (page 16)
- Managing What Matters to Our Business (page 40)
- Risk Management Report (page 125)

4 **Australia** – Financial and operational performance of energy and retail segments, progress of recovery, flexible capacity investments, partnership opportunities

Sections
- Chairman's Statement (page 12)
- CEO's Strategic Review (page 16)
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- Risk Management Report (page 125)

5 **India** – Growth, capital investments and returns for non-carbon projects, geopolitics

Sections
- Chairman's Statement (page 12)
- CEO's Strategic Review (page 16)
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6 **Taiwan Region and Thailand** – Financial and operational performance

Sections
- CEO's Strategic Review (page 16)
- Financial Review (page 26)

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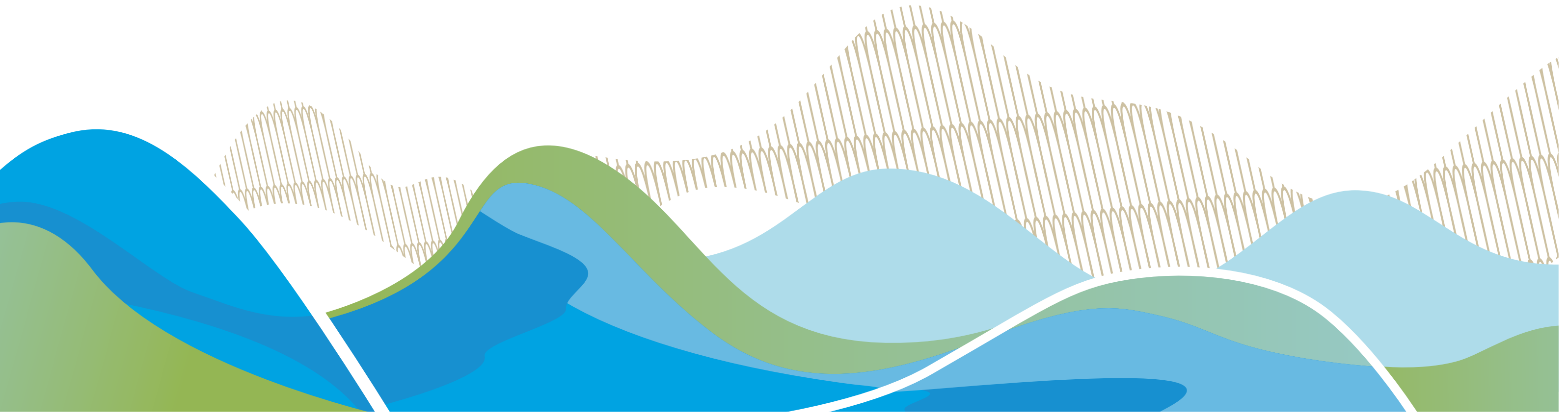
About the CLP Group

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



Generation and energy storage capacity by asset type

Asset type	Capacity
Wind	2,625MW
Solar	1,307MW
Hydro	489MW
Nuclear	2,685MW
Gas	6,131MW
Coal	8,140MW
Energy Storage	892MW
Waste-to-energy	14MW
Others	300MW

Total 22,582MW

	Current Operations	Potential Opportunities
Generation	●	○
Transmission	●	○
Distribution	●	○
Retail	●	○
Smart Energy Services	●	○

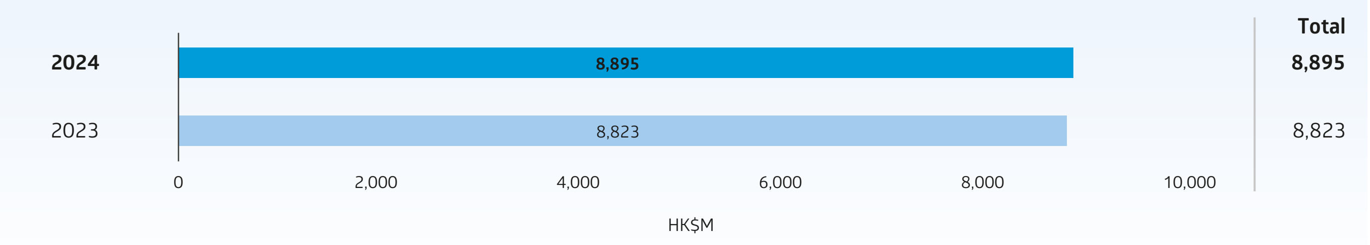
Note: Any minor discrepancies are due to rounding of figures.

See Our Portfolio on page 296 for more information

2024 Operating Earnings before Fair Value Movements	Hong Kong energy and related business	Mainland China	Australia	India	Taiwan Region and Thailand	Other earnings and unallocated expenses	Total
	HK$8,895 million	HK$1,851 million	HK$591 million	HK$329 million	HK$260 million	-HK$977 million	HK$10,949 million

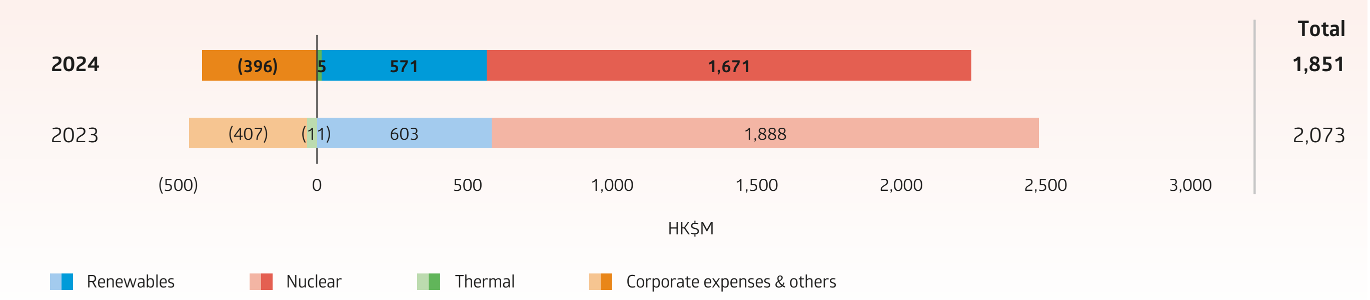
Hong Kong

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 99.999% world-class reliability to about 2.83 million customers in Kowloon, the New Territories and most of the outlying islands, serving more than 80% of the city's population. The Group's wholly owned energy infrastructure and solutions subsidiary CLPe Holdings Limited (CLPe) provides a growing range of sustainable energy services and solutions including solar energy, cooling systems, electric vehicle-charging and battery energy storage systems to businesses and organisations in Hong Kong.



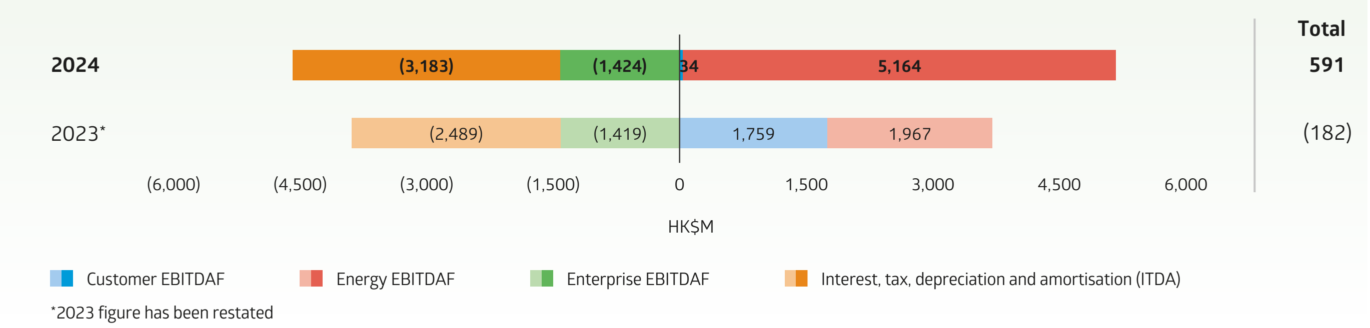
Mainland China

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. CLP first entered the market in 1979 when the Group began providing electricity to Guangdong province. Today, CLP China is one of the largest external investors in the energy sector in Mainland China with over 50 power projects in 15 provinces, municipalities and autonomous regions. Non-carbon energy including nuclear power and renewable energy account for over 70% of the installed capacity of CLP China, which is also providing more sustainable energy solutions directly to corporate customers as the country continues to open up its energy market. Comprehensive energy infrastructure and solutions including cooling, heat, distributed solar and electric vehicle-charging are offered by CLP*e* on the Mainland.



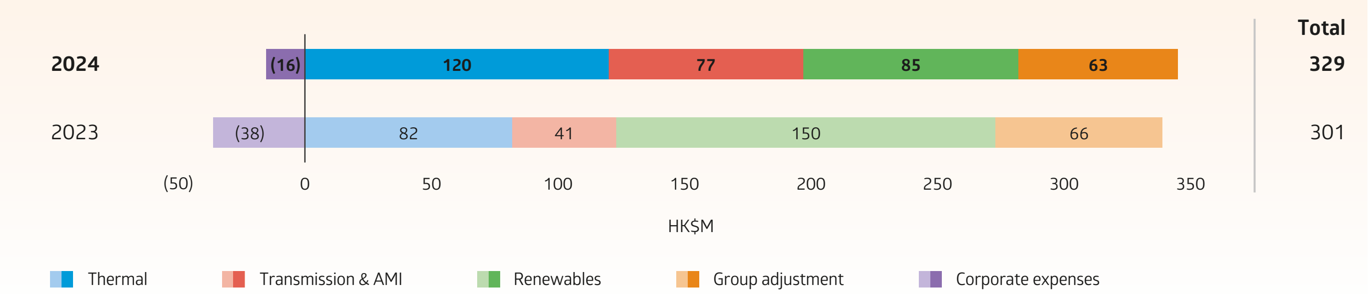
Australia

EnergyAustralia is one of the largest energy retailers in Australia with 2.38 million customer accounts for electricity and gas in New South Wales, Queensland, South Australia, Victoria and the Australian Capital Territory. The electricity retail market is partially regulated while the transmission and distribution segments remain substantially regulated. A wholly owned subsidiary of the CLP Group, EnergyAustralia is also a leading private electricity generator within the National Electricity Market (NEM). Operated by the Australian Energy Market Operator, the NEM is a spot market in which the output from all generators is aggregated and scheduled at five-minute intervals to meet demand from consumers.



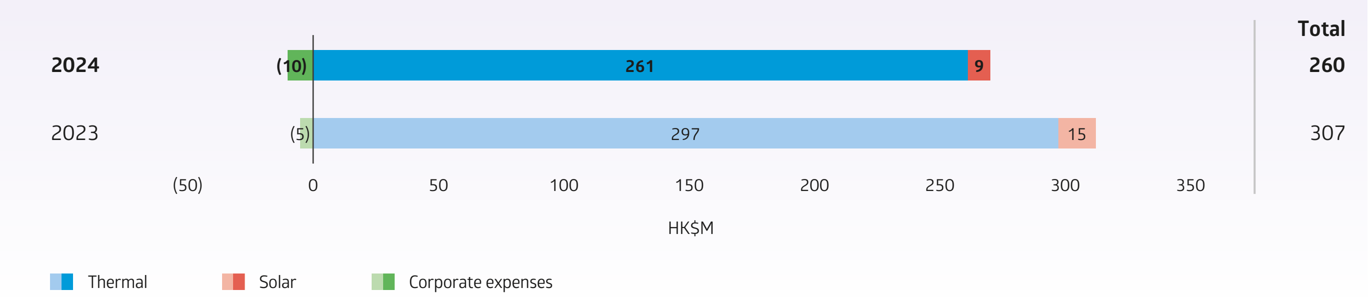
India

Much of the electricity industry in India has traditionally been owned and controlled by the Federal and State Governments. The Electricity Act 2003 was a key milestone in the Indian power sector which provided the enabling framework to overcome barriers to private participation. Since then, 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 and advanced metering infrastructure (AMI) assets. The business, a 50:50 joint venture between CLP and the Canada-based global investment group CDPQ, is operated under the Apraava Energy brand with a focus on clean energy, power transmission and other customer-focused energy businesses.



Taiwan Region and Thailand

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



Financial Highlights

Group's operating earnings before fair value movements increased 8.1% to HK$10,949 million thanks to an overall solid performance from the portfolio with notable improvements from EnergyAustralia. Total earnings increased significantly to HK$11,742 million, after taking into account one-off items affecting comparability. Total dividends for 2024 increased to HK$3.15 per share.

	2024	2023	**Increase / (Decrease) %**
For the year *(in HK$ million)*			
Revenue			
Hong Kong electricity business	**50,657**	50,630	0.1
Energy businesses outside Hong Kong	**38,901**	35,039	11.0
Others	**1,406**	1,500	
Total	**90,964**	87,169	4.4
Earnings			
Hong Kong energy business [1]	**8,694**	8,536	1.9
Hong Kong energy business related [2]	**201**	287	
Mainland China [1]	**1,851**	2,073	(10.7)
Australia	**591**	(182)	
India	**329**	301	9.3
Taiwan Region and Thailand	**260**	307	(15.3)
Other earnings in Hong Kong	**(58)**	(112)	
Unallocated net finance income	**45**	43	
Unallocated Group expenses	**(964)**	(1,126)	
Operating earnings before fair value movements	**10,949**	10,127	8.1
Fair value movements	**699**	2,125	
Operating earnings	**11,648**	12,252	(4.9)
Items affecting comparability	**94**	(5,597)	
Total earnings	**11,742**	6,655	76.4
Net cash inflow from operating activities	**23,140**	23,567	(1.8)
At 31 December *(in HK$ million)*			
Total assets	**233,713**	229,051	2.0
Total borrowings [3]	**61,271**	57,515	6.5
Shareholders' funds	**104,055**	102,331	1.7
Per share *(in HK$)*			
Earnings per share	**4.65**	2.63	76.4
Dividend per share	**3.15**	3.10	1.6
Shareholders' funds per share	**41.19**	40.50	1.7
Ratios			
Return on equity [4] (%)	**11.4**	6.4	
Net debt to total capital [3,5] (%)	**33.0**	31.6	
FFO interest cover [6] (times)	**11**	11	
Price / Earnings [7] (times)	**14**	25	
Dividend yield [8] (%)	**4.8**	4.8	

Notes:

1 Including CLP*e* business in Hong Kong and Mainland China respectively

2 Hong Kong energy business related includes PSDC and Hong Kong Branch Line supporting SoC business

3 Perpetual capital securities of HK$3,883 million at 31 December 2024 were reclassified from equity to other borrowings upon the issuance of redemption notice to the holders in December 2024, with the subsequent refinancing by the new perpetual capital securities in January 2025. As such, the amount remained as equity on a consistent basis with 2023

4 Return on equity = Total earnings / Average shareholders' funds

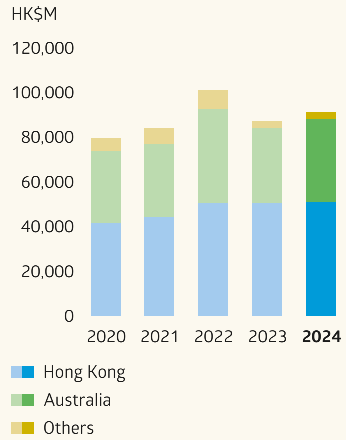
5 Net debt to total capital = Net debt / (Equity + advances from non-controlling interests + net debt); debt = bank loans and other borrowings; net debt = debt – bank balances, cash and other liquid funds

6 FFO (Funds from operations) interest cover = Cash inflow from operations / (Interest charges + capitalised interest)

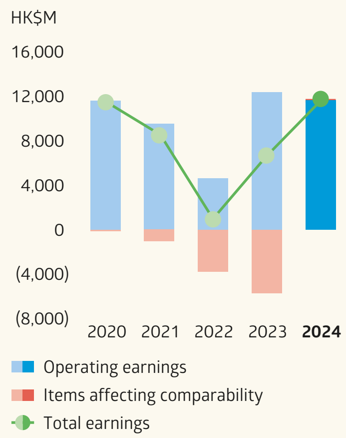
7 Price / Earnings = Closing share price on the last trading day of the year / Earnings per share

8 Dividend yield = Dividend per share / Closing share price on the last trading day of the year

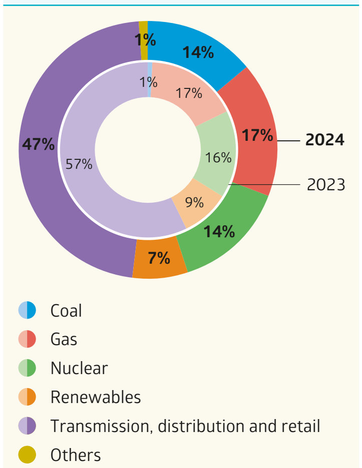
Revenue



Total Earnings



Operating Earnings before Fair Value Movements by Asset Type*



* Before unallocated expenses

Strategic Framework

Purpose Power Brighter Tomorrows

Vision Be a leading responsible energy provider, from one generation to the next.

Mission Provide sustainable energy solutions to create value for shareholders, customers, employees and the wider community.

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**.

Read CEO's Strategic Review on page 16

Materiality Assessment

Material Topics

- Net-Zero Transition
- Energy Growth Opportunities
- Digital Innovation and Cybersecurity
- Future-Ready Workforce
- Operational and Supply Chain Resilience
- Community Stewardship

Megatrends Analysis

Read Managing What Matters to Our Business on page 40

Strategic Priorities

Continue to grow a sustainable business portfolio

- Growing provision of energy solutions underpinned by capital discipline and community stewardship

Accelerate our response to climate change

- Accelerate decarbonisation of CLP's portfolio, reinforce resilience in a changing climate and manage social impact

Serve growing demand for energy solutions

- Pursue growth opportunities from energy infrastructure, Energy-as-a-Service and customer-facing energy solutions

Leverage technology for experience and performance

- Deliver leading customer experiences and empower customers in making better energy choices
- Adopt technologies to enhance operating performance and drive new business

Invest to build an agile, innovative workforce

- Invest to build organisational agility and develop future skills
- Support CLP's people to thrive in change, promoting health and wellbeing

Key Performance Indicators

See Human Resources & Remuneration Committee Report on page 156 on how remuneration is linked to performance indicators

HK$11,742 million
Total earnings
2023 : HK$6,655 million

HK$10,949 million
Operating earnings before fair value movements
2023 : HK$10,127 million

HK$7,958 million
Dividends
2023 : HK$7,832 million

79,760 million kWh
Electricity sent out
2023 : 79,512 million kWh

5.21 million
Retail customer accounts in Hong Kong and Australia
2023 : 5.23 million

5 cases*
Environmental regulatory non-compliance
2023 : 5 cases*

* Includes assets under CLP's operational control. No prosecution or fines.

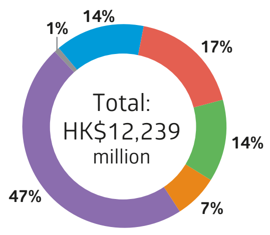
99.999%
Reliability in Hong Kong
2023 : 99.999%

0.53kg CO_2e/kWh
Greenhouse gas emissions intensity
2023 : 0.54kg CO_2e/kWh

4,436MW
Renewable energy capacity
2023 : 3,732MW

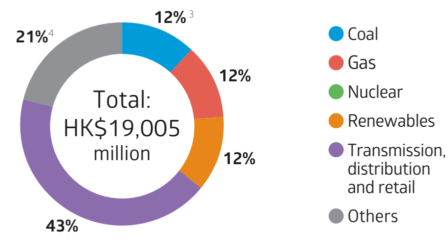
68% of Operating earnings from non-carbon generation assets, transmission, distribution and retail operations [1]

Operating earnings by asset type [1]



55% of Capital investments in non-carbon generation assets, transmission, distribution and retail operations [2]

Capital investments by asset type [2]



Notes:
1 Excluding fair value movements and before unallocated expenses.
2 On accrual basis.
3 For maintenance, upgrades and efficiency improvements only.
4 Including acquisition of CLP's new headquarters in Kai Tak.
5 Any minor discrepancies are due to rounding of figures.

Initiatives and investments in new energy infrastructure and services

- CLP Power commissioned D2 combined-cycle gas turbine generation unit at Black Point Power Station
- CLP China began construction of its first standalone battery energy storage system
- CLP*e* signed two significant partnership agreements in clean maritime fuel and EV charging, supporting low-carbon transportation in the Greater Bay Area
- Apraava Energy secured contracts to supply more than 6.8 million smart meters for households in six states

Adoption of new products and services

- CLP Power transformed its interaction with customers through a refreshed mobile app that gives users a single tailored profile to manage all services
- CLP China further expanded its portfolio of power purchase agreements with corporate users by securing two renewable energy supply contracts
- EnergyAustralia won support from the Federal Government for two battery energy storage systems

76
CLP Power Customer satisfaction score
2023 : 74

36.8
Transactional Net Promoter Score for EnergyAustralia
2023 : 30.0

Smart meters over 2.68 million connected for Hong Kong customers since 2018

around 895,000 installed for EnergyAustralia's customers as of end-2024

Digital adoption
26 use cases of innovative technologies including AI successfully deployed across the Group

Feed-in Tariff scheme in Hong Kong
404MW approved or connected to grid since May 2018

Renewable Energy Certificates sales in Hong Kong
340GWh

Demand response programmes
93MW demand cut from commercial and industrial customers in Hong Kong

406MW contracted capacity in Australia

8,415
Employees for the CLP Group
2023 : 8,041

0.14
Lost time injury rate
2023 : 0.06

0.24
Total recordable injury rate
2023 : 0.18

42.7
Average training hours per employee
2023 : 44.1

30.0%
Women in leadership positions
2023 : 29.1%

13.3%
Women in engineering
2023 :13.3%

26.8%
Female employees
2023 : 27.2%

33
Graduate trainees hired in Hong Kong
2023 : 45

Creating Value for Stakeholders

How we create value

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

Inputs used

Financing

- Shareholders' funds of HK$104,055 million
- Total borrowings* of HK$61,271 million

* excluding perpetual capital securities of HK$3,883 million

Risks
- Financial risk
- Market and commercial risk

Resources and infrastructure

- Generation and energy storage capacity of 17,893 equity MW
- Long-term capacity and energy purchase agreements of 4,689MW
- 260,615TJ of coal and 151,371TJ of gas consumed
- Transmission and high voltage distribution lines of over 17,000 km
- 16,009 primary and secondary substations in Hong Kong

Risks
- Operational risk
- Market and commercial risk
- Transformation risk

Talent and expertise

- 15,111 employees and contractors in our total workforce

Risks
- Operational risk
- Transformation risk

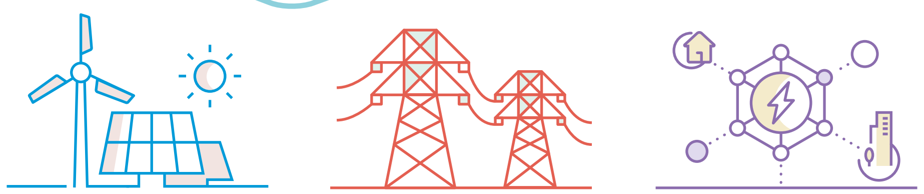
Technology

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

Risks
- Operational risk
- Transformation 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.



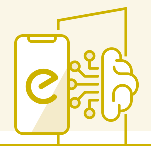
Generation · Transmission · Distribution

- Procure adequate and appropriate fuels and energy resources from diversified sources
- Design, build, operate and invest in centralised and decentralised generation facilities with increasing deployment of low-carbon energy sources
- Design, build, operate and enhance transmission networks to facilitate integration of more clean energy into the grid
- Design, build and operate distribution networks
- Integrate distributed energy resources into the grid

Energy orchestration

- Develop and deploy customer-oriented, technology-enabled energy services that help customers become active participants of a power system
- Widen and deepen customer relationships as an energy orchestrator to enable decarbonisation, electrification, energy efficiency and management, decentralised generation and storage

New technologies and digital applications



- Data analytics, artificial intelligence and Internet of Things (IoT) facilitate flexibility of entire energy system
- 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
- Enable delivery of smarter and greener energy products and services

Outputs

Competitive funding and attractive financial returns

- Total dividends of HK$7,958 million to shareholders
- Solid liquidity position with access to cost-effective sources of sustainable financing

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

- World-class supply reliability of 99.999% in Hong Kong
- Managed electricity tariff adjustment through prudent cost controls and diversified fuel supply
- Greenhouse gas emissions intensity decreased to 0.53kg CO_2e per kilowatt hour
- Diversified solutions to help customers decarbonise

Safe workplace and career progression

- New health, safety and environment strategy for 2025-2027 to further uplift capability and enhance performance
- 883 new recruits in core markets of Hong Kong and Mainland China
- 42.7 hours of internal and external training and development per employee on average
- Staff expenses of HK$5,150 million

Contribution to policy, business and economic development

- Current income tax of HK$1,963 million
- Operating costs of HK$61,628 million
- Supporting national- to city-level policymaking on energy transition

Positive social impact / climate action conscious

- Donations of HK$7 million
- Continued initiatives under CLP Community Energy Saving Fund to support people in need and improve energy efficiency

"We will continue to prioritise the development of reliable, sustainable and affordable energy solutions that have a meaningful impact on the communities we serve."

The Honourable Sir Michael Kadoorie
Chairman

Dear Shareholders,

I am pleased to report the CLP Group achieved a solid performance and significant growth in non-carbon business in 2024. Our success was underpinned by a focus on bringing world-class electricity services and sustainable energy solutions to our customers while advancing low-carbon energy development.

In 2024, the Group's operating earnings before fair value movements increased 8.1% year-on-year to HK$10,949 million, reflecting a robust performance across our markets. Total earnings were HK$11,742 million, compared with HK$6,655 million a year earlier when a number of negative one-off items were reported.

The Board has declared a fourth interim dividend payment for 2024 of HK$1.26 per share, compared with HK$1.21 per share a year ago. Total dividends for 2024 increased 1.6% to HK$3.15 per share.

During 2024, we continued to invest to support the use of less carbon-intensive fuels in Hong Kong, an important part of the city's decarbonisation journey. Our efforts included the commissioning of a second state-of-the-art gas-fired generation unit at Black Point Power Station and the retirement of three coal generation units at Castle Peak Power Station as CLP gradually phases out coal-fired generation.

Chairman Sir Michael Kadoorie (middle), Secretary for Environment and Ecology Mr Tse Chin-wan (fourth from left), Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong SAR Mr Qi Bin (fourth from right), Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong SAR Mr Cui Jianchun (third from left), China General Nuclear Power Corporation Deputy General Manager Mr Pang Songtao (first from left), China Southern Power Grid International (HK) Co. Ltd. Chairman Mr Chen Shengran (first from right) as well as directors and senior executives of CLP celebrate Hong Kong's decarbonisation journey over the past three decades.

In December, I had the privilege of hosting an event to commemorate the 30th anniversary of Daya Bay Nuclear Power Station which was commissioned in 1994. A co-investment by CLP and China General Nuclear Power Corporation (CGN), Daya Bay provides safe and reliable non-carbon energy to Hong Kong at a stable cost, and now meets a quarter of the city's electricity demand. The ceremony also marked the 10th anniversary of CLP's partnership with China Southern Power Grid Co. Ltd. (CSG) through the Castle Peak Power Company Limited (CAPCO), which has seen the successful development of two new gas units at Black Point and an offshore liquefied natural gas (LNG) terminal in Hong Kong waters. Our collaboration with CGN and CSG exemplifies the power of regional cooperation in decarbonising electricity supply. I have every confidence that by working with our partners, we will be able to meet Hong Kong's growing demand for low-carbon energy in the face of climate change challenges.

CLP is fully committed to delivering reliable energy that supports the Hong Kong Government's policy priorities, including new initiatives such as the Northern Metropolis Development. We look forward to working closely with government agencies and other key stakeholders to provide a dependable and sustainable electricity supply for this new economic and living hub bordering the Mainland.

In Mainland China we saw encouraging momentum in the expansion of our non-carbon asset portfolio to support the country's decarbonisation objectives. Our growth in this context was demonstrated by new renewable energy projects totalling 740 megawatt (MW) under construction in 2024. We also secured a mandate to construct our first standalone battery energy storage system (BESS) project in Shandong province, one of China's pioneering locations in the development of energy storage capabilities.

It is noteworthy that our progress is taking place against the backdrop of the country's acceleration of its renewable energy capacity. According to the International Energy Agency's forecast, China is expected to provide more than half of the global renewable energy capacity by 2030. This reflects the nation's deep resolve to scaling up clean energy resources, which is set to provide further opportunities for CLP to contribute to the country's decarbonisation drive. I am also pleased to see that nuclear energy has been recognised by the international community as a solution to support global decarbonisation targets, and that more rapid development is on the horizon. We look forward to the encouraging outcome of the commitment made by more than 30 countries at COP28 and COP29 in 2023 and 2024 to triple the nuclear energy capacity by 2050, much of which will be in Mainland China as the nation moves full steam ahead to achieve its dual carbon targets of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060.

Our Australian business, EnergyAustralia, saw significant financial improvement in 2024, driven by enhanced operational performance at its power stations. We continued to move forward with our plan to close Yallourn Power Station in mid-2028, a crucial milestone in the country's energy transition journey.

Reflecting its strong pipeline of flexible capacity projects, during the year EnergyAustralia secured Federal Government support for two large-scale, four-hour battery storage initiatives with a combined storage capacity of 400MW, finalised power purchase agreements for 230MW of renewable energy, and commissioned Australia's first peaking power station with direct emissions offset — the gas-fired Tallawarra B plant in New South Wales. These strategic initiatives will strengthen EnergyAustralia's ability to manage volatility in the Australian energy market and support its goal of expanding its portfolio to include up to 3 gigawatt (GW) of renewable energy by 2030.

Our joint venture in India, Apraava Energy, concentrated on expanding its portfolio of non-carbon energy investments while ensuring the strong operational performance of its existing assets to address India's growing power demand. The business now has more than 2GW-equivalent of non-carbon energy projects under construction. As India's energy market continues to decarbonise, Apraava Energy also won rights to develop nearly 250 kilometres of transmission lines and to install 3.8 million smart meters during the year. In late 2024, Apraava Energy renewed its registration issued under the General Financial Rules 2017, a key licence that enables the business to continue to participate in project bids issued by any government agency.

CLP takes pride in its longstanding history of achievement, built on a foundation of discipline, vigilance and adaptability. We are mindful of the imperative to optimise value for our stakeholders and exceed their expectation not just today but in the years to come. To this end, we conducted a strategy review during the year to ensure that CLP is best positioned to maximise growth while navigating challenges in the future.

The strategy aims to position the Group's portfolio for greater growth with a more dependable and focused earnings profile over the coming decade. We also target to institutionalise a more robust process of implementation and review to ensure that our strategy keeps on evolving to cope with the changing operating environment.

The strategy, approved by the Board in November, is now being executed by the team, turning this shared vision into reality. I am confident this will propel CLP into a new phase of growth and excellence, building on our longstanding heritage.

CLP's new headquarters in Kai Tak.

CLP is fortunate to have the right leadership in place to guide the organisation forward. In April Mr Alex Keisser became Chief Financial Officer, replacing Mr Nicolas Tissot whom we thank sincerely for his contributions. We also welcome newly appointed Independent Non-executive Director Mrs Ann Kung and Non-executive Director Mr Diego González Morales to the Board. I would also like to take this opportunity to thank Mrs Zia Mody and Mr John Leigh, who retired from the CLP Board in 2024. Mrs Mody had served on the CLP Holdings Board since 2015 while Mr Leigh had been a Non-executive Director since 1997 and prior to that, served as CLP's Senior Legal Advisor and Company Secretary for 10 years. Both have provided invaluable contributions to CLP over many years.

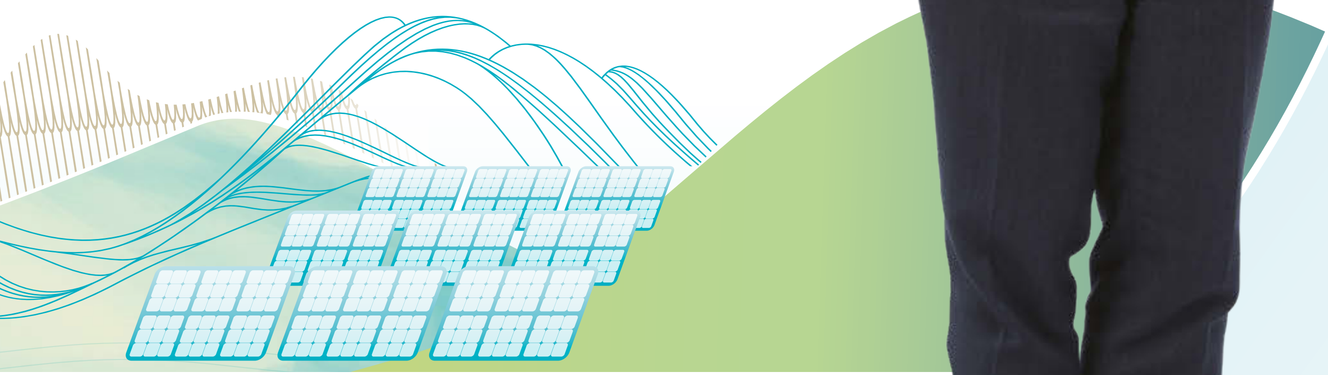
2024 marked the beginning of a new chapter for CLP in Hong Kong as we relocated to our new headquarters in Kai Tak – a move that I personally take great pride in. CLP has long and deep roots serving Hong Kong, and our headquarters has integrated design elements inspired by the city's rich heritage. The design incorporates innovative technology and energy-efficient features, making CLP's headquarters one of the greenest buildings in Hong Kong. Strategically located to support the Government's Energising Kowloon East initiative, our new headquarters symbolises CLP's strong commitment and confidence in the future of the city.

Looking ahead, the world – including the global energy sector – faces profound challenges in an increasingly unpredictable era. Amid this turbulence, we remain committed to focusing on what is right for our communities in the long term. The global transition to a net-zero future offers unparalleled potential for innovation and growth. CLP is resolute in our dedication to seizing these opportunities, ensuring that our investments produce long-term value for stakeholders. As we do so, we will continue to prioritise the development of reliable, sustainable and affordable energy solutions that have a meaningful impact on the communities we serve across the Asia-Pacific region.

The Honourable Sir Michael Kadoorie
Hong Kong, 24 February 2025

"The global imperative to decarbonise is not just a challenge – it is an opportunity to lead, innovate and drive meaningful change."

T.K. Chiang
Chief Executive Officer



The new combined-cycle gas turbine generation unit at Black Point Power Station is a key infrastructure to reduce carbon emissions and ensure power supply reliability in Hong Kong.

Reflecting on the past year, the teams in all of our markets have shown admirable dedication and adaptability. Together, we continued to deliver world-class electricity services and energy solutions while positioning ourselves to thrive in an evolving global energy landscape.

In 2024, CLP produced a solid set of results. Our core businesses in Hong Kong and Mainland China continued to perform robustly. We also achieved positive outcomes in Australia and India, as we deepened our efforts meeting demand for sustainable energy in both markets.

Amid the complex interplay of global economic, environmental and geopolitical forces, we remain focused on growing our business and delivering cleaner power that the world demands. Addressing climate change is inherent to the purpose of our company and in 2024, we made tangible progress with our decarbonisation goals across the markets where we operate.

We have always had high aspirations for our Group, and this remains the case today, driven by our intent to create long-term value for our stakeholders. Our strategic clarity, operational excellence, and commitment to sustainability all combine to provide a positive outlook for CLP, enabling us to continue to deliver meaningful benefits to our customers and communities.

Hong Kong

In 2024, we continued to support Hong Kong's growing energy needs and low-carbon transition by further developing and decarbonising our electricity supply systems and broadening partnerships in key sectors. Operating earnings from our Hong Kong energy business increased 0.8% to HK$8,895 million, reflecting our capital investments to support the development and economic growth of Hong Kong as we implement our Five-Year Development Plan that runs to December 2028.

Electricity sales by CLP Power Hong Kong Limited (CLP Power) rose 2.1% year-on-year to 36,125 gigawatt hours (GWh) as higher temperatures fuelled power demand. Infrastructure developments and rising inbound tourism also contributed to higher electricity consumption, as did the expansion of data centres and electric transport, although some segments such as manufacturing, retail and catering saw weaker year-on-year demand.

	Sales by Sector (GWh)	**% Increase/ (Decrease)**	**% of Total Sales**
Residential	10,204	2.8%	28%
Commercial	13,882	1.5%	39%
Infrastructure and Public Services	10,466	2.6%	29%
Manufacturing	1,573	(1.3%)	4%

CLP Power maintained a 99.999% reliability level in 2024. This is equivalent to around 1.2 minutes of unplanned power supply interruption per year for each customer, a world-class performance level similar to the past few years. We remain committed to continue providing a safe and reliable supply for customers, after strengthening efforts to minimise power incidents through a comprehensive range of short-, medium- and long-term enhancement measures following several voltage dip and supply interruption cases that affected some customers.

CLP Power is also committed to delivering its electricity services at a reasonable cost. From January 2025, the Average Net Tariff rose 0.98% year-on-year because of increased material costs and operating expenses, but CLP Power minimised the adjustment with prudent cost controls and the use of a diversified fuel mix. To mitigate the impact on underprivileged groups, the elderly and disabled people, we launched a range of community initiatives in 2025, including electricity subsidies and retail and dining vouchers supported by HK$240 million from the CLP Community Energy Saving Fund (CESF). The initiatives include a new Community Green Programme to encourage energy-saving and decarbonisation projects across Hong Kong.

In 2024, we celebrated two significant milestones along our decarbonisation journey, including the 30th anniversary of the commissioning of the Daya Bay Nuclear Power Station in Guangdong province that we coinvested with our partner CGN; as well as CLP's partnership with CSG in CAPCO that began in 2014, bringing to Hong Kong state-of-the-art gas-fired generation units and an offshore LNG terminal during this period.

Managing our decarbonisation pathway has been a key focus for us. Nuclear energy is one of the most effective and reliable zero-carbon energy options. CLP Power continues to work with the Government to explore opportunities for further regional cooperation to extend the city's access to nuclear energy.

Hong Kong currently imports electricity from the Daya Bay Nuclear Power Station through the Clean Energy Transmission System (CETS) overhead power lines. The CETS is undergoing a major upgrade which will provide the opportunity to increase imports of zero-carbon energy in the near term to support Hong Kong's decarbonisation.

Our other electricity infrastructure investments to support Hong Kong's decarbonisation include the new 600MW D2 combined-cycle gas turbine generation unit at Black Point Power Station, which went into service in April. It is a key infrastructure to reduce carbon emissions, ensure power supply reliability and enabled the retirement of our three older coal-fired generation units at Castle Peak Power Station.

The new offshore LNG terminal completed its first full year of operations after entering service in the summer of 2023. The landmark project uses floating storage and regasification unit technology to store and gasify LNG and deliver natural gas to Black Point Power Station through undersea pipelines. It allows Hong Kong to access a more diversified supply of natural gas from international markets at competitive costs, supporting the city's energy transition and elevating its fuel supply security.

In addition to being used for power generation, the use of LNG as a maritime fuel is gaining interest around the world to reduce carbon emissions in the shipping sector. Following the release of the Government's Action Plan on Green Maritime Fuel Bunkering, our energy infrastructure and solutions subsidiary CLP*e* Holdings Limited (CLP*e*) announced plans to form a joint venture with China National Offshore Oil Company Guangdong Water Transport Clean Energy Company Limited to provide LNG fuel bunkering services in Hong Kong. The joint venture is expected to begin providing services in the first half of 2025.

In addition to decarbonising our electricity supply, we are collaborating with an increasing number of businesses and organisations to drive improved energy management and enable different sectors of the economy to reduce their carbon footprint. A good example is our partnership with Link Asset Management Limited (Link). We have provided energy audit services to Link properties in Hong Kong, including shopping malls and car parks, and recommended a range of effective energy-saving solutions such as the installation of more energy-efficient cooling systems. Over the past five years, CLP Power has helped Link's properties save more than 31GWh of electricity, equivalent to a reduction of around 12,000 tonnes of carbon emissions. Together, Link and CLP Power won the prestigious Corporate Energy Management Award for the Asia-Pacific Rim region by the United States-based Association of Energy Engineers.

CLP*e* signed a Memorandum of Understanding with Hysan Development Company Limited (Hysan) during the year to explore opportunities in innovative solutions to improve energy efficiency, including enhancements of cooling systems in commercial properties in Causeway Bay, one of Hong Kong's busiest districts. CLP*e*'s partnership with Hysan also includes potential opportunities for electric vehicle (EV) charging infrastructure, contributing to Causeway Bay's development as a sustainable, low-carbon community.

Electrification of the transport sector is vital to decarbonisation in Hong Kong, where seven in every ten newly registered private cars are now electric. CLP Power stepped up efforts to provide tailored power supply solutions and technical support to meet rising demand for EV charging from both private and commercial users. Since its establishment in 2023, our eMobility Network has helped accelerate the development of charging infrastructure and services for electric commercial vehicles by promoting cooperation and knowledge exchange between ourselves and our partners from the automotive, EV charging and finance sectors within the wider eMobility ecosystem. At the ReThink HK 2024 event in September, we showcased our latest technological solutions for the EV charging ecosystem including tailored power supply solutions to support fast-charging, as well as our self-developed eMobility Grid Management Platform, which helps optimise power grid planning as EV charging networks continue to expand in Hong Kong.

CLP*e*'s new network of EV charging stations in Hong Kong helps meet growing charging demand from commercial vehicle fleets.

A new network of EV charging stations in Hong Kong launched by CLP*e* last year, offering customers a selection of super-fast- and medium-speed charging services, will help support the city's commercial EV development by meeting growing EV charging demand from users including commercial vehicle fleets and eTaxis.

The Government recently announced the Green Transformation Roadmap of Public Buses and Taxis, setting out the future direction and policy objectives for the electrification of those vehicles. We will continue to work closely with the Government and the industry to facilitate power supply options for EV charging infrastructure.

Data centres are at the heart of Hong Kong's transformation into a smart city, and CLP Power continues to concentrate on providing the underlying electricity infrastructure and energy solutions crucial to supporting the sector's sustainable growth. In November, CLP Power signed a six-year agreement with data centre operator SUNeVision Holdings Ltd. for the purchase of Renewable Energy Certificates (RECs). Each unit of electricity in the REC represents the environmental attributes generated by a solar farm at a landfill. The environmental attributes will be linked to a portion of the energy consumption of SUNeVision's data centre campus. The project will result in the reduction of around 468 tonnes of carbon emissions annually, equivalent to the carbon absorption of around 20,000 trees.

On a longer horizon, the Government plans to turn the Northern Metropolis into a key centre of innovation and technology and a new engine for the city's future development, supported by advanced digital infrastructure and supercomputing centres. CLP Power signed memorandums in November, pledging its full support to and participation in the ambitious project. We have reserved sufficient power system capacity to meet the area's electricity needs and will take forward planned power supply works based on the pace of the development.

Customers continued to benefit from CLP Power's Feed-in Tariff (FiT) Scheme by installing their own renewable energy systems and contributing to a lower-carbon electricity grid in Hong Kong. As of the end of December, more than 400MW of generation capacity was approved under the FiT scheme since it was started in 2018, equivalent to the annual electricity consumption of around 99,700 households.

Digitalisation allows us to meet our customers' fast-evolving needs for smarter, more flexible energy services. With over 2.68 million smart meters connected for 93% of our total customer base by the end of 2024, we are on track to complete our smart meter installation programme on schedule in 2025, giving customers access to timely information about their electricity use as well as more personalised energy services and experiences.

We have also transformed the way we interact with and serve our customers thanks to the benefits of digitalisation. Each customer can now consolidate all electricity accounts belonging to the same customer including eMobility account under one log-in for the highest convenience through a refreshed mobile app. This enables us to better understand their consumption patterns and provide personalised energy-saving insights, helping our customers optimise their usage habits. This transformation of our customer interaction channels also empowers users with self-service functionalities, including online move-in applications, bill checking and consumption management, enhancing the overall customer experience.

CLP Power will continue to deploy its power expertise to maintain a world-class electricity service for customers and deepen cooperation with partners to support the increasing energy needs of Hong Kong as the energy transition, economic growth, new industries and infrastructural developments propel the city towards a more vibrant and sustainable future.

Mainland China

Our renewable energy investments in Mainland China grew strongly in 2024 while our existing non-carbon assets continued to perform well, supporting the nation's decarbonisation goals. CLP China's operating earnings were HK$1,851 million, down 10.7% from HK$2,073 million in 2023, largely because of lower tariff and higher costs at Yangjiang Nuclear Power Station, as well as reduced generation at Daya Bay Nuclear Power Station due to major planned maintenance works.

Daya Bay and Yangjiang in Guangdong province celebrated significant milestones as they recorded 30 years and 10 years of service respectively. Both plants underwent comprehensive maintenance works to ensure they continue to operate reliably. The overhaul at Daya Bay lasted for 200 days from September 2023 to June 2024 and involved more than 7,000 workers carrying out 100 different enhancement projects, making it the biggest overhaul of a commercial-scale nuclear power plant in China. The enhancements were completed on time and within budget, laying a solid foundation for the plant to continue its safe and reliable supply of non-carbon energy to Hong Kong and Guangdong into a fourth decade.

CLP is a proud investor and off-taker of China's nuclear power stations and wholeheartedly supports the nation's development of nuclear energy. In November, I was honoured to join CGN's Deputy Secretary of the Party Committee and General Manager Mr Gao Ligang along with other officiating guests at the third China Nuclear Energy High-Quality Development Conference and Shenzhen International Nuclear Energy Industry Innovation Expo (CINIE). The signature industry event was a timely opportunity to reflect on the benefits from 30 years of reform and development of the nation's power sector. In January 2025, CLP Power and the City University of Hong Kong co-organised an international conference titled "Powering a Carbon Neutral Future – The Role of Nuclear Energy", bringing together international experts and academics to discuss issues on climate change and sustainability. The conference highlighted Hong Kong's role as a "super-connector" and "super value-adder" between Mainland China and the rest of the world and we will continue to advocate the importance of nuclear power in the energy transition through public education and international partnerships.

CLP China's renewable energy projects performed steadily throughout the year, supported by higher earnings from hydro energy and contributions from new wind and solar projects. Output from the Huaiji Hydro Power Stations in Guangdong rose thanks to increased water resources, while our two other hydro projects – Dali Yang_er in Yunnan province and Jiangbian in Sichuan province – achieved stable performances.

Earnings from wind energy were higher thanks to the addition of a full-year contribution from Xundian II Wind Farm in Yunnan, which went into service in March 2023. This offset higher grid curtailment at Qian'an Wind Farm in northern Jilin province and weather-related outages at the Sandu wind farm in Guizhou province, and the Laiwu wind farm in Shandong province.

The commissioning of Yangzhou Gongdao Solar Power Station in Jiangsu province in September 2023 bolstered output from our solar plants, although overall earnings were slightly lower because of higher curtailment at Jinchang Solar Power Station in Gansu.

The Yixing solar project in Jiangsu province is fully connected to the grid in January 2025 as CLP China continues to expand its renewable energy investments.

CLP China continued to expand its renewable energy investments with construction started last year on 590MW of wind and solar projects. They include the 100MW Sandu II wind project in Guizhou, the 300MW Juancheng wind project in Shandong as well as the 100MW Huai'an Nanzha and 90MW Yixing solar projects in Jiangsu. The Yixing solar project was fully connected to the grid in January 2025. Huai'an Nanzha solar project and Sandu II wind project are scheduled to commission in the first half of 2025 while the Juancheng wind project is expected to go into service in the first half of 2026. Meanwhile, the 150MW Bobai Wind Farm in Guangxi Zhuang Autonomous Region was also fully connected to the grid in January 2025 after site work commenced in July 2023.

In January 2025, construction work on the 231MW Guanxian Wind Farm in Shandong started. Work will also begin later in the year on projects designed to provide a further 560MW of renewable energy capacity, including the 50MW Yixing phase II solar project in Jiangsu, the 300MW Hepu solar project and the 160MW Guigang wind project in Guangxi, and the 50MW Xundian III wind project in Yunnan. Those projects, once completed, will add around 1,530MW capacity to CLP China's renewable energy portfolio.

All renewable energy plants newly commissioned or being developed by CLP China are grid-parity projects designed to operate without government subsidies. As for legacy subsidised projects, the amount of outstanding national subsidy payments owed to CLP China's subsidiaries increased to HK$2,716 million at the end of 2024, compared with HK$2,426 million at the same time a year earlier.

Battery energy storage systems (BESS) are important in bolstering supply reliability as an increasing amount of renewable energy is being generated and consumed in the country. CLP China began construction of its first standalone BESS in Guanxian, Shandong in December. The 100MW/200MWh project is due for completion in 2025. Going forward, we will focus mainly on building battery storage projects alongside our existing assets.

CLP China's growing renewable energy portfolio allows us to expand our offering of energy solutions to corporate customers. In July, CLP China signed an agreement to supply Green Electricity Certificates (GECs) to a multinational software company. The 10-year contract is CLP China's largest and longest-tenure GEC transaction to date. In October, a 10-year power purchase agreement (PPA) was reached with BASF and Envision Energy to provide renewable energy to BASF's three manufacturing sites in Jiangsu from CLP China's three solar projects in the province, including the new Yangzhou Gongdao plant. The agreement uses an innovative sleeved long-term PPA model under which Envision Energy acts as the retailer for the transaction settlement between CLP China and BASF, managing the associated risks and ensuring a seamless integration of renewable energy.

The electrification of transport is another critical driver for decarbonisation. In November, I joined a visit to the Mainland cities of the Greater Bay Area (GBA) led by Hong Kong Chief Executive Mr John Lee, during which CLP*e* signed an agreement to expand its partnership with TELD New Energy Company Limited (TELD) on EV charging and innovative energy services in the GBA. The agreement marked a major step forward in our cooperation with TELD following the formation of the CLP-TELD New Energy Technology (Guangdong) Ltd. joint venture in 2022 to provide EV-charging services in Mainland China cities within the GBA. Under the new arrangement, CLP*e* will introduce TELD's leading EV charging technologies to the Hong Kong market. It will also cooperate on Vehicle-to-Grid, virtual power plant, microgrid and other emerging energy technologies, jointly exploring market opportunities and promoting the development of new energy services in the region.

Looking ahead, we are committed to further expanding our low-carbon generation capacity in Mainland China, even though we expect growth in demand for electricity in the short term to soften because of a slowdown in economic growth. CLP has a strong and established portfolio of clean energy investments and a robust pipeline of new wind and solar energy projects, putting it on course to achieve its goal of doubling its renewable energy portfolio in the medium term in support of the Central Government's dual carbon targets.

Australia

Our wholly owned subsidiary EnergyAustralia achieved a significant improvement in its financial performance in 2024, buoyed by the strong performance of generation assets which outweighed continuing pressure on retail business. The improvement resulted in operating earnings of HK$591 million, compared with an operating loss of HK$182 million in 2023. Throughout the year, the business successfully invested in flexible capacity initiatives to support Australia's clean energy transition while enabling affordable, reliable electricity to customers.

A highlight of the year came in September when EnergyAustralia won the support of the Federal Government's new Capacity Investment Scheme for the 350MW/1,400MWh Wooreen BESS in Victoria and the 50MW/200MWh Hallett BESS in South Australia. The two systems are expected to power more than 480,000 homes across the two states by 2027.

In November, EnergyAustralia also secured the New South Wales Government's development approval for its 500MW

BESS next to Mount Piper Power Station. EnergyAustralia's proposed Lake Lyell Pumped Hydro Energy Storage Project nearby was meanwhile declared a Critical State Significant Infrastructure development by the State Government, meaning it is viewed as essential for economic, social and environmental reasons. Preliminary designs for the project were submitted in the second quarter and its proposed capacity was increased by 50MW to 385MW for up to eight hours following additional value engineering.

EnergyAustralia aims to have committed up to 3GW of renewable energy in its portfolio by 2030, largely through the purchase of output from renewable energy projects under offtake agreements. In September, it secured its largest PPA for 230MW of renewable energy from the second stage of Golden Plains Wind Farm in Victoria, the largest wind energy project in the southern hemisphere when both stages are combined. Construction began in June 2024 and the project is expected to be completed by mid-2027.

In July, EnergyAustralia announced an innovative offtake agreement for 200MW/800MWh underpinned by Akaysha Energy's Orana BESS in New South Wales. The agreement allows EnergyAustralia to strengthen its flexible capacity portfolio by using the storage attributes of the battery – which is due to go into service in 2026 – as a virtual commercial product.

The 320MW fast-start, gas-fired Tallawarra B Power Station went into commercial operations in June 2024, while an upgrade to Tallawarra A completed in February 2025 is expected to increase the plant's winter capacity by nearly 40MW when fully commissioned in the Australian winter in mid-2025.

EnergyAustralia's investment in new storage and renewable energy projects will be critical for Australia, especially Victoria, as the 1,480MW Yallourn Power Station winds down before its retirement in mid-2028. A 17-month maintenance programme to ensure the power station's reliability and efficiency in its final years was completed in January 2025. The plant reported a steady performance throughout 2024 with availability rising from 72% a year earlier to 74% while energy sent out remained steady.

Mount Piper Power Station in New South Wales also delivered a stronger performance after receiving a more consistent coal supply thanks to a multi-mine agreement with the supplier. Generation increased 31% to 7,010GWh compared with 5,360GWh in 2023. In the first half of 2024, the plant operated with the State Government's capped coal price at A$125 a tonne. This government intervention was enacted to reduce wholesale energy prices for customers after significant volatility in 2022 and the scheme ended in June 2024.

EnergyAustralia invests in flexible capacity initiatives such as the Wooreen battery energy storage system in Victoria to support Australia's clean energy transition.

A sluggish economy and cost of living pressures impacted both consumers and the retail energy market where competition was intense, leading to higher discounts and lower margins. EnergyAustralia's number of customer accounts fell by around 58,600, or about 2.4%, while the rate of customer churn remained below the market average.

In September, at the conclusion of Federal Court proceedings brought by the Australian Competition and Consumer Commission over non-compliant pricing communication with customers between June and September 2022, EnergyAustralia was ordered to pay a penalty of A$14 million and implement compliance orders. EnergyAustralia has sought to contact every affected customer and correct the communication.

While the performance of EnergyAustralia greatly improved in 2024, we expect operating conditions in the retail market in particular to remain challenging in light of ongoing competition and affordability pressures. Against this backdrop, EnergyAustralia will work closely with the community and Federal and state governments to accelerate investment in the energy transition while offering customers services that are affordable and reliable.

India

Our joint venture in India, Apraava Energy, continued its rapid pace of low-carbon energy development in 2024 as the decarbonisation of the country's booming economy opened a rich vein of opportunities. Operating earnings increased 9.3% to HK$329 million from HK$301 million in 2023, buoyed by strong electricity demand and the solid performance of Apraava Energy's diversified energy assets.

Contributions from renewable energy assets were lower, largely because generation from existing wind projects dropped as a result of low resources and a severe cyclone in August affecting the western state of Gujarat. The 251MW Sidhpur Wind Farm was fully commissioned by the middle of January 2025 after operations began in phases from 2023 onwards.

The operation of solar assets remained steady with earnings increasing year-on-year.

Apraava Energy's two operating transmission assets in central and northeastern India continued to perform well while the company's only coal-fired asset – Jhajjar Power Station in Haryana – maintained its status as one of India's best-run thermal power plants.

With a sharp focus on expanding and decarbonising its portfolio, Apraava Energy had more than 2GW-equivalent of non-carbon energy projects in execution at the end of December, including wind and solar energy, transmission and advanced metering infrastructure (AMI) projects.

Rajasthan averages more than 320 days of sunshine a year and is one of India's leading centres of renewable energy development. In the fourth quarter, Apraava Energy began building two solar farms in the northwestern state with a combined capacity of 550MW after securing the rights at earlier auctions. The larger of the two projects with 300MW of generation capacity is scheduled to begin operations in June 2026 while the smaller 250MW project is due to go into service two months earlier. Apraava Energy plans to break ground on another 50MW solar energy project in Rajasthan in the first quarter of 2025.

Elsewhere, Apraava Energy is due to begin work soon on a 300MW wind energy project in Karnataka, a southwestern state with considerable renewable energy potential.

Investment in transmission infrastructure is critical to connect India's vast number of new solar and wind energy projects to the major cities where energy demand is highest. Good progress was made on the Fatehgarh III and Fatehgarh IV interstate transmission projects in Rajasthan, which comprise over 250 kilometres of transmission lines and a 2,500 megavolt-ampere (MVA) substation. Both projects are due to go into operation in 2025. Construction also began in late 2024 on the Karera interstate transmission project in the central state of Madhya Pradesh, involving more than 40 kilometres of transmission lines and a 3,000MVA substation. Work on another transmission project in Rajasthan with almost 200 kilometres of power lines and a 6,000MVA substation is due to start in the first quarter of 2025.

Apraava Energy secured more contracts for AMI projects, installing smart meters that enable local power distribution companies to offer more energy-efficient services to customers across India. The business now has contracts to supply more than 6.8 million smart meters for households in six states and more than 680,000 smart meters have so far been installed.

In the year ahead, Apraava Energy will seek out opportunities to expand its pipeline of energy, transmission and AMI projects and accelerate progress towards a target of tripling its low-carbon energy portfolio in the medium term as it plays an increasingly significant role in India's energy transition.

Taiwan Region and Thailand

Operations at Ho-Ping Power Station in the Taiwan region were disrupted by a major earthquake that struck the island's east coast in April. Fortunately, there were no injuries to the plant's workers and operations at the power station have been robust since repairs to generation units were completed in May. Although Lopburi Solar Power Station in Thailand maintained reliable operations, the disruption to Ho-Ping and related remedial costs as well as lower fuel costs recoveries than in 2023 led to a 15.3% drop in operating earnings from Taiwan Region and Thailand to HK$260 million in 2024.

Ho-Ping will remain focused on maintaining operational reliability, and continue to explore potential decarbonisation projects near the plant including utility-scale solar energy and battery storage.

Seizing New Possibilities

The energy sector's transition is advancing at an extraordinary pace, bringing both challenges and unprecedented opportunities. We are embracing this transformation with attention and determination, to ensure we remain well placed to succeed in both the near and longer term. Decarbonisation is at the heart of our planning—a vital and urgent mission that demands both innovation and resilience.

We work tirelessly to improve our digital capabilities in support of our growth objectives. By harnessing the latest technologies, we are optimising business processes, accelerating innovation and delivering smarter, better and lower-carbon services to our customers. One of the most significant initiatives in this effort is the implementation of our new enterprise resource planning (ERP) system, which will streamline and enhance key processes across the span of our operations. This project represents a significant step forward in CLP's efforts to maintain our status as a leading utility in the years to come.

I would like to express my sincere thanks to all CLP employees and our partners, who are indispensable in serving our valued customers in new and effective ways. It is through the collective strength, diverse perspectives and unwavering commitment of our people that we are empowered to navigate obstacles and seize new possibilities.

CEO T.K. Chiang addresses the GreenBiz HK conference in Jinan, highlighting CLP's commitment to China's low-carbon, high-tech development and the Group's significant presence in Shandong province.

As our Chairman has referenced in his message, we have completed a strategic review which is designed to ensure CLP is best placed for growth as we pursue initiatives that match with the decarbonisation pathways in our markets. We will focus on several key priorities – each with clear objectives and associated initiatives – underscoring the robustness of the strategy review process.

First, Climate Vision 2050 is our blueprint for achieving net-zero greenhouse gas emissions by mid-century. We will continue to deliver on this goal through scaling up investments in low-carbon energy projects and phasing out our remaining coal-fired generation in the portfolio.

Second, we will ensure our business operates from a position of strength in our core markets of Hong Kong and Mainland China, as we continue to pursue non-carbon growth opportunities, maximise the synergies across business units and improve operational efficiency. We will explore various business and financial models for our China renewable portfolio, including establishing a clean energy fund, to leverage market capital while maximising the value derived from our existing capabilities.

Third, we will pursue further business growth as we seek to build new operations with dependable earnings outside our core markets such as renewable energy business in high growth Asian countries and regions. Optimising the value of our presence in Australia and continuing the growth momentum in India are our other focuses.

Fourth, it is essential that we proactively explore and prepare for long-term growth opportunities. We will actively explore and capitalise on emerging opportunities driven by decarbonisation and technology trends in our core markets.

And finally, the Group will enhance its organisational capabilities by fostering enterprise leadership, innovation and digital transformation to maintain a competitive edge.

The review has been extensive, entailing the input of many of our leaders at CLP over the course of the past year, and I am excited with the outcome. I look forward to implementing the strategy with a strong team and turning our collective vision into reality.

The coming year promises to be yet another one of rapid adjustment, as our industry continues to reshape how we generate, deliver and consume power. At CLP, we are seizing this pivotal period for long-term success across all our markets. I am more confident than ever that our business is in an exceptionally strong position in the knowledge that the global imperative to decarbonise is not just a challenge – it is an opportunity to lead, innovate and drive meaningful change.

T.K. Chiang
Hong Kong, 24 February 2025

At a time of increased volatility and uncertainty in the global economy, how can CLP ensure the Group remains on track for sustainable, long-term growth?

Mr Leung Yiu Choi
Shareholder

T.K. Chiang
Chief Executive Officer

The energy sector is closely related to the tide of global economic developments, and new opportunities and challenges have inevitably emerged in our industry as a result of geopolitical events and the rapid technological change of recent years.

Momentum for the energy transition in Asia Pacific remains strong despite increased uncertainties about progress of climate action, while electrification and the growth of the digital economy have continued to drive demand for electricity. Thanks to the strong foundations of our core businesses in Hong Kong and Mainland China, CLP is well-positioned to deliver sustainable growth by investing for the long term and transforming into a more agile business to stay on top of changes in our operating environment.

We are acutely aware we cannot achieve this by standing still, so we constantly review and update our strategy to remain ahead of the curve. Our latest strategy balances our long-term view with a more dynamic approach. This enables us to continue to channel our resources into further decarbonising our business and investing in the growth of our operations in core markets. At the same time, we are exploring opportunities in new markets and enhancing our organisational capabilities to help us move faster and become even more efficient and innovative.

By building on the strengths that have served CLP so well for nearly 125 years and equipping our business for the escalating pace of change in the energy market and the economy, we are confident in our ability to continue creating long-term value for our stakeholders.

Financial Review

Our strategy guides our investments to grow the business sustainably.

CLP Group's Financial Results and Position at a Glance

Our Strategy to Power Brighter Tomorrows

Decarbonisation is the foremost priority for our business and we remain resolute in our mission to enable an orderly transition to a net-zero future, while ensuring we maintain a secure and reliable energy supply. We are also committed to creating a future-ready workforce, deploying new and emerging technologies to support the progressive decarbonisation of our portfolio, and delivering cutting-edge energy solutions to meet the evolving needs of our customers, driving positive change in the communities in which we operate.

Progress in Executing Our Strategy

Decarboning Hong Kong's electricity supply remained a priority. Our new D2 gas-fired generation unit at Black Point Power Station went into operation in April, further accelerating the transition of our power supply. The ongoing upgrade of Clean Energy Transmission System (CETS) is on track enabling the future import of more zero-carbon energy from Mainland China. We also took significant steps forward in expanding our renewable portfolio in Mainland China, with construction beginning on the Sandu II and Juancheng wind farms as well as Yixing and Huai'an Nanzha solar projects. Meanwhile, Bobai Wind Farm was fully connected to the grid in January 2025 while work on Guanxian Wind Farm began in the same month. Construction of several solar and wind projects with a combined capacity of 560MW are due to start soon.

EnergyAustralia won the support for two battery storage projects under the Federal Government's new Capacity Investment Scheme, significantly boosting its investments in flexible and reliable electricity infrastructure to support Australia's energy transition. In India, Apraava Energy sustained a rapid pace of low carbon energy development. Solar farms with a combined capacity of 550MW are under construction while work on a 300MW wind project is due to begin soon. Expansion of transmission and advanced metering infrastructure (AMI) projects is also underway.

Maintaining Adequate Resources to Support our Strategy

Free cash flow represents the cash that can be used by a company after taking care of its operations. It can be used to remunerate equity and debt holders and to grow the business.

Strong operating cash inflow from the Scheme of Control (SoC) business continued to be the key source of funds for our capital investment programme and dividend payments in 2024. Our free cash flow also benefited from the improved operational performance of EnergyAustralia. During the year, we continued to carry out sustainable financing activities for specific projects under Climate Action Finance Framework and arrange Emission Reduction-Linked bank facilities with performance targets linked to emissions levels for general corporate purposes.

Where We Stand

- HK$4.6 billion of our capital investments on an accrual basis was spent on building our decarbonisation portfolio
- We accelerated our support for the development of reliable, convenient electric vehicle (EV) charging infrastructure and services to meet rising demand in the private and commercial transport sectors
- Nearly 70% of operating earnings before fair value movements and unallocated expenses were generated from non-carbon generation assets, transmission, distribution and retail operations
- Backed by strong investment grade credit ratings, adequate liquidity remains to meet the operational needs and support growth

Earnings and Dividends

CLP's Dividends Policy aims to provide reliable and consistent ordinary dividends with steady growth when supported by our earnings whilst ensuring that a solid financial position can be maintained to fund our business growth.

The Group's financial performance, and ultimately the Group's operating earnings, are of paramount importance in CLP's ability to stick to the Group's Dividends Policy. The solid financial performance for the year together with our robust financial position and healthy liquidity levels resulted in an increase in total dividends per share for 2024 to HK$3.15.

More analysis on the value we created for our shareholders can be found on pages 38 and 39.

Last Year's Statement of Financial Position

Working capital	2023 HK$M
Trade and other receivables	13,650
Trade payables and other liabilities	(20,306)
Cash and cash equivalents	5,182
Others	(1,503)
	(2,977)
Non-current assets	
Capital assets	
Fixed assets, right-of-use assets and investment property	161,663
Goodwill and other intangible assets	12,854
Interests in joint ventures and associates	21,898
	196,415
Others	5,706
	202,121
Debts and other non-current liabilities	
Bank loans and other borrowings*	(57,515)
Others	(29,247)
	(86,762)
Net assets	112,382
Equity	
Shareholders' funds	
Share capital and other reserves	25,456
Retained profits	84,216
Translation reserve	(7,341)
	102,331
Non-controlling interests (NCI) and perpetual capital securities (PCS)	10,051
	112,382

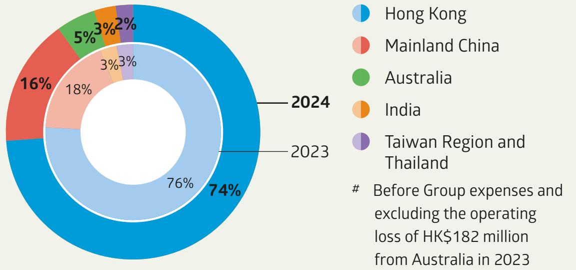
* Including current and non-current portions

	2023	2024	Change
Closing exchange rate			
RMB / HK$	1.0956	**1.0588**	⬇ 3.4%
A$ / HK$	5.3200	**4.8084**	⬇ 9.6%
Average exchange rate			
RMB / HK$	1.1033	**1.0827**	⬇ 1.9%
A$ / HK$	5.1962	**5.1372**	⬇ 1.1%

Statement of Profit or Loss

	2023 HK$M	2024 HK$M
Revenue	87,169	**90,964**
Operating expenses	(66,431)	**(67,789)**
Other charges	(5,868)	**–**
EBITDAF of the Group	14,870	**23,175**
Share of results of joint ventures and associates, net of tax	3,196	**2,655**
Consolidated EBITDAF	18,066	**25,830**
Depreciation and amortisation	(8,594)	**(9,276)**
Fair value movements	3,040	**1,004**
Net finance costs	(1,869)	**(2,019)**
Income tax expense	(2,973)	**(2,821)**
Profit for the year	7,670	**12,718**
Attributable to NCI and PCS holders	(1,015)	**(976)**
Earnings attributable to shareholders	6,655	**11,742**
Excluding: Items affecting comparability	5,597	**(94)**
Operating earnings	12,252	**11,648**
Excluding: Fair value movements (after tax and NCI)	(2,125)	**(699)**
Operating earnings before fair value movements	10,127	**10,949**

Operating Earnings before Fair Value Movements by Region #



\# Before Group expenses and excluding the operating loss of HK$182 million from Australia in 2023

Statement of Changes in Equity

	Attributable to	
	Share-holders HK$M	NCI and PCS holders HK$M
Balance at 1 January 2024	102,331	10,051
Profit for the year	11,742	976
Exchange differences on translation	(2,474)	–
Cash flow hedges and costs of hedging	68	38
Other comprehensive income and other movements	214	8
Reclassification of PCS to other borrowings	6	(3,887)
Dividends and distributions paid	(7,832)	(1,123)
Balance at 31 December 2024	**104,055**	**6,063**

Statement of Cash Flows

	2024 HK$M
EBITDAF of the Group	**23,175**
SoC items	**789**
Working capital movements	**441**
Non-cash items	**773**
Funds from operations	**25,178**
Interest received	**209**
Tax paid	**(2,247)**
Cash inflow from operating activities	**23,140**
Capital investments	
Capital expenditure	**(18,099)**
Additions of other intangible assets	**(663)**
Investments in and loans to joint ventures	**(11)**
	(18,773)
Dividends received and others	**2,557**
Cash outflow from investing activities	**(16,216)**
Net repayments of borrowings	**4,955**
Interest and other finance costs paid ^	**(1,904)**
Dividends paid to shareholders	**(7,832)**
Dividends to NCI and others	**(2,259)**
Cash outflow from financing activities	**(7,040)**
Net decrease in cash and cash equivalents	**(116)**
Cash and cash equivalents at 1 January	**5,182**
Effect of exchange rate changes	**(90)**
Cash and cash equivalents at 31 December	**4,976**
Free Cash Flow	
Funds from operations	**25,178**
Less: tax paid	**(2,247)**
Less: net finance costs paid ^	**(2,496)**
Less: maintenance capital expenditure (capex)	**(1,923)**
Add: dividends from joint ventures and associates	**2,429**
	20,941
Capital Investments	
SoC capex	**11,171**
Growth capex	**2,409**
Maintenance capex	**1,923**
Acquisition of asset	**3,023**
Other capex	**247**
	18,773

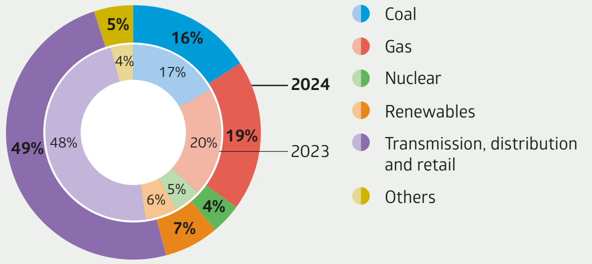
^ Including distributions paid to PCS holders

This Year's Statement of Financial Position

Working capital	2024 HK$M
Trade and other receivables	**14,114**
Trade payables and other liabilities	**(19,788)**
Cash and cash equivalents	**4,976**
Others	**(1,418)**
	(2,116)
Non-current assets	
Capital assets	
Fixed assets, right-of-use assets and investment property	**169,532**
Goodwill and other intangible assets	**12,445**
Interests in joint ventures and associates	**20,674**
	202,651
Others	**4,223**
	206,874
Debts and other non-current liabilities	
Bank loans and other borrowings*	**(65,154)**
Others	**(29,486)**
	(94,640)
Net assets	**110,118**
Equity	
Shareholders' funds	
Share capital and other reserves	**25,696**
Retained profits	**88,242**
Translation reserve	**(9,883)**
	104,055
NCI	**6,063**
	110,118

* Including current and non-current portions, and PCS of HK$3,883 million

Capital Assets by Asset Type



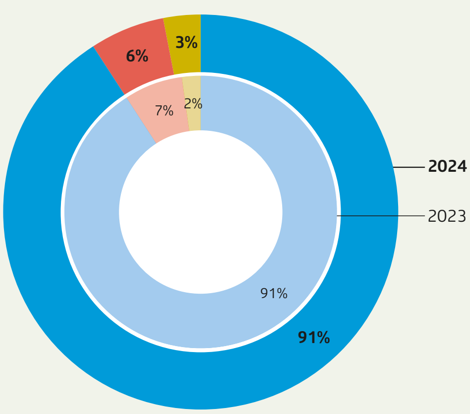
Analysis on Financial Results

Revenue (2024: HK$90,964 million; 2023: HK$87,169 million; ↑ 4.4%)

	2024 HK$M	2023 HK$M	Increase / (Decrease) HK$M	%
Hong Kong	**52,048**	52,119	(71)	(0.1)
Australia	**37,097**	33,190	3,907	11.8
Mainland China and others	**1,819**	1,860	(41)	(2.2)
	90,964	87,169	3,795	4.4

- Hong Kong: Steady revenue from SoC with more units sold as higher temperatures fuelled power demand. Infrastructure developments, rising inbound tourism, expansion of data centres and electric transport also contributed to higher electricity consumption. This was offset by lower Fuel Cost Adjustment charged as the international fuel prices continued to soften; lower revenue from the sale of Argyle Street properties (-HK$271 million)
- Mainland China and others: Revenue from Mainland China decreased slightly due to a lower average Renminbi exchange rate and reduced revenue from Jinchang Solar and Qian'an Wind attributable to higher grid curtailment, largely offset by better resources at Huaiji Hydro and the full year contribution in 2024 from Xundian II Wind and Yangzhou Gongdao Solar since their commissioning in March and September 2023 respectively

Revenues by Nature



- Australia

Excluding the exchange rate impact of HK$0.4 billion resulting from a weaker Australian dollar, revenue increased by HK$4.3 billion:

- Energy: Increased significantly by HK$4.0 billion predominantly driven by the higher wholesale spot prices in 2024, higher generation from Mount Piper Power Station due to a more consistent coal supply following a multi-mine agreement with the supplier, contribution from Tallawarra B Power Station since its commercial operations began in June and higher generation from other gas-fired plants

	2024	2023
Generation (GWh)		
Yallourn	**7,598**	7,687
Mount Piper	**7,010**	5,360
Average pool price (A$/MWh)*		
Victoria	**82.1**	54.8
New South Wales	**130.9**	95.9

* Represented the 12-month average pool prices in relevant states published by Australian Energy Market Operator (AEMO)

- Customer: Increased by HK$0.3 billion mainly due to slightly higher average tariffs in 2024, partially offset by higher discounts for customers amid continuing cost of living pressures, intense market competition and lower Commercial & Industrial customers usage

	2024	2023
Electricity sales (TWh)		
Mass Market	**8.9**	8.9
Commercial and Industrial	**4.9**	5.9
Gas sales (PJ)		
Mass Market	**28.6**	28.1
Commercial and Industrial	**1.6**	2.5

Consolidated EBITDAF * (2024: HK$25,725 million; 2023: HK$23,611 million; ↑ 9.0%)

	2024 HK$M	2023 HK$M	Increase / (Decrease) HK$M	%
Hong Kong	**18,864**	18,029	835	4.6
Mainland China	**3,396**	3,737	(341)	(9.1)
Australia	**3,774**	2,307	1,467	63.6
India	**343**	306	37	12.1
Taiwan Region and Thailand	**261**	309	(48)	(15.5)
Corporate	**(913)**	(1,077)	164	15.2
	25,725	23,611	2,114	9.0

* Excluding items affecting comparability

- Hong Kong: Higher EBITDAF mainly reflected higher permitted return on higher average **SoC** net fixed assets from capital investments and increase in electricity sales, partly offset by one-off recognition of five-year energy saving and renewable energy connection incentives in 2023
- Mainland China: Lower **nuclear** earnings due to lower market-based tariff and higher operating and maintenance expenses at Yangjiang, and major outages at Daya Bay in the first half of 2024; **renewable** earnings slightly lower than 2023 attributable to lower generation from Jinchang Solar and Qian'an Wind due to higher grid curtailment, partly compensated by higher water resources at Huaiji driving more output; profit (2023: loss) from **coal-fired** projects mainly driven by lower operating and maintenance expenses and stabilising fuel prices at Guohua project; realisation of translation gains (HK$68 million) upon early termination of a joint venture agreement; higher expenses to support the growth trajectory of renewable energy projects
- Australia: Higher contribution from **Energy** business attributable to higher realised prices and more generation from Mount Piper Power Station after receiving a more consistent coal supply, partly offset by higher fuel costs; unfavourable performance of **Customer** business predominantly driven by higher discounts for retail customers under cost of living pressures and intense competition as well as lower Commercial & Industrial customers usage
- India: Higher Apraava Energy's results mainly contributed by higher **Jhajjar**'s tariff and revised tariff for **transmission** project; lower earnings from **renewable** energy projects due to reduced wind resources affecting output
- Taiwan Region and Thailand: Lower share of profit of **Ho-Ping** Power Station from lower generation and remedial costs incurred due to the earthquake in April and lower recovery of coal costs; performance of **Lopburi** Solar remained stable
- Corporate: Lower transformation and digital related expenses

Items Affecting Comparability

	2024		2023	
	Before Tax HK$M	**After Tax & NCI HK$M**	Before Tax HK$M	After Tax & NCI HK$M
Hong Kong	–	**(11)**	109	87
Mainland China	–	–	(85)	(115)
Australia	–	–	(5,868)	(5,868)
India	**105**	**105**	299	299
	105	**94**	(5,545)	(5,597)

- Hong Kong: Lower gain on sale of Argyle Street properties with fewer units sold in 2024 and higher revaluation loss of retail portion of Laguna Mall in line with the property market trend
- India: One-off income recognition to recover compensation for additional costs incurred in prior years towards operating the flue gas desulfurisation unit (2023: One-off income relating to delayed payment charges on disputed and long outstanding trade receivables and additional capacity charge)

Favourable Fair Value Movements (2024: HK$1,004 million; 2023: HK$3,040 million)

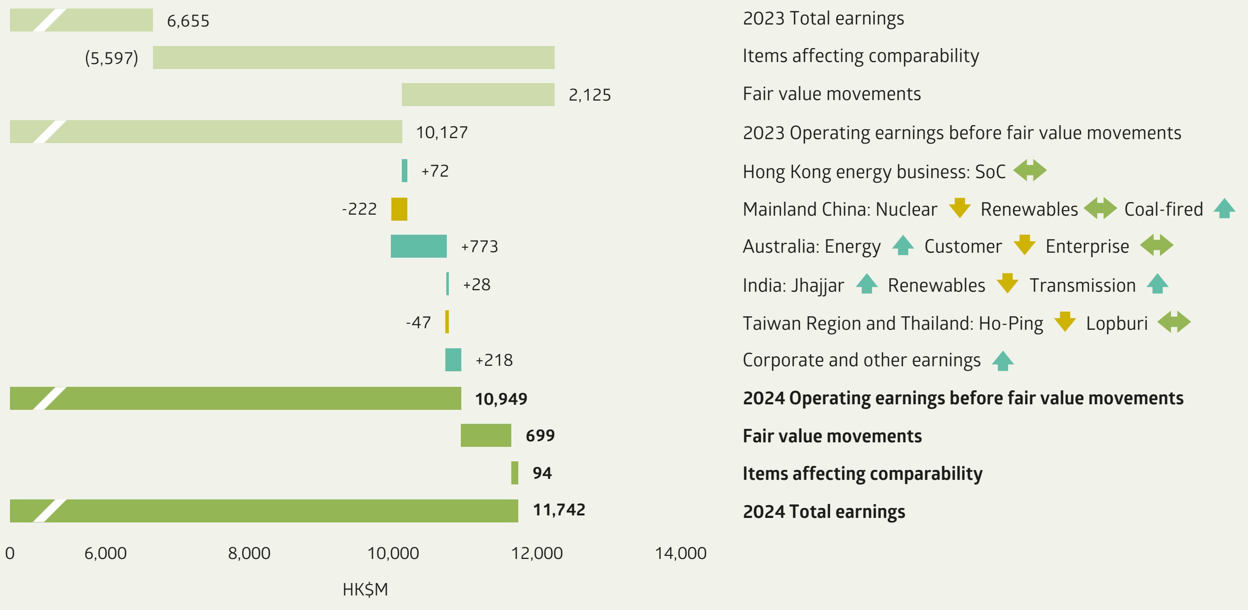
- Predominantly related to the fair value movements of EnergyAustralia's forward energy contracts for which hedge accounting was not applied
- Lower fair value gain mainly driven by higher 2023 fair value gain from significant roll off of out-of-the-money energy contracts and unfavourable impact on the net sold position of the contracts caused by higher 2024 forward electricity price

Net Finance Costs, Taxation, and Depreciation & Amortisation (ITDA) (2024: HK$14,116 million; 2023: HK$13,436 million; ↑ 5.1%)

	2024 HK$M	2023 HK$M	Increase / (Decrease) HK$M	%
Hong Kong	**9,263**	8,619	644	7.5
Mainland China	**1,334**	1,399	(65)	(4.6)
Australia	**3,498**	3,405	93	2.7
Others	**21**	13	8	61.5
	14,116	13,436	680	5.1

- Hong Kong: Higher depreciation upon the commissioning of D2 gas-fired generation unit at Black Point in April 2024 and the offshore LNG terminal in July 2023; higher interest expenses driven by higher interest rates and loan balances to finance the operating assets; increased tax charge in line with the increase in EBITDAF for SoC operations
- Mainland China: Lower interest driven by reduced interest rates upon refinancing; lower profits led to the decrease in profits tax
- Australia: Higher depreciation and amortisation attributable to the capitalisation of outage costs and additional asset decommissioning costs for Yallourn Power Station in 2023; reduced tax charge as a result of lower fair value gains on forward energy contracts

Total Earnings (2024: HK$11,742 million; 2023: HK$6,655 million; ↑ 76.4%)
Operating Earnings before fair value movements (2024: HK$10,949 million; 2023: HK$10,127 million; ↑ 8.1%)



Analysis on Financial Position

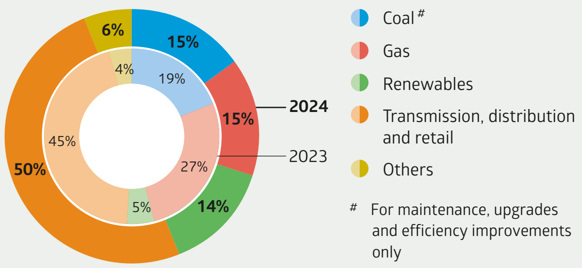
Fixed Assets, Right-of-Use Assets and Investment Property (2024: HK$169,532 million; 2023: HK$161,663 million; ↑ 4.9%)
Goodwill and Other Intangible Assets (2024: HK$12,445 million; 2023: HK$12,854 million; ↓ 3.2%)

	Fixed Assets, Right-of-Use Assets and Investment Property HK$M	Goodwill and Other Intangible Assets HK$M	Total HK$M	Breakdown SoC Assets HK$M	Breakdown Non-SoC Assets HK$M
Balance at 1 January 2024	161,663	12,854	174,517	136,482	38,035
Additions	15,308	663	15,971	10,799	5,172
Acquisition of new headquarters	3,705	–	3,705	–	3,705
Depreciation and amortisation	(8,577)	(699)	(9,276)	(5,620)	(3,656)
Translation differences and others^	(2,567)	(373)	(2,940)	(668)	(2,272)
Balance at 31 December 2024	**169,532**	**12,445**	**181,977**	**140,993**	**40,984**

^ Mainly depreciation of Australian dollar and Renminbi and disposal of fixed assets

- SoC: Invested HK$7.4 billion for development / enhancement of the transmission and distribution networks, enhancement of CETS, establishment of substations and the ongoing installation of smart meters; and HK$2.9 billion for the completion of construction of D2 gas-fired generation unit at Black Point which commenced operation in April and improvement works of the existing generation plants
- Mainland China: Capital additions of HK$2.4 billion mainly for the construction and development of new renewable energy projects including Bobai, Sandu II and Juancheng Wind, Guanxian battery storage, Yixing and Huai'an Nanzha Solar
- Australia: Excluding the HK$1.5 billion exchange rate impact from a weaker Australian dollar, HK$2.1 billion additions mainly related to the capital works for Yallourn and Mount Piper and generation capacity upgrade at Tallawarra A Power Station

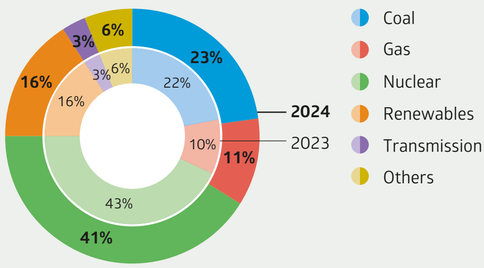
Capital Additions by Asset Type



Interests in Joint Ventures and Associates (2024: HK$20,674 million; 2023: HK$21,898 million; ↓ 5.6%)

- Mainland China: Reduction in interests mainly driven by translation losses from Renminbi (HK$437 million) and dividend declared by nuclear projects
- India: Share of results of Apraava Energy (HK$451 million) offset by translation losses from Indian Rupee (HK$121 million) and dividend declared
- Taiwan Region and Thailand: Share of results (HK$259 million) of Ho-Ping offset by translation losses from New Taiwan dollar (HK$122 million) and dividend declared

Interests in Joint Ventures and Associates by Asset Type



Derivative Financial Instruments
Assets (2024: HK$2,034 million; 2023: HK$2,250 million; ⬇ 9.6%)
Liabilities (2024: HK$2,573 million; 2023: HK$3,377 million; ⬇ 23.8%)

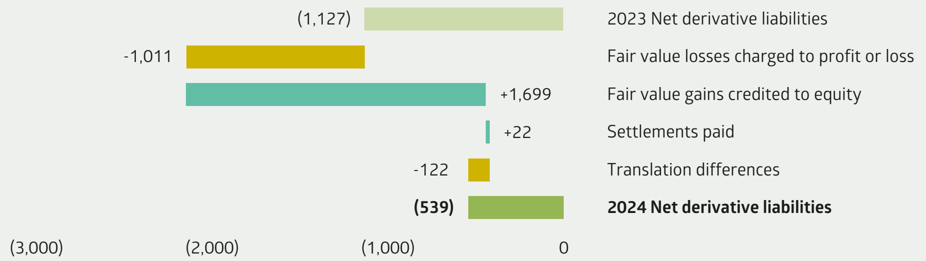
Derivative financial instruments are primarily used to hedge foreign exchange, interest rate and energy price risks. At 31 December 2024, the fair value of these derivative instruments was a net deficit of HK$539 million, representing the net amount payable if these contracts were closed out at year end.

- Hong Kong: Decrease in derivative liabilities for cross currency interest rate swaps mainly due to the close-out of the out-of-the-money swaps upon settlement of a Japanese Yen Medium Term Note being hedged
- Australia: Increase in derivative assets for forward energy contracts attributable to higher forward prices as compared with last year-end, resulting in fair value gain of EnergyAustralia's bought energy contracts credited to equity (+HK$1.3 billion), partially offset by fair value loss of sold energy contracts charged to profit or loss (-HK$0.5 billion), together with the settlement (-HK$0.6 billion) of energy contracts during the year

	Notional Amount		Derivative Assets / (Liabilities)	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M
Forward foreign exchange contracts	**27,723**	29,093	**(1)**	(147)
Interest rate swaps and cross currency interest rate swaps	**35,314**	31,915	**(1,674)**	(2,069)
Energy contracts #				
Cash flow hedges			**1,016**	1,594
Not qualified for hedge accounting			**120**	(505)
			(539)	(1,127)

The aggregate notional volumes of the outstanding energy derivatives at 31 December 2024 were 140,495GWh (2023: 220,161GWh) and 8.3 million barrels (2023: 11.3 million barrels) and 4,571TJ (2023: 2,407TJ) for electricity, oil and gas respectively.

Movements in Derivative Financial Instruments (HK$M)



Trade and Other Receivables (2024: HK$14,114 million; 2023: HK$13,650 million; ⬆ 3.4%)
Trade Payables and Other Liabilities (2024: HK$19,788 million; 2023: HK$20,306 million; ⬇ 2.6%)

Trade Receivables / Payables by Region

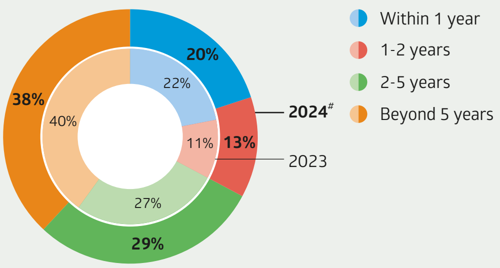
- Hong Kong: Receivable remained at similar level in line with stable operations; decrease in payables (-HK$0.9 billion) attributable to the settlement of capex liabilities for mega projects such as the offshore LNG terminal and D2 unit at Black Point
- Mainland China: Higher accrued renewable national subsidies from sales during the year and increase in dividend receivable (HK$0.8 billion) from GNPJVC; with a robust pipeline of new renewable energy projects, both down payment made and capex liabilities increased
- Australia: Excluding the exchange rate impact from a weaker Australian dollar, lower accrued retail revenue from reduced sales volumes; higher wholesale spot prices in 2024 leading to the increases in both accrued generation revenue for Energy business and payables for electricity purchases in Customer business; higher payables also driven by increased accrued capex and network charges

Bank Loans and Other Borrowings (2024: HK$61,271# million; 2023: HK$57,515 million; ↑ 6.5%)

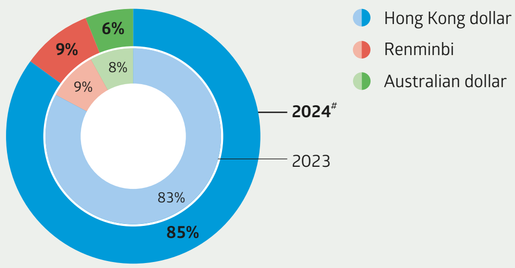
- Major new financing activities in the year:
  - Hong Kong: Arranged HK$5.8 billion of emission reduction-linked bank loan facilities, an inaugural A$500 million (HK$2.6 billion) three-year public bond in the Australian market and HK$4.8 billion of energy transition loan facilities under the Climate Action Finance Framework was executed for refinancing at competitive interest margins. In addition, the US$500 million (HK$3.9 billion) perpetual capital securities were redeemed using the proceeds from the new issuance of US$500 million (HK$3.9 billion) in January 2025
  - Mainland China: Obtained a total of RMB2.5 billion (HK$2.7 billion) revolving loan facility with favourable market pricing to support new renewable energy projects. The facility will be effective in tranches. Executed a total of RMB4.9 billion (HK$5.2 billion) project loan facilities for five renewable energy projects at competitive interest rates
  - Australia: Refinanced A$150 million (HK$721 million) of syndicated loan facilities, A$830 million (HK$4.0 billion) of bank guarantee facilities and arranged A$350 million (HK$1.8 billion) of three-year working capital facilities during the year
  - CLP Holdings: Refinanced HK$9.3 billion facilities during the year
- Net debt to total capital ratio increased slightly from 31.6% to 33.0%# driven by higher net debt to support capex payments in Hong Kong for decarbonisation projects and other business needs
- In 2024, Standard & Poor's and Moody's affirmed all the credit ratings of CLP Holdings (A and A2), CLP Power (A+ and A1) and CAPCO (AA- and A1) with stable outlooks; Moody's affirmed the Baa2 credit rating of EnergyAustralia with a stable outlook

More details of financing activities and credit ratings can be found on pages 55 to 57.

Loan Balances by Maturity



Loan Balances by Currencies *



* Adjusting the effect of hedging transactions

\# Perpetual capital securities of HK$3,883 million at 31 December 2024 were reclassified from equity to other borrowings upon the issuance of redemption notice to the holders in December 2024, with the subsequent refinancing by the new perpetual capital securities in January 2025. For the above analysis, the amount remained as equity on a consistent basis with 2023.

Analysis of Financial Obligations

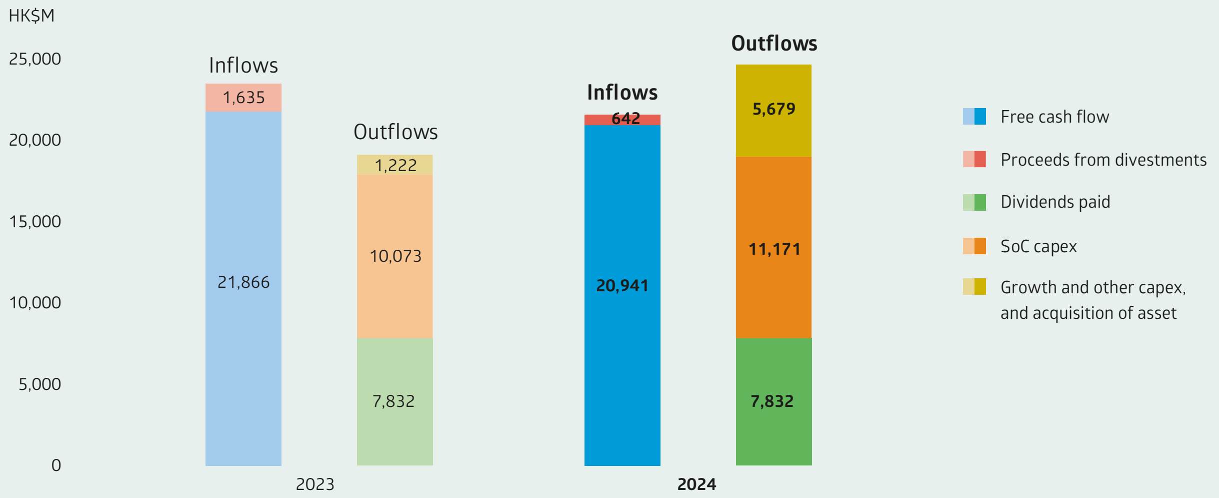
Consolidated financial statements are prepared to show the effect as if the parent and all of its subsidiaries were one entity by consolidating their financial statements on a line-by-line basis. In contrast, under the equity method of accounting, interests in joint ventures and interests in associates are accounted for on the basis of proportionate sharing of net assets (i.e. assets minus liabilities). As a result, the debts of our joint ventures and associates are not included as part of the debts shown in our consolidated statement of financial position. To enhance the transparency to readers, the diagram below illustrates the financial obligations of the CLP Group, as well as those of our joint ventures and associates.

CLP			2024 HK$M	2023 HK$M
Consolidated	Debts of CLP Holdings and Subsidiaries	Debts of subsidiaries are non-recourse to CLP Holdings.	61,271#	57,515
Equity Accounted	Share of Debts of Joint Ventures and Associates	These debts are non-recourse to CLP Holdings and its subsidiaries. The share of debts is calculated by reference to the Group's shareholdings in the relevant joint ventures and associates.	+ 10,421	10,908

\# Excluding perpetual capital securities of HK$3,883 million

Analysis of Cash Flow

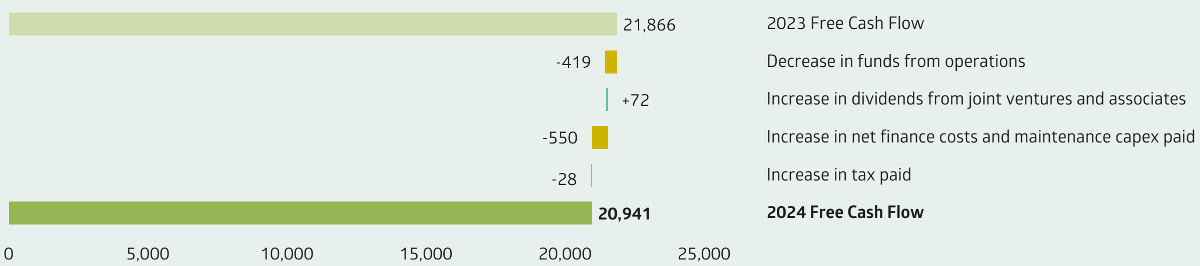
Analysis of Inflows and Outflows



Free Cash Flow (2024: HK$20,941 million; 2023: HK$21,866 million; ↓ 4.2%)

- Free cash flow decreased by HK$0.9 billion attributable to:
  - Hong Kong: Lower cash inflow from SoC operations (-HK$1.7 billion) primarily due to lower fuel costs collected from customers compared to 2023
  - Mainland China: Robust dividends from our nuclear associates
  - Australia: Increase in cash flow from operations (+HK$1.2 billion) attributable to the improved operational performance of Energy business, slightly offset by higher maintenance capex
- Capital investments include:
  - HK$11.2 billion of SoC capex mainly related to capital works for the generation fleet and enhancement / development of the transmission and distribution networks, enhancement of CETS, establishment of substations and smart meter installation
  - HK$2.4 billion of growth capex related to the construction of renewable energy projects in Mainland China; HK$3.0 billion paid for the new headquarters

Movements in Free Cash Flow (HK$M)



Broader Perspective

	2024	2023	2022	2021	2020
Performance Indicators					
EBITDAF [1] (HK$M)	**25,830**	18,066	16,586	22,880	25,254
Operating earnings before fair value movements (HK$M)	**10,949**	10,127	7,602	9,867	11,254
Operating earnings (HK$M)	**11,648**	12,252	4,623	9,517	11,577
Total earnings (HK$M)	**11,742**	6,655	924	8,491	11,456
Return on equity (%)	**11.4**	6.4	0.8	7.5	10.5
Operating return on equity [2] (%)	**11.3**	11.8	4.2	8.5	10.6
Financial Health Indicators					
Undrawn facilities (HK$M)	**30,982**	30,881	31,633	28,076	25,737
Total borrowings [3] (HK$M)	**61,271**	57,515	59,217	58,215	54,348
Fixed rate borrowings to total borrowings [3] (%)	**51**	57	52	61	63
FFO interest cover (times)	**11**	11	7	12	13
FFO to debt [3, 4] (%)	**42.4**	43.9	23.1	35.9	45.8
Net debt to total capital [3] (%)	**33.0**	31.6	32.0	28.1	25.1
Debt / Capitalisation [3, 5] (%)	**37.1**	35.3	41.2	29.3	30.0
Shareholders' Return Indicators					
Dividend per share (HK$)	**3.15**	3.10	3.10	3.10	3.10
Dividend yield (%)	**4.8**	4.8	5.4	3.9	4.3
Dividend payout [6] (%)	**68.3**	63.9	169.4	82.3	67.7
Total return to shareholders [7] (%)	**3.9**	4.7	2.6	5.8	5.2
Price / Earnings (times)	**14**	25	154	23	16
Price / Operating earnings [8] (times)	**14**	13	31	21	16
Cash Flows and Capital Investments					
FFO (HK$M)	**25,178**	25,597	13,555	20,223	24,418
Free cash flow [9] (HK$M)	**20,941**	21,866	11,080	16,793	20,418
Capital investments (HK$M)	**18,773**	12,844	16,009	14,163	11,691
Capital expenditure	**15,076**	11,776	14,553	12,431	10,586
Investments in joint ventures and associates, and additions to intangible assets	**674**	1,068	1,118	731	909
Acquisitions of businesses / assets	**3,023**	–	338	1,001	196

Notes:

1 EBITDAF = Earnings before interest, taxes, depreciation and amortisation, and fair value movements. For this purpose, fair value movements include fair value gains or losses on non-debt related derivative financial instruments relating to transactions not qualifying as hedges, ineffectiveness and discontinuation of cash flow hedges

2 Operating return on equity = Operating earnings / Average shareholders' funds

3 Perpetual capital securities of HK$3,883 million at 31 December 2024 were reclassified from equity to other borrowings upon the issuance of redemption notice to the holders in December 2024, with the subsequent refinancing by the new perpetual capital securities in January 2025. For the above indicators, the amount remained as equity on a consistent basis with previous years

4 FFO to debt = FFO / Average debt; debt = bank loans and other borrowings

5 Capitalisation = Closing share price on the last trading day of the year × number of issued shares at the end of the year

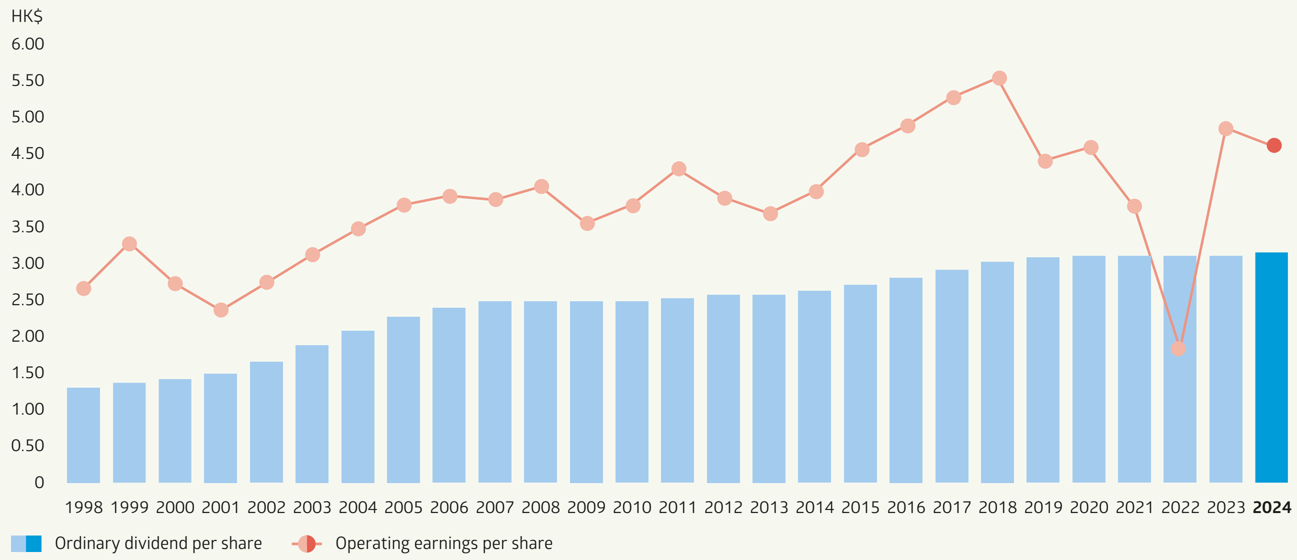
6 Dividend payout = Dividend per share / Operating earnings per share

7 Total return to shareholders representing the 10-year annualised rate of return from the combination of share price appreciation and dividend payments

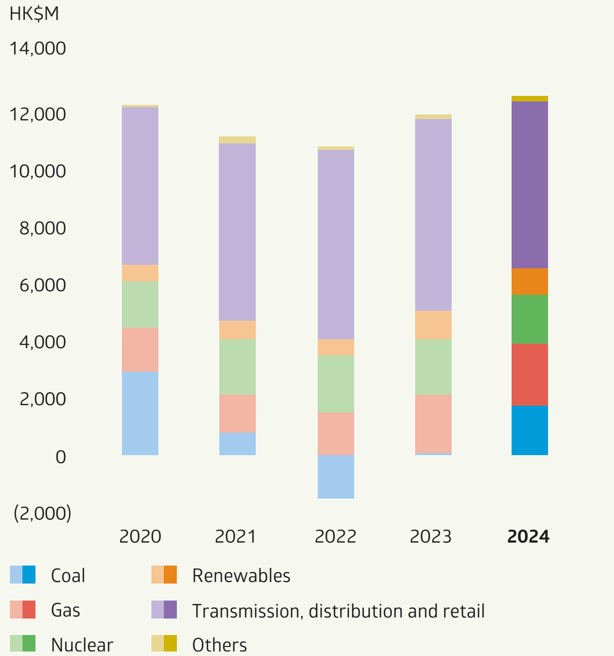
8 Price / Operating earnings = Closing share price on the last trading day of the year / Operating earnings per share

9 Free cash flow = FFO − income tax paid + interest received − interest and other finance costs paid − maintenance capital expenditure paid + dividends received from joint ventures and associates

Operating Earnings and Dividend per Share

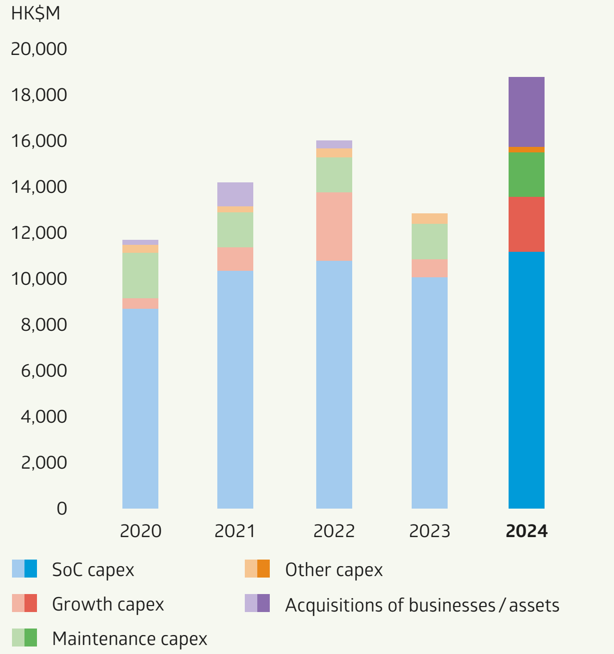


Operating Earnings before Fair Value Movements by Asset Type *



* Before unallocated expenses

Capital Investments



Managing What Matters to Our Business

Enabling our enduring focus on long-term growth, creating value for our stakeholders.

Responsible energy providers must adapt to shifting economic landscape as societies move away from fossil fuels to greener foundations for future generations. To support the transition, CLP manages its key business issues and delivers sustainable energy solutions in a way that creates value for capital providers, customers, employees and the wider community.

CLP is keenly aware of its responsibility to help shape a new energy future by transforming the way electricity is generated and delivered. We also have deep-rooted responsibilities to the communities in which we operate, the societies we energise, the governments and regulators we answer to and the customers we serve.

The journey to long-term success requires a strategic roadmap to ensure we maintain a world-class electricity supply to customers while moving towards our decarbonisation objectives in a rapidly changing world. That is why we conduct annual materiality assessments to track the topics of sustainability most likely to impact our business, our stakeholders and the natural environment. The assessments support our ongoing strategy review and development, uncover any emerging risks or opportunities and maintain transparency as we navigate a route to transform our business.

Maintaining the double materiality approach

CLP continued to adopt the double materiality approach for the 2024 Annual Report and Sustainability Report. The approach – which has a three-year cycle – was first applied in 2021 to inform the sustainability-related content of CLP's annual suite of reports. The double materiality concept expands the traditional focus of materiality on stakeholder impacts to also consider the financial effects of sustainability topics that may reasonably be expected to affect the business's cash flows, access to finance or cost of capital in the short, medium and long term. These topics are covered in the *Managing What Matters to Our Business* chapter of the Annual Report, which also discusses the identified sustainability and climate-related risks and opportunities, as well as relevant metrics and targets in accordance with the Hong Kong Financial Reporting Standard (HKFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information and HKFRS S2 Climate-related Disclosures. The Sustainability Report, meanwhile, explores sustainability topics that have a material impact on people, the environment and the economy.

As 2024 was Year 1 of the current cycle, a comprehensive assessment including a megatrend analysis, a peer review and interviews with CLP's Group Executive Committee members and senior executives was carried out to identify key sustainability-related impacts, risks and opportunities (IROs). The double materiality assessment complements CLP's risk management process, which is detailed in the Risk Management Report within the Annual Report and takes into consideration material topics identified by the assessment. Our materiality assessment process and results were also externally assured, underlining the rigor of our methodology and maintaining our long-standing commitment to best practice in sustainability reporting.

What are IROs?

Sustainability-related financial risks and opportunities

Stakeholder impacts

Identifying priorities in how we manage our business

As part of the comprehensive assessment, an analysis was conducted to determine the nine megatrends considered most relevant to CLP, based on the executive interviews and other information such as university research, consultant reports, industry surveys, media reports and government resources. The megatrends identified in the previous three-year cycle were updated to reflect our changing business and the evolving operating environment, although most changes involved refining and rephrasing aspects of the previous megatrends. For example, while geopolitics and cybersecurity were featured previously as megatrends, they have become more acute amid rising societal concerns. Nature loss, meanwhile, was added as a new megatrend after analysis confirmed it was a subject of increasing focus for governments and investors.

Megatrends form the basis for us to identify and assess sustainability-related IROs. In addition, we referred to a range of internal and external resources, including CLP's strategy, risk assessment and relevant international reporting standards. This process initially identified 89 IROs which were then assessed for materiality using our own enterprise risk framework with reference to the latest International Sustainability Standards Board and Global Reporting Initiative (GRI) standards.

After being evaluated for their magnitude/severity and likelihood, 57 IROs were assessed as being high or extreme and therefore material to CLP. These sustainability-related IROs were organised under six material topics and 20 sub-topics.

The assessment process was conducted by a working group of internal and external materiality experts with participation from CLP's Group Sustainability, Group Risk Management, Investor Relations and Corporate Affairs teams. Assessment outcomes were refined and validated by the management-level Sustainability Executive Committee and endorsed by the CLP Holdings' Board-level Sustainability Committee.

9 Megatrends

- Electrification
- Disruptive Technologies
- Distributed Energy
- Future of Work
- Changing Societal Expectations
- Geopolitics and Supply Chain Resilience
- Data Use and Cybersecurity
- Decarbonisation
- Nature Loss

89 IROs identified

57 high / extreme IROs assessed as material to CLP

6 Material Topics and 20 Sub-Topics

- Net-Zero Transition
- Energy Growth Opportunities
- Digital Innovation and Cybersecurity
- Future-Ready Workforce
- Operational and Supply Chain Resilience
- Community Stewardship*

* *This material topic is not discussed in the Annual Report as no high or extreme sustainability-related financial risks and opportunities were identified and therefore not considered financially material. Please refer to the Sustainability Report for more details.*

CLP aims to manage and respond to the sustainability-related financial risks and opportunities which may reasonably be expected to affect our cash flows, access to finance or cost of capital in the short, medium and long term. With reference to HKFRS S1, we disclose material information about these risks and opportunities to investors in this *Managing What Matters to Our Business* chapter of the Annual Report. Information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence investment decisions.

CLP manages and responds to significant positive or negative impacts on people, the environment and the economy. These impacts, which are set out in the GRI standards, are covered in the Sustainability Report and address the concerns of a broad range of stakeholders on CLP's positive and negative contributions to sustainable development.

CLP's Business Matters

The following five sections are dedicated to the discussion of sustainability-related financial risks and opportunities that were considered high or extreme by the assessment that matter to our business.

Net-Zero Transition

CLP is transitioning to low-carbon energy by phasing out coal, investing in non-carbon energy infrastructure, managing climate-related risks and meeting environmental responsibilities. The transition creates opportunities in renewable energy, transmission, distribution and energy storage. In line with Climate Vision 2050, CLP is committed to reducing greenhouse gas emissions to meet business and government targets while ensuring energy reliability and affordability, and addressing potential risks including grid instability, stranded coal assets and geopolitical uncertainties.

Energy Growth Opportunities

CLP is focused on providing reliable, sustainable energy at a reasonable cost. As electrification and digitalisation raise demand for low-carbon energy, it is well-positioned to capture new energy growth opportunities through investing in lower-carbon electricity infrastructure to support the net-zero transition in line with government objectives and providing decarbonisation solutions for customers.

Digital Innovation and Cybersecurity

CLP is prioritising digital innovation to improve operations and provide smarter energy services while ensuring cybersecurity. It is continuously enhancing its digital capabilities to become a data-driven and secure utility. Digitalisation is crucial for transforming the energy sector, enabling CLP to create a more efficient, connected and customer-centric business.

Future-Ready Workforce

CLP is dedicated to creating a future-ready workforce by fostering employee development in a safe, diverse and inclusive environment. Talent acquisition and development are essential for staying competitive and adapting to new strategic goals in the evolving energy sector. Continuous investment in succession planning and a more agile culture enables CLP to innovate, seize opportunities, attract top talent and enhance employee satisfaction.

Operational and Supply Chain Resilience

CLP prioritises the resilience of its operations and supply chains to safeguard its business and ensure access to critical technologies and resources. This involves addressing risks that could disrupt energy security, logistics networks and cost stability, while integrating new technologies. By focusing on resilience in strategic planning, CLP aims to mitigate risks from geopolitical uncertainties, regulatory changes and technological dependencies that might impact energy costs, innovation capacity, project timelines and operational stability.

Our material topics

Topic	Sub-topic	Risk and opportunity	Value chain	Time horizon
Net-Zero Transition	Acting as a trusted stakeholder	**Financial risk:** Missing greenhouse gas emissions intensity reduction targets and failing to deliver on Climate Vision 2050 could erode investor confidence in CLP's ability to profitably manage the energy transition, potentially resulting in a lower share price, higher capital costs and reduced access to funding.	Own operations	Medium-term
	Enhancing grid resilience and flexibility	**Financial risk:** Ageing and insufficient power grid infrastructure may constrain ability to accommodate distributed energy resources and renewable connections, potentially compromising supply reliability and hindering the low-carbon transition.	Own operations	Medium-term
	Expanding into new products and services	**Financial opportunity:** Increasing use of battery storage enables CLP to enhance energy dispatch and strengthen energy reliability. Improved flexibility to respond to demand fluctuations helps stabilise the power grid and enhance supply resilience.	Own operations	Short-term
		Financial opportunity: Developing expertise in low-carbon energy technologies such as green hydrogen will help CLP attract investors and customers eager to participate in the energy transition.	Own operations	Short-term
	Managing physical climate risks	**Financial risk:** Climate-related extreme weather events such as wildfires, windstorms, and heatwaves may damage CLP's energy infrastructure and impact business operations.	Own operations	Short-term
		Financial risk: Repairs and maintenance of energy infrastructure will increase operational costs as extreme weather events become more common.	Own operations	Short-term
		Financial risk: Increased risks of extreme weather events may result in higher insurance premiums and affect profitability.	Own operations	Short-term
	Navigating geopolitical instability	**Financial risk:** Trade policies aimed at limiting dominance of materials and technologies from countries where CLP sources its equipment and properties may increase CLP's cost of acquisition and project execution.	Own operations	Medium-term
Energy Growth Opportunities	Acting as a trusted stakeholder	**Financial risk:** Public sensitivity to any potential electricity tariff adjustments may affect progress of government-approved electricity infrastructure investments/service lines.	Upstream	Short-term

Topic	Sub-topic	Risk and opportunity	Value chain	Time horizon
	Adapting to regulatory changes	**Financial risk:** Uncertainty in Australian energy and decarbonisation policies could affect EnergyAustralia's operations and energy transition plans.	Own operations	Medium-term
		Financial risk: Evolving net-zero policies internationally may push CLP to accelerate its coal-fired power plant closures, forcing it to bear the transition costs (such as revenue loss, decommissioning costs) ahead of schedule.	Own operations	Long-term
		Financial risk: Potential adverse changes in energy regulations in the markets where CLP operates may affect its operating environment and business model in the long term.	Upstream	Long-term
	Capitalising on electrification trends	**Financial opportunity:** Supporting the electrification of various transportation segments, including commercial vehicles, taxis, ferries and private cars can generate diverse business opportunities for energy suppliers.	Own operations	Long-term
		Financial opportunity: CLP can leverage its EV charging expertise in Hong Kong and Mainland China in other markets to develop potential new opportunities from transport electrification.	Own operations	Medium-term
		Financial opportunity: Electrification needs to quadruple by 2050 globally, offering CLP opportunities to diversify into new lines of business and establish joint ventures with potential partners.	Downstream	Short-term
	Capturing international market opportunities	**Financial opportunity:** CLP can capitalise on potential gaps in Asian energy markets left by the withdrawal of some companies due to geopolitical concerns.	Own operations	Short-term
		Financial opportunity: CLP can leverage its strong supply chain relationships in Mainland China to seek potential energy investment opportunities in Asian markets in China's Belt and Road Initiative.	Own operations	Medium-term
	Ensuring energy affordability and reliability	**Financial risk:** Potential volatility in natural gas supply may affect gas-fired power generation in Hong Kong and increase costs, leading to possible pressure to adjust electricity tariffs.	Own operations	Medium-term
		Financial risk: With energy affordability a growing concern for Hong Kong customers and the Government, CLP is expected to continue delivering reliable, sustainable energy at a reasonable cost.	Own operations	Short-term

Topic	Sub-topic	Risk and opportunity	Value chain	Time horizon
		Financial opportunity: Ageing populations, rising incomes and urbanisation in Asian markets have continued to support growth in electricity demand, presenting opportunities for CLP and other energy suppliers.	Own operations	Long-term
	Expanding into new products and services	**Financial opportunity:** Utilities should meet growing customer demand for low-carbon energy with a diversified range of distributed energy solutions including solar energy, home batteries and EV charging.	Own operations	Short-term
	Capitalising on growth in AI and digital technologies	**Financial opportunity:** CLP can capitalise on AI's growing energy demands by investing in energy infrastructure to deliver reliable and scalable energy solutions to data centres.	Own-operations	Medium-term
	Navigating geopolitical risks	**Financial risk:** Regulatory changes in Hong Kong, Mainland China, Australia and India could increase operational costs and complexity for utilities.	Own-operations	Medium-term
Digital Innovation and Cybersecurity	**Capitalising on growth in AI and digital technologies**	**Financial risk:** CLP's digitalisation agenda could be derailed by cost and time over-runs, an inability to scale, disruptions caused by imperfect implementation, and/or failing to meet customer expectations.	Own operations	Short-term
		Financial opportunity: Leveraging AI to improve network diagnostics and realise cost efficiencies in maintenance operations.	Own operations	Short-term
	Protecting customer data and privacy	**Financial risk:** Tightening data privacy regulations could increase operational complexity and compliance costs.	Own operations	Medium-term
	Strengthening cybersecurity measures	**Financial risk:** The increased vulnerability of smart grid technology to cyberattacks on critical infrastructure poses a significant risk of operational disruptions, regulatory penalties and reputational damage.	Own operations	Short-term
		Financial risk: Insufficient investment in advanced cybersecurity systems and digitisation could leave CLP vulnerable to cyberattacks and data breaches. As AI integrates more deeply with operational technology, these vulnerabilities could intensify.	Own operations	Medium-term
		Financial risk: A major cybersecurity breach would present a serious risk to CLP's financial position and reputation, causing a loss of market share.	Own operations	Short-term

Topic	Sub-topic	Risk and opportunity	Value chain	Time horizon
Future-Ready Workforce	**Cultivating agile ways of working**	**Financial risk:** CLP is required to strike a balance between operating a regulated business in Hong Kong and being agile to business uncertainties and unforeseen risks. This may affect responsiveness to industry megatrends and market dynamics, potentially limiting the company's capacity to capture emerging opportunities and resulting in reduced operational efficiency, lost revenue opportunities, and diminished competitiveness in a rapidly evolving energy market.	Own operations	Medium-term
	Upskilling and reskilling employees	**Financial risk:** Failure to attract and develop the talent required for a digitally enabled, low-carbon future will hamper CLP's ability to meet its strategic objectives and expand capabilities in new areas.	Own operations	Short-term
Operational and Supply Chain Resilience	**Navigating geopolitical risks**	**Financial risk:** Escalation of geopolitical conflict in the Middle East, Europe or Asia may threaten energy security, shipping and prices. Even a temporary lapse in the security and affordability of fossil fuel supply could force CLP to pass on costs, leading to a loss of customers and/or significant tariff implications.	Upstream	Short-term
		Financial risk: While CLP is a regional business, its strong presence in Hong Kong and proximity to Mainland China may create complications for its operations in other markets amid geopolitical tension.	Own operations	Short-term
	Ensuring resilient operations and supply chains	**Financial risk:** Operational resilience is foundational to CLP's position as an essential service provider, and maintaining reliability is core to the business. Many nations are moving towards increased geopolitical competition and away from free trade. CLP's technological dependencies may compromise its innovation capacity, and access to critical platforms and tools.	Own operations	Short-term
		Financial risk: Intensifying US-China tensions may complicate efforts to secure advanced US technologies such as semiconductors.	Own operations	Short-term

Time horizon is defined as:

Short-term	Medium-term	Long-term
0-1 year	1-5 years	5+ years

CLP has pledged to achieve net-zero greenhouse gas (GHG) emissions across its value chain by 2050. While the pathway to net zero is not linear and there may be short-term fluctuations, the Group is committed to decarbonising its own generation and operation, while supporting customers to reduce their carbon footprint.

The transition presents a mix of financial risks and opportunities. One of the new opportunities is the application of energy technologies such as battery storage and hydrogen produced from non-carbon emitting sources. This will not only support CLP's energy transition, but also improve grid reliability and flexibility.

There will be challenges arising from the complex dynamics in the energy sector but finding a route forward is essential for CLP to achieve sustainable growth and a successful energy transition.

GHG emissions intensity of electricity sold decreased to

0.53
kg CO_2e/kWh

(0.54kg CO_2e/kWh in 2023)

Total GHG emissions (Scope 1, 2 and 3) across the value chain dropped

4.3%
year-on-year

77%

Planned proportion of CLP's total capital investments in non-carbon generation assets, transmission, distribution and retail operations for 2025-2029
(Estimate for 2024-2028: 64%)

Nations and regions strengthen climate regulatory frameworks

United Nations member states convene every year to assess progress in dealing with climate change and make plans for future actions, with the most recent meeting – the 29th United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP29) – held in Azerbaijan in November. There was limited progress in COP29 – dubbed the "Finance COP" – in terms of accelerating the energy transition because pathways to carry forward some COP28 proposals including tripling renewable energy capacity and doubling energy efficiency worldwide by 2030, as well as phasing out inefficient fossil fuel subsidies were not included in its decision. Nevertheless, some new agreements were reached on climate finance, carbon markets, transparency in climate reporting and adaptation strategies.

Governments around the world meanwhile took steps of their own to strengthen climate action. In 2021, Hong Kong pledged to raise the ratio of zero-carbon energy in the fuel mix for electricity generation to 60-70% before 2035 with a goal of net-zero electricity generation before 2050. Recognising the key role played by the finance sector in supporting global action on climate change, the Hong Kong Monetary Authority (HKMA) in May launched the Hong Kong Taxonomy for Sustainable Finance, which covers economic activities in four sectors including power generation. The taxonomy considers significant sustainable finance taxonomy developments that have occurred in other jurisdictions, particularly Mainland China, the European Union and the Association of Southeast Asian Nations, and aligns with the overall need to transition the global economy to net-zero emissions by 2050. As a next step, the HKMA will seek to expand the coverage of the taxonomy to include more sectors and activities, including transition activities.

As transportation contributes to about a fifth of total carbon emissions in the city, the Hong Kong SAR Government also announced new policies including a HK$750 million fund to electrify taxis and franchised buses and to subsidise the trial use of hydrogen by heavy vehicles, plans to develop a maritime fuel bunkering centre and new targets for sustainable aviation fuel consumption.

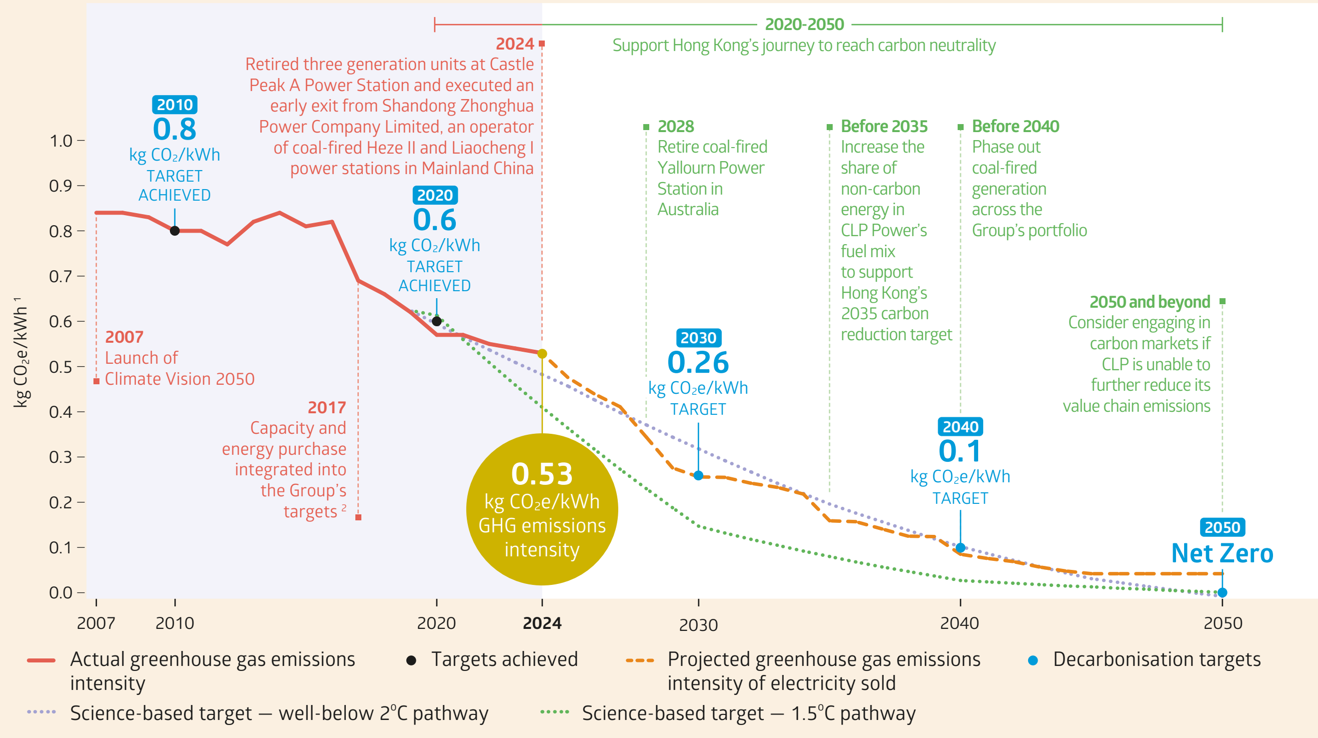
China has dual carbon targets of achieving peak carbon emissions by 2030 and carbon neutrality by 2060 and invested heavily in renewable energy and storage technologies. In July, for example, its wind and solar capacity surpassed 1,200GW, exceeding a target set by President Xi Jinping almost six years ahead of schedule.

India meanwhile remained firmly on track to achieve its target of increasing the ratio of non-fossil fuel-based energy sources for power generation to 50% by 2030, with renewable energy accounting for more than 46% of the country's total installed capacity by the end of 2024.

Firmly committed to Climate Vision 2050 targets

In 2024, CLP's total GHG emissions (Scope 1, 2 and 3) across its value chain decreased 4.3% year-on-year to 50,692 kilotonnes of carbon dioxide equivalent (kt CO_2e) on an equity basis. Its GHG emissions intensity of electricity sold declined to 0.53kg CO_2e per kilowatt hour (kWh), lower than the 0.54kg CO_2e per kWh a year earlier. This was largely attributed to the execution of an early exit from Shandong Zhonghua Power Company Limited (SZPC), an operator of two coal-fired power stations in Mainland China, and the increasing use of gas in replacement of coal in Hong Kong, albeit partly offset by the increase in the energy sent out from coal assets at EnergyAustralia. Details of CLP's approach in measuring its GHG emissions and further information on its Scope 1, 2 and 3 emissions can be found in the Sustainability Report.

CLP's Past and Projected Greenhouse Gas Emissions Intensity



Notes:

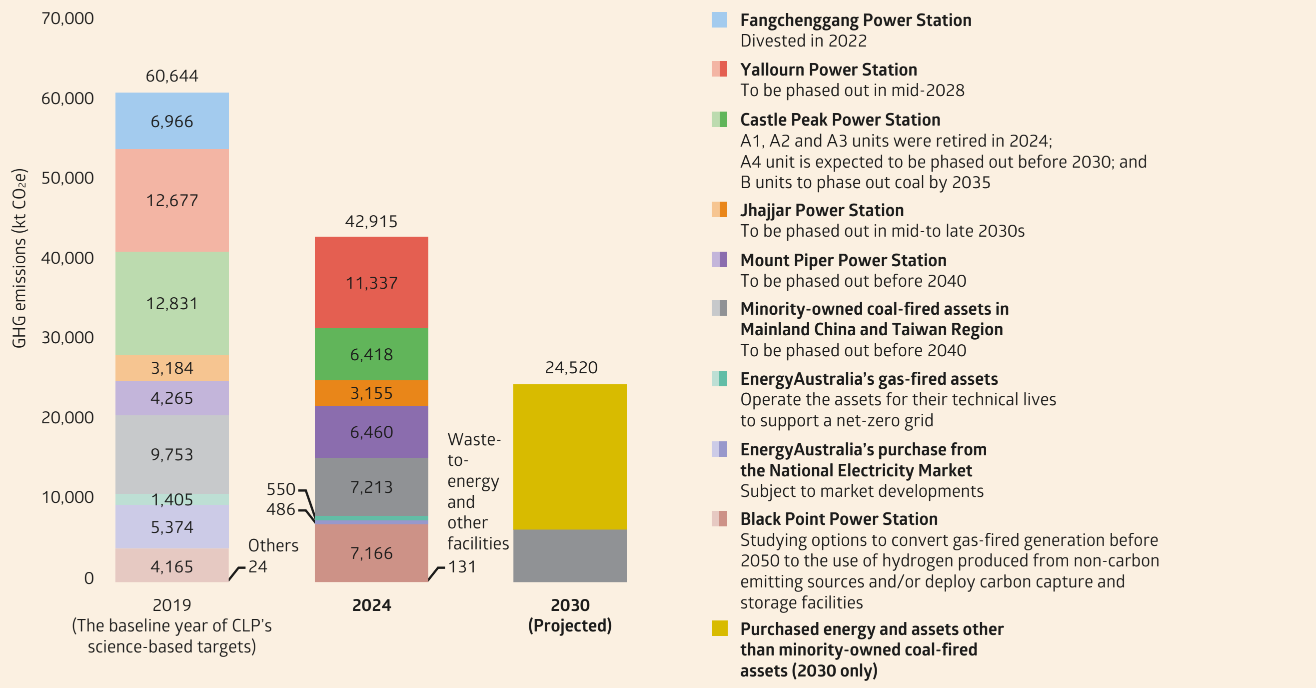
1 CLP's trajectory from 2007 to 2020 was based on the Group's carbon emissions intensity (kg CO_2/kWh). Since 2021, in line with global best practices, CLP has reported its GHG emissions intensity based on kg CO_2e/kWh.

2 CLP's trajectory from 2017 to 2050 is on an equity plus capacity and energy purchase basis.

CLP remains committed to the targets set out in the Group's Climate Vision 2050, which has guided its business strategy since 2007. It has also pledged to review the targets at least every three years. The last update was released in 2024 when CLP strengthened its commitment to reduce the GHG emissions intensity of electricity sold to 0.26kg CO_2e/kWh by 2030, compared with a previous target of 0.3kg CO_2e/kWh. The goals of reducing the GHG emissions intensity of electricity sold to 0.1kg CO_2e/kWh by 2040 and achieving net zero by 2050 remain unchanged. In the interim, CLP also targets to reduce Category 11 of its absolute Scope 3 emissions – use of sold products from combustion of the natural gas supplied to customers – by 28% by 2030 from its 2019 baseline level. Based on Moody's Net Zero Assessment, CLP was assigned an NZ-2 (advanced) score to its updated transition plan. It is the second-best score on a five-point scale, reaffirming the alignment of the Group's emissions reduction targets with the Paris Agreement goal of limiting global warming to well-below 2°C above pre-industrial levels as well as its solid implementation and adequate governance.

CLP's subsidiary EnergyAustralia released its Climate Transition Action Plan 2024 in December following the publication of its inaugural plan in August 2023. The latest document reaffirms its commitment to achieve net-zero Scope 1 and Scope 2 emissions by 2050, and its ambition to extend the undertaking to Scope 3 emissions.

CLP's Past and Projected Absolute Greenhouse Gas Emissions of Electricity Sold and Phase-out Schedule of Fossil Fuel Assets



Notes:

1 The figures are on an equity plus capacity and energy purchase basis.

2 Numbers have been subject to rounding. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

CLP has published its long- and short-term strategy to manage Scope 1 emissions, emissions reduction targets and an analysis of its performance on how to achieve those targets in *CLP's Climate Vision 2050: Powering an orderly transition* (published in March 2024), which also details its sustainability governance and risk management. Please see the publication for more details. For CLP's other environment-related targets, please refer to the Sustainability Report.

Apraava Energy aims to reduce the intensity of its Scope 1 and Scope 2 emissions by 46.3% by 2027 compared with 2022. The target was validated by the Science Based Targets initiative (SBTi), making Apraava Energy the second Indian power company to receive SBTi validation. Apraava Energy remains on course to achieve its SBTi target following a 6% year-on-year reduction in its Scope 1 and Scope 2 emissions intensity in 2024.

Moving away from coal

Under Climate Vision 2050, CLP is committed to phasing out coal-fired generation before 2040. The Group stepped up efforts to ensure a smooth transition by maintaining a reliable and affordable supply of electricity that is increasingly ready for a future without coal.

In Hong Kong, three out of four generation units at Castle Peak A Power Station have been retired. CLP Power has received an environmental permit to carry out the decommissioning and demolition of the plant. The use of coal at Castle Peak B Power Station will be phased out by 2035. Meanwhile, the completion of the D2 gas-fired generation unit at Black Point Power Station in 2024, adding to the existing D1 unit, significantly bolstered CLP's ability to deliver a reliable, lower-carbon power supply as coal-fired generation is being phased out. CLP also executed an early exit from SZPC.

Mount Piper Power Station in Australia was originally designed as a large-scale, base load coal-fired generator. Based on EnergyAustralia's decision to phase out coal, however, a series of initiatives have been launched to target short duration flexibility and give the power station the ability to remove units from service for longer periods of time. By doing this, the plant can in future assume a reserve or back-up role for incidents such as prolonged wind droughts. All necessary modifications are expected to be completed by the end of 2025 and the power station is scheduled to transition to a back-up role for renewable energy by mid-2030s before retirement by 2040.

EnergyAustralia's only other coal-fired plant, Yallourn Power Station in Victoria, will close in mid-2028. To safeguard employees and communities, workers are being provided with transitional support as part of EnergyAustralia's A$10 million Power Your Future programme. Since the programme was launched in November 2022, it has resulted in over 600 individual career coaching sessions, nearly 350 individual transition plans, over 100 training activities, 25 financial advice sessions and more than 50 employee financial plans. Around 60% of employees want to remain living in the Yallourn region after the power station's closure and EnergyAustralia is exploring partnerships with potential employers in the area to find openings for secondments and jobs.

Fast-start peaking gas-fired power stations will play a vital reserve role in ensuring the system's reliability during Australia's net-zero transition. That is why EnergyAustralia invested in the 320MW Tallawarra B Power Station, which went into service in 2024 and will provide electricity in response to market conditions, such as the wind drought lasting several weeks in mid-2024. The plant's fast-start gas turbine can come online and operate at full capacity within 30 minutes. EnergyAustralia expects both Tallawarra A and B power stations to use a proportion of renewable hydrogen for their operations when such locally produced fuel becomes available and economic.

Apraava Energy's sole coal-fired asset, Jhajjar Power Station, continued to set new benchmarks for responsible power generation. It increased the use of biomass for co-firing in 2024 to 3.9%, one of the highest levels for power plants in India.

Advancing zero-carbon energy infrastructure investment

Throughout the year, CLP focused on investments to accelerate the energy transition. Non-carbon generation assets, transmission, distribution and retail operations accounted for 55% of the Group's capital investments of HK$19,005 million, on an accrual basis. For 2025-2029, CLP plans to increase the ratio to 77%.

Investments in Hong Kong included the upgrading of the cross-boundary Clean Energy Transmission System (CETS) for the import of more zero-carbon energy from Mainland China. The enhancement, which is expected to be completed by the end of 2025, will provide Hong Kong with the flexibility to use more zero-carbon energy in future.

CLP China stepped up its pace of renewable energy investment with around 1,530MW of wind and solar projects in execution by the end of the year. The business has 2,690MW of projects already in operation and is on track to double its portfolio of renewable energy assets within the next three to four years.

EnergyAustralia is targeting up to 3GW of renewable energy committed or operational in its portfolio by 2030, supported by partnering activities such as power purchase agreements (PPAs) with a focus on large-scale wind generation assets. The business secured a PPA in 2024 for 230MW from the Golden Plains Wind Farm to begin in the late 2020s. EnergyAustralia's renewable energy purchasing strategy complements its existing strategy to deliver a pipeline of new assets such as battery systems to reduce reliance on fossil fuels.

Apraava Energy upheld its status as a pioneer in tapping the vast renewable energy potential of India, growing its non-carbon energy portfolio in line with the nation's net-zero aspirations. It further expanded the portfolio in 2024, beginning construction work on 900MW of renewable energy projects and winning four advanced metering infrastructure (AMI) contracts to install 3.8 million smart meters in four states. Apraava Energy also continued to develop world-class transmission infrastructure and substations to ensure seamless power distribution across states.

Enhancing reliability through battery energy storage

Utility-scale battery energy storage system (BESS) projects allow intermittent sources of renewable energy such as solar and wind to make a steady and reliable contribution to power grids, regardless of the weather conditions and time of day.

Plans were prepared for a grid-scale BESS of around 100MWhr at Castle Peak Power Station in Hong Kong to start operating in 2028. This will help regulate peak system demand and allow for the integration of more clean energy sources into the grid as part of CLP Power's 2024-2028 Development Plan.

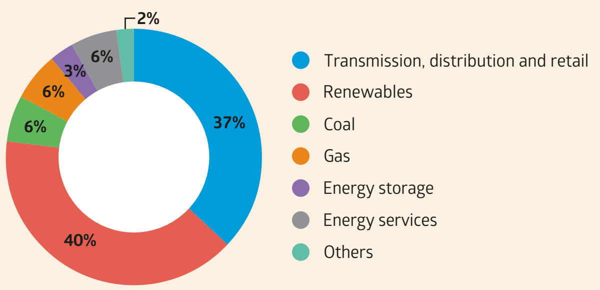
CLP China meanwhile has built three BESS projects next to its renewable energy assets to strengthen their operations and invested in its first standalone BESS in 2024, located in Guanxian in Shandong province. The project is expected to take part in domestic spot electricity market trading to support renewable energy consumption and grid operation stability when it enters service in 2025.

EnergyAustralia took significant strides in the development of BESS projects. It won support from the Federal Government for its Wooreen and Hallett BESS projects, made progress with another project near Mount Piper Power Station, and secured a virtual toll agreement with Akaysha Energy's Orana BESS. The business also promoted two customer battery initiatives in line with its commitment to reduce emissions and promote sustainable energy solutions.

The first is Battery Ease, which enables customers to integrate their home batteries into its virtual power plant (VPP) and optimise the timing of their battery charging in return of financial benefits. The second is a community battery programme, which offers access to energy in shared storage to customers in New South Wales without home batteries or solar panels as well as customers with solar panels but no battery storage. The community battery programme was launched in partnership with electricity distributor Ausgrid and supports the growth of neighbourhood-level mid-sized battery systems.

EnergyAustralia will have operational control of the 250MW Kidston pumped hydro project in Queensland when it goes into operation in 2026. It is the first pumped hydro project in Australia for more than 40 years and is underpinned by EnergyAustralia's offtake agreement with developer Genex Power. Meanwhile, preliminary designs were completed for the Lake Lyell pumped hydro energy storage project in New South Wales. EnergyAustralia will continue to pursue a commercial way forward for the project.

CLP's Total Planned Capital Investment for 2025-2029 by Asset Type



Notes:

1. Capital investment includes: i) capital expenditure in fixed assets, right-of-use assets, investment property, intangible assets; ii) changes in investments and advances to joint ventures and associates; and iii) acquisitions of asset/business. Any minor discrepancy in total is due to rounding of percentages.
2. Renewables include wind, solar, hydro and waste-to-energy.
3. Others include oil, other businesses outside of power generation, transmission, distribution and retail, as well as corporate or enterprise items.

Potential effects of climate-related physical risks

Extreme weather events including super typhoons and wildfires, as well as chronic weather pattern changes such as reductions in regional wind speeds can significantly affect CLP's operating assets. As part of its climate strategy, CLP regularly reviews the potential impacts from climate-related physical risks based on different climate scenarios.

For example, damages to power stations, transmission lines and other energy infrastructure from tropical cyclones may result in additional capital investment for equipment maintenance and replacement. In Hong Kong, the capital investment loss for CLP is estimated to be more than HK$800 million in the worst-case scenario, under which multiple power stations are being severely damaged, leading to a prolonged period of power supply disruption. The estimate increased in the past year in line with the growth in CLP's asset portfolio.

Another example is how changes in weather patterns such as reduction in wind speeds could affect the electricity generation of CLP's wind farms. The estimated potential loss from wind intermittency for CLP may be as much as 5% of the Group's operating earnings from wind assets of HK$630 million in 2024, or HK$31.5 million.

Protecting assets against extreme weather risks

CLP holds comprehensive insurance coverage for its investment as a cost-effective way of managing the financial risks associated with its operations and ensuring stability of service. This is especially important given the increasing frequency and severity of extreme weather events which can lead to liability claims resulting from accidents, injuries or damage to property.

Insurance premiums are affected by a range of factors, including claims history, risk assessment and market conditions. Emerging technologies which are new to insurance markets and lack historical performance track record can complicate insurers' assessments thereby affecting premiums. Those technologies may, however, strengthen the resilience of infrastructure and enhance the overall reliability of operations, which will in turn lower the chance of losses and ultimately reduce insurance premiums.

CLP is prudent in assessing insurance terms provided by the market and in striking a balance on coverage and premiums. In recent years, CLP has not seen any noticeable changes in premiums. In some cases where there were increases, they were generally lower than the market average, largely because insurers recognise CLP's efforts in risk control.

When CLP China first sought coverage for its BESS for renewable energy projects, for instance, it initially met with a tepid response as insurers were not familiar with the technology. CLP China resolved this by demonstrating its prudent risk management over the life cycle of projects to successfully alleviate the insurance market's concerns.

Please see Operational and Supply Chain Resilience on page 76 and Risk Management Report on page 125 for further information on CLP's efforts to manage climate-related physical risks from an operational perspective. CLP has discussed its exposure to climate-related transition risks, physical risks and opportunities in *CLP's Climate Vision 2050: Powering an orderly transition* (published in March 2024) and there has been no further update. Please see the publication for more details.

Bank of China (Hong Kong) is a committed partner of businesses in different economic sectors seeking low-carbon transformation and high-quality development. Electricity systems play a pivotal role in the low-carbon transformation of society. CLP has a long history in Hong Kong and a deep commitment to the Mainland. How do you ensure high-quality development in operations as you participate in the fast-growing new energy sector, contributing to the nation's new energy development?

Mr Liu Chao
General Manager, Global Corporate Banking Department, Bank of China (Hong Kong)

Roger Chen
Managing Director – China

CLP has roots in Hong Kong stretching back more than 120 years and a vision to be a responsible and leading energy provider in Asia Pacific, from one generation to the next. Our future planning is guided by our commitment to create sustainable, high-quality value and to steadfastly support the nation's dual carbon goals.

CLP is one of the largest external investors in the energy sector in Mainland China. At the end of 2024, zero-carbon energy made up over 70% of CLP China's installed capacity and we have a target to double our renewable energy portfolio in the medium term.

Innovation and digitalisation are essential to accelerating the transformation and growth of our business. CLP China achieved an important milestone in 2024 when a new regional centre was opened in Jiangsu province to remotely monitor and control the operations of renewable energy assets, the Group's first such facility in Mainland China. When the advanced monitoring system at the centre is fully deployed, it will strengthen our ability to manage our assets across their entire lifecycles, making our business smarter and more digitalised, further enhancing the operational performance and resilience of our assets. Another centralised control centre is currently being built in Shandong province, which will be the focal point of big data analytics development and will provide us with even stronger data handling capabilities to support our low-carbon business strategy. In addition, smart technologies including robotics and drones are also widely used for operational maintenance and automated monitoring of our plants.

CLP's decarbonisation strategy comprises several key facets: developing more zero-carbon energy sources, using a diversified fuel mix, promoting electrification and smart city development. Looking ahead, we will continue to work closely with Bank of China (Hong Kong) as we deepen our ties in areas related to the energy transition, drawing on our rich experience of managing domestic and international projects in the development of new electricity infrastructure. The new quality productive forces unleashed by our partnership will contribute to higher energy security and a more sustainable future.

Firm financial footing for decarbonisation efforts

CLP maintained robust financial foundations to drive its ongoing investments in decarbonisation in 2024, supported by good access to diversified and sustainable sources of cost-effective funding. In a period of continuing global economic uncertainty and interest rate volatility, businesses across the Group completed financing activities in a timely and orderly manner to ensure their operations were well-funded. Adequate reserves and good investment-grade credit ratings provided strong financial flexibility to capture new growth opportunities from the energy transition and manage unexpected contingencies.

The Group continued its prudent financial management, conducting stringent reviews of liquidity, risk profile and market conditions to ensure ongoing financial integrity, and maintaining a proactive approach to identify and mitigate risks.

The Group's strong financial position is reflected in its healthy liquidity levels, with undrawn bank facilities of HK$31.0 billion and bank balances of HK$5.0 billion as of 31 December. CLP Holdings had HK$12.5 billion of liquidity at the end of 2024. The high level of liquidity is expected to be maintained throughout the coming year, bolstered by dividend payments and inflows from subsidiaries, joint ventures and associates.

CLP Power arranged HK$7.6 billion in debt facilities for refinancing business needs. This included HK$3.7 billion of two-year emission reduction-linked bank loan facilities, a HK$625 million three-year private placement bond and an inaugural A$500 million (HK$2.6 billion), three-year public bond in the Australian market. This Australian dollar bond issuance is a milestone transaction and marks the first Kangaroo bond issuance by a Hong Kong commercial corporate entity. The issuance is structured into two tranches: a three-year A$350 million (HK$1.8 billion) floating rate note tranche at 0.85% over three-month Bank Bill Swap rate and a three-year A$150 million (HK$791 million) fixed rate note tranche at an annualised rate of 5.1%. The Kangaroo bond offering expanded CLP Power's debt capital market financing activities to the Australian onshore public market, broadening funding options and enhancing resilience against market volatility. The proceeds were swapped to Hong Kong dollar floating rate debt.

In January 2025, CLP Power issued US$500 million (HK$3.9 billion) non-call 5.25-year perpetual capital securities priced competitively with a coupon of 5.45% payable semi-annually in arrears. This marked the third issuance of US dollar-denominated hybrid capital securities and reinforced CLP Power's presence among the top investment-grade corporate issuers in Asia for hybrid transactions. This structure allowed CLP Power to achieve 50% equity credit from Moody's and S&P (for the first 5.25 years from issuance), as well as 100% equity accounting treatment. The securities were nearly seven times over-subscribed with over US$3.5 billion in orders from global investors.

Castle Peak Power Company Limited (CAPCO) executed HK$4.8 billion of one-year and two-year energy transition loan facilities under the Climate Action Finance Framework for refinancing at competitive interest margins. CAPCO also arranged a US$70 million (HK$548 million) three-year fixed rate private placement bond to refinance existing bank loans for the newly commissioned D2 gas-fired generation project at Black Point Power Station. The proceeds were swapped to Hong Kong dollar floating rate debt. CAPCO also executed HK$2.1 billion of one-year and two-year emission reduction-linked bank 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 can be issued. Notes with aggregate nominal values of around HK$26.4 billion and HK$10.0 billion had been issued by CLP Power and CAPCO respectively as of 31 December.

EnergyAustralia maintained adequate liquidity and paid A$385 million (HK$1.9 billion) in principal repayment and interest payment of shareholder loans. EnergyAustralia refinanced A$150 million (HK$721 million) of syndicated loan facilities and A$830 million (HK$4.0 billion) of bank guarantee facilities. It also arranged A$350 million (HK$1.8 billion) of three-year working capital facilities.

CLP China obtained a RMB2.5 billion (HK$2.7 billion) two-year non-recourse revolving loan facility in February with favourable market pricing to support the development of new renewable energy projects in Mainland China. The facility amount will be effective in tranches. CLP China also executed a total of RMB4.9 billion (HK$5.2 billion) onshore non-recourse project loan facilities for five renewable energy projects at competitive interest rates.

The Group's net debt, excluding perpetual capital securities, to total capital ratio was 33.0% at the end of 2024 (2023: 31.6%), and the fixed rate debt as a proportion of total debt was 51% (2023: 57%), excluding perpetual capital securities. Funds from operations (FFO) interest cover for the year ended 31 December 2024 was 11 (2023: 11) times.

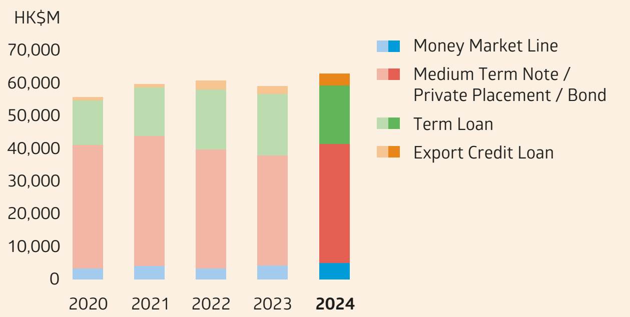
Debt Profile as of 31 December 2024	CLP Holdings HK$M	CLP Power [1] HK$M	CAPCO HK$M	Other Subsidiaries HK$M	CLP Group HK$M
Availability Facility [2]	9,300	36,375	25,351	21,226	92,252
Bank Loans and Other Borrowings	–	29,091	23,049	9,131	61,271
Undrawn Facility	9,300	7,284	2,302	12,095	30,981

Notes:

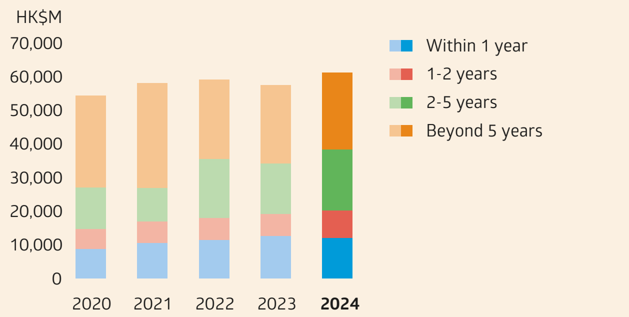
1 The Bank Loans and Other Borrowings amount excludes perpetual capital securities.

2 For the Medium Term Note programmes, only the amounts of the bonds issued as at 31 December 2024 were included in the total amount of Available Facility. The Availability Facility in EnergyAustralia excluded a facility set aside for guarantees.

Loan Balance – Type



Loan Balance – Maturity [1]



Note:

1 The maturity of revolving loans is in accordance with the maturity dates of the respective facilities rather than the current loan drawdown tenors.

Information about
CLP Climate Action Finance Framework
can be found on our website.

Diligent risk management adds to foundations for strong credit ratings

The energy sector is capital intensive with long payback periods. As market risks increase, CLP's ability to arrange sustainable, commercially attractive funding, supported by an effective risk management framework, is a critical factor in managing and expanding the business and creating value for its stakeholders.

CLP transacts only with credible financial institutions and financially sound business counterparts with strong credit ratings. These measures ensure CLP's businesses do not face undue financial or credit risks, and provide assurance to stakeholders, including shareholders and other capital providers, governments, customers and business partners.

CLP has a reputation for a high standard of financial discipline and well-established, regularly-reviewed policies. Its strategy is to manage and mitigate its risk exposure effectively, ensuring a high degree of financial stability and certainty that safeguards robust capital structure and consistently earns strong credit ratings.

In May and August, Standard & Poor's (S&P) and Moody's affirmed the existing credit ratings of CLP Holdings, CLP Power and CAPCO respectively, all with stable outlooks. Moody's affirmed the Baa2 credit rating of EnergyAustralia with a stable outlook in November. At the time of the report's publication, the credit ratings of major companies within the Group were as follows:

	CLP Holdings		CLP Power		CAPCO		EnergyAustralia
	S&P	Moody's	S&P	Moody's	S&P	Moody's	Moody's
Long-term rating	A	A2	A+	A1	AA-	A1	Baa2
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Short-term rating	A-1	P-1	A-1	P-1	A-1+	P-1	–

S&P also assigned environment, social and governance (ESG) credit scores of E-3, S-2, G-1 to CLP Holdings, while Moody's assigned its scores of E-3, S-3, G-2. Both agencies recognised CLP's commitment to take action on climate change and ensure a low-carbon transition as well as its strong governance and risk management.

More information on credit ratings can be found on the Group's website.

More information about major financing activities in 2024 and debt profile can be found on pages 37 and 38 of 2024 Annual Results Presentation of CLP Holdings.

Analyses of loan balance by types and bond funding by currencies can be found on "Financial Capital" page in the Investor Presentation Introductory Pack of CLP Holdings.

Leveraging carbon credits in achieving net-zero emissions

The pathway to net zero involves both decarbonisation and carbon offsets. At COP29, an agreement was reached on the creation of a UN-sponsored global compliance market for carbon credits from sustainable development-oriented projects that reduce or remove GHG emissions. This will help accelerate progress towards global climate targets.

CLP currently issues carbon credits through its renewable assets in Mainland China and India. All projects are registered under the Clean Development Mechanism (CDM) or Verified Carbon Standard (VCS) international programmes. Going forward, CLP is studying a range of options including credit procurement, upstream project involvement and in-house carbon development to build a portfolio that balances budget, risk appetite and credit supply.

EnergyAustralia's Tallawarra B Power Station, which commenced commercial operations in June, is Australia's first net-zero emissions gas-fired power station. Under its funding arrangement, EnergyAustralia has committed to offset emissions over the asset's life and will use Australian Carbon Credit Units to achieve this until at least the end of 2030.

As at the end of 2024, EnergyAustralia has commenced the process of discontinuing its carbon offset product, Go Neutral, for mass market customers. This will occur progressively in accordance with the terms that apply to customers. While Go Neutral provided an opportunity for customers on the programme to offset their energy usage, EnergyAustralia's current focus is on helping its customers to directly reduce their emissions.

CLP has discussed the impact of carbon pricing on its assets in *CLP's Climate Vision 2050: Powering an orderly transition* (published in March 2024) and there has been no further update. Please see the publication for more details.

Energy Growth Opportunities

Global electricity consumption posted strong growth in 2024 as power demand from data centres and electric transport continued to surge. The boom in AI is creating opportunities for utilities with the capabilities to provide a highly reliable power supply to data centres while making these energy-intensive digital infrastructure more environmentally sustainable. The electrification of transport is another growth catalyst for energy companies with effective solutions to support fast-growing EV charging demand.

Meanwhile, many emerging markets are rich in natural resources for renewable energy development, presenting growth opportunities for energy companies. Wherever utilities operate, a stable energy policy environment is key to enabling them to invest in power infrastructure and keep pace with rising energy demand, while ensuring affordable tariffs to retain customer trust. Managing these complex risks and opportunities is essential for energy companies to achieve sustainable growth.

Over 600
energy audits completed for CLP Power customers in 2024, exceeding annual target

404 MW
of renewable energy capacity approved under CLP Power's Feed-in Tariff Scheme since 2018

2 utility-scale battery projects
by EnergyAustralia won support from the Federal Government's Capacity Investment Scheme

The energy transition is generating new opportunities for CLP to develop less carbon-intensive and more energy-efficient solutions to meet rising power demand from industries including data centres and electric transport. CLP's decarbonisation approach is two-pronged to address both energy supply and demand. As well as delivering a lower-carbon energy supply, the Group is focused on helping customers improve their energy efficiency and lower their carbon footprint through innovative, sustainable energy solutions.

Capitalising on growth in AI and digital technologies

The global boom in AI and supercomputing technologies is driving increased electricity demand as new, bigger data centres are built worldwide to support the rapid growth in smart, data-heavy computing applications. However, the International Energy Agency has noted that the proliferation of these energy-intensive supercomputing infrastructure will strain local electricity networks and potentially impact global decarbonisation efforts.

CLP provides the reliable electricity supply that is crucial to the data centre industry while promoting the use of lower-carbon energy and improvements in energy efficiency to reduce environmental impact. In Hong Kong, CLP Power provides comprehensive services for data centre operators, from technical support on site selection, tailored power supply systems, to energy management solutions enabling more efficient energy use.

With its world-class electricity supply and expertise, CLP Power continued to work closely with data centre operators and the Government to deliver reliable, flexible energy to support the rapid growth of Hong Kong's digital infrastructure. In 2024, CLP Power completed power supply connections for three data centres in development.

Data centres are typically developed in several project phases, and CLP Power adopts a flexible approach to deliver the electricity supply infrastructure in stages. For example, CLP Power can provide transitional electricity supplies at short notice to support the initial operational needs of data centres quickly, and gradually increase the power supply capacity as required by customers.

Spearheading Hong Kong's growth as a leading regional data centre hub is the Northern Metropolis, which serves a vital role in the Government's plans for the city's technology development. CLP Power has reserved sufficient capacity in its power systems to meet the electricity needs of advanced new supercomputing infrastructure as well as energy demand from other industrial, commercial and housing developments in the Northern Metropolis.

CLP plans ahead to cater for the potential increase in energy demand in the Northern Metropolis through investing in new power system facilities such as Kwu Tung North Substation.

In October, Hong Kong Chief Executive Mr John Lee announced plans to speed up innovation and technology development in the Northern Metropolis. In November, CLP Power signed Memorandums with the Government in support of the Northern Metropolis Development, and will carry out grid extension works to provide timely, reliable and low-carbon electricity supply to this important engine of growth for the city.

Decarbonising data centres

To support the sustainable development of advanced digital infrastructure underpinning Hong Kong's transformation into a smart city, CLP Power continued to step up efforts to support data centre operators to decarbonise their operations. Renewable Energy Certificates (RECs) provide an effective way for CLP Power customers to reduce carbon emissions and continue to be a popular option for data centre operators.

Hong Kong's largest data centre provider SUNeVision announced a six-year agreement with CLP Power in November to purchase RECs generated by a solar farm built on a landfill in the south-eastern part of the New Territories. The solar farm is operated by Green Valley Landfill Limited (a joint venture between Veolia, Sun Hung Kai Properties and CITIC Pacific), and the environmental attributes of the renewable energy generated by the solar farm will offset some of the energy consumption of SUNeVision's data centre campus.

In addition to RECs, CLP Power conducts energy audits for data centre operators to identify areas for energy saving. Customers can also get support from the CLP Electrical Equipment Upgrade Scheme and the Eco Building Fund to install more energy-efficient lighting and air conditioning. CLP Power offers tailored technical solutions, such as air flow optimisation to lower energy consumption by data centres.

Technology companies on the Mainland are increasingly turning to renewable energy to power data centres. CLP China continued to invest in the development of new wind and solar energy projects and is well-positioned to meet rising demand from data centres for low-carbon energy. A 10-year Green Electricity Certificates (GECs) contract was signed by CLP China in July with a multinational software company. GECs enable users to claim the environmental benefits of renewable energy generation in China.

CLP China further expanded its portfolio of power purchase agreements (PPAs) with corporate users of renewable energy in October by signing a 10-year contract with chemical company BASF. The PPA will provide BASF with renewable energy from CLP China's three solar farms in Jiangsu province, ensuring the German company's three Jiangsu-based manufacturing sites operate on 100% renewable energy over the next 10 years. Under an innovative sleeved arrangement, technology company Envision Energy will serve as the power retailer, handling the settlement of electricity delivered from CLP China to BASF.

Since the establishment of the eMobility Network over a year ago, I am pleased to see our collaborative efforts in advancing the electric vehicle (EV) ecosystem. In what ways can CLP support to accelerate the development of a fast-charging network?

Ms Astor Chan
Chief Financial Officer,
Sino Express Intelligence Co., Ltd.

Joseph Law
Managing Director,
CLP Power

Electrification of the transport sector has maintained a rapid pace in Hong Kong. To meet the city's fast-growing demand for EV charging and to support the development of electric commercial vehicles (ECVs), it is crucial to foster a deep and comprehensive industry ecosystem comprising different segments of the value chain. We were therefore immensely grateful to be able to draw on the industry-leading expertise and resources of Sino Express and 14 other like-minded partners from sectors such as EV manufacturing, charging and finance in 2023 for the eMobility Network, which has become an invaluable forum for knowledge and technology exchange.

We fully understand that fast-charging services are critical to ECV users. As Hong Kong's biggest power supplier, CLP Power is focused on providing the electricity infrastructure and tailored power supply solutions to serve the energy needs of ECVs as more businesses and transport operators embrace electrification. In the case of Sino Express, we have provided innovative power solutions including outdoor substations and new high voltage pillars as part of our comprehensive one-stop services to support the construction of fast-charging stations. With technical support from our engineering teams, these solutions equip you with the latest power transformer and switchgear technologies to ensure you have the energy capacity and reliability to set up fast-charging services for customers quickly and economically.

Investment in digitalisation is key to promoting the wider adoption of EVs and accelerating the development of a fast-charging network. To this end, our new eMobility Grid Management Platform helps us optimise grid planning and resource allocation by analysing data to assess the utilisation and patterns of charging stations in different locations. These insights help us better manage the network and ensure we continue to meet the needs of EV users, as well as other energy customers.

As you continue to expand your services for EV users, we look forward to deepening our partnership and supporting your requirements for reliable, effective energy solutions. Together, we will play a major role in expanding Hong Kong's EV ecosystem and supporting the Hong Kong Government to achieve its goal of zero vehicular emissions before 2050.

Expanding into new products and services

Growing demand for low-carbon energy solutions from consumers, businesses and organisations provided further opportunities for CLP to help customers decarbonise and become more sustainable energy users.

CLP Power strengthened its support for the development of renewable energy in Hong Kong with the launch of a new CLP Solar Grant Programme in 2024. In its first year, the initiative received 17 applications from schools and non-governmental organisations to install solar energy systems, promoting decarbonisation and sustainable lifestyles to students and young people. Meanwhile, CLP Power's Feed-in Tariff Scheme (FiT) encouraged more customers to install renewable energy systems in their homes and premises. Generation capacity approved under the FiT scheme rose to 404MW at the end of 2024.

More than one million households with smart meters were invited to join CLP Power's Summer Saver Rebate Programme in late August to reduce their electricity consumption during a period of peak demand. By partnering with 13 property management companies, the programme encouraged households in more than 480 residential estates across CLP Power's supply areas in Hong Kong to save energy. Nearly 70% of participating households successfully lowered their power consumption during a two-hour period in the evening of 26 August 2024, one of the hottest days of the year, resulting in over 280,000kWh of energy savings, equivalent to 112 tonnes of carbon emissions reduction. In return, electricity customers earned points under CLP Power's Domeo programme, that can be redeemed for rewards such as retail vouchers and energy-saving appliances.

Smart meters help electricity customers keep track of their power use, and form a key part of CLP Power's growing smart grid network in Hong Kong enabling improved power supply reliability and better energy management through digitalised technologies in power generation, transmission and distribution. Smart grid development is essential to support the growth of distributed energy resources such as FiT systems and EVs, which make electricity networks increasingly bi-directional and complex.

A comprehensive range of services and solutions offered by CLP Power, including RECs, energy audits, training and subsidies for installing energy-efficient appliances, helped customers further decarbonise their energy use in 2024. CLP Power conducted over 600 energy audits for commercial and industrial customers, exceeding its annual target of 600 and resulting in around 50GWh of energy savings. CLP Power also hit its target of 48GWh of energy savings from customer projects supported by the Eco Building Fund.

Over the past five years, CLP Power has helped Link Asset Management Limited (Link) save more than 31GWh of electricity at its properties through a range of energy efficiency solutions. These include energy audits and training on retro-commissioning to further improve the efficiency of cooling systems in Link shopping malls. In August, CLP Power deepened its partnership with Link by launching a new Low Carbon Rewards Programme with DBS Bank (Hong Kong) Limited (DBS Hong Kong). The programme encourages small and medium-sized enterprises (SMEs) in Link properties to save energy through CLP Power services such as energy audits and the Electrical Equipment Upgrade Scheme. Eligible SMEs participating in the programme could enjoy subsidies to purchase CLP Power RECs offered by DBS Hong Kong, alongside other business account opening and banking privileges from the bank.

The Group's energy infrastructure and solutions subsidiary CLP*e* Holdings Limited (CLP*e*) signed a Memorandum of Understanding (MoU) with Hysan Development in May, with the aspiration to transform Causeway Bay, one of Hong Kong's busiest districts, into a sustainable low-carbon community. Under the MoU, CLP*e* and Hysan Development committed to working together on innovative energy management solutions, including a potential distributed district cooling system, renewable energy generation and EV charging infrastructure to support the decarbonisation and electrification of Hysan Development's core portfolio in the Lee Gardens area.

On the Mainland, CLP*e* is implementing a centralised cooling system for leading injection molding solution provider TK Group (Holdings) Limited's industrial park in Shenzhen. The improved energy efficiency of the new cooling system will help the customer reduce over 100 tonnes of carbon emissions annually. CLP*e* is also collaborating with the Shenzhen Longhua Investment Holdings (Group) Co., Ltd. to provide an energy-efficient cooling station service solution for a major industrial park in the Longhua District in Shenzhen, supporting the Longhua Government's digital energy strategy.

In addition, CLP*e* signed an agreement to upgrade the cooling system of Lai Sun Group's May Flower Plaza commercial complex in Guangzhou, delivering over 60 tonnes of carbon reductions annually to the customer. The system will begin operations in the second quarter of 2025.

An increasing number of customers connected their solar energy, battery storage systems and hot water systems to EnergyAustralia's Virtual Power Plant (VPP) programme, which increased its capacity to 125MW at the end of 2024. The VPP runs on digital technology and helps keep the power supply stable by aggregating energy from customers' solar and battery systems and providing surplus electricity at times of peak power use. The programme provides additional incentives for EnergyAustralia customers to install "behind the meter" energy systems such as solar energy and battery storage to reduce emissions.

Please refer to CEO's Strategic Review on page 16 and Net-Zero Transition on page 49 for further information on CLP's efforts to decarbonise its business.

Delivering Energy to Customers - Key Metrics Table	**2024**	2023
Number of customer accounts (CLP Power, thousands)	**2,830**	2,790
– Residential	**2,474**	2,440
– Commercial	**218**	215
– Infrastructure and Public Services	**121**	118
– Manufacturing	**17**	17
Number of customer accounts (EnergyAustralia, thousands)	**2,382**	2,442
– Mass Market	**2,378**	2,438
– Commercial & Industrial	**4**	4
Total electricity delivered (CLP Power, GWh)	**36,125**	35,392
– Residential	**10,204**	9,929
– Commercial	**13,882**	13,673
– Infrastructure and Public Services	**10,466**	10,196
– Manufacturing	**1,573**	1,594
Total electricity sales volume (EnergyAustralia, TWh)	**13.7**	14.8
– Mass Market	**8.9**	8.9
– Commercial & Industrial	**4.9**	5.9
Total gas sales volume (EnergyAustralia, PJ)	**30.2**	30.6
– Mass Market	**28.6**	28.1
– Commercial & Industrial	**1.6**	2.5
Length of transmission and distribution lines (km)		
– CLP Power	**17,123**	16,920
– Apraava Energy	**494**	494
Energy sent out (CLP Group, on equity plus long-term capacity and energy purchase basis, GWh)	**79,760**	79,512
– Coal	**32,234**	32,418
– Gas	**19,847**	19,203
– Nuclear	**19,878**	20,098
– Wind	**4,482**	4,688
– Hydro	**1,776**	1,480
– Solar	**1,491**	1,626
– Waste-to-energy	**44**	45
– Energy storage	**8**	-46
– Others	**1**	1

Note: In addition to electricity generated by power plants in which it has equity ownership, CLP purchases electricity to meet the power supply needs of its businesses in Hong Kong and Australia.

Capitalising on electrification

The electrification of transport is a key element of the transition to a net-zero future. CLP used its power expertise to enable the development of high-quality charging infrastructure and services to support the growing use of EVs.

CLP Power developed tailored power supply solutions for outdoor EV charging stations and continued to offer technical support to charging service operators in Hong Kong to accelerate the development of EV charging facilities. For example, outdoor substations and high-voltage pillars can enable charging service operators to set up fast-charging services quickly and cost-effectively.

Preliminary power supply capacity assessments were completed for around 550 applications to support the Hong Kong Government's EV-charging at Home Subsidy Scheme (EHSS) for the installation of EV charging enabling infrastructure, covering around 133,000 parking spaces in private residential buildings.

CLP Power is also collaborating with petrol station operators to facilitate the installation of EV chargers, to accelerate the conversion of existing petrol filling stations into fast-charging networks.

The eMobility Network strengthened efforts to promote the wider use of ECVs in Hong Kong by facilitating cross-sector technology exchange and collaboration. The network comprises CLP Power and more than 10 other member businesses and organisations, including ECV manufacturers and operators, charging service providers and a bank offering green finance services.

CLP*e* launched a network of new EV charging stations in Hong Kong in 2024, providing a selection of super-fast chargers for commercial customers, including e-taxis and corporate vehicle fleets, as well as medium-speed charging points.

In December, CLP*e* signed an agreement to extend its partnership with TELD New Energy Company Limited (TELD) on EV charging infrastructure and other innovative energy services in the Greater Bay Area (GBA). This strengthened collaboration between the two partners after the formation of the CLP-TELD New Energy Technology (Guangdong) Ltd. joint venture in 2022 to provide EV charging services in Mainland China cities of the GBA in 2022. Under the latest agreement, CLP*e* will introduce TELD's EV charging technologies to the Hong Kong market and the partners will also cooperate on Vehicle-to-Grid, virtual power plant and microgrid projects, as well as other emerging energy technologies.

CLP*e* and CLP-TELD New Energy Technology (Guangdong) Ltd. also completed an Energy-as-a-Service (EaaS) project comprising 28 EV charging points and a 3MW peak rooftop solar system for MTR Corporation (Shenzhen) Limited. The project will reduce carbon emissions by around 40,000 tonnes over the duration of the 17-year contract.

Smart Charge (HK) Limited, CLP's joint venture with telecommunications company HKT Limited, continued to support customers on the installation of EV charging infrastructure in residential estates in Hong Kong. Smart Charge has built EV charging infrastructure for more than 9,000 residential carpark spaces.

As part of its increasing efforts to tap into opportunities from the electrification of Australia's transport sector, EnergyAustralia began an EV charging infrastructure project in Queensland for tours and charter bus operator Tropic Wings. When it is completed in mid-2025, the project will enable Tropic Wings to replace its diesel buses with 12 electric buses with charging infrastructure.

In addition to its efforts on electrification of land-based transport, the Group also continued to seek opportunities to decarbonise the maritime transport sector. CLP*e* announced a cooperation framework agreement with China National Offshore Oil Company Guangdong Water Transport Clean Energy Company Limited (CNOOC) in November to form a joint venture to provide LNG bunkering services to ships in the port of Hong Kong, supporting the development of the sector in the GBA.

The partnership with CNOOC followed the release of the Action Plan on Green Maritime Fuel Bunkering by the Hong Kong SAR Government, which promotes the city's growth as a high-quality green maritime fuel bunkering centre.

Acting as a trusted stakeholder

CLP's continued growth is built on the highly reliable, cost-effective and environmentally sustainable energy services provided by the Group's businesses, the outcome of long-term planning and partnerships with diverse stakeholders across the energy value chain including policymakers in different markets and levels of government. Electricity investments typically have lifespans measured in decades, making effective energy policy frameworks and careful planning with governments especially critical in this capital-intensive industry.

The Scheme of Control (SoC) Agreement has provided an effective and valuable framework enabling power companies to plan and invest in Hong Kong's world-class electricity supply in line with the city's long-term development. The regulatory regime has underpinned the city's stable, competitively priced electricity supply and delivered sustainable improvements in environmental performance since the first SoC Agreement in 1964.

Under the 2024-2028 Development Plan – the second five-year programme in the current SoC Agreement with the Hong Kong SAR Government – CLP Power is investing in electricity supply systems to serve the city's growing energy needs as major infrastructure investments and dynamic new industries propel and transform the economy, including AI and electric transport. Decarbonisation is another major objective of the plan, and CLP Power is committed to supporting the Government's target of making Hong Kong carbon neutral by 2050. In 2024, capital investments under the SoC were HK$10.8 billion.

Since entering the electricity market in Mainland China in 1979, CLP has become one of the largest external investors in the nation's energy sector with a strong network of partnerships throughout the industry. CLP China further expanded its portfolio of wind and solar energy projects as the Government's dual-carbon policies of peak carbon emissions by 2030 and carbon neutrality by 2060 increased demand for low-carbon energy. More than 70% of CLP China's installed capacity is zero-carbon energy.

EnergyAustralia continued to work closely with partners, including governments at federal and state levels, on investments to decarbonise the country's energy system. Significant progress was made on two major utility-scale battery storage projects given support under the Federal Government's Capacity Investment Scheme in September. Another EnergyAustralia energy storage project, the proposed Lake Lyell pumped hydro project in New South Wales, secured the State Government's Critical State Significant Infrastructure designation in June. EnergyAustralia also strengthened collaboration with private sector partners, including completing a 230MW PPA with the developer of the second stage of Golden Plains Wind Farm in Victoria.

CLP China has been expanding its portfolio of renewable projects as the government's dual-carbon policies drive demand for low-carbon energy. Pictured here is Bobai Wind Farm in Guangxi Zhuang Autonomous Region.

Ensuring energy affordability and reliability

CLP Power continued to adopt effective measures to ensure its tariffs remained competitive in Hong Kong despite increasing operating expenses stemming from higher material costs and a tight labour market.

By using a diversified fuel mix for power generation and maintaining prudent cost controls, CLP Power limited the increase in the Average Net Tariff to less than 1% year-on-year from January 2025. The monthly electricity bills of about 70% of CLP Power's residential customers and about 50% of commercial and industrial customers will go up by less than HK$5.

CLP Power will channel HK$240 million from the CLP Community Energy Saving Fund to deliver a range of community support programmes, including HK$50 million of electricity subsidies to ease the burden of energy costs for 70,000 underprivileged customers, including disabled people and tenants of subdivided units. In the meantime, a new Community Green Programme is being launched with the fund's support to promote energy saving and decarbonisation.

EnergyAustralia lowered its electricity tariffs for most residential and small business customers between July and September in line with changes in reference prices set annually by energy regulators. There were reductions in tariffs ranging between 0.5% and 8% for electricity customers in New South Wales, South Australia and Victoria, reflecting declines in wholesale prices. Tariffs increased for some electricity customers in the Australian Capital Territory and Queensland in line with regulators' benchmark rates. EnergyAustralia also raised prices for retail gas customers.

With the cost-of-living crisis continuing to affect many families, EnergyAustralia allocated A$34 million to support customers experiencing financial hardship through its EnergyAssist programme. This provides customers with access to a range of support measures including payment extensions and advice on lowering energy usage.

Please refer to CEO's Strategic Review on page 16 and Operational and Supply Chain Resilience on page 76 for further information on measures to strengthen supply reliability.

Capturing international market opportunities

Many emerging markets have immense potential for renewable energy development and offer considerable growth opportunities for energy companies. In July, the Group's subsidiary CLP SEA Infrastructure Limited, entered into an MoU with CGN Energy Technology (Laos) Co., Ltd. and Krittaphong Group Co., Ltd. to explore the export of clean energy from Laos to neighbouring countries. The MoU aims to enable the three parties to examine and consider potential collaboration opportunities.

Apraava Energy previously signed an agreement with a local conglomerate to acquire a 250MW solar project in Rajasthan upon commissioning, subject to obtaining the necessary regulatory approvals from the Indian Government. In April 2024, Apraava Energy was notified that its request for approval was declined, and consequently the transaction was not pursued further. Apraava Energy has continued to expand its business by focusing on greenfield energy projects and other non-acquisition-based opportunities, after successfully renewing its registration under the General Financial Rules 2017 in late 2024, enabling the business to continue to participate in project bids issued by government agencies.

CLP will continue to explore ways to expand the Group's business internationally over the next decade by meticulously and judiciously exploring targeted growth opportunities.

Digital Innovation and Cybersecurity

CLP leverages its expertise in digital innovation and smart grid infrastructure to enhance operational efficiency and improve customer experience. Millions of smart meters have been installed across CLP's businesses to provide timely data insights and help customers manage their energy more effectively.

Digitalisation and Artificial Intelligence (AI) carry inherent risks including challenges of implementation and scalability, and the rising threat of cyberattacks on critical infrastructure. Investment in appropriate risk management, controls and cybersecurity is crucial for CLP to protect systems and data, uphold grid reliability, and maintain a high level of service quality and trust expected by its customers and regulators.

CLP Power connected smart meters for **93%** of its customers by end-2024 and expects the rollout to be fully completed within 2025

26 use cases of innovative technologies including AI successfully deployed across the Group in 2024

More than **2,000** charging points on CLP Power's eMobility Grid Management Platform

Standing at the forefront of digital transformation

Focusing on the digital transformation of the utility sector, CLP seeks to implement appropriate technologies including AI and Internet of Things (IoT) to optimise business processes and accelerate innovation, consistently raising efficiency with the objective of delivering improved energy services to customers.

CLP is implementing a new cloud-based enterprise resources planning (ERP) system to further enhance and streamline key operations including finance, human resources and customer services. The ERP refresh will also strengthen collaboration and communication across different departments. Adopting a cloud-based approach enables CLP to accelerate innovation by introducing new technologies such as generative AI more quickly.

CLP also established an Industrial Internet of Things network at its power plants, securely connecting diverse IoT sensors to provide new data dimensions and valuable insights into operations. This was one of the 26 use cases of innovative technologies successfully deployed across the Group in 2024, against a newly set target of 19.

Harnessing the immense potential of AI

AI has rapidly become a part of everyday life with AI-powered functionalities increasingly playing a role across the entire spectrum of human activity. AI is set to play a transformative role in reshaping industries, driving innovation and delivering operational efficiencies. With careful planning, CLP leverages AI across its operations covering asset health management, short-term load forecasts and knowledge management.

Every day, data pertaining to the condition of 65,000 CLP Power assets are fed into AI-trained algorithms to assess and predict the health indices of the equipment. These health indicators help prioritise the maintenance of equipment having higher health risk. Separately, climate and load consumption data are consumed by AI algorithms in 30-minute intervals. These algorithms forecast network load for different timeframes: intra-day, next-day and next nine days, and the outcomes complement the dispatch process as well as equipment maintenance planning.

Reliability is the cornerstone of any power supply. CLP Power launched a new grid network monitoring system with advanced AI capabilities in 2024 to enhance its capacity for identifying and addressing threats to its grid (see case study on page 68). It also employs a wide range of other technologies for the early detection of potential risks, thus ensuring the reliability of its electricity supply. The Predictive Vegetation Management System, for instance, uses Geographic Information System (GIS) Technology to forecast the growth of vegetation and minimise any risk to overhead power lines.

AI-powered thermal imaging is also adopted to early detect anomalies of coal pulverisers to identify and alert the potential leakage of pulverised-fuel coal in a timely manner. This approach can effectively support predictive maintenance, making operations safer and more efficient by reducing the need for manual inspections.

In addition, CLP*e* leverages AI-equipped solutions to help commercial and industrial customers in Hong Kong and Mainland China make significant energy savings in their cooling systems. Chiller plant optimisation solutions equipped with AI technology analyse the operational data of chiller equipment, automatically adjusting system settings and operational strategy so that cooling systems perform at optimal efficiency. When the solutions are used together with more energy-efficient chiller equipment, some customers have achieved more than 50% reductions in the carbon emissions of their cooling systems.

CLP Group has leveraged generative AI to deploy knowledge retrieval capabilities to enhance operations including power generation and distribution. The use of this technology helps support improved knowledge sharing and learning across the business. Further work is underway to extend the knowledge management capability into other operations.

CLP has a risk-based approach to adopting and scaling up the use of solutions containing AI algorithms. This is accomplished through a set of principles that emphasises accountability, purposeful use, data privacy, ethical design, reliability and transparency. On the back of these CLP has developed AI standards and risk assessment tools. CLP is also committed to upskilling its employees in the knowledge and use of AI.

As AI continues to evolve and gain adoption, challenges remain: including the complexities of compliance, knowledge gaps in deployment, investment costs, incorrect or misleading information and developing the expertise required to successfully deploy these technologies. CLP is committed to protecting data privacy and ensuring compliance with all relevant laws and regulations. Through governance structures that foster an innovative environment, CLP is well-positioned to leverage the potential of AI while seeking to maintain the stability, security and trust that are the hallmarks of its business.

Harnessing technology to better serve our customers

As well as improving the reliability of its operations, CLP is using technology to support customers. In Hong Kong, CLP Power connected smart meters for 93% of its customers by the end of 2024 and is on track to reach its targets to complete the rollout by the end of 2025. Smart meters give customers more visibility of their energy usage and allow them to easily manage their energy use and join CLP Power's Peak Demand Management Programme. CLP Power also significantly enhanced its customer relationship management system in 2024, enabling customers to effectively and conveniently manage services, including billing, relocation and shopping under a single tailored profile, following a major revamp of the mobile app.

Around 895,000 EnergyAustralia customers have smart meters installed at the end of 2024. Apraava Energy, meanwhile, has won contracts to provide over 6.8 million smart meters for households across Assam, Gujarat, Himachal Pradesh, Rajasthan, Madhya Pradesh and West Bengal. To date, more than 10% of the smart meters have been installed, with the projects in Assam and Himachal Pradesh achieving "Go Live" status well ahead of their 2024 contractual deadlines. "Go Live" status is reached when 5% of the total smart meters in respective projects are installed.

In Australia, two pilot projects helped EnergyAustralia build and adapt product and platform capabilities. In the first case, EnergyAustralia became a partner of Energy Masters, a new South Australian pilot programme funded by the Australian Renewable Energy Agency to trial smart, flexible energy management in 500 South Australian households. In the second case, EnergyAustralia has commenced a trial with distributed network services provider Ausgrid on Project Edith, a dynamic network pricing project to help customers unlock better value by connecting to a virtual power plant. The trial also optimises energy providers' network investment by focusing on intelligent systems.

CLP adheres to a set of AI guiding principles to govern the responsible use and deployment of AI, and has developed a set of AI standards and risk management tools. Please refer to the Artificial Intelligence section of the 2024 Sustainability Report for information on CLP's AI principles.

Case Study

Grid-V: Enhancing infrastructure monitoring for a safer future

CLP Power operates over 15,800 substations and has more than 16,900 kilometers of transmission and high-voltage distribution cables in Hong Kong. To ensure continuous monitoring of its operations, CLP Power has partnered with local network operators to create an advanced system called Grid-Visualisation, or Grid-V. This system uses AI-assisted analysis to improve the monitoring of the power grid.

Grid-V is capable of detecting potential hazards, including fire and flying objects, near critical power facilities, such as overhead transmission lines and substations. It monitors real-time signals from approximately 3,000 sensors and cameras throughout CLP Power's networks in Hong Kong, enabling engineering teams to respond swiftly to any incidents.

During its initial phase, Grid-V successfully identified a crane arm approaching overhead cables, which posed a risk to the power supply. The system promptly issued an alert, allowing personnel to assess the situation.

Grid-V proved its worth in January 2025 when it tracked the progress of a major hill fire in the northwest part of the city, allowing for the speedy implementation of measures to safeguard power supplies. The response ensured electricity was uninterrupted as the fire raged for more than 20 hours in an area where critical CLP Power infrastructure is located.

Looking ahead, CLP Power plans to expand Grid-V's coverage and capabilities, including the integration of drone imagery analysis, to further enhance network monitoring and improve operational efficiency.

CLP Power's Grid-V system uses AI-assisted analysis to enhance the monitoring of the power grid.

Accelerating the switch to green motoring

EVs are booming in popularity. In response to the trend, CLP Power launched an eMobility Grid Management Platform (eGMP) which analyses EV charging data to assess the use and patterns at charging stations in different locations so that it can optimise grid planning and resource allocation as the charging network expands. By integrating near real-time data from a variety of sources, eGMP enables comprehensive network planning, reviews charging behaviour and informs resource allocation.

With an expanding network of more than 2,000 charging points, the platform covers around a quarter of public chargers in Hong Kong, displaying them on a live map with near real-time updates on their charging status, power consumption and load profiles. The granularity of data allows for more effective network planning reviews and studies, leading to better-informed decisions on grid planning and operations.

Fortifying against cyber threats

As energy markets are reshaped by the adoption of new digital technologies, cybersecurity threats have become greater and more complex. Following the establishments of a new security operations centre in Hong Kong in 2023 to accelerate incident response capabilities, similar centres at CLP China and EnergyAustralia were upgraded in 2024, while a new centre at Apraava Energy became fully operational. Detailed frameworks have also been developed for CLP Power and EnergyAustralia to deal with the growing threat of cyberattacks, outlining procedures to guard against and handle computer security events and incidents.

Further regulatory changes are anticipated in the cybersecurity arena, including in Hong Kong with the introduction of the Protection of Critical Infrastructures (Computer Systems) Bill. CLP has participated in the Hong Kong Government's consultation sessions and shared energy sector cyber security practices and feedback as part of the consultation process. CLP is committed to continue working with the Government and other stakeholders to support the development of a code of practice to facilitate an appropriate framework to protect critical computer systems for the benefit of Hong Kong. Other jurisdictions including Mainland China, India and Australia have also sought to enhance their existing cybersecurity legislation.

In 2024, CLP China updated its compliance plan after the State Council announced in September it would launch new network data security management regulations in January 2025 to enhance data security and privacy while establishing compliance requirements for both domestic and international entities.

Australia's increasing reliance on a highly decentralised approach to energy has made the energy grid a target for hackers. The increasing adoption of smart devices and IoT technologies has also expanded the potential for attacks and made it easier for hackers to disrupt operations. Following the launch in 2023 of a detailed cybersecurity strategy setting out six steps to achieve cyber resilience, the Federal Government also launched a series of reforms to introduce new legislation and amend the existing Security of Critical Infrastructure Act 2018, allowing the Government to manage critical infrastructure businesses in the event of major cyber incidents. EnergyAustralia will continue to work diligently to implement the reforms.

With millions of employees, customers, contractors, service providers, shareholders and business partners, CLP takes its data protection responsibilities and the threat of cyberattacks extremely seriously. It implements comprehensive annual cybersecurity training for all its staff to enhance awareness and safeguard personal data. The Group will continue to invest in the latest cybersecurity technologies and talent in order to prevent, detect and react to evolving cyber threats.

Please refer to the Customer Privacy section of the 2024 Sustainability Report for more information on data protection and privacy.

Decarbonisation and digitalisation are reshaping the future of the energy industry. More than ever, utility companies need workforces that are diverse and skilled in areas such as renewable energy technologies, grid management, data analysis and energy solutions to capture growth opportunities associated with the transition. Failure to attract and continuously develop people and leaders with the right skills and capabilities diminishes the ability of energy companies to compete in this fast-evolving landscape.

Organisational agility is essential to innovate and stay on top of dynamic changes in the market. Energy providers that fail to modernise at the right pace and that fail to implement more agile and flexible operating models and ways of working may lack competitiveness and the required speed to capture new business opportunities.

Close to **900** people joined CLP's core businesses in Hong Kong and Mainland China, addressing skills gaps and resourcing for growth.

More than **3,800** employees in Hong Kong and Mainland China participated in training to develop awareness of expectations for new ways of working aligned with CLP's refreshed Value Framework.

Targeted development programme invested in around **600** high-potential talents to strengthen leadership pipelines supporting the Group's continued growth.

Upskilling and reskilling our workforce

The talent, dedication and hard work of CLP's employees and contractors are the foundations of the Group's success. CLP continued to invest in attracting and developing talent and in equipping the workforce with skills required for the future. To maintain the Group's track record of engineering excellence, CLP also focused on strengthening and expanding engineering recruitment and development in a competitive and dynamic labour market and in training, ensuring that its deep reserves of expertise are passed on from one generation to the next.

Resourcing for growth: strengthening skills and expertise

CLP sustained its pace of hiring in 2024 with close to 900 people recruited in Hong Kong and Mainland China to address skill gaps and support increasing business needs and diversified opportunities in the two core markets, with a focus on engineering, digital technologies and customer service skills. Talent sourcing was further expanded to tap on non-traditional talent pools widening access through channels such as the Hong Kong SAR Government's labour import scheme and graduates from the CLP Power Academy. Across CLP's businesses, voluntary turnover moderated in 2024, however competition for talent remains intense.

CLP also continued to encourage internal mobility for employees to explore new roles and other project opportunities within the Group, with transfers ongoing between Hong Kong and the Mainland to enable young engineers from both markets to gain exposure to different stages of the energy transition.

CLP's flagship Group Graduate Trainee programme in Hong Kong continued to provide the Group with talent to meet the growing needs of the business. More than 30 new graduates joined the programme, which provides participants with a thorough grounding in core technical, commercial and leadership skills to work across the Group's businesses in Hong Kong and Mainland China. The programme attracted graduates from Mainland China and overseas universities as well as higher education institutions in Hong Kong. Content of the programme is regularly updated to give participants exposure to CLP's latest low-carbon and digitalisation projects.

CLP Power also made more job opportunities available by refreshing and relaunching its recruitment programmes for young engineers and technicians, while the new Engineering Cadet programme was introduced to meet future operational skills requirements.

Investing in training and development

Utility companies must equip employees with the skills and knowledge they need to succeed in a fast-changing energy market and provide a supportive environment for them to develop. CLP's suite of training programmes focuses on technical, business, digital and leadership skills, and introduces participants to Design Thinking methodology which helps them develop problem-solving capabilities. Employees are also encouraged to explore their personal and career development and receive coaching to help them realise their potential. To further support the rapidly evolving needs of the business, CLP provides for employees to deepen their understanding of energy markets in Mainland China and overseas as the importance of synergies between different regions and countries grows.

Employees received an average of 42.7 hours of internal and external training and development in 2024, in line with a year earlier. CLP commenced a review of its training programmes and skill requirements, to enable the business to optimise resource allocation between training on existing technologies, policies and processes, versus new skills required for the future.

The initial assessment of training indicates time spent on upskilling (enhancing existing skills) and reskilling (training to enable transition to different roles) made up over 15% of training for employees in 2024, excluding activities such as on-the-job coaching and mentoring, departmental team development activities and career advisory sessions. This metric and associated training strategies will continue to be developed in 2025.

CLP continued to invest to strengthen talent pipelines and support growing business needs with close to 600 colleagues with demonstrated higher potential participating in accelerated talent development programmes. This included over 30 young engineers who participated in CLP's Leaders of the Future development programmes, which are designed to help meet managerial needs, with a focus on technical, innovation, project, commercial and change leadership skills as well as providing practical experience of regional operations.

More than 50 employees joined tours of CLP China's renewable energy operations in Yangzhou, Changzhou and Nanjing. The tours gave participants a better understanding of energy policies in Mainland China and included visits to community projects supported by CLP China. Employees took part in training courses on national affairs, business leadership and management provided by institutions including the Tsinghua School of Economics and Management in Beijing and the Canada-based Ivey Business School.

Employee Training

	Average Training Hours per Employee	% Trained
By Region		
Hong Kong	50.9	97.8%
Mainland China	70.8	100%
Australia	14.6	99.6%
Group Total	42.7	98.5%
By Gender		
Male	50.2	98.8%
Female	22.8	97.8%
By Professional Category		
Managerial	17.5	95.3%
Professional	30.4	98.3%
General and Technical	60.2	99.2%

Cultivating agile ways of working

In an era of dynamic transformation for the energy sector, utility companies need to be agile and innovative to compete successfully and respond to customer demand for lower-carbon and digitally enabled energy services.

CLP implemented a new operating model in Hong Kong and Mainland China in 2023 to enable its business units to respond more quickly to customers and growth opportunities. As the pace of renewable energy project development accelerated in the Mainland business, the new operating model strengthened CLP China's project execution and asset management capabilities. The Group also refined its operating model for digital functions to strengthen the implementation of technologies in the business.

CLP's Value Framework has for many years provided a set of principles on how the Group should work with stakeholders including employees, customers, investors and partners. CLP refreshed the Value Framework in 2024 after engaging employees extensively on how workplace values, behaviours and mindsets should evolve for the Group to remain successful in the future. The updated framework has been simplified into three core values of Care, Excellence and Responsibility, in support of CLP's purpose to Power Brighter Tomorrows.

New ways of working were introduced so that the refreshed organisational values could be embedded in employees' everyday routines, supported by a learning programme throughout the year. The programme will continue in 2025 to maintain the positive momentum, giving employees the opportunity to integrate the framework more deeply in their work. Changes were also introduced to speed up decision-making and ensure that CLP's investment and project governance processes are fit-for-purpose to suit the wide range of opportunities and commercial models now emerging.

CLP's efforts on workforce and organisational development were recognised by LinkedIn, the world's largest professional network platform. CLP won the coveted Future Ready Award, which rewards employers in Hong Kong for excelling in fields such as talent acquisition, diversity and learning and development. CLP Power also received awards recognising its human resources practices, including the Employer of the Year award from the recruitment platform CTgoodjobs.

Case Study

Developing new ways of working

CLP seeks to become a more agile and innovative business to meet the needs of energy transition. This requires holistic change, encompassing new operating models, streamlined business processes, and updated systems, work environments and policies, underpinned by refreshed values and behaviours.

CLP updated its Value Framework in early 2024 anchored on the simplified core values of Care, Excellence and Responsibility with a fresh interpretation of each, emphasising embracing change and new ideas, commerciality and calculated risk taking, and speaking up. A multi-year campaign was organised to help employees learn new expectations and how to put them into practice.

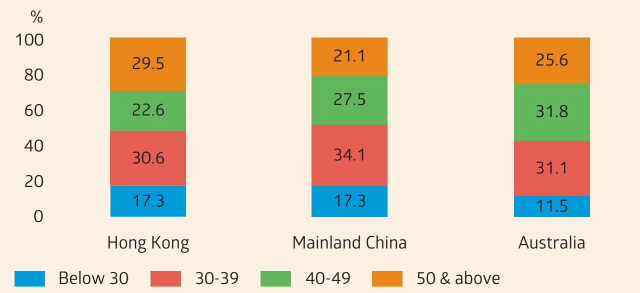
More than 3,800 employees in CLP's businesses in Hong Kong and Mainland China attended introductory sessions on the updated framework and its implications for their day-to-day work. They learned about the importance of becoming more agile, flexible and efficient and taking responsibility for business outcomes.

The campaign included workshops for managers and business unit leaders to help them embed changes in their teams and deliver performance improvements. A series of videos highlighted the value of the new ways of working and showcased meaningful changes made by colleagues in different parts of the business.

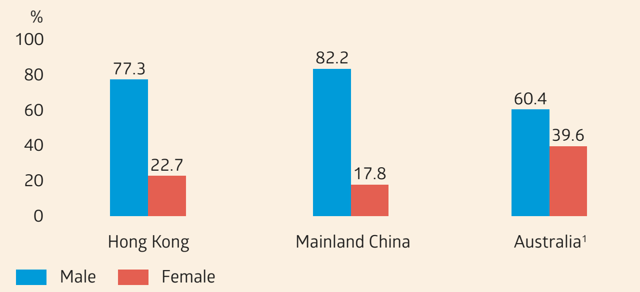
Feedback from colleagues was encouraging and demonstrated real and positive changes being made in teams and projects across CLP. The campaign will shift from awareness to values in action in 2025, with a focus on building skills for employees and empowering managers and employees with clear accountability to act.

CLP colleagues learn about new ways of working through interactive workshops and games.

Age Distribution by Region



Gender Distribution by Region



Voluntary Turnover

	Voluntary Turnover Rate (%)
By Gender	
Male	6.1%
Female	8.8%
By Age Group	
Below 30	12.5%
30 – 39	8.7%
40 – 49	5.1%
50 & above	4.3%
By Region	
Hong Kong	5.4%
Mainland China	2.8%
Australia	11.2%
Group Total	6.8%

Note:

1 Data of other gender identities is tracked. It is statistically insignificant and is not separately disclosed.

The CLP Volunteer team, which marks its 30th anniversary in 2024, is the best role model for the Group's recently updated core values of Care, Excellence and Responsibility.

The CLP Volunteer (CLPV) team celebrated its 30th anniversary in 2024 and is one of the largest corporate volunteer teams in Hong Kong. How does volunteering relate to CLP's corporate culture, values and employee engagement?

Mr Lin Chi Chung
Senior Technical Officer, CLP Power and a veteran member of the CLPV team

Quince Chong
Chief Corporate Development Officer

Firstly, I would like to thank you and your colleagues for your many years of dedicated service to the CLPV team. Our outstanding volunteers are wonderful ambassadors of CLP's people-centric culture and our longstanding commitment to our communities. Many studies have shown that corporate volunteering can make employees more engaged and empathetic, which in turn improve their work performance. This creates a win-win-win situation that is mutually beneficial to communities, employees and employers.

Our volunteers are the best possible role models for the Group's recently updated core values of Care, Excellence and Responsibility. Our values and our new ways of working are key for CLP's business to remain successful at a time of dynamic changes in the energy market, enabling colleagues to work more effectively and collaboratively together. You are already familiar with many of these attributes, which have driven CLPV's continued growth since its beginning in 1994. From a small volunteer group of frontline employees providing free rewiring services to underprivileged elderly people, CLPV now comprises more than 1,800 current and former employees together with their families and friends.

CLP is committed to innovation, and in the same way CLPV is always exploring new initiatives to serve our communities. Over the years, it has diversified into a growing range of projects including the CLP Hotmeal Canteen, caring visits to the elderly, beach cleanups and tutorial classes for students, teaming up with many different partner organisations. The recent initiatives to provide training for the young-olds to lead community tours of historical sites and upcycling workshops for them to learn how to give a second life to used clothes are perfect examples of this. As CLP has grown beyond Hong Kong, our volunteer activities have expanded to our businesses in Mainland China, Australia and India.

CLP is a diverse, international and inclusive business made up of talented people from vastly different backgrounds, and we want to ensure our deep reserves of energy expertise are transferred from one generation to the next. I hope more colleagues will join the CLPV team as we pass on the baton of volunteering to the next generation, enabling us to continue giving back to our community.

Key performance summary

CLP had 8,415 full-time and part-time employees at the end of 2024 serving its businesses in Hong Kong, Mainland China and Australia, compared with 8,041 a year earlier. This included 6,160 employees in CLP's core markets of Hong Kong and Mainland China compared with 5,865 at the end of 2023. Total remuneration for the year ended 31 December 2024 was HK$7,081 million compared with HK$6,624 million in 2023, including retirement benefit costs of HK$696 million compared with HK$655 million the previous year.

	2024	2023
Total Workforce [1]	**15,111**	16,282
Total Employees [2]	**8,415**	8,041
Workforce fatalities	**0**	0
Lost Time Injury Rate (Workforce)	**0.14**	0.06
Gender Diversity		
– Group Executive Committee [3,4]	**85% / 15%**	86% / 14%
– Employees [2,3]	**73% / 27%**	73% / 27%
– Women in Leadership positions [5]	**30%**	29.1%
– Women in Engineering [6]	**13.3%**	13.3%
Voluntary Turnover [7]	**6.8%**	8.1%
New Hires	**1,313**	1,168
Percentage of employees on permanent contract [2]	**84%**	85%
Percentage of labour supply [8] and service contractors [9] in workforce	**46%**	50%
Percentage of employees who received training [2]	**98.5%**	98.5%
Average training hours per employee [2]	**42.7**	44.1
Percentage of training hours dedicated to upskilling and reskilling [2]	**15%**	NA

Notes:

1 Includes full-time and part-time employees, labour supply, and estimated service contractors on a full-time equivalent (FTE) basis. FTE calculations are based on the number of man-hours incurred and country-specific average working hours.

2 Full-time and part-time employees for Group and its subsidiaries.

3 Male/female ratio. The data of other gender identities is tracked but is statistically insignificant and is therefore not separately disclosed.

4 Includes Executive Director (Chief Executive Officer).

5 Leadership positions are defined as positions at Korn Ferry Reference Level 19 and above.

6 Employees with a bachelor's degree or higher qualification in engineering.

7 Includes permanent employees only, except for Mainland China where both permanent and fixed-term contract employees are included due to local employment legislation.

8 Labour supply refers to workforce supplied by contractor companies under labour supply agreements. Reporting is based on quarterly averages.

9 Estimated service contractors FTE are calculated based on the number of man-hours incurred and market-specific average working hours.

Operational and Supply Chain Resilience

Operational resilience is fundamental to the ability of companies to deliver reliable services to customers. Energy companies have a particular responsibility to maintain highly resilient services because a stable energy supply is essential to society and economic development. At a time of continuing geopolitical unrest, energy companies face challenges in ensuring continued access to critical resources and technologies for their operations and future business development. Supply chain risks including the protectionist trade policies of the new US administration pose increased uncertainties for multi-national energy companies. Adopting an effective supply chain management strategy and strengthening efforts to maintain operational resilience in the face of increasingly complex risks will help energy companies build sustainable businesses for the long term.

99.999%
CLP Power maintained its world-class level of power supply reliability in 2024

New centralised control centre
set up by CLP China in Jiangsu to enhance operational management of renewable energy assets in eastern China

About HK$44 billion
products and services sourced from the CLP Group's suppliers in 2024

Ensuring resilient operations and supply chains

CLP is committed to delivering reliable, environmentally sustainable and reasonably priced energy for customers with its diversified portfolio of assets serving millions of households and businesses in the Asia-Pacific region. In 2024, the Group continued its investments to ensure the ongoing resilience of its operations, supported by a reliable access to key materials and technologies from the best suppliers despite persisting geopolitical uncertainties.

In Hong Kong, CLP Power took steps to strengthen the resilience of its power supply systems as climate change led to an increased frequency and intensity of extreme weather events. Over the years, CLP Power has adopted an extensive range of measures, including reinforcing transmission towers for overhead lines against extreme wind speeds, installing flood protection equipment at substations and deploying digital technologies to improve the monitoring of power networks. Since 2014, CLP Power has installed anti-flood defences at approximately 700 substations. To enhance resilience against extreme weather, CLP Power collaborated with the Hong Kong University of Science and Technology in 2024 to assess the risks of severe rainstorms and landslides to the power system. Based on the assessment results, around 200 additional flood gates or devices will be installed at substations by the end of 2025, further strengthening the flood protection measures.

CLP Power's new Asset Health Management System (AHMS) has been in full operation since May 2024. The new system is capable of monitoring in real time the health of key power supply assets including transmission switchgear, transformers, cables and overhead lines.

One of the most common power quality issues of concern to CLP Power customers in recent years is voltage dips – a fluctuation in voltage over a very short period of time, typically one tenth of a second, that causes a momentary dimming or flickering of lights. Some electrical installations sensitive to voltage change such as lifts may experience tripping through activation of their own protection mechanisms.

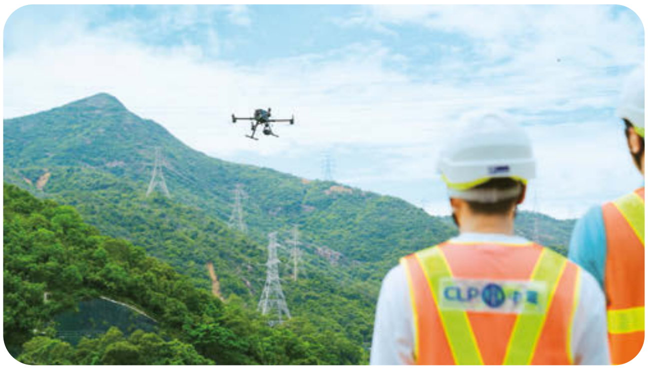
Around 80% of voltage dips in Hong Kong are caused by external factors such as lightning strikes or interference from trees or wildlife. Since 2001, CLP Power has installed around 2,600 line arrestors at its transmission infrastructure in Hong Kong to alleviate impact of lightning strikes, and more are being fitted. CLP Power also consults international experts for the latest advice on how to mitigate the impact of voltage dips and hosts seminars and workshops to share guidance and support with corporate customers.

CLP Power is taking short- and medium-term measures to increase the reliability of its supply by reducing power incidents and shortening the time needed to restore power, as well as providing improved support to affected customers. It is also cooperating with the Electrical and Mechanical Services Department on a comprehensive review on the management of the power systems, including the asset maintenance regime, contractor management practices and training requirements.

CLP Power maintained its world-class reliability of 99.999% in 2024. The average annual unplanned power interruption experienced by each CLP Power customer in 2024 was 1.2 minutes, significantly lower than other major cities including Sydney, London and New York.

Please refer to Net-Zero Transition on page 49 and pages 36-38 of *CLP's Climate Vision 2050: Powering an orderly transition* for further information about the Group's assessment of physical risks, including extreme weather.

Please refer to the Access to Reliable Energy section of the 2024 Sustainability Report for more information and data on power supply reliability.



CLP Power deploys smart technologies including drones to enhance inspection efficiency.

Focusing on energy supply reliability and performance

CLP China set up a centralised control centre in January 2024 at Yangzhou Gongdao Solar Power Station in Jiangsu province to provide more efficient operational management of the company's expanding renewable energy assets in eastern China. The regional control centre is the first of its kind for CLP China as the business aims to increase operational synergies and further enhance asset performance. Similar centres are planned in other regions as CLP China's renewable energy capacity increases.

CLP China is also strengthening the resilience of its wind and solar energy projects in response to the rising risk of extreme weather. For example, new projects including the Juancheng and Guanxian wind farms in Shandong province and the Bobai wind farm in Guangxi Zhuang Autonomous Region will use turbine towers capable of withstanding extreme winds.

Daya Bay Nuclear Power Station in Guangdong province has delivered safe, reliable, zero-carbon electricity supply since 1994. As the power station recorded 30 years of service, major maintenance outages were completed in 2024 on both of its generation units to ensure the power station's continued operational excellence. As a minority investor in Daya Bay Nuclear Power Station and Yangjiang Nuclear Power Station, CLP does not have operational control of the plants. Information on the operations and safety of the nuclear power stations is reported by their operators.

EnergyAustralia enhanced the operations of its two biggest power stations to strengthen supply reliability. An extensive maintenance programme was completed on all four generation units at Yallourn Power Station in Victoria to ensure the plant continues to perform reliably before its scheduled retirement in mid-2028. Meanwhile, improved fuel deliveries helped boost generation at Mount Piper Power Station in New South Wales after the plant reached an agreement with its coal supplier to diversify fuel supplies. The smooth operations of the two power stations are vital to maintaining a stable supply and easing wholesale price volatility in Australia's National Electricity Market.

In India, Apraava Energy's diverse portfolio of generation and transmission assets delivered a reliable supply of electricity to help meet the country's fast-growing energy demand, although wind farms in the western state of Gujarat were disrupted by Cyclone Asna in August. The wind farms in Samana and Sidhpur were back in service soon after the cyclone, but Mahidad Wind Farm only resumed normal operations in October following extensive repairs. Apraava Energy will further strengthen the resilience of its energy assets as extreme weather events become more frequent.

CLP is committed to ensuring the highest standards of safety across its entire operation. Tragically, a contractor at Apraava Energy's Sidhpur Wind Farm passed away after falling from a wind turbine in February 2025. A thorough investigation into the incident is being conducted and both CLP and Apraava Energy will continue their unrelenting efforts to prioritise safety in operations.

A powerful earthquake struck eastern Taiwan in early April, damaging vital infrastructure on the island including Ho-Ping Power Station. The plant resumed normal operations in May following weeks of repair and maintenance work. Ho-Ping Power Station has since conducted a comprehensive review and taken action to improve its preparedness against similar events in future.

Apraava Energy's diverse portfolio of generation and transmission assets deliver a reliable supply of electricity to help meet India's fast-growing energy demand. Pictured here is the Harapanahalli wind power project in Karnataka.

Please see the CEO's Strategic Review on page 16 and Energy Growth Opportunities on page 58 for further information on CLP's efforts to strengthen energy reliability.

Please also refer to the Promoting Nuclear Safety and Clean Energy section of the 2024 Sustainability Report for information and data on nuclear safety measures, and the How We Manage Impacts and Performance section in the Respecting Nature chapter of the 2024 Sustainability Report for information and data on environmental performance.

Building mutually beneficial partnerships

Decarbonisation, digitalisation and electrification have created new growth opportunities for CLP, and the Group benefited from access to the latest energy technologies and solutions through its diverse and growing network of partners and suppliers from around the world.

The D2 generation unit at Black Point Power Station in Hong Kong went into service in April, using the latest H-Class combined-cycle gas turbine (CCGT) technology provided by German manufacturer Siemens Energy. With its superior energy efficiency, the new generation unit will play a key role in Hong Kong's decarbonisation by ensuring the continued reliability of the electricity supply as coal-fired generation units at Castle Peak Power Station are retired in phases. The D2 unit project deepened CLP's partnership with Siemens Energy and is an enhanced version of the adjacent 550MW D1 generation unit, also supplied by Siemens Energy.

CLP*e* uses AI technology developed by Conserve It, a Melbourne-based provider of smart building solutions, to help customers improve the energy efficiency of cooling systems. Conserve It's PlantPRO technology analyses operational data from the cooling systems of CLP*e*'s customers to analyse system performance and identify potential system faults and determine the most optimal operational settings. These advanced capabilities have enabled CLP*e* to reduce energy consumption for customers in Hong Kong and the Mainland, while maintaining superior cooling system performance.

EnergyAustralia's gas-fired Tallawarra B Power Station in New South Wales uses advanced technology from US manufacturer GE Vernova, which enables the plant to start up rapidly during periods of peak power demand or low supply. Similar technology from the same manufacturer is being used in the upgrading of the adjacent Tallawarra A Power Station.

These partnerships highlight the strength of CLP's global supply chain with access to resources and capabilities of an expanding partner network. CLP sourced products and services valued at around HK$44 billion from over 4,100 suppliers in 2024, compared with HK$42 billion in the previous year.

In 2024, CLP invested in Future Energy Ventures Fund I – a European venture capital fund focused on technologies and business models for the energy transition and digitalisation. The transaction further strengthened CLP's portfolio of venture investments in energy technology providers in leading centres of innovation including Mainland China, the US, Europe and Israel.

CLP also deepened its collaboration with partners in Free Electrons, an international accelerator programme focused on driving innovation in energy technologies and services. Other major international utilities including Germany's E.ON, Japan's JERA and Portugal's Energias de Portugal are also members of Free Electrons. CLP also continued to benefit from innovative energy technologies developed in Mainland China through its partnership with CYZone, a platform that promotes technology development and collaboration.

Navigating geopolitical risks

Against a backdrop of ongoing hostilities in Eastern Europe and the Middle East, and intense competition between major economies, CLP continued to enhance its supply chain management to secure the materials and technologies needed to maintain robust operations and drive business growth.

CLP harnesses the resources and capabilities of preferred suppliers around the world to support its evolving business needs through long-term, commercially viable partnerships, guided by international best practices for procurement. The Group's strategies for supply chain management are designed to deliver cost efficiencies, sustainability and resilience, while reaping the benefits of innovative technologies.

Suppliers are assessed on a wide range of factors set out in the Group's Supplier Code of Conduct, including amongst others labour practices, environmental performance, health and safety of workers and cybersecurity, with the goal of ensuring a sustainable supply chain.

At a time when international energy markets remained volatile because of geopolitical conflicts, CLP's diversified fuel strategy continued to deliver reasonably priced energy for customers. The offshore LNG terminal, which commenced service in 2023, increased Hong Kong's access to supplies of competitively priced natural gas from international markets and bolstered the city's energy security.

CLP maintained the resilience of its supply chains through a three-pronged approach: ensuring access to multiple supply sources, creating closer partnerships with suppliers, and maintaining a sufficient inventory level for materials. This approach helped CLP retain timely and cost-effective access to innovative products and services despite concerns over the potential impact of global instability on supplies of advanced technologies, including semiconductors and software. For instance, the focus on supply chain resilience enabled CLP Power to manage a potential shortage of semiconductors and remain on track to achieve its target of 100% smart meter installations for residential and SME customers by 2025.

Supply chain management capabilities are embedded in key business units to meet the specific needs of CLP's operations across different markets. This distributed organisational structure ensures the Group's businesses have access to supply chain management resources and expertise to fulfil their customer and market needs. Localised expertise on supplier due diligence and risk assessment in the Mainland China market, for instance, has helped support the rapid pace of CLP China's renewable energy project development. Best practices and standards on supply chain management are formulated at Group level to maximise synergies with a keen focus on promoting knowledge sharing between business units.

There were no known supply chain issues that materially impacted CLP's operations in 2024, including the construction and development of new projects.

Case Study

Building a more resilient and sustainable supply chain

As economic uncertainties and geopolitical turmoil increase the complexity of the global business landscape, a proactive approach to managing supply chain risks is crucial for companies to ensure reliable access to key materials and technologies.

CLP Power stepped up measures to assess risks in its network of more than 1,300 active suppliers in 2024. A new software was deployed to screen suppliers against relevant laws and regulations for possible violations. Business with one supplier was suspended due to risks uncovered by the software.

CLP Power also expanded to all suppliers the requirement to complete a detailed questionnaire and provide updated business information, including ownership and manufacturing locations. This information allows CLP Power to identify and act upon potential risks at an early stage.

The two measures further strengthen CLP Power's procurement management and ability to develop mitigation plans, expediting shipments from certain suppliers and sourcing from alternative suppliers when necessary to ensure on-time delivery.

In 2022, the CLP Group released a Supplier Code of Conduct, which covers comprehensive sustainable procurement requirements such as environmental management, climate change mitigation, labour practices and human rights. At present, more than 1,800 of the CLP Group's active suppliers have acknowledged that their practices abide by the code. The Group targets to increase the coverage to over 4,000 suppliers by 2026.

Digitalisation is a powerful enabler of CLP Power's efforts to build a more resilient and sustainable supply chain. CLP Power is enhancing its enterprise resources planning system to support improved integration of procurement processes and supplier information, further strengthening supply chain management.

Governance

A value enabler for our organisation.

Non-executive Directors

The Honourable Sir Michael Kadoorie ◈ Chairman (N)

Aged 83 ◈ Appointed on 19 January 1967* (58 years) ◈ Last re-elected^ on 5 May 2023
◈ Father of Philip Lawrence Kadoorie ◈ Father-in-law of Diego Alejandro González Morales

Skills and Expertise
- Board / board committees leadership / other listed roles
- CLP market experience
- Related industry / global experience
- Sustainability

Titles, Qualifications and Education
Gold Bauhinia Star
Commandeur de la Légion d'Honneur
Commandeur de l'Ordre des Arts et des Lettres
Commandeur de l'Ordre de la Couronne
Commandeur de l'Ordre de Leopold II
Honorary Doctor of Laws
Honorary Doctor of Science

Other Major Offices
The Hongkong and Shanghai Hotels, Ltd.# (Non-executive Chairman, and Chairman of Nomination Committee and Executive Committee)
Sir Elly Kadoorie & Sons Ltd.▲ (Director)
Heliservices (Hong Kong) Ltd. (Chairman)

Andrew Clifford Winawer Brandler ◈ Vice Chairman (F) (Chairman) (H) (S)

Aged 68 ◈ Appointed on 6 May 2000 (24 years) ◈ Last re-elected^ on 5 May 2023

Skills and Expertise
- Board / board committees leadership / other listed roles
- CLP market experience
- Executive leadership
- Related industry / global experience
- Professional and risk & compliance
- Sustainability

Titles, Qualifications and Education
Member of the Institute of Chartered Accountants in England and Wales
Master of Arts, the University of Cambridge
Master in Business Administration, Harvard Business School

Major Positions Held with the Group
EnergyAustralia Holdings Ltd. (Director)

Other Major Offices
The Hongkong and Shanghai Hotels, Ltd.# (Non-executive Director, Chairman of Finance Committee, and member of Audit Committee, Remuneration Committee and Executive Committee)
Sir Elly Kadoorie & Sons Ltd.▲ (Chairman)
MTR Corporation Ltd.# (Independent Non-executive Director, Chairman of Finance & Investment Committee and member of Audit & Risk Committee)

Public Service
Golf Association of Hong Kong, China Ltd. (Director)
The Chinese International School Foundation (Chairman of the Board of Governors)

Past Experience
Mr Brandler was the Group Managing Director and Chief Executive Officer of CLP Holdings from 6 May 2000 to 30 September 2013. He continued to serve on the Board of CLP Holdings as an Executive Director until his redesignation as a Non-executive Director on 1 April 2014.

These Directors will stand for election or re-election at the 2025 Annual General Meeting (AGM)

(A) Audit & Risk Committee
(F) Finance & General Committee
(H) Human Resources & Remuneration Committee
(N) Nomination Committee
(S) Sustainability Committee

* The date given is that of appointment to the Board of China Light & Power Company, Ltd., the holding company of the CLP Group prior to the Group Reorganisation in 1998. The Honourable Sir Michael Kadoorie was appointed Chairman to the Board of CLP Holdings on 31 October 1997.

Philip Lawrence Kadoorie Ⓕ Ⓢ

Aged 33 ◈ Appointed on 7 August 2018 (6 years) ◈ Last re-elected^ on 6 May 2022

◈ **Son of The Honourable Sir Michael Kadoorie**

◈ **Brother-in-law of Diego Alejandro González Morales**

Skills and Expertise

- Board / board committees leadership / other listed roles
- CLP market experience
- Related industry / global experience
- Sustainability

Titles, Qualifications and Education

Bachelor of Science in Communication, Boston University
FAA Commercial Pilot's Licence
Intensive Putonghua course, Tsinghua University (Beijing)

Other Major Offices

The Hongkong and Shanghai Hotels, Ltd.# (Non-executive Deputy Chairman of the Board and member of Executive Committee)
Sir Elly Kadoorie & Sons Ltd.▲ (Director)
Heliservices (Hong Kong) Ltd. (Director)
Metrojet Ltd. (Director)
CK Hutchison Holdings Ltd.# (Independent Non-executive Director)

Past Experience

Prior to his appointment to the Board of The Hongkong and Shanghai Hotels, Ltd.# in 2017, Mr Kadoorie completed various internships in commercial property companies, Schroders Bank in London and at CLP Group in Hong Kong.

^ Under the Company's Articles of Association on retirement and rotation for the re-election of Directors, Directors would typically serve a period of three years since the year of last election or re-election; however at times, depending on the number of Directors on the Board, the term may be for a period of two years.

The securities of these companies are currently listed on the Hong Kong Stock Exchange.

▲ Sir Elly Kadoorie & Sons Ltd. oversees a number of Kadoorie Family interests in Hong Kong and overseas and, as such, is associated with the substantial shareholders of CLP Holdings as disclosed in the Directors' Report.

Full particulars of Directors, including their directorships in the subsidiary companies of CLP Holdings, other directorships held in the last three years in public listed companies and other major appointments are available on our website.

Non-executive Directors

Yuen So Siu Mai Betty (F)

Aged 67 · Appointed on 1 January 2023 (2 years) · Last elected^ on 5 May 2023

Skills and Expertise
- Board / board committees leadership / other listed role
- CLP market experience
- Executive leadership
- Related industry / global experience
- Professional and risk & compliance
- Sustainability

Titles, Qualifications and Education
Justice of the Peace
Chartered Professional Accountant
Bachelor of Commerce, the University of Toronto

Major Positions Held with the Group
CLP Power Hong Kong Ltd. (CLP Power) (Chairman)
Castle Peak Power Company Ltd. (Chairman)

Other Major Offices
Sir Elly Kadoorie & Sons Ltd.▲ (Special Advisor)

Public Service
HKSAR Election Committee (Member)
HKSAR Government's Task Force on Promoting and Branding Hong Kong (Non-official Member)
Standing Commission on Civil Service Salaries and Conditions of Service (Member)
Advisory Committee on Post-service Employment of Civil Servants (Member)
Hong Kong General Chamber of Commerce (Past Chairman & General Committee member)
HKTDC Belt and Road & Greater Bay Area Committee (Member)

Past Experience
A qualified accountant by training, Mrs Yuen began her career in public accounting in Canada and worked for ExxonMobil for 13 years before joining CLP in 1999. She was the Managing Director of CLP Power between 2002 and 2009, with overall responsibility for the operations of the Hong Kong business. Mrs Yuen was appointed as the Vice Chairman of CLP Power in 2010, with a primary focus on the strategic direction of the Group's electricity business in Hong Kong and Mainland China.

Diego Alejandro González Morales (F)

Aged 41 · Appointed on 1 April 2024 (less than 1 year) · Last elected^ on 3 May 2024

Son-in-law of The Honourable Sir Michael Kadoorie

Brother-in-law of Philip Lawrence Kadoorie

Skills and Expertise
- Board / board committees leadership / other listed roles
- CLP market experience
- Executive leadership
- Related industry / global experience
- Professional and risk & compliance
- Sustainability

Titles, Qualifications and Education
Bachelor of Engineering and Master of Science, EPF Ecole d'ingénieurs, France
Certification of International Business, Universidad Pontificia Comillas de Madrid, Spain
MBA, IESE Business School in Barcelona, Spain

Other Major Offices
The Hongkong and Shanghai Hotels, Ltd.# (Non-executive Director)
Sir Elly Kadoorie & Sons Ltd.▲ (Director)

Past Experience
Mr González Morales has broad, cross-functional corporate expertise spanning the financial services, healthcare, energy and entertainment industries. He was previously VP, Private Equity at CLSA Capital Partners in Hong Kong. He started his career with GE as a graduate of GE's Financial Management Program. He then took on various corporate roles including internal audit and controls, investigations, compliance and M&A across GE's industrial businesses, GE Capital and NBC Universal.

Independent Non-executive Directors

Sir Roderick Ian Eddington (F)

Aged 75 ≫ Appointed on 1 January 2006 (19 years) ≫ Last re-elected^ on 6 May 2022

Skills and Expertise

- Board / board committees leadership / other listed roles
- CLP market experience
- Executive leadership
- Related industry / global experience
- Professional and risk & compliance
- Sustainability

Titles, Qualifications and Education

Officer of the Order of Australia
1974 Rhodes Scholar, the University of Western Australia
Doctor of Philosophy in the Department of Engineering Science, the University of Oxford

Other Major Offices

Kirin Holdings Company Ltd. (Independent Non-executive Director)
JP Morgan Chase Bank N.A. (Non-executive Chairman (Asia Pacific Advisory Council))
Lion Pty Ltd. (Non-executive Chairman)

Past Experience

Sir Rod Eddington was the Chief Executive of British Airways plc from 2000 until he retired on 30 September 2005. He has maintained a connection with Hong Kong from his previous directorships with Cathay Pacific Airways Ltd.#, Swire Pacific Ltd.# and Hong Kong Aircraft Engineering Company Ltd. during the period from 1988 to 1996.

Nicholas Charles Allen (H) (Chairman) (N) (Chairman) (A) (F) (S)

Aged 69 ≫ Appointed on 12 May 2009 (15 years) ≫ Last re-elected^ on 5 May 2023

Skills and Expertise

- Board / board committees leadership / other listed roles
- CLP market experience
- Related industry / global experience
- Professional and risk & compliance
- Sustainability
- Technology

Titles, Qualifications and Education

Fellow of the Institute of Chartered Accountants in England and Wales
Member of the Hong Kong Institute of Certified Public Accountants
Bachelor of Arts in Economics / Social Studies, the University of Manchester

Other Major Offices

Hong Kong Exchanges and Clearing Ltd.# (Independent Non-executive Director, Chairman of Audit Committee and member of Risk Committee)
The London Metal Exchange (Non-executive Director, Chairman of Audit Committee and member of Remuneration Committee)
LME Clear Limited (Non-executive Director, Chairman of Audit Committee, and member of Nomination Committee and Remuneration Committee)

Past Experience

Mr Allen joined Coopers & Lybrand (C&L) in London in 1977 and was transferred to C&L Hong Kong in 1983. He was admitted to partnership in C&L Hong Kong in 1988, which was subsequently merged with Price Waterhouse into PricewaterhouseCoopers (PwC) in 1998. Mr Allen retired from PwC in 2007.

Independent Non-executive Directors

May Siew Boi Tan A (Chairperson) F H N S

Aged 69 ⟫ Appointed on 7 August 2018 (6 years) ⟫ Last re-elected^ on 3 May 2024

Skills and Expertise

- Board / board committees leadership / other listed roles
- CLP market experience
- Executive leadership
- Related industry / global experience
- Professional and risk & compliance
- Sustainability

Titles, Qualifications and Education

Fellow of the Institute of Chartered Accountants in England and Wales
Fellow of the Hong Kong Institute of Certified Public Accountants
Graduated from the University of Sheffield

Other Major Offices

Manulife Financial Corporation# (Independent Director, Chair of Corporate Governance and Nominating Committee and member of Audit Committee)
Hang Lung Group Ltd.# (Independent Non-executive Director and member of Audit Committee)
Anticimex New TopHolding AB (Board member)
MSIG Insurance (Hong Kong) Ltd. (Director)

Public Service

Asian Corporate Governance Association Limited (Council member)
Hong Kong Youth Arts Foundation (Executive Committee member)

Past Experience

Ms Tan was an Executive Director of Standard Chartered Bank (Hong Kong) Ltd. and its Chief Executive Officer from July 2014 to February 2017. She joined Standard Chartered Bank in 2009 as Global Head, Equity Corporate Finance.

In public service, Ms Tan was the Chairman of The Hong Kong Association of Banks, the ex-officio member of Hong Kong Trade Development Council and a member of the Currency Board Sub-Committee of The Exchange Fund Advisory Committee of Hong Kong Monetary Authority. She was a member of the Listing Committee of The Stock Exchange of Hong Kong Ltd. (from 2012 to 2015) and a member of the Takeovers and Mergers Panel and the Takeovers Appeal Committee of the Securities and Futures Commission (from 2001 to 2013). Ms Tan was also a Council Member (from 2008 to 2017) and the Vice Chairman (from 2012 to 2017) of Oxfam Hong Kong.

Christina Gaw S

Aged 52 ⟫ Appointed on 20 October 2020 (4 years) ⟫ Last re-elected^ on 3 May 2024

Skills and Expertise

- Board / board committees leadership / other listed roles
- CLP market experience
- Executive leadership
- Related industry / global experience
- Sustainability

Titles, Qualifications and Education

Bachelor of Science in Business Administration, the University of San Francisco

Other Major Offices

Gaw Capital Partners (Managing Principal, Head of Capital Markets, Co-chair of Alternative Investments and Head of GCP Singapore)
Pioneer Global Group Ltd.# (Executive Director)
VNG Corporation (Board Director)

Public Service

Cheltenham Ladies College UK (Corporate member)
Hong Kong International School (Board member)
InspiringHK Sports Foundation (Board member)
Lingnan University (Council member)
Teach for Hong Kong (Board member)
The TWGH's S.C. Gaw Memorial College (School supervisor)
Stanford University Parent and Family Advisory Board (Vice Chair)

Past Experience

Prior to joining Gaw Capital Partners in 2008, Ms Gaw had over 15 years of investment banking experience at Goldman Sachs and UBS as a Managing Director, with responsibilities as Head of Asia Equities Distribution and as Head of APAC Capital Introduction in Equities Division.

Chunyuan Gu Ⓢ (Chairman) Ⓐ Ⓕ Ⓗ

Aged 66 ⟫ Appointed on 20 October 2020 (4 years) ⟫ Last re-elected^ on 3 May 2024

Skills and Expertise

- Board / board committees leadership / other listed roles
- CLP market experience
- Executive leadership
- Related industry / global experience
- Professional and risk & compliance
- Sustainability
- Technology

Titles, Qualifications and Education

Bachelor of Engineering, School of Mechanical Engineering, Shanghai Jiao Tong University
Doctor of Engineering, School of Aeronautics, Royal Institute of Technology, Stockholm
General Management Program at Stockholm School of Economics

Other Major Offices

ABB (China) Ltd. (Chairman of the Board)
COSMO IoT Technology Co., Ltd. (Independent Director)
NXP Semiconductors N.V. (Non-executive Director, and member of Audit Committee)
Blackstone, Inc. (Senior advisor)
NSK Ltd. (Member of the China advisory council)

Public Service

China EV 100 (Member)
Royal Swedish Academy of Engineering Sciences (International member)

Past Experience

Mr Gu has over 30 years of experience working at ABB Ltd (ABB), a global pioneering technology leader in electrification and automation serving customers in utility, industry, transportation and infrastructure. Mr Gu was a member of the ABB Group Executive Committee and President of the Asia, the Middle East and Africa region and President of ABB (China) Ltd. He remains engaged by ABB in an advisory capacity as the Chairman of the Board of ABB (China) Ltd.

Chan Bernard Charnwut Ⓢ

Aged 60 ⟫ Appointed on 18 October 2022 (2 years) ⟫ Last elected^ on 5 May 2023

Skills and Expertise

- Board / board committees leadership / other listed roles
- CLP market experience
- Executive leadership
- Related industry / global experience
- Professional and risk & compliance
- Sustainability
- Public administration

Titles, Qualifications and Education

Grand Bauhinia Medal
Gold Bauhinia Star
Justice of the Peace
Bachelor of Arts degree, Pomona College, California, USA

Other Major Offices

Asia Financial Holdings Ltd.#
(Chairman & President, Executive Director, Chairman of Executive Committee, member of Compliance Committee, Remuneration Committee, Nomination Committee, Risk Committee and Investment Committee)
Cathay Pacific Airways Ltd.#
(Independent Non-executive Director, member of Nomination Committee and Remuneration Committee)
China Resources Beer (Holdings) Company Ltd.#
(Independent Non-executive Director, member of Audit Committee and Nomination Committee)
Yau Lee Holdings Ltd.#
(Independent Non-executive Director, Chairman of Remuneration Committee and Corporate Governance Committee, member of Audit Committee and Nomination Committee)
Bumrungrad Hospital Public Company Ltd.
(Director, member of Investment Committee)
Bank Consortium Holding Ltd. (Director)
Bangkok Bank (China) Company Ltd. (Advisor)

Public Service

The Hong Kong Jockey Club (Steward)
Hong Kong-Thailand Business Council (Chairman)
Independent Commission Against Corruption (Chairman of Operations Review Committee and ex-officio member of Advisory Committee on Corruption)
Hong Kong Monetary Authority (Committee member of The Financial Infrastructure and Market Development Sub-Committee, The Exchange Fund Advisory Committee and The Governance Sub-Committee)
M+ Museum (Chairman)
The Hong Kong Council of Social Service (Vice Chairperson)
Hong Kong Chronicles Institute (Chairman of Council)
Our Hong Kong Foundation (Chairman)
West Kowloon Cultural District Authority (Vice-Chairman)
The Jockey Club CPS Ltd. (Director)
Tai Kwun Culture & Arts Co. Ltd. (Chairman)
Alibaba Entrepreneur Fund Hong Kong (Governing Board Member)
Pomona College (Trustee Emeritus)

Past Experience

Mr Chan has over 20 years of experience working with the Hong Kong Government and has extensive experience in the insurance and financial markets in Asia. He was the immediate past Convenor of the Non-Official Members of the Executive Council of the previous Administration of the HKSAR (from 1 July 2017 to 30 June 2022).

Independent Non-executive Directors

Wang Xiaojun Heather Ⓐ Ⓗ

Aged 61 ⟫ Appointed on 16 May 2023 (1 year) ⟫ Last elected^ on 3 May 2024

Skills and Expertise

- Board / board committees leadership / other listed roles
- CLP market experience
- Executive leadership
- Related industry / global experience
- Professional and risk & compliance
- Sustainability
- Technology

Titles, Qualifications and Education

Master of Business Administration, Rutgers Business School

Other Major Offices

Pacific Basin Shipping Ltd.# (Independent Non-executive Director, member of Remuneration Committee and Sustainability Committee)

Past Experience

Ms Wang retired as the Vice-President of GE (also known as General Electric Company) and Human Resources leader for GE International Markets in July 2023. She was a graduate of the GE Global Human Resources Leadership Program and has held numerous leadership positions. Since 2009, she has been a GE Company Officer, an appointment made by the GE Board. Ms Wang joined GE China in 1994. In China, she has held the positions of Human Resources leader for GE China and GE Asia Pacific. She was promoted to the Human Resources leader for GE International based in Brussels. Later on, she was appointed as the Human Resources leader for GE Global Growth Organization based in Hong Kong. Prior to joining GE, she worked with China International Trust and Investment Corporation and AT&T Beijing Fiber Optic Cable Co on business and human resources management roles.

Kung Yeung Yun Chi Ann Ⓐ Ⓕ

Aged 62 ⟫ Appointed on 22 October 2024 (less than 1 year)

Skills and Expertise

- Board / board committees leadership / other listed roles
- CLP market experience
- Executive leadership
- Related industry / global experience
- Professional and risk & compliance
- Sustainability
- Public administration

Titles, Qualifications and Education

Bronze Bauhinia Star
Justice of the Peace
Bachelor of Science Degree in Business Administration (Accounting), University of Southern California, USA

Other Major Offices

Link Asset Management Ltd.# (as manager of Link Real Estate Investment Trust) (Independent Non-executive Director, member of the Audit and Risk Management Committee and the Remuneration Committee)
Bank of China (Hong Kong) Ltd. (the principal operating subsidiary of BOC Hong Kong (Holdings) Ltd.#) (Advisor)

Public Service

HKSAR Public Service Commission (Member)
HKSAR Civil Service Training Advisory Board (Non-official Member)
HKSAR Government Standing Committee on Directorate Salaries and Conditions of Service (Chairperson)
The Hong Kong Jockey Club (Steward)
Community Chest of Hong Kong (Board Member and Vice Patron)
Hong Kong Tourism Board (Member)
Airport Authority Hong Kong (Board Member)
Chinese University of Hong Kong (Council Member)
Hong Kong Children's Hospital (Chairman of Hospital Governing Committee)
Employers' Federation of Hong Kong (Chairman of Banking & Financial Services Group)

Past Experience

Mrs Kung had been Deputy Chief Executive of Bank of China (Hong Kong) Ltd. (BOCHK) from March 2015 until her retirement in July 2022. Prior to joining BOCHK, she held various senior positions at Standard Chartered Bank (Hong Kong) Ltd. Mrs Kung was previously a member of the Advisory Committee of the Securities and Futures Commission, the Financial Infrastructure and Market Development Sub-Committee of the Exchange Fund Advisory Committee under the Hong Kong Monetary Authority, and the Anti-Money Laundering and Counter-Terrorist Financing Review Tribunal. With over 30 years of experience in the banking industry, she possesses extensive knowledge and experience of financial services.

Executive Director

Chiang Tung Keung ❯ Chief Executive Officer (CEO) – Senior Management Ⓕ

Aged 58 ❯ Appointed on 1 October 2023 (1 year) ❯ Last elected^ on 3 May 2024

Skills and Expertise

- CLP market experience
- Executive leadership
- Related industry / global experience
- Professional and risk & compliance
- Sustainability

Titles, Qualifications and Education

Fellow of the Hong Kong Institution of Engineers
Chartered Engineer
Member of the Institution of Engineering and Technology
Honorary Fellow of the Energy Institute
Honorary Fellow of the Vocational Training Council
Honorary Fellow of Hong Kong Management Association
Master of Science in Electrical Engineering, the Hong Kong Polytechnic University
Master of Business Administration, the Chinese University of Hong Kong
Bachelor of Science in Electrical & Electronic Engineering, the University of Hong Kong

Public Service

14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference (Member)
HKSAR Election Committee (Member)
Federation of Hong Kong Beijing Organisations (Standing Committee Member)
Engineers Registration Board (Member)
Hong Kong Management Association (Deputy Chairman of the Council and Executive Committee, and member of the Finance Sub-committee and Corporate Development Sub-committee)
Hong Kong Trade Development Council (Member of Infrastructure Development Advisory Committee)
Employers' Federation of Hong Kong (Member of the General Committee)
Hong Kong Institution of Engineers (Council Member)
The Hong Kong Professionals and Senior Executives Association (Council Member)
City University of Hong Kong (Member of the Advisory Committee of the School of Energy and Environment)
H.K.U. Engineering Alumni Association Ltd. (Director and President of Executive Committee)
H.K.U. Engineering Alumni Association Education Foundation Ltd. (Director)
Buildings Energy Efficiency Disciplinary Board Panel (Member)
Our Hong Kong Foundation (Advisor)

Past Experience

Mr Chiang joined CLP Power as a Graduate Trainee in 1988. He has extensive experience in generation, transmission and distribution systems as well as regulatory strategy. He has held various posts in different areas including power system asset management, planning, design, operation and maintenance, power quality, and corporate and regulatory strategy. Mr Chiang was the Managing Director – CLP Power from June 2017 to June 2023. Prior to assuming his role of CEO in October 2023 and as part of the transition, he was appointed as CEO Designate in July 2023.

Group Executive Committee

Alexandre Jean Keisser
Chief Financial Officer (CFO)*, aged 54
Titles, Qualifications and Education
Master of Science in Mechanical Engineering, École Centrale de Marseille in France
Master of Business Administration, Columbia University in New York
Major Responsibilities Held with the Group
Mr Keisser is the CFO of CLP Holdings and is responsible for overseeing the Group's financial control and reporting, treasury, tax, corporate finance and investment, risk management, investor relations and internal audit.

Derek Parkin
Chief Operating Officer*, aged 65
Titles, Qualifications and Education
Registered European Engineer
Fellow of the Chartered Institute of Mining Engineers
Fellow of Institute of Energy
Member of Institute of Directors
FIMM
FAPM (Fellow of Association for Project Management)
Master of Business Administration, Staffordshire University
Masters in Philosophy – Engineering, Imperial College London
Bachelor of Science (Hons) in Mining Engineering, Nottingham University
Major Responsibilities Held with the Group
Mr Parkin was reappointed as the Group's Chief Operating Officer in September 2022 and is responsible for the oversight and governance of the Group operations, project management and capability to deliver the business plan, and for the procurement and supply chain management group standards and sustainable procurement. He also leads CLP's occupational health, safety, and environment function. Mr Parkin joined CLP in September 2015, and has served in several capacities including as Group's Chief Operating Officer (from 2015 to 2019), leading mega projects execution and developing CLP's project management capability.

Mark Richard Collette
Managing Director – EnergyAustralia*, aged 47
Titles, Qualifications and Education
Graduate Member of the Australian Institute of Company Directors
Postgraduate Diploma of Economics, the University of Melbourne
Bachelor of Engineering (Aerospace), RMIT University
Bachelor of Business (Business Administration), RMIT University
Major Responsibilities Held with the Group
Mr Collette joined CLP Power Australia (now known as EnergyAustralia) in 2003. Prior to being appointed as Managing Director of EnergyAustralia on 1 July 2021, Mr Collette led EnergyAustralia's retail business as Chief Customer Officer and led EnergyAustralia's generation and energy trading business as Executive Energy from July 2015 until May 2019.

David John Simmonds
Chief Strategy, Sustainability and Governance Officer*, aged 54
Titles, Qualifications and Education
Fellow of the Chartered Governance Institute in UK
Fellow of the Hong Kong Chartered Governance Institute
Bachelor of Laws (Honours), the University of Melbourne
Bachelor of Commerce, the University of Melbourne
Major Responsibilities Held with the Group
Mr Simmonds is responsible for CLP Group strategic planning and the strategy agenda as well as driving the Group's sustainability agenda and ensuring that it is embedded into the business. He is also responsible for managing the investments and ventures that help support CLP's growth strategy, the Group's investments in Taiwan Region and Thailand and the Group's property development activities. In addition, Mr Simmonds is the Group General Counsel of CLP Holdings, responsible for the provision of legal, corporate secretarial and insurance services across the Group.

Law Ka Chun Joseph
Managing Director – CLP Power*, aged 53
Titles, Qualifications and Education
Chartered Financial Analyst
Certified Public Accountant
Fellowship of the Energy Institute
Master of Business Administration (Finance), the University of British Columbia
Bachelor of Commerce (Accounting), the University of British Columbia
Major Responsibilities Held with the Group
Mr Law is the Managing Director of CLP Power and holds overall responsibility for the operations of CLP's Hong Kong regulated business, which includes a vertically integrated electricity utility serving customers in Kowloon, the New Territories and most of the outlying islands.

Chen Tao Roger
Managing Director – China*, aged 55
Titles, Qualifications and Education
Chartered Financial Analyst
Master of Business Administration, Richard Ivey School of Business at the University of Western Ontario
Bachelor of Science in Engineering, Shanghai Jiao Tong University
Major Responsibilities Held with the Group
Mr Chen is responsible for running CLP's China business portfolio with assets encompassing a wide range of energy technologies from nuclear, coal, hydro, wind and solar power, as well as developing high quality renewable and zero-carbon projects.

Rajiv Ranjan Mishra
Managing Director – Apraava Energy, aged 59
Titles, Qualifications and Education
Advanced Management Program Graduate, Harvard Business School
Master of Business Administration, the Indian Institute of Management, Lucknow
Bachelor in Chemical Engineering (first class distinction), BIT Sindri
Major Responsibilities Held with the Group
Mr Mishra is responsible for running CLP's business in India. He joined CLP in 2002 and has over 25 years of experience in the power industry, both in India and internationally, mostly involved in project financing, investment appraisal, finance and accounting and general management.

Ng Wing Ho Ringo
Managing Director – CLP*e*, aged 56
Titles, Qualifications and Education
Master of Business Administration (Marketing), York University in Canada
Bachelor of Finance, York University in Canada
Major Responsibilities Held with the Group
Mr Ng is the Managing Director of CLP*e*, the CLP Business Unit specialises in providing energy and infrastructure solutions, building energy management as well as contracting and facilities management services to businesses in Hong Kong and Mainland China. Mr Ng joined CLP*e* in March 2022 as Deputy Managing Director and was appointed as Managing Director in July 2023.

Chong Wai Yan Quince
Chief Corporate Development Officer, aged 61
Titles, Qualifications and Education
Justice of the Peace
Bachelor of Social Science, the Chinese University of Hong Kong
Major Responsibilities Held with the Group
Ms Chong joined CLP Power on 1 September 2012 as Chief Corporate Development Officer and is a Director of CLP Power. She is responsible for CLP Group's corporate affairs, overseeing communications, external relations and stakeholder engagement matters. Her role helps promote CLP's reputation, drive service excellence and strengthen ties with customers, stakeholders and the community as a whole.

Eileen Burnett-Kant
Chief Human Resources Officer, aged 56
Titles, Qualifications and Education
Master of Business Administration, the University of Melbourne
Master of Manufacturing Sciences and Engineering, the University of Strathclyde
Major Responsibilities Held with the Group
Ms Burnett-Kant joined CLP and was appointed as Chief Human Resources Officer in September 2019. She is responsible for all human resources related matters across the Group.

Chan Kin Ming Eric
Senior Director – Group Internal Audit#, aged 51
Titles, Qualifications and Education
Chartered Financial Analyst
Certified Public Accountant
Master of Business Administration, the University of Cambridge
Bachelor of Business Administration, the Hong Kong University of Science and Technology
Major Responsibilities Held with the Group
As the Senior Director – Group Internal Audit reporting to the Chairman of the Audit & Risk Committee, Mr Chan plays a major role in monitoring the internal governance and processes of the CLP Group for meeting its business objectives. He is also responsible for investigating business ethics, conflict of interest and other Company policy violations and issues to ensure CLP's values and code of conduct standard are upheld.

From left to right
Chiang Tung Keung *(Biography of CEO* is on page 89)*, Alexandre Jean Keisser, Derek Parkin, Law Ka Chun Joseph, Chen Tao Roger, Mark Richard Collette, David John Simmonds, Rajiv Ranjan Mishra, Ng Wing Ho Ringo, Chong Wai Yan Quince, Eileen Burnett-Kant, Andre Urban Blumberg, Chan Kin Ming Eric, Paul David Tomlinson

Andre Urban Blumberg
Chief Digital Officer, aged 55
Titles, Qualifications and Education
Bachelor Degrees in Business Administration, Business Informatics and Computer Science, University of Cologne in Germany
Executive Development Programs at IMD Business School in Lausanne, Switzerland and Ivey Business School at Western University in Canada
Major Responsibilities Held with the Group
Mr Blumberg leads and strategically manages all digital functions for CLP in Hong Kong including strategy and planning, portfolio management, architecture, IT delivery and service excellence, data services and artificial intelligence as well as cybersecurity. He is also responsible for related CLP Group-wide policies, standards and assurance and provides vision and leadership across CLP in the development and implementation of viable and sustainable solutions that align with and enable CLP business strategy and achieve Group synergy. Mr Blumberg joined CLP in 2001 and has held various leadership positions in the technology function.

Paul David Tomlinson
Chief Operations & Transformation Officer – CLP Power#, aged 60
Titles, Qualifications and Education
Master of Business Administration, Leeds University Business School
Bachelor of Engineering with Honors in Manufacturing Systems Engineering, Leeds Metropolitan University
Major Responsibilities Held with the Group
Mr Tomlinson was appointed as Chief Operations & Transformation Officer of CLP Power in August 2024 and is responsible for the oversight of transformation and operations excellence of CLP Power, including commercial and supply chain management, HSEQ, project execution and operational excellence, as well as the learning institute. Mr Tomlinson also has oversight responsibility on CLP's ERP (enterprise resource planning) replacement programme and reports to the CEO on related matters.

* Senior Management Members
\# With standing invitation to meetings of the Group Executive Committee

Full particulars of Group Executive Committee Members, including their directorships in the subsidiary companies of CLP Holdings, other major appointments and past experience are available on our website.

Message from the Chief Governance Officer

David Simmonds
Chief Governance Officer

We are pleased to report on CLP's corporate governance developments in 2024.

In the "2024 At a Glance", we have outlined some of the highlights of the year and how we are positioning our corporate governance practices for 2025 and beyond.

We have featured four areas that illustrate this forward outlook: (i) ensuring our Board composition is fit for purpose for now and the years ahead; (ii) the ERP (Enterprise Resource Planning) project which, when implemented, will change the way we work through digitalisation in a transformative manner; (iii) the strategy review, which by definition, will shape the Group's future direction; and (iv) the development of our corporate governance to ensure we are well aligned with the best practices in the region.

Our Board has always played an active leadership role in CLP's corporate governance. We are very grateful for the additional time and efforts that our Directors devoted in our 2024 strategy review. The Directors spent a considerable amount of time in considering, debating and working with management in formulating the corporate strategy. The time invested also enabled Board Members to strengthen the engagement with the new leadership team under Mr T.K. Chiang.

On Board Succession, we are excited to welcome new Board Members in Mr Diego González Morales and Mrs Ann Kung and we are most thankful to the services of Mr Richard Lancaster, Mr J.A.H. Leigh and Mrs Zia Mody, who retired from the Board in 2024.

On corporate governance and sustainability, CLP's double materiality approach to sustainability reporting continue to be well received by our stakeholders and for the 2024 reporting, we will be preparing our reports "in accordance with" the new Hong Kong Financial Reporting Standard (HKFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information and HKFRS S2 Climate-related Disclosures. We welcome The Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange)'s new corporate governance requirements that will come into effect in July 2025, and believe that CLP is well positioned for the new rules.

Lastly, we are committed to maintaining a forward-looking approach to our corporate governance such that our practices can evolve and can continue to be a value enabler for our organisation.

2024 At a Glance

Board Refresh and Succession

- As part of the Board's gradual refresh of its composition, a number of Directors in different capacities retired from the Board in the first half of 2024:
  - our former CEO and Executive Director, Mr Richard Lancaster retired at the conclusion of the 2024 AGM after having served on the Board for 11 years;
  - our former Non-executive Director, Mr J.A.H. Leigh retired in March 2024 having been on the Board since 1997 and served as part of the CLP Group management team from 1986 to 1996; and
  - our former Independent Non-executive Director, Mrs Zia Mody retired at the conclusion of the 2024 AGM after having served on the Board since 2015.
- On the other hand, the Board welcomed the following appointments:
  - Mr Diego González Morales was appointed as a Non-executive Director and a Member of the Finance & General Committee on 1 April 2024; and
  - Mrs Ann Kung was appointed as an Independent Non-executive Director and as a Member of the Audit & Risk Committee and the Finance & General Committee on 22 October 2024.

Corporate Strategy Review

- As referred to in the Chairman's Statement and CEO's Strategic Review, the Board approved the corporate strategy in November 2024. The strategy was approved by the Board following a series of dedicated briefing and discussion sessions and included a two-day offsite event for our Board Members.
- Board Members spent a considerable amount of time participating in the strategy review and these included:
  - a two-day Strategy Review offsite event;
  - dedicated agenda items in four of the Board meetings in 2024; and
  - an additional CLP Holdings Finance & General Committee meeting.
- At the various briefing sessions, management shared with Directors the background, options and proposals on the strategic initiatives and through the interactive sessions, Directors provided valuable feedback and suggestions to management and thereby played an important part in formulating the corporate strategy.

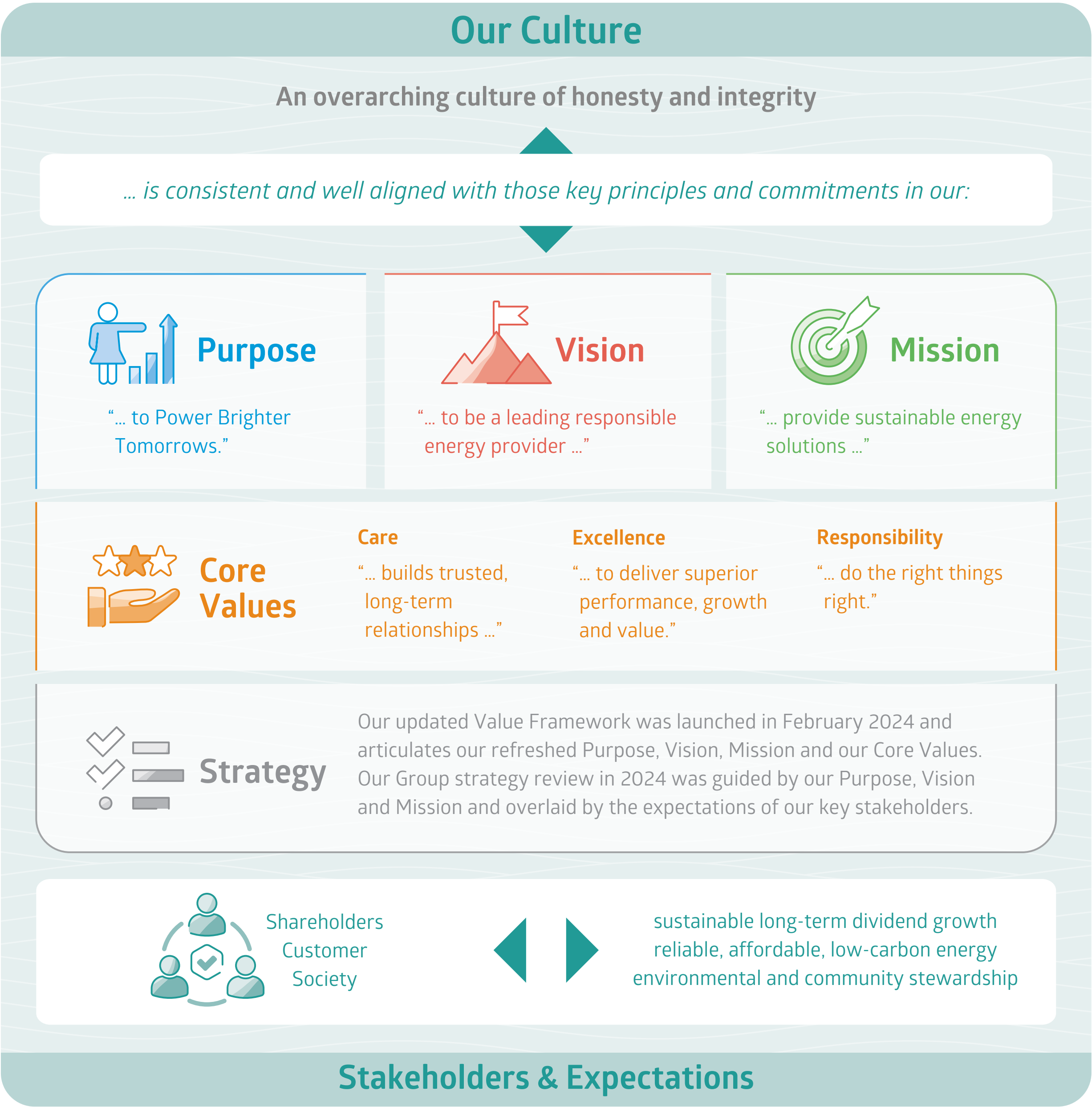
ERP Panel

- The Board established a project focused panel with a dedicated oversight of the ERP system project.
- The project to implement the ERP system is a significant project as it will improve CLP's digital capabilities and optimise our business processes across our Hong Kong based operations. As the implementation of the project is subject to the purview of the CLP Power Board, the CLP Holdings Audit & Risk Committee and the CLP Holdings Finance & General Committee, the establishment of the ERP Panel consolidates the oversight of this project at the CLP Holdings Board level.
- The ERP Panel was established by the CLP Holdings Board and comprises the following CLP Holdings Directors:
  - Mrs Betty Yuen, as Chair;
  - Ms May Siew Boi Tan and Mr Andrew Brandler, as Deputy Chairs; and
  - Mr T.K. Chiang, Mr Nicholas C. Allen and Mr Chunyuan Gu, as Members.
- The ERP Panel was established by the CLP Holdings Board and came into operation in April 2024 and will operate for the duration of the project. It is expected that four meetings will be held each year on a quarterly basis. So far and in 2024, four meetings were held in May, July, September and December.

Corporate Governance Regulatory Developments

- CLP Holdings welcomes the series of corporate governance related changes that are being introduced by the Hong Kong Stock Exchange with the Listing Rules changes that will come into effect on 1 July 2025.
- The proposed changes relate to the following: designation of a lead independent non-executive director; mandatory directors training; board performance review; disclosure of board skills matrix; overboarding independent non-executive directors and directors time commitment; independence of independent non-executive directors; board and workforce diversity; risk management and internal controls; and dividends policy.
- CLP Holdings and our corporate governance practices already adhere to a vast majority of these recently introduced requirements. In so far as those that have not been implemented, in particular, the designation of a lead independent non-executive director and workforce diversity policy, these will be considered by the CLP Holdings Board in due course with regard to the implementation timetable of the new changes.

How our Purpose, Values, Strategy and Culture are aligned?



The CLP Code: Compliance and more

The Company has its own unique code namely CLP Code on Corporate Governance (CLP Code). It is built on CLP's own standards and experience while respecting the benchmarks set by the Hong Kong Stock Exchange. The CLP Code is on the CLP website and available on request.

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, Appendix C1 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (Listing Rules). The only exception, however, concerns quarterly reporting, details of which are explained on page 97.

We have made **further enhancements to our corporate governance practices in 2024** and some of these are highlighted in **"2024 At a Glance"**. The Hong Kong Stock Exchange introduced a new set of corporate governance requirements effective 1 July 2025. Our current CLP corporate governance practices meet a vast majority of these requirements and we have indicated on page 96 where these are applicable to the new requirements.

Areas in which our Corporate Governance Practices exceed the Hong Kong Stock Exchange Corporate Governance Code

Our Board

- The composition of the Board and the Audit & Risk Committee exceed the independence requirements under the Listing Rules.
- A dedicated Sustainability Committee to oversee the management of long and short term sustainability matters and is chaired by an independent director and comprises Non-executive Directors only.
- All Board Committees comprise members of different genders, including the Nomination Committee *(Meet new requirements).*
- We conduct regular external and internal Board and Board Committee reviews and when completed, we publish a summary of the conclusions of the external Board review on the CLP website *(Meet new requirements).*
- With the objective of minimising succession risk, the retirement age guideline in our Board Diversity Policy provides that where a Non-executive Director (other than the Chairman) has reached the age of 72 at the time of the relevant AGM, such Director will not be considered for re-election, however, this may be waived if the Board considers such Director has the skills, experience or capabilities that cannot be replaced at the relevant time.
- By reference to our Board Diversity Policy, we are committed to the gradual refresh of the Board and the Board Committees.
- We issue a formal letter of appointment for Non-executive Directors. The model letter is on our website and deals with a range of matters regarding a Director's appointment and responsibilities including an expected level of time commitment.
- We have a set of bespoke Onboarding Guidelines for Directors with the key objective of assisting new Directors in their understanding of CLP's business, governance and Board and Committee dynamics. The Guidelines are available on the CLP website.

Our disclosure

- The CLP Fair Disclosure Policy sets out the principles for the broad and non-exclusionary distribution of information to the public.
- The Continuous Disclosure Obligation Procedures guide the organisation in monitoring and disclosing potential inside information.
- The Continuous Disclosure Committee conducts regular assessment of potential inside information.
- We adopt a double materiality methodology to identify and report the sustainability topics that are financially material to us.
- We disclose our Senior Management's confirmation of compliance with the Listing Rules Model Code and CLP Code for Securities Transactions, in addition to similar disclosures by our Directors.
- We issue individual Board Committee reports in our Annual Report for the Audit & Risk Committee, Sustainability Committee, Nomination Committee and Human Resources & Remuneration Committee.
- Our Risk Management Report in the Annual Report sets out CLP's risk management framework and how CLP manages the Group's material risks *(Meet new requirements).*
- Our Annual Report sets out the skills matrix for our Board *(Meet new requirements).*
- Our Annual Reports sets out our dividend policy and the Board's approach in deciding dividends *(Meet new requirements).*
- We announce our financial results within two months after the end of the financial year. The Annual Report is available on our website within the following fortnight with hardcopies sent to shareholders about two weeks after that.
- We have published CLP's Climate Vision 2050 since 2007 which sets out the blueprint of CLP's latest decarbonisation actions and with targets updated at regular intervals.
- We disclose on our website minutes of our AGM; in addition, any questions or topics that are not specifically addressed at the AGM, full answers are provided and disclosed.

Our unique policies and practices

- For the 2024 Annual Results analysts briefing presentation materials, this was disclosed as an inside information announcement to ensure the equal dissemination of information to all investors.
- CLP has established its own Corporate Governance Framework, the Value Framework and its own Code for Securities Transactions.
- We conduct a Group-wide Business Practice Review for our staff on a periodic basis to foster employees' understanding of our Code of Conduct under CLP's Value Framework. An important aspect of this is ensuring that our employees maintain a good understanding of CLP's culture and values.
- We have a CLP Procurement Values and Principles. This explains our procurement values and principles and we encourage all suppliers to abide by the same values and principles as ourselves, and to adopt the same standards of integrity and transparency in doing business with us.
- General Representation Letters are issued by our CEO and CFO to the Audit & Risk Committee as attestation of compliance.
- Our Audit & Risk Committee regularly examines the audit activity reviews conducted by the Internal Auditors. The Internal Auditors highlight the significant events and findings which require the Committee's attention and further examination, where appropriate.
- Members of our Audit & Risk Committee conduct meetings as between Members only prior to the full Committee meeting attended by management and the auditors; two of which are joined by the independent auditor.
- For the Group's continuing connected transactions (CCTs), we engage the Company's independent auditor, PwC, to undertake an agreed-upon procedures (AUP) engagement on the Group's CCTs pricing policies. The AUP findings are provided to the Independent Non-executive Directors as part of their consideration of the CCTs for the purposes of giving the required confirmation under Rule 14A.55 of the Listing Rules.

Compliance with the Corporate Governance Code and Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange

CLP's Approach to Corporate Governance

Throughout the financial year ended 31 December 2024, the Company had complied with the code provisions as well as applied all the principles 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.

Our Considered Reasons for not Issuing Quarterly Financial Results

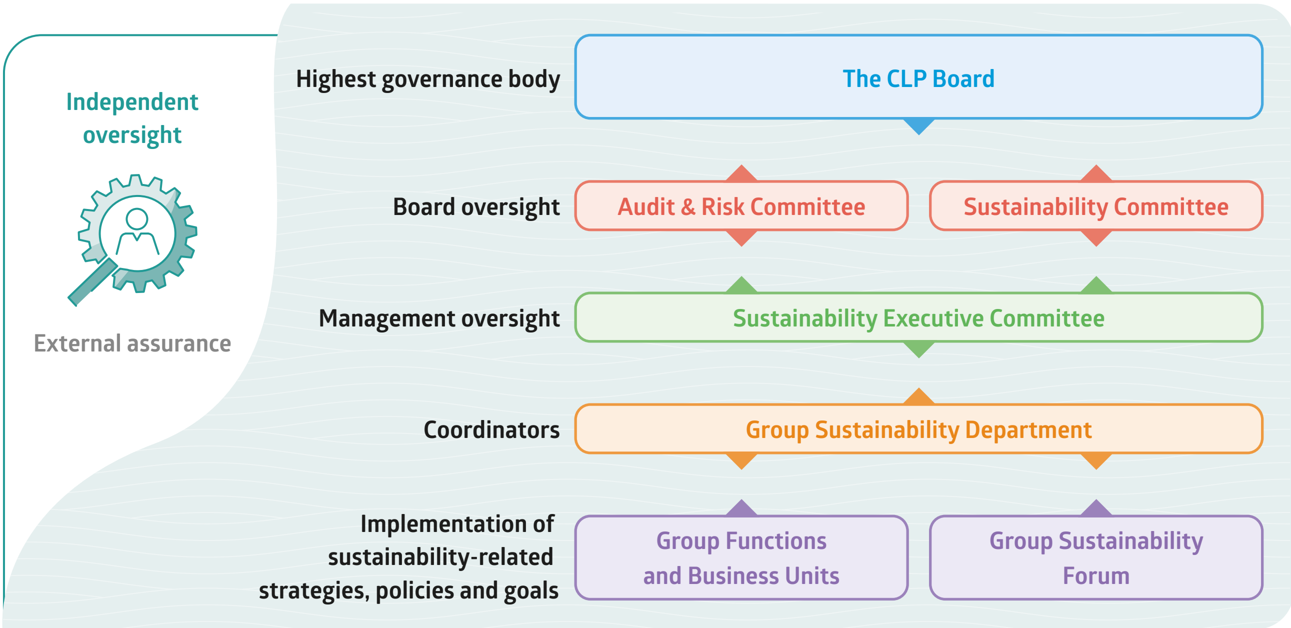
While CLP does issue quarterly statements which set out key financial and business information such as electricity sales, dividends and progress in major activities, we do not issue quarterly financial results for the following considered reasons:

- they do not bring significant benefits to our shareholders;
- they encourage a short-term view of the Company's business performance;
- CLP's activities do not run and need not be disclosed and judged on a three-month cycle; and
- preparation of quarterly reports is costly, including the opportunity cost of Board and management time spent on quarterly reporting.

CLP's Approach to Sustainability-related Disclosures

Governance Structure

- Sustainability is embedded within CLP's business strategy and the CLP Board has overall responsibility over sustainability as well as business strategy. The Directors' Report includes the "Board's Statement on Sustainability", which explains the Board's oversight of sustainability matters and how CLP approaches and manages these matters (page 177).
- Sustainability governance has been institutionalised in our corporate governance structure throughout the Group. Set out below is CLP's Sustainability Governance Structure.



- As one of the Board-level Committees, the Sustainability Committee has a primary role in overseeing the management of the Group's sustainability matters and is supported by the management-level Sustainability Executive Committee (SEC). The Audit & Risk Committee, meanwhile, ensures appropriate assurance of ESG data and the materiality assessment process.
- The SEC, as a management executive committee, has the responsibilities of assessing and managing sustainability matters.
- Further information on CLP's sustainability governance, strategy, risk management, and metrics and targets can be found in the Managing What Matters to Our Business chapter, Risk Management Report, Sustainability Committee Report and Directors' Report of this Annual Report, as well as in the Sustainability Report published online at the same time as this Annual Report.

Reporting Principles

CLP follows the reporting principles set out in the Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code (ESG Reporting Code) for the 2024 Annual Report and Sustainability Report, with details outlined below:

- **Materiality** – Since 2021, CLP has adopted the double materiality approach with regard to our Annual Report and Sustainability Report, meaning that our Annual Report covers financially material sustainability topics that could reasonably be expected to affect the Group's prospects, while our Sustainability Report includes sustainability topics where CLP has a material impact on people, the environment and the economy. In our 2024 reports, we provide a detailed description of our sustainability-related impacts, risks and opportunities (IROs) based on our materiality assessment, which involved megatrend analysis, peer review, research and extensive stakeholder engagement. The process was reviewed and assured again in 2024 by CLP's non-financial auditor.

- **Quantitative** – Relevant metrics and targets for each of the financially material topics are outlined in the respective sections of the Managing What Matters to Our Business chapter. The CLP Group's sustainability-related KPIs are provided in the "Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data" on pages 290 to 293 of the Annual Report. Greenhouse gas emissions are reported with reference to the Greenhouse Gas Protocol.
- **Balance** – Based on our materiality assessment, we discuss our financial risks and opportunities, as well as the positive and negative impacts in our Annual Report and Sustainability Report, respectively; this ensures a more balanced discussion and representation of our performance.
- **Consistency** – In December 2024, the Hong Kong Institute of Certified Public Accountants issued the Hong Kong Sustainability Disclosure Standards (HKFRS S1 and HKFRS S2, "the Hong Kong Standards"), effective from 1 August 2025, on a full alignment basis with the IFRS Sustainability Disclosure Standards (International Sustainability Standards Board Standards). In accordance with HKFRS S1 and HKFRS S2, CLP's Annual Report discloses information about sustainability- and climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects. To further enhance our disclosures of the financial effects of sustainability- and climate-related risks and opportunities in the next reporting cycle, a review is currently underway to address any reporting gaps. Climate-related disclosures are integrated into the latest edition of CLP's Climate Vision 2050 with current year performance outlined in the Annual Report.

Reporting Scope

- CLP reviews our reporting scope regularly to ensure that the material impact of the Group's overall portfolio is covered. The reporting scope captures any assets that were operating and later sold during the year.
- In 2024, assets added to the reporting scope included Sandu II Wind Farm and its battery storage facilities, Huai'an Nanzha Solar Power Station and its battery storage facilities, Yixing I Solar Power Station and its battery storage facilities, Guanxian battery storage facilities, Juancheng Wind Farm, West New Territories Landfill Phase II and Karera Power Transmission Limited. A1, A2 and A3 units of Castle Peak Power Station were retired in April 2024. CLP executed an early exit from Shandong Zhonghua Power Company Limited, an operator of coal-fired Heze II and Liaocheng I power stations in Mainland China. The power purchase agreement for the Gullen Range Wind Farm ended on 22 December 2024.

Sustainability-related Disclosures in the 2024 Annual Report and 2024 Sustainability Report

- Details on how we report on the sustainability topics (including climate) in accordance with the ESG Reporting Code "comply or explain" requirements and related Listing Rules are set out below.
- We follow a thorough materiality assessment as the foundation for our sustainability strategy and disclosure. This has been well received by our stakeholders and users of our reports. Our materiality assessment process enabled us to determine which material topics are likely to affect the Group's cash flows, access to finance or cost of capital in the short, medium and long term (**financial materiality**). Accordingly, those topics are disclosed in the **Annual Report**. Further information is available in the Managing What Matters to Our Business chapter on page 40.
- Topics where CLP has a **material impact** on the environment and society (i.e. a wide range of stakeholders including customers, people, business partners and the communities where we operate) are discussed in CLP's online **Sustainability Report**. This report is published at the same time as the Annual Report and captures the Company's delivery of environmental and social value amidst the rapidly changing external circumstances.
- Effective from the financial year commencing on 1 January 2025, the Hong Kong Stock Exchange replaced Appendix 27 ESG Reporting Guide with Appendix C2 ESG Reporting Code, updating the Main Board Listing Rules. CLP has taken an early adopt approach to the ESG Reporting Code and our 2024 Annual Report and Sustainability Report follow the ESG Reporting Code.

- The table below sets out the environmental and social reporting topics (**financially material**) by reference to the aspects in the ESG Reporting Code, and discussions and data on these topics can be found in the corresponding chapters of this **Annual Report**. Aspects A1 (Emissions), A3 (The Environment and Natural Resources), B2 (Health and Safety), B4 (Labour Standards) and B8 (Community Investment) in the ESG Reporting Code are regarded as **impact material topics**. These are discussed primarily in the **Sustainability Report** and are also covered in the "Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data" on pages 290 to 293 of the Annual Report.

Financially Material Topics

Environmental	
A2. Use of Resources (KPI A2.1 and KPI A2.3)	
A Snapshot of CLP in 2024 (page 4) Managing What Matters to Our Business (page 40)	Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 290)
Social	
B1. Employment	
A Snapshot of CLP in 2024 (page 4) Chairman's Statement (page 12) CEO's Strategic Review (page 16)	Managing What Matters to Our Business (page 40) Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 290)
B3. Development and Training	
A Snapshot of CLP in 2024 (page 4) CEO's Strategic Review (page 16)	Managing What Matters to Our Business (page 40) Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 290)
B5. Supply Chain Management (KPI B5.3)	
A Snapshot of CLP in 2024 (page 4)	Managing What Matters to Our Business (page 40)
B6. Product Responsibility (KPI B6.5)	
Managing What Matters to Our Business (page 40)	

Climate-related Disclosures

- The Hong Kong Stock Exchange outlined Hong Kong's requirements for climate-related disclosures in Part D of Appendix C2 ESG Reporting Code. Climate-related disclosures prepared in accordance with HKFRS S2 are considered to have complied with Part D of the ESG Reporting Code. For our 2024 reporting, we have prepared, as an early adopter, our climate-related disclosures in accordance with HKFRS S2; as for any reporting gaps that are currently permitted under the standard, a review is underway to further enhance our disclosures of the financial effects of climate-related risks and opportunities.
- CLP's climate-related disclosures are set out in the Annual Report, in particular the updated information for this reporting year such as relevant metrics and targets. Elements with respect to governance, strategy and risk management are also outlined in CLP's Climate Vision 2050.
- For an index guide to the climate-related disclosures under HKFRS S2 as set out in this Annual Report, please refer to CLP's Sustainability Report website.
- In Australia, mandatory reporting obligations under the Federal Government's climate-related financial disclosure framework – the Australian Sustainability Reporting Standards – took effect on 1 January 2025. EnergyAustralia is planning to release its first climate-related disclosures in accordance with these obligations in early 2026.

Legal and Compliance

- In respect of the specific aspects of the ESG Reporting Code set out below, CLP has not had any non-compliance with the relevant laws and regulations that would have a significant impact on CLP:

  A1 Emissions: air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste;

  B1 Employment: compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare;

  B2 Health and Safety: providing a safe working environment and protecting employees from occupational hazards;

  B4 Labour Standards: preventing child and forced labour;

  B6 Product Responsibility: health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress; and

  B7 Anti-corruption: bribery, extortion, fraud and money laundering.

- Save for specific aspect B6 regarding EnergyAustralia, there was a case of non-compliance regarding pricing communications with EnergyAustralia's customers in 2022 and EnergyAustralia was fined by a court in Australia (see CEO's Strategic Review on page 16).

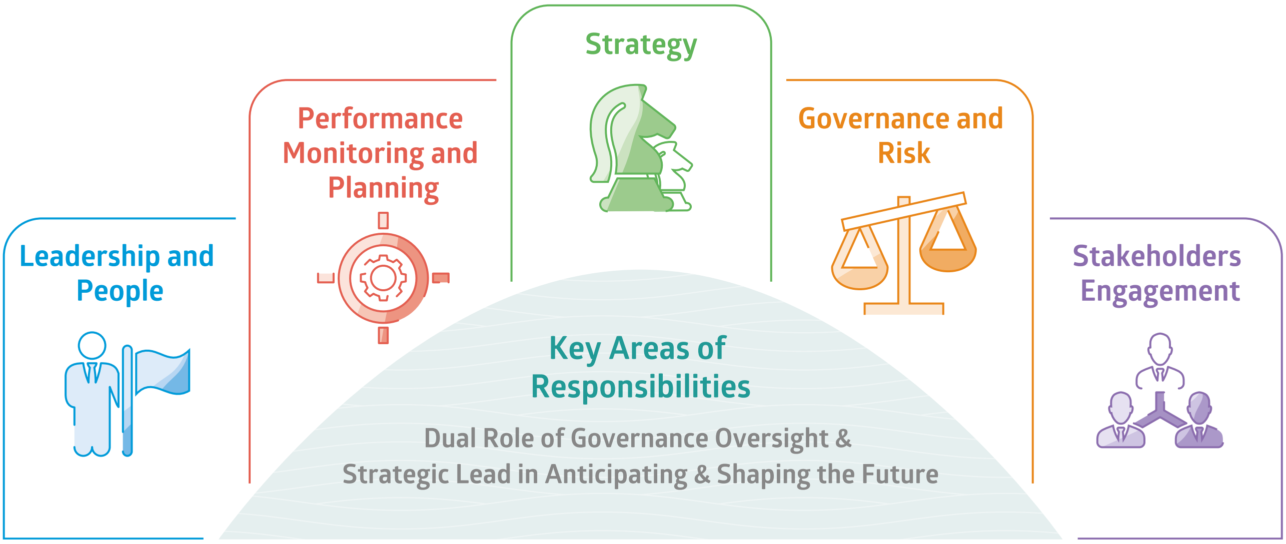
Assurance

- As CLP's non-financial data assurer, KPMG conducted limited assurance on selected sustainability-related metrics as well as the materiality assessment process. The performance results are set out in the "Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data" and Managing What Matters to Our Business chapter. Assurance was conducted in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board (IAASB). The Sustainability Report includes the independent assurance report from KPMG for CLP's non-financial data and materiality assessment.

Our Board

The Board's Roles and Responsibilities

Our Board plays a critical role in ensuring that our corporate governance best serves the Company's interest in building a sustainable business. Under the leadership of our Chairman, the Board cultivates good governance as the cornerstone of our corporate culture.



Board's Focus

The Board recognises that effective oversight and leadership over the affairs of the Company are critical to promoting the success of the Company. The following summarises the Board's focus during the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period):

Strategy	
Group strategy review	During the course of the Period, the Board approved the corporate strategy, this was after a comprehensive review, consideration and deliberation on a number of important topics and issues that the Directors partook in. This covered the assessment of geographical and energy segment markets, financial assessment and corporate positioning, and technology and digital related opportunities and applications.
Oversight of implementation – Management Briefing Sessions	A total of 17 sessions were held during the year where management provided briefings to the Board on each of the business units and key group functions as represented by the Group Executive Committee Members. A selected topic was scheduled for each of the briefing sessions.
Governance and Risk	
ERP Panel	As highlighted in the "2024 At a Glance", the Board established a dedicated ERP Panel in 2024 to provide specific oversight of the ERP project.
Profit warning	The Company issued a profit warning announcement in early 2024 in connection with the impairment of EnergyAustralia's Customer business and the impact on the full year results of 2023. The Board was kept updated by management on the process of the impairment assessment of EnergyAustralia's Customer business.
Climate Vision 2050 target update	The Board assessed and approved the strengthening of the Climate Vision 2030 targets following the consideration and endorsement by the Sustainability Committee.

Governance and Risk	
Audit & Risk Committee activities	The Board received the overview from the Chairperson of the Audit & Risk Committee on the Committee's review of financial statements and oversight of risk management and internal control systems ahead of the Board's assessment of the full-year and half-year financial statements.
Board Committees updates	The Board received updates on the key matters considered by each of the Board Committees and ERP Panel at all of the Board meetings.
CLP Holdings Company Management Authority Manual Amendments	To accelerate the internal approval process for entering into energy contracts for the EnergyAustralia and CLP China business units, the Board approved the proposed Energy Contracts governance and changes to CLP Holdings Company Management Authority Manual.
Leadership and People	
Executives Transition	During the Period, there were changes regarding the executive leadership team and this included the key positions of Chief Financial Officer and Chief Transformation Officer and the Board was duly updated on these changes and in the case of the Chief Financial Officer, the Board considered and approved the succession arrangements and announcement.
Board and Board Committees refresh	As part of the Board and Board Committees refresh, the Board oversaw a number of changes to the composition and leadership of the Board and Board Committees, see "2024 At a Glance" on page 93.
Chairman's session	The Chairman held an annual meeting with the Independent Non-executive Directors only, which provided an open agenda format for the Independent Non-executive Directors to raise any matters of interest to the Group with the Chairman.
Performance Monitoring and Planning	
Operational incident updates	During the Period, there were a number of power related incidents of CLP Power and the Board took an active interest in these and received timely updates on these incidents.
Artificial Intelligence (AI) Briefing	Given the significance of the development of AI, management presented and briefed the Board on the application and opportunities associated with AI and how this could be governed at CLP. The Board had an engaging discussion with management on this topic.
Results and dividends	The Board approved the following: 2023 and 2024 Annual Reports; 2024 Interim Report; the quarterly statements; and the dividends for the financial years ended 31 December 2023 and 2024; as well as the business plan and budget. In approving the Annual Reports and Interim Report, the Board also approved the financial statements and ensured that the statements give a true and fair view of the financial position of the Group.
Regular updates to the Board	The Board considered the matters covered in the CEO's Report where the CEO highlighted key issues on safety and business updates for each of the Group's markets. This enabled the Board to keep abreast of the material issues and developments of the CLP Group. In between Board meetings, the Directors received the CLP Group management report that provided updates on the Group's key financial information as well as reports on health, safety and environment. In addition, Management Briefing Sessions were held during the year as explained on page 102.

Stakeholders Engagement	
Investors feedback and shareholders analysis	The Board was briefed on the investor feedback from the 2023 annual results roadshow and 2024 interim results roadshow. In addition, an investor perception study was undertaken which provided detailed feedback and insights from CLP's institutional investors. The Board received a detailed briefing on the results of this study.
Hong Kong business	With the power related incidents of CLP Power, management shared with the Board on the key messages on engagement with CLP Power's stakeholders.
Outside of the Boardroom	
Matters considered by the Board via circulation of Board Papers	Outside the scheduled Board meetings, the Board received timely updates on, and considered, the following matters: - Proposed change to Board Committee membership and Terms of Reference of the Nomination Committee; - Investment for specific projects in Mainland China and EnergyAustralia; and - Power related incidents (Hong Kong business).

Attendance at our Board meetings and the interaction between Senior Management and our Directors

The partnership between our Board and Senior Management is highly transparent and collaborative. In addition to our CEO who is an Executive Director, our Board meetings are typically attended by our Senior Management team.

To complement the Board's responsibilities and focus, the Board's work is well supported by the Board Committees; see "Board Committees" on page 105.

Board and Board Committees meetings held during the Period

	2024												2025	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Board		B			✓ + B			B		B		I B		B
Board Committees	A S	A F H S			A F	A F	A F	F H	H S		A F S	H N	A	A F H S

Board

B Board

I Chairman with Independent Non-executive Directors

✓ AGM

\+ Chairman with all Non-executive Directors and Independent Non-executive Directors

Board Committees

A Audit & Risk Committee

F Finance & General Committee

H Human Resources & Remuneration Committee

N Nomination Committee

S Sustainability Committee

In addition, 17 Management Briefing Sessions were held during the year, Directors have an open invitation to join these and attendance is entirely optional. Despite the attendance being optional, attendance on the part of Directors at these sessions were high and these sessions have been received well by the Directors.

Board Committees

The Board delegates some of its responsibilities, with appropriate oversight, to the respective Board Committees and the delegated Listing Rules Code Provisions corporate governance duties* are highlighted below. Terms of reference and membership of all Board Committees are disclosed in full on the websites of CLP and the Hong Kong Stock Exchange.

Audit & Risk Committee (see full report on page 140)	Corporate governance, compliance and code of conduct*
Sustainability Committee (see full report on page 148)	Governance of sustainability matters*
Nomination Committee (see full report on page 153)	Governance of Board-level matters and professional development of Directors*
Human Resources & Remuneration Committee (see full report on page 156)	Professional development of management*
Finance & General Committee	See this page for responsibilities and work done during the Period

Membership of Finance & General Committee

Mr Andrew Brandler (Chairman), Sir Rod Eddington, Mr Nicholas C. Allen, Ms May Siew Boi Tan, Mr Chunyuan Gu, Mrs Kung Yeung Yun Chi Ann, Mrs Betty Yuen, Mr Diego González Morales, Mr Philip Lawrence Kadoorie and Mr T.K. Chiang.

Responsibilities and Work Done

This Committee reviews the financial operations of the Company which include Group-wide financial, accounting, treasury and risk management policies, major financing transactions, corporate plans and budgets and business performance. The Committee also reviews major acquisitions or investments and their funding requirements. In addition, the Committee reviews the implementation of the Company's strategy approved by the Board and the performance and business environment of the Company; and the Committee will also identify any matters that should be referred to the Board for review and further consideration.

The work performed by the Committee during the Period included the review and consideration of the following matters:

- the Company's interim and annual results and the dividends payable to shareholders for the financial years ended 31 December 2023 and 2024;
- the CLP Group Business Plan and Budget 2025-2029 including the dividends profile for those years;
- 2025 tariff strategy for the Hong Kong business;
- Group strategic review briefing and workshop like sessions on topics covering market analysis, scenario planning financial assessment, corporate structure and positioning and technology and digital strategy;
- investment for specific projects in Hong Kong, Mainland China and Australia;
- the ERP project update briefing;
- the disposal of various non-core project investments;
- the proposed energy contract governance;
- the updates to the CLP Holdings Code of Conduct;
- the CLP Group liquidity position, funding requirements, financing initiatives and cost of capital study; and
- CLP's foreign exchange translation risk and counterparty exposures.

The nature of the work of the Committee includes the consideration of transactional items which may arise from time to time and require the review and approval by the Committee via circulation of papers on a time sensitive basis.

Changes to Board Committees' Composition

There were a number of changes in the composition of the Board Committees during the Period, details of which are set out below:

- The Sustainability Committee was reconstituted and became a Non-executive Directors and Independent Non-executive Directors only Committee with effect from 1 January 2024 and accordingly, Mr T.K. Chiang and Mr Richard Lancaster, Executive Directors of the Company, stepped down from the Committee;
- Ms Christina Gaw stepped down as a Member of the Finance & General Committee with effect from 27 February 2024;
- Mr Diego González Morales was appointed as a Member of the Finance & General Committee with effect from 1 April 2024;
- Mrs Zia Mody retired as a Member of the Human Resources & Remuneration Committee following her retirement as an Independent Non-executive Director at the conclusion of the 2024 AGM;
- Mr Richard Lancaster retired as a Member of the Finance & General Committee following his retirement as an Executive Director at the conclusion of the 2024 AGM;
- Mrs Kung Yeung Yun Chi Ann was appointed as a Member of the Audit & Risk Committee and the Finance & General Committee with effect from 22 October 2024; and
- Mr Philip Kadoorie was appointed as a Member of the Finance & General Committee with effect from 1 January 2025.

Directors' Attendance and Development

Our Directors attend to the affairs of the Group through their participation at the AGM, Board and Board Committee meetings, and perusal of Board papers.

In 2024, seven Board meetings were held and the overall attendance rate of Directors at Board meetings was 97.78% (2023: 93.48%). Details of Directors' attendance at the AGM, Board and Board Committee meetings (**attendance** / held) and development programme in the year 2024 are set out in the table on page 107.

17 Management Briefing Sessions were held for the Board and attendance for Directors were optional. This is a considerable increase in time commitment on the part of the Directors and it was pleasing to see that these sessions were well attended by the Directors.

	Board [1]	Audit & Risk Committee [2]	Finance & General Committee	Human Resources & Remuneration Committee	Nomination Committee	Sustainability Committee	AGM [2, 3]	Directors Development Programme
Non-executive Directors								
The Hon Sir Michael Kadoorie	6 / 7 (C)				1 / 1		✓	B, C
Mr Andrew Brandler	7 / 7 (VC)		7 / 8 (C)	4 / 4		4 / 4	✓	A, B, C
Mr Philip Kadoorie	6 / 6					3 / 4	✓	A, B, C
Mrs Betty Yuen	6 / 6		7 / 8				✓	A, B, C
Mr Diego González Morales [4]	5 / 5		6 / 7				✓	A, B, C
Mr J.A.H. Leigh [5]	1 / 1						–	–
Independent Non-executive Directors								
Sir Rod Eddington	7/7		8/8				✓	A
Mr Nicholas C. Allen	7/7	5/6	7/8	4/4 (C)	1/1 (C)	4/4	✓	A, B, C
Ms May Siew Boi Tan	6/7	6/6 (C)	7/8	4/4	1/1	4/4	✓	A, B, C
Ms Christina Gaw [6]	7/7		1/1			4/4	✓	A, B, C
Mr Chunyuan Gu	7/7	6/6	7/8	4/4		4/4 (C)	✓	A, C
Mr Bernard Chan	7/7					3/4	✓	A, B, C
Ms Wang Xiaojun Heather	7/7	6/6		4/4			✓	A, B, C
Mrs Kung Yeung Yun Chi Ann [7]	2/2	1/1	1/1				–	C
Mrs Zia Mody [8]	1/1			1/1			✓	–
Executive Directors								
Mr T.K. Chiang [9]	5 / 5		8 / 8				✓	A, B, C
Mr Richard Lancaster [10]	1 / 1		1 / 1				✓	–

Notes:

1 Included (a) an annual meeting where the Chairman met Independent and other Non-executive Directors in the absence of the Executive Directors and management; and (b) an annual meeting with the Chairman and the Independent Non-executive Directors as attendees only.

2 Representatives of the independent auditor participated in every Audit & Risk Committee meeting and the AGM.

3 Independent Non-executive Directors were available to take shareholders' questions specifically addressed to them during the AGM (of which there were none).

4 Mr Diego González Morales was appointed as a Non-executive Director and a Member of the Finance & General Committee with effect from 1 April 2024. Prior to the appointment taking effect, he was advised on 4 March 2024 of his obligations as a Director and confirmed his understanding of such obligations.

5 Mr J.A.H. Leigh retired as a Non-executive Director on 31 March 2024.

6 Ms Christine Gaw stepped down as a Member of the Finance & General Committee with effect from 27 February 2024.

7 Mrs Kung Yeung Yun Chi Ann was appointed as an Independent Non-executive Director, and a Member of the Audit & Risk Committee and the Finance & General Committee with effect from 22 October 2024. Prior to the appointment taking effect, she was advised on 18 October 2024 of her obligations as a Director and confirmed her understanding of such obligations.

8 Mrs Zia Mody retired as an Independent Non-executive Director and a Member of the Human Resources & Remuneration Committee at the conclusion of the 2024 AGM held on 3 May 2024.

9 Mr T.K. Chiang stepped down as a Member of the Sustainability Committee with effect from 1 January 2024.

10 Mr Richard Lancaster stepped down as a Member of the Sustainability Committee with effect from 1 January 2024. He then retired as an Executive Director and a Member of the Finance & General Committee at the conclusion of the 2024 AGM held on 3 May 2024.

11 Chairmen of the Board and Board Committees and the Vice Chairman of the Board are indicated by (C) and (VC) respectively.

*** Directors Development Programme**

All Directors participate, at the Company's expense, in continuous professional development and training, with appropriate emphasis to develop and refresh their knowledge on industry-related updates. Our Directors Development Programme includes:

A – reading regulatory and industry related updates;

B – meeting with local management and stakeholders, and visiting CLP's facilities and special projects with CLP's involvement; and

C – attending expert briefings / seminars / conferences relevant to the business or director's duties. In addition, they have access to Chatham House (a leading independent policy institute based in London) publications and the opportunity to attend Chatham House events on topics relevant to our business.

Onboarding for new Director

The Company has in place a set of Onboarding Guidelines with the key objective of assisting new Director in understanding of CLP's business, governance and Board and Committee dynamics. This sets out a structured onboarding process that would serve as a roadmap for new Director to gain a better understanding of CLP and our business environment.

Our Onboarding Programme for the newly appointed Director is individually designed with the specific Director in mind having regard to the Director's unique background, skills, experience and perspective. Components of our Onboarding Programme include:

- an introduction session;
- face-to-face and one-on-one meetings with the Chairman of the Board, Chairman of the Board Committees and the Senior Management who work closely with the Board and Board Committees;
- access to information that provides a broad overview of the CLP Group;
- invitation to attend Board Committee meetings to assist with the understanding of the work carried out by various Board Committees; and
- visits to the major facilities of CLP and / or special projects with CLP's involvement.

As part of the onboarding sessions for the newly appointed Directors, both Mr Diego González Morales and Mrs Kung Yeung Yun Chi Ann met with some of the executive members since their appointment. Mr Diego González Morales also visited CLP facilities during the year including visiting facilities in Mainland China and met with the operational management team.

Directors' Time and Directorship Commitments

Our Directors, Non-executive Directors in particular, have demonstrated a strong commitment to the CLP Board affairs and they are well aware that they are expected to have a sufficient time commitment to the Board. Directors have given certain confirmations and made disclosures about their other commitments.

- **Sufficient time and attention**
  - Directors have confirmed that they have given sufficient time and attention to the affairs of the Company for the year.
- **Other offices and commitments**
  - Directors disclose to the Company twice a year the number, identity and nature of offices held in Hong Kong or overseas listed public companies and organisations and other significant commitments, together with an indication of the time involved.
- **Other directorships**
  - None of our Directors, individually, held directorships in more than six public companies listed on the Hong Kong Stock Exchange (including the Company) as at 31 December 2024.

Our Executive Director does not hold directorship in other public companies; however, Executive Director is encouraged to participate in professional, public and community organisations.

In respect of those Directors who stand for election or re-election at the 2025 AGM, all their directorships and board committee membership held in listed public companies in the past three years are set out in the Notice of AGM. Other details of the Directors' biographies are set out under "Board of Directors" section on page 82 of this Annual Report and on CLP website.

Board Evaluation

In 2024, an internal Board Review was conducted in the form of a Board survey. It aimed at soliciting valuable feedback and comments from Directors in preparation for the next external Board evaluation. The process involved each Director completing a confidential online questionnaire covering a broad range of topics including Board composition and dynamics, Board support, focus of meetings, oversight of strategy, risk and people, and external environment and stakeholders.

Nomination and Appointment of Directors

Following the Nomination Committee's recommendations, the Board considered and appointed two new Directors in 2024: Mr Diego González Morales as a Non-executive Director; and Mrs Kung Yeung Yun Chi Ann as an Independent Non-executive Director.

Non-executive Director Appointment

With the retirement of Mr J.A.H. Leigh as a Non-executive Director of the Company who retired from Sir Elly Kadoorie & Sons Limited (the entity which oversees the Kadoorie Family interest in CLP), the Board approved the appointment of Mr Diego González Morales (also a Director of Sir Elly Kadoorie & Sons Limited) as a Non-executive Director of the Company.

Independent Non-executive Director Appointment

For the search process in the lead up to the appointment of Mrs Kung Yeung Yun Chi Ann as an Independent Non-executive Director, CLP followed a formal procedure and is guided by CLP's Nomination Policy, which is disclosed in the Nomination Committee Report on page 153.

Process for appointing a new Director

Key Considerations for a New Director Appointment

- Search for potential new Director candidate(s) is guided by the strategic needs of the Company and the Board.
- Director candidates would, ideally, have the relevant experience and background to contribute on CLP's emerging strategic issues.

Nomination Committee

- Considers the candidates based on merit having regard to the experience, skills and expertise as well as the overall board diversity.
- Makes recommendations to the Board as appropriate.

Board

- Approves appointment of a new Director.

Newly appointed Director is:

- subject to election by shareholders at the first general meeting following the appointment.

Additional Requirements

- appointment is made through a formal letter; and
- subject to the retirement age guideline in our Board Diversity Policy, eligible for re-election.

Shareholders

- Approve the election of a Board appointed Director at the Company's general meeting.

Proposed Election

- election for each Director is considered as an individual resolution at the general meeting.

* For existing Directors, they are subject to rotation at least once every three years and one-third of Board Members are required to retire at the AGM and are eligible for re-election.

Why Board Diversity is Important to CLP

We recognise that Board diversity is an essential element contributing to the sustainable development of CLP.

CLP Board Diversity Policy adopted by the Board in 2013 (available on website)

The Policy incorporates:

- Code Provisions of the Corporate Governance Code
- Retirement Age Guideline (age 72) for Non-executive Directors (other than the Chairman)
- 30% target for female Director representation on the CLP Holdings Board – to be reviewed by the Nomination Committee annually
- Independence mechanism (for directors to express their views and feedback) will be reviewed by the Nomination Committee annually
- CLP Group Diversity and Inclusion Policy for Senior Management and Staff

Aspects of Diversity cover:

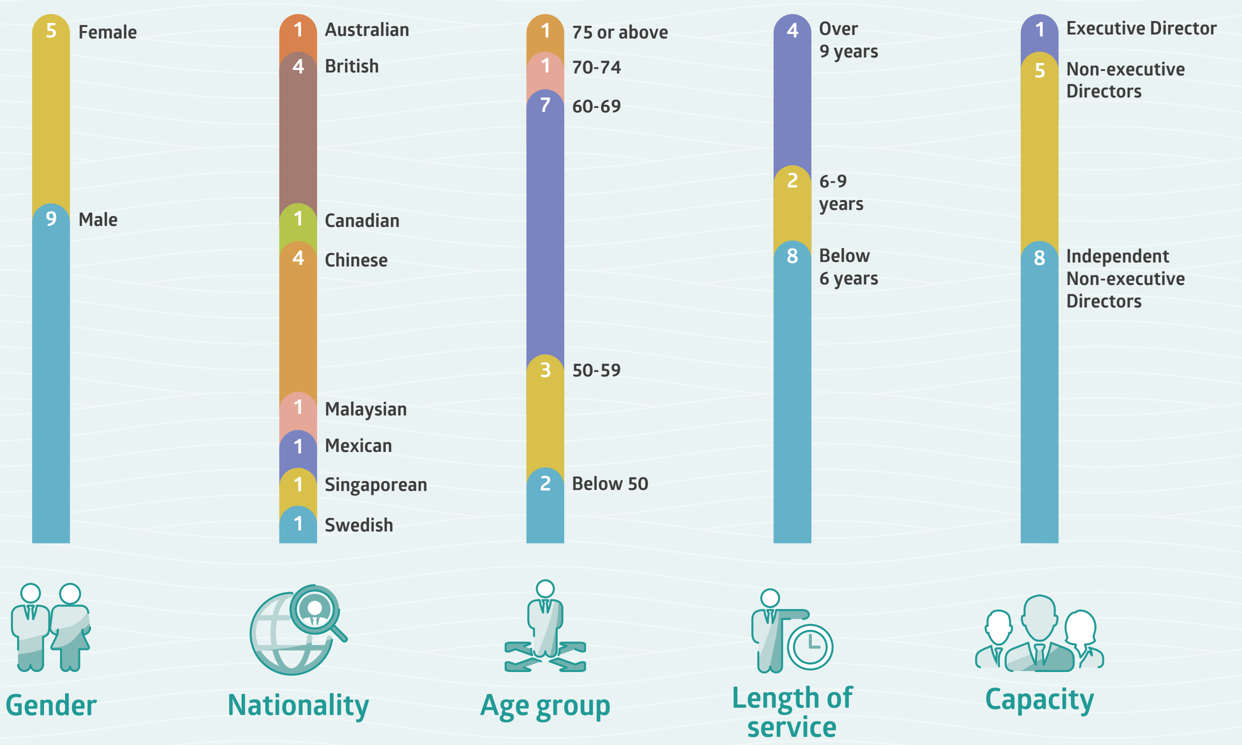
independence / gender / age / cultural and education background / professional experience / business perspectives / skills / knowledge / ethnicity / length of service

Our Board Diversity Policy also recognises that board diversity can be achieved without increasing the size of the Board and that a reduction in board size due to retirements without replacement can also be a way to further diversity. During the Period, our Board size slightly reduced from 15 to 14 due to the retirement of three Directors with the appointment of two Directors only.

Board Composition & Diversity

Key highlights:

Female Representation of **36%** / Independent Non-executive Directors Representation of **57%**



Board Expertise

To ensure the Board continues to possess a balance of skills appropriate for the requirements of the business of the Group, an analysis of the skill set mix was considered by the Nomination Committee.

The table below highlights the breakdown of the skill set mix of our Directors and demonstrates the broad and diverse mix of experience and background relevant to CLP that the Directors bring to the Board and its Committees.

Directors' Skills and Expertise

	Board / board committees leadership / other listed roles	CLP market experience *(Hong Kong / Mainland China (including Greater Bay Area) / Australia / India / Taiwan Region and Thailand)*	Executive leadership	Related industry / global experience *(Infrastructure / Power)*	Professional *(Accounting / Engineering / HR / Legal)* and risk & compliance	Sustainability *(Environmental, Social & Governance)*	Technology	Public administration
Non-executive Directors								
The Hon Sir Michael Kadoorie	✓	✓		✓		✓		
Mr Andrew Brandler	✓	✓	✓	✓	✓	✓		
Mr Philip Kadoorie	✓	✓		✓		✓		
Mrs Betty Yuen	✓	✓	✓	✓	✓	✓		
Mr Diego González Morales	✓	✓	✓	✓	✓	✓		
Independent Non-executive Directors								
Sir Rod Eddington	✓	✓	✓	✓	✓	✓		
Mr Nicholas C. Allen	✓	✓		✓	✓	✓	✓	
Ms May Siew Boi Tan	✓	✓	✓	✓	✓	✓		
Ms Christina Gaw	✓	✓	✓	✓		✓		
Mr Chunyuan Gu	✓	✓	✓	✓	✓	✓	✓	
Mr Bernard Chan	✓	✓	✓	✓	✓	✓		✓
Ms Wang Xiaojun Heather	✓	✓	✓	✓	✓	✓	✓	
Mrs Ann Kung	✓	✓	✓	✓	✓	✓		✓
Executive Director								
Mr T.K. Chiang		✓	✓	✓	✓	✓		
Coverage (% of entire Board)	93%	100%	79%	100%	79%	100%	21%	14%
No. of Directors (Full Board of 14)	13	14	11	14	11	14	3	2

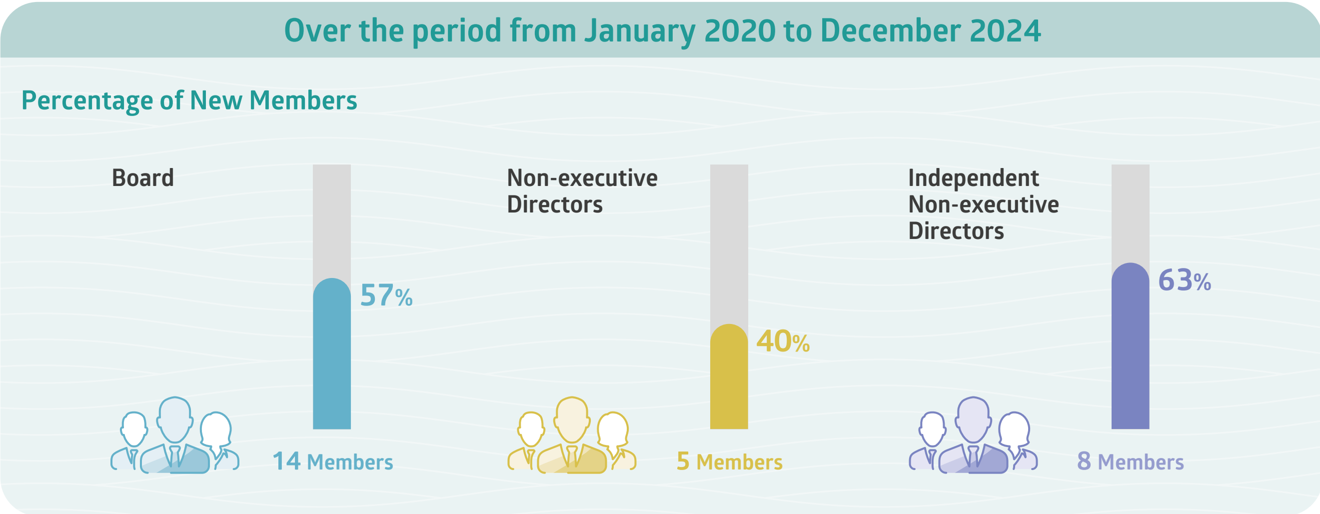
Note: Multiple professional background and experience may apply to a Director.

In terms of skills and experience that we may consider for future Directors appointments, these may include (i) energy experience, specifically in the area of decarbonisation or expanding into new markets and / or along the energy value chain; and (ii) seasoned professional with experience across governance, strategy and / or sustainability.

How the Board has been refreshed

One initiative to enhance the Board's diversity is to gradually refresh the composition of the Board.

As part of our continuing efforts to gradually refresh our Board, the Board saw two new appointments and three retirements in 2024. We believe that this is an important balancing act of bringing experienced Directors with fresh ideas and experience aligned with CLP's strategic priorities and ensuring that the Board remains well represented by Directors with a good degree of CLP corporate knowledge, background and history. The diagram below shows how the Board has been refreshed over the past five years.



Disclosure of Conflict of Interest and Independence of Directors

Conflicts

Directors are requested to declare their and their connected entities' direct or indirect interests, if any, in proposals or transactions to be considered by the Board at Board meetings and withdraw from the meetings as appropriate. In addition, where there are actual or potential conflict of interests, restrictions on access to agenda materials will be put in place. In 2024, none of the Directors were required to withdraw from Board meetings in these circumstances.

The Company follows guidelines at each financial reporting period to obtain confirmations from Directors in respect of any transactions of the Company or its subsidiaries which are related to Directors or their connected entities.

In addition, identified significant related party transactions are disclosed in Note 31 to the Financial Statements.

Independence

For the year ended 31 December 2024, the Company received written confirmations from all of the Independent Non-executive Directors regarding the independence of each of them and their immediate family members.

Among the Independent Non-executive Directors of the Company, none of them has held cross-directorship with other Directors.

Our view on independence

The Company maintains the view that a Director's independence is a question of fact and this is formally recognised in the Board Diversity Policy. The Board is committed to assessing this on an ongoing basis with regard to all relevant factors concerned, including the ability to continually provide constructive challenge for management and other Directors; to express one's own views independent of management or other fellow Directors; and the gravitas inside and outside the boardroom. These attributes and desired behaviour have been demonstrated by our Independent Non-executive Directors as circumstances require.

Mechanisms for ensuring independent views and input

The Company has established channels through formal and informal means whereby Independent Non-executive Directors can express their views in an open and candid manner, and in a confidential manner, should circumstances require.

Communication channels for Independent Non-executive Directors:

- dedicated meeting session between Independent Non-executive Directors and the Chairman only (before Board meeting);
- board evaluation conducted by external consultant once every three years and internal survey conducted in the intervening period;
- Independent Non-executive Director as Chairs of various Board Committees (other than Finance & General Committee) – Committee Chairs can update the Board Chairman as necessary; and
- other informal meetings outside the boardroom.

The Audit & Risk Committee has been asked to provide feedback and the Nomination Committee has been delegated with the authority to review the implementation and the effectiveness of the independence mechanism on an annual basis.

Taking into account all of the circumstances described in this section, the Company considers all of the Independent Non-executive Directors to be independent.

Details of all Directors and their biographies including, if any, relationship between the members are disclosed on pages 82 to 89 and on our website.

Directors' Shareholding Interests

Directors' interests in CLP's securities as at 31 December 2024 are disclosed in the Directors' Report on page 176. All Directors have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2024 they have complied with the required standard set out in the Model Code and the CLP Code for Securities Transactions. The CLP Code for Securities Transactions is largely based on the Model Code set out in Appendix C3 of the Listing Rules and is on terms no less exacting than those in the Model Code.

Management and Staff

CLP recognises the importance of diversity not just at the Board level but throughout the CLP Group. Our respect for people and diversity are embedded in CLP's Code of Conduct and our Board Diversity Policy has also incorporated the CLP Group Diversity and Inclusion Policy for Senior Management and Staff.

One of the key tasks of CLP's management and staff is the successful implementation of strategy and direction as determined by the Board under the leadership of our Chairman. This includes promoting and "living" the good corporate culture set by our Board over the years. In doing so, they must apply business principles and ethics which are consistent with those expected by the Board, CLP's shareholders and other stakeholders, and these have been documented in our Code of Conduct.

A key fundamental feature of CLP's corporate governance is a culture of "doing the right things right", this "tone" is set at the top of the organisation at the Board level and is embedded throughout our Value Framework, Code of Conduct, CLP Code and the Whistleblowing Policy.

Subsidiary Board Governance

The subsidiary board governance plays an important part to ensure that at the management level, the culture set at the Holdings Board level is observed and followed and that the expected standard of business principles and ethics will be consistently applied at the subsidiary board and management level. A number of the subsidiary board positions are taken up by our mid-management leaders where their legal responsibilities at the subsidiary board level are aligned with their accountability in their business or functional capacity.

The mid-management subsidiary directors are of a certain level of seniority who are familiar with the CLP culture and have a solid understanding of their obligations and responsibilities as a corporate director and an organisational leader. These subsidiary level directors are expected to lead by example and help guide and oversee our people to ensure that the right culture is not just observed but is applied in how we conduct our business.

Role of Management and Staff in Promoting Good Corporate Governance Practices

Our CEO has the overall responsibility for carrying out the strategy and direction set by the Board and for managing the Group's business. The delegation of authority by the Board to the Committees, Senior Management and management are prescribed in the form of a "Company Management Authority Manual".

Management and staff adhere to various Group policies that reflect the values and corporate culture of CLP.

Value Framework

- CLP's purpose, vision, mission, values, commitments, policies and codes.

Code of Conduct

- Guiding principles for employees: to do what is right, behave with integrity and honesty, obey all laws and anti-corruption practices and communicate openly.
- 2023 & 2024: no convicted case of corruption at CLP.
- 2024: 31 breaches of Code of Conduct (2023: 12*).
- Cases are reported to the Audit & Risk Committee.

Whistleblowing Policy

- Applies to CLP Group (Apraava Energy and EnergyAustralia have their own policies).
- Employees and third parties may report suspected misconduct, malpractice or irregularity in confidence.
- 2024: 20 reported cases (2023: 9*).

* numbers restated to exclude statistics from Apraava Energy

Ongoing Training

In addition to setting the right tone at the top, we recognise the importance of communicating effectively with our staff, and the need to cascade down the key messages and expectations of what are expected from them to ensure that everyone will work together to contribute to a good corporate governance culture.

In an increasingly challenging and uncertain environment, where organisations could potentially be more vulnerable to the heightened risk of fraud, we have rolled out a Fraud Risk Awareness e-training to all CLP staff including all new joiners as part of the mandatory induction training programme. The e-training focused on the importance of identifying different forms of potential fraud, and on how CLP staff can prevent, detect, respond to, and report cases of fraud.

We have also launched e-learning programmes on CLP Corporate Governance Framework and Internal Controls to reiterate the basic governance framework, principles and standards required for an effective system of management controls.

All the above-mentioned e-training are available on the CLP intranet for staff to understand, learn and refresh anytime as they see appropriate.

Securities Dealing

Our Management and Staff are subject to CLP Securities Dealing Restrictions.

- We appreciate that some of our staff may in their day-to-day work have access to potential inside information.
- Our Senior Management and selected members of staff, "Specified Individuals", are subject to securities dealing restrictions in the CLP Code for Securities Transactions.
- Securities Transactions: All members of the Senior Management have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2024 they have complied with the required standard set out in the Model Code and the CLP Code for Securities Transactions.
- Shareholding in CLP shares: None of the members of the Senior Management had interests in CLP Holdings' securities as at 31 December 2024.

Senior Management Training and Development

We have a formal procedure in place for reporting the training and continuous professional development of Senior Management. Members of Senior Management have access to a variety of training activities. These include access to online learning and information resources, formal executive development programmes at leading business schools and executive briefings on matters of topical interest provided through our strategic partnerships with organisations such as Chatham House, IMD and The Economist. We also make selective use of independent executive assessment and coaching processes to assist with identifying individual development needs and provide input to our succession planning decisions.

Participation in Training and Continuous Professional Development of Senior Management and Company Secretaries in 2024

Senior Management and Companies Secretaries	Attending formal executive development / training programme	Attending expert briefings / seminars / workshops / conferences relevant to the business or their duties	Participating as speakers at events	Access to web-based learning resources
Mr T.K. Chiang	◆	◆	◆	◆
Mr Derek Parkin	◆	◆	◆	◆
Mr Law Ka Chun Joseph	◆	◆	◆	◆
Mr Chen Tao Roger	◆	◆	◆	◆
Mr Mark Collette	◆	◆	◆	◆
Mr Alex Keisser [1]	◆	◆	◆	◆
Mr David Simmonds [2]	◆	◆	◆	◆
Mr Michael Ling [3]	◆	◆	◆	◆

Notes:

1 Mr Alex Keisser was appointed as Chief Financial Officer, with effect from 1 April 2024.

2 During 2024, Mr David Simmonds, the Chief Strategy, Sustainability and Governance Officer, also the Joint Company Secretary, served as the President, the Chairman of the Technical Consultation Panel – Competition Law Interest Group, the convenor of Prize Judging Panel and a member of the Governance Professionals Panel of the Hong Kong Chartered Governance Institute. Mr Simmonds is a committee member of the Standing Committee on Company Law Reform. He was also a frequent speaker at seminars and has fulfilled the relevant professional training requirements under the Listing Rules.

3 During 2024, Mr Michael Ling, the Joint Company Secretary, served as the Chairman of the Technical Consultation Panel and a member of Disciplinary Tribunal of the Hong Kong Chartered Governance Institute. He was a frequent speaker at seminars and has fulfilled the relevant professional training requirements under the Listing Rules.

Organisation's Gender Diversity

The importance of gender diversity at the CLP Holdings Board level is extended throughout the organisation. We believe a diverse workforce and an inclusive culture supports high performance and CLP's ability to operate effectively in the many communities in which it operates. CLP has set targets to encourage more women into the workforce, and policies to support employees to balance work and home-life commitments. Considering the nature of our business and the markets we operate in, addressing gender diversity is a Group-wide priority to ensure a sustainable workforce and to deliver a wider, positive social and economic contribution. Group-wide gender diversity related metrics and targets as set in 2016 are:

- **Women in Leadership target:** to achieve gender balance in leadership positions by 2030 against a 2016 baseline of 22%; and
- **Women in Engineering target:** for 30% of engineers to be female by 2030 to a 2016 baseline of 9%.

The gender diversity across the Group for 2024 has been largely consistent with that of 2023. The Group is committed to promoting diversity and inclusion across the organisation in enhancing employee engagement, innovation and performance.

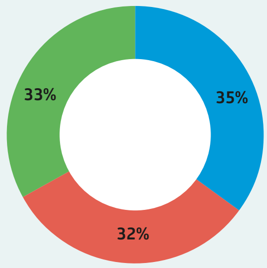
Further, from next reporting cycle, these metrics and targets will be further aligned with the newly refreshed Group-wide Diversity Equity and Inclusion strategy in service of CLP's evolving organisational needs and employees and stakeholders expectations. For example, CLP will work towards a broader gender diversity agenda in enhancing women in STEM (encompassing engineering), to reflect the importance of digital and other related talent pools in transforming our business.

Shareholders Engagement

Shareholding as at 31 December 2024

Size of Registered Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
500 or below	2,413	13.9714	734,624	0.0291
501 – 1,000	3,289	19.0435	2,633,666	0.1042
1,001 – 10,000	7,848	45.4403	33,027,315	1.3073
10,001 – 100,000	3,298	19.0956	94,658,795	3.7467
100,001 – 500,000	355	2.0555	71,399,034	2.8261
Above 500,000	68 [1]	0.3937	2,323,997,136	91.9866
Total	**17,271** [2]	**100**	**2,526,450,570** [3]	**100**

Shareholding by Category [4]



- Interests associated with the Kadoorie Family – our single largest shareholder group
- Institutional investors – mainly based in North America, UK, Europe and Asia
- Retail investors – mostly based in Hong Kong

Notes:

1 Information on the 10 largest registered shareholders in the Company is set out on our website.

2 Actual number of investors is much greater as many shares are held through intermediaries including Central Clearing and Settlement System of Hong Kong (CCASS).

3 56.43% of all our issued shares were held through CCASS.

4 The Listing Rules required 25% public float was maintained throughout the year and up to 24 February 2025.

The scale of our shareholders' investment is reflected in the market capitalisation of CLP Holdings which stood at HK$165 billion as at 31 December 2024.

Shareholders' Rights

Shareholders are one of our key stakeholders and from a corporate governance perspective, the rights of our shareholders are well recognised and these include:

- the right to receive declared dividends and to vote and attend general meetings; and
- the right to convene general meetings and to put forward proposals – details of which can be found in our explanatory notes to the Notice of AGM and on our website or on request.

CLP's Dividends Policy

We create long-term value to our shareholders through dividend payments. CLP's Dividends Policy, adopted by the Board in February 2019, aims to provide reliable and consistent ordinary dividends with steady growth when supported by our earnings whilst ensuring that a solid financial position can be maintained to fund our business growth. In line with our established practice, our ordinary dividends are paid four times a year in each of the quarters. CLP's Dividends Policy is available on the CLP website.

The Company's performance- and dividend-related dates for 2025 are set out in Information for Our Investors on page 304. The dividend decisions made by the Board for 2024 were in accordance with CLP's Dividend Policy.

2024 Hybrid AGM

The 2024 AGM was held in a hybrid format on 3 May 2024. Shareholders had the option of attending the AGM at the Principal Meeting Place or participating the AGM through the online platform.

Most of our Directors (including our Chairman), Senior Management and our independent auditor attended the physical meeting. Our Chairman, The Hon Sir Michael Kadoorie played host and delivered a keynote speech to open the meeting.

The opportunity for shareholders to attend the AGM and to send their questions in advance of the AGM and in real-time through the online platform allowed shareholders to express their views.

Highlights of the 2024 Hybrid AGM

- All registered and non-registered shareholders who joined online could view a live webcast of the AGM, pose questions and cast votes in near real-time through the online platform. To ensure the Online AGM was conducted effectively, the Q&A box available on the online platform was also used to address procedural questions from shareholders.
- There was the call in function on the online platform allowing shareholders joining online to ask questions verbally.
- An attendance of around 860 shareholders, 69% of which participated physically and 31% participated online.
- A high level of votes approving the following major items:
  - the election and re-election of Directors ranging from about 97.40% to 99.81%; and
  - the general mandate to issue new shares of up to 5% of shares in issue only, at a price not being at a discount of more than 10% to a benchmarked price (about 97.56%) and to repurchase shares of not more than 10% shares in issue (about 99.93%).
- All questions posed at the Physical AGM and submitted through the online platform were answered during the AGM.

Communication with Shareholders

Multiple channels of communication and engagement

Our approach to shareholders communication and engagement include:

Channels	2024 Highlights
Hybrid AGM	• Chairman keynote speech • Shareholders had option to join the AGM online or in person • Shareholders can vote in near real-time through the online platform • **High voting approval rate** on resolutions considered
Investor Meetings (Led by CEO, CFO and Investor Relations Department)	• Conducted over 150 investor meetings • Non-deal roadshows with investors in Hong Kong, Mainland China (Shanghai, Beijing, Shenzhen), Japan, Singapore, Australia, UK, Europe and North America
Analyst Briefings (Led by CEO, CFO and Director – Investor Relations and attended by investment community)	• Covering the Company's interim and annual results
Shareholders' Visit Programme	• 26 tours were held and over 460 shareholders participated in the visits in 2024 • For each visit on the Directors and management hosted sessions, questions are either addressed on the spot or if there were suggestions or recommendations, these would be actioned and handled by management for follow up.
Investor Engagement Programme	• **Hong Kong Offshore LNG Terminal and Daya Bay Nuclear Power Station site visits** – for investment analysts covering CLP
Reports and Announcements	• Annual Reports, Interim Reports and online Sustainability Reports • Analysts presentation materials disseminated as regulatory announcement • Quarterly statements • Key announcements made: retirement and appointment of Non-executive Directors and Independent Non-executive Directors; retirement of Executive Director; profit warning impairment of goodwill of EnergyAustralia's customer business; succession arrangements for the CFO
CLP Group Website	• CLP's approach on corporate governance and sustainability • Information on AGM including meeting proceedings and minutes • Investor Relations materials including results presentations, latest financial information and upcoming investor events • Analyst briefings materials • Publications and media releases
CLP Group Investor Relations app	• Access to key information and CLP updates (upcoming investor events, financial calendar and share price data at their convenience)

These channels allow us to receive feedback from our shareholders and investment community. In addition, we have the shareholders' hotline as well as dedicated investor relations and company secretary email accounts for taking enquiries and for receiving information requests from shareholders (see Information for Our Investors on page 304).

Reviewing and enhancing shareholders communication

The Audit & Risk Committee is responsible for the annual review of the implementation and effectiveness of the Shareholders' Communication Policy, which is available on our website. At the most recent review undertaken in November 2024, updates on the current procedures and editorial changes of the Policy were approved, and the implementation and effectiveness of the Policy was also confirmed.

Group Internal Audit

CLP's Group Internal Audit (GIA) department plays a major role in monitoring the internal governance of the CLP Group. The head of the department, Senior Director – GIA, leads a well-resourced department of 23 highly qualified professional staff.

The Senior Director – GIA reports directly to the Audit & Risk Committee and administratively to the CFO and has direct access to the Board through the Chairperson of the Audit & Risk Committee. The Senior Director – GIA has the right to consult the Audit & Risk Committee without reference to management.

Independent Auditor

The Group engages PwC (Certified Public Accountants and Registered Public Interest Entity (PIE) Auditor) as our external independent auditor and we regard their independence as a fundamental governance principle.

How the Group ensures the independence of the external auditor:

- The lead audit partner for CLP is subject to rotation every seven years (as per The International Federation of Accountants rules on independence of external auditors).
- As part of the rotation, the current lead audit partner was first appointed for the 2021 financial year-end audit and she did not have any prior involvement in the CLP Group audit.
- PwC is required to give an annual confirmation on their independence.
- The Audit & Risk Committee will assess PwC's independence in considering their re-appointment.

In addition, PwC will not be engaged to perform non-audit work unless the non-audit work meets the criteria suggested in the Listing Rules and has been pre-approved by the Audit & Risk Committee or its delegates. There must be clear efficiencies and value-added benefits to CLP from the work being undertaken by PwC, with no adverse effect on the independence of their audit work, or the perception of such independence.

During the year, PwC provided the following audit and permissible audit related and non-audit services to the Group:

	2024 HK$M	2023 HK$M
Audit	**47**	42
Permissible audit related and non-audit services		
Audit related services (including Continuing Connected Transactions limited assurance, limited assurance over regulatory reviews and reporting, audits of CLP's provident funds and auditor's attestation)	**5**	7
Non-audit services (including tax advisory and other services)	**3**	1
Total	**55**	50

(For these purposes, **permissible audit related and non-audit services provided by PwC** include any entity under common control, ownership or management with PwC or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally.)

The fees of PwC and other non-principal external auditors are shown in Note 4 to the Financial Statements.

For the year ended 31 December 2024, the fees for permissible audit related and non-audit services accounted for 9% and 5% of the total fees respectively.

Other Stakeholders

Good governance requires due regard to the impact of business decisions (including impact on people, the environment and the economy), both on shareholders and on other key stakeholders. This Annual Report and our online Sustainability Report explain how we discharge our responsibilities to employees, customers, lenders, the environment and the communities in which we operate.

Risk Management and Internal Control Systems

Effective risk management and internal control systems help the organisation anticipate its risk exposure, put controls in place to counter threats, and effectively pursue the set strategic and business objectives. They help ensure reliability of financial reporting, effective and efficient operations and compliance with applicable laws and regulations, and are therefore an essential part of an organisation's operation and governance processes. This section explains (and contains cross references) the key features of our risk management and internal control systems.

Risk Management Framework

CLP's overall risk management framework is overseen by, and is the responsibility of, the Board, through its Audit & Risk Committee, and comprises four key elements.

Risk Management Philosophy	Risk Appetite	Risk Governance Structure	Risk Management Process
CLP recognises that risk management is the responsibility of everyone within CLP and thus it is integrated into the business and decision-making process in which both risks and opportunities are viewed holistically.	The nature and extent of the risks that the Group is willing to undertake in pursuit of its strategic and business objectives.	Clear roles and responsibilities are assigned to multiple layers within the organisation. This structure facilitates risk identification and escalation.	Through an integrated top-down and bottom-up risk review process, which enables risks identification and prioritisation throughout the Group, management maintains an open and effective communication channel to enable the timely escalation of material risk and adequate supervision of risk mitigation.

The way we manage risk is set out in the Risk Management Report on page 125.

Internal Control Framework

CLP's structure of internal control is based on the internationally recognised COSO (Committee of Sponsoring Organisations of the Treadway Commission) 2013 integrated framework.

CLP Internal Control Framework

Our internal control systems are designed to manage rather than eliminate the risk of failure in achieving our strategic and business objectives, and can only provide reasonable, but not absolute, assurance against material loss or misstatement.

Board and Audit & Risk Committee Review

- Responsible for the Group's risk management and internal control systems
- Review effectiveness of these systems covering management's assessment on:
  - Key business operations
  - Changes in material risks
  - Key internal controls
  - Audit and compliance issues

CEO and Group Executive Committee

- Review the effectiveness of risk management and internal control systems and report to the Board
- Ensure that robust risk management and internal control systems are established and functioning effectively
- Continuous monitoring and oversight

Group Functions

(Finance, Risk Management, Internal Control, Tax, Operations, Digital, Legal, Human Resources and Sustainability)

- Establish relevant Group-wide Policies and Procedures
- Oversee the risk and control activities relevant to respective functions

Risk and Control Owners

(Business Units, Functional Units and individuals)

- Responsible for the design, implementation, and maintenance of risk management and internal control systems within relevant area or responsibility
- Establish and communicate policies, standards, procedures, and guidelines to staff concerned, which reflect the business objectives, values and corporate culture of the Group

Group Internal Audit

Independence Assurance

- Risk-based approach, concentrating on areas with significant / emerging risks or areas with major changes or strategic importance
- Assurance on the adequacy and effectiveness of internal controls

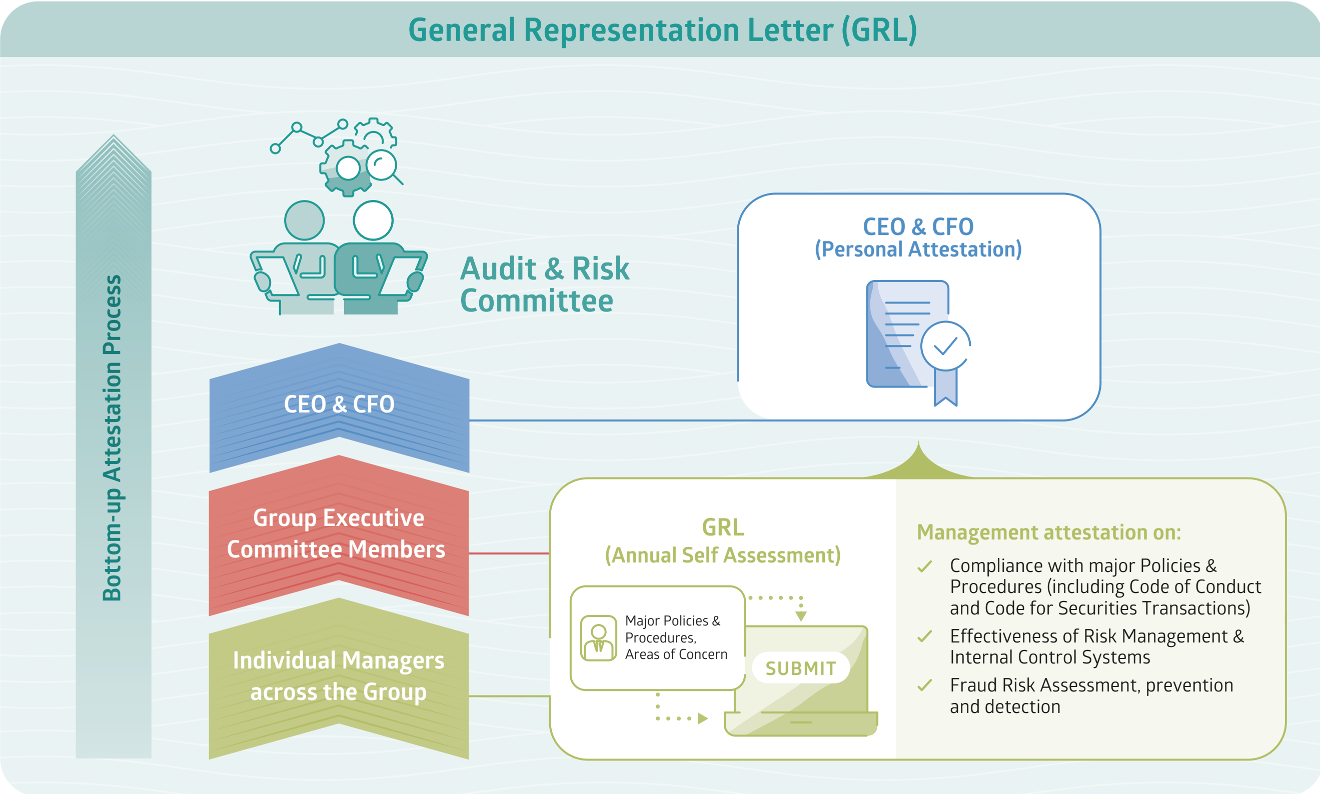
Management Assurance on Risk Management and Internal Control Systems

Management and designated staff evaluate the control environment and conduct risk assessments on business and processes. Material risks and associated controls, including mitigation when needed, are continually reviewed and updated. The Board is regularly informed of significant risks that may have an impact on CLP's performance.

Integrated Assurance through Reporting and Attestation		Control Objectives: Operations	Control Objectives: Reporting	Control Objectives: Compliance
CEO and Group Executive Committee				
Regular management briefings	Covers briefings to the Board on the Group's and individual business units' risks and opportunities, operational and financial performance.	✓	✓	
Management Attestation – General Representation Letter	Attestation on: compliance with our Code of Conduct, major policies and procedures; discharging duties on risk management and internal controls; the prevention, identification and detection of frauds.	✓	✓	✓
Group Internal Audit				
Internal Audit Reports	Audit reports: independent appraisal on compliance with policies and procedures, and evaluation of the effectiveness of the overall controls. Special review reports: focus on new business areas and emerging risks.	✓	✓	✓
Group Functions				
Risk Management Report	Compiles Quarterly Group Risk Management Report, that is reviewed and approved by the Group Executive Committee.	✓	✓	✓
Internal Control Review Process	Follows the substance of the requirements under the Sarbanes-Oxley Act on internal controls over financial statements. Covers the scoping of significant processes and controls, design and operating effectiveness assessment of in-scoped key controls. High risk key controls are tested annually while lower risk key controls are tested on a rotational basis. Key controls are also tested by the independent auditor where relied on for the audit.	✓	✓	
Follow-up on outstanding audit issues	Internal audit issues identified and associated remedial actions are followed up and the progress is reported periodically.	✓	✓	✓
Legal and Regulatory Compliance Report	Covers key regulatory compliance issues and legal cases for each region of the Group.		✓	✓

Management Assurance → Board / Audit & Risk Committee (ARC)

CLP's General Representation Letter Process



Effectiveness of Risk Management and Internal Control Systems

Through the Audit & Risk Committee's review, the Board is responsible for the Company's risk management and internal control systems and for reviewing their effectiveness.

The review process

Five times a year, the Audit & Risk Committee reviews management's findings and the opinion of GIA regarding the Company's risk management and internal control systems. The reviews cover management's assessment of the internal controls of key business operations, changes in material risks, internal control and compliance issues (both financial and non-financial) and significant issues arising from internal and the external audit reports.

For the year ended 31 December 2024, the Board considered the risk management and internal control systems of the Group to be effective and adequate. No significant areas of concern that might affect shareholders were identified.

Inside Information

We have our own Continuous Disclosure Obligation Procedures which set out the procedures and controls for handling and dissemination of inside information. The Procedures are on the CLP website. Our Continuous Disclosure Committee (established in 2016) conducted regular assessment of potential inside information. The members of the committee include the CEO, CFO, the Joint Company Secretaries and the Director – Investor Relations. Please also see "Our disclosure" on page 96.

Corporate Governance – Continuing Evolution

As part of good governance, we do review and assess our own corporate governance practices and policies to ensure that these will continue to be value enablers for the business. We hope this Corporate Governance Report has been able to demonstrate that.

Shareholders who wish to make enquiries with the Board can contact the Company Secretaries via our designated shareholders' hotline (852) 2678 8228, email at cosec@clp.com.hk or by posing questions at our general meetings. Requests for formal engagement with our management and / or Directors are also welcome.

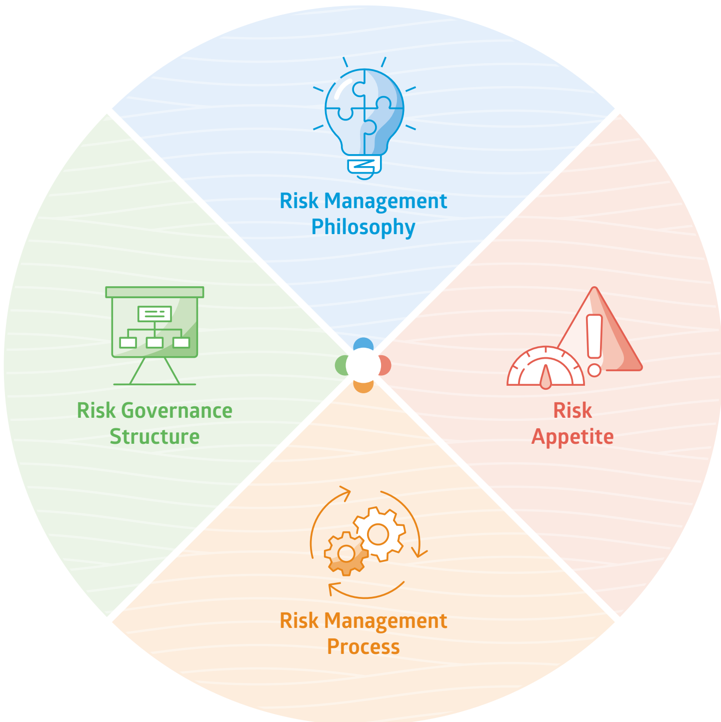
By Order of the Board

David Simmonds
Chief Governance Officer
Hong Kong, 24 February 2025

An effective risk management framework steers the company to pursue its purpose, values, strategy and culture, empowering the business to capitalise on opportunities and secure long-term growth and success.

CLP's Risk Management Framework

In line with international standards and best practices, CLP defines risk as the effect of uncertainty on objectives. The effect can be positive, negative or both, and can result in opportunities and threats. CLP aims to identify risks early so threats can be understood, managed, mitigated, transferred or avoided while opportunities can be captured where appropriate. This demands a proactive approach and an effective Group-wide risk management framework. CLP's risk management framework comprises four key elements:



CLP's Risk Management Philosophy

CLP recognises that risk management is the responsibility of everyone within the organisation, and that cultivating and embedding risk awareness into the overarching culture is critical to implementing the Group's risk management framework. Risk management is therefore integrated into all business and decision-making processes, including strategy formulation, business development, business planning, capital allocation, investment decisions, internal control and day-to-day operations. Risks and opportunities alike are viewed holistically.

CLP has clear risk management objectives:

- At a **strategic level**, CLP focuses on the identification and management of material risks inherently associated with the pursuit of the Group's strategic and business objectives. In seeking opportunities for growth and transformation, CLP aims to optimise risk and return decisions through diligent and independent review processes.
- At an **operational level**, CLP seeks to identify, analyse, evaluate and mitigate operational hazards and threats while enhancing and capturing opportunities for operational improvement where appropriate. It does this to create a safe, healthy, efficient and environmentally friendly workplace for employees and contractors that ensures public safety and health and minimises environmental impact, as well as securing asset integrity and adequate insurance.

CLP's Risk Appetite

CLP's risk appetite represents the nature and extent of the risks the Group is willing to undertake in pursuit of its strategic and business objectives. In line with CLP's Value Framework and the expectations of stakeholders, the Group takes only reasonable risks that fit its strategy and capability, are diligently evaluated and managed and do not expose the Group to:

- Hazardous conditions affecting the health and safety of employees, contractors and the general public;
- Material financial losses impacting the financial viability and strategy execution of the Group;
- Material breaches of external regulations that could lead to fines or loss of critical operational and business licences;
- Material damage to the Group's reputation and brand;
- Business or supply interruptions that could lead to severe impact on the community, or
- Severe environmental incidents.

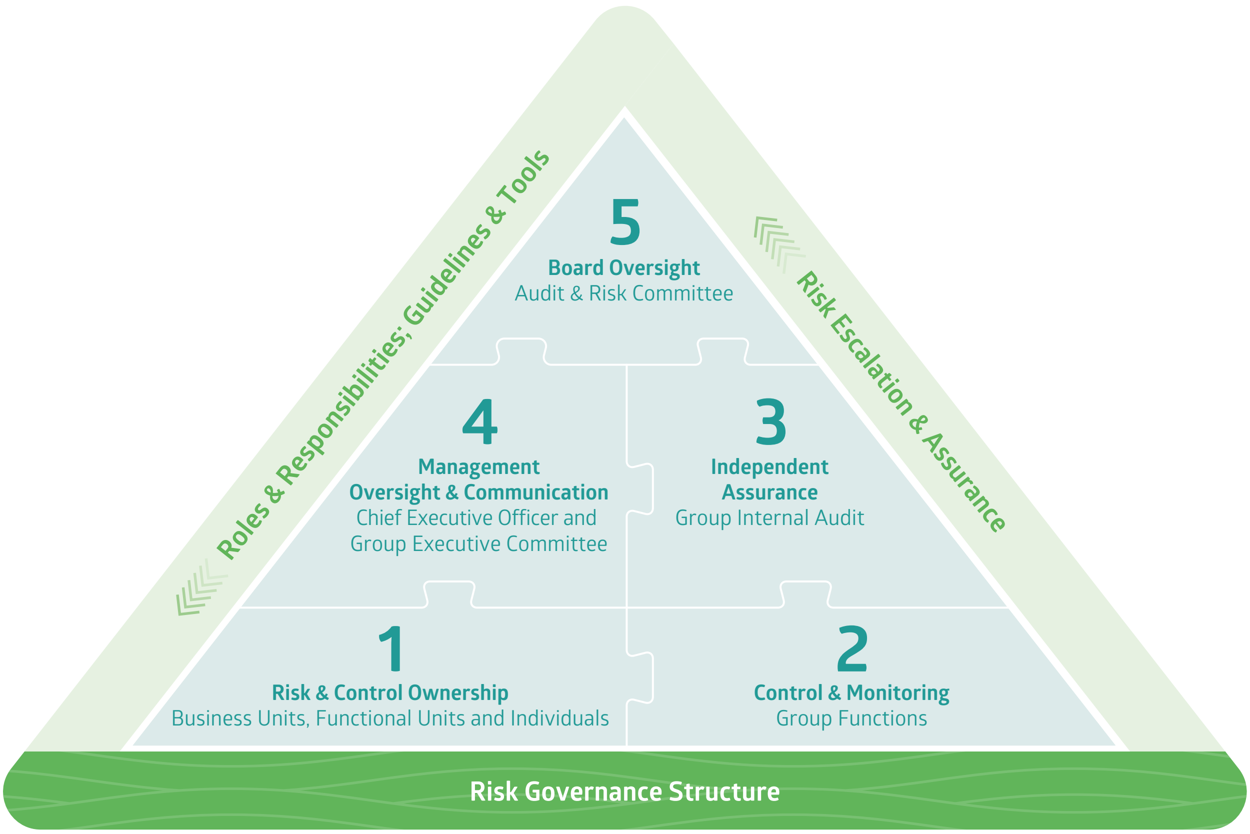
CLP has established risk profiling criteria in the form of a matrix with a spectrum of consequences and likelihood that aligns with its risk appetite. This facilitates the evaluation of consequences and likelihood for each identified risk. A risk rating is then generated combining these two factors to allow for risk prioritisation and decision-making. Non-financial consequence categories as outlined above are considered along with financial consequences.

CLP's Risk Governance Structure

CLP's risk governance structure adopts the **Five Lines of Assurance** approach. It:

- Assigns clear roles and responsibilities and facilitates implementation with guidelines and tools; and
- Facilitates risk escalation and provides assurance to the board.

The approach is explained below:



Five Lines of Assurance	
1 **Risk and Control Ownership**	**Business Units, Functional Units and Individuals:** • Are responsible for identifying and assessing key risks in their areas of responsibility, making effective risk management decisions, establishing and implementing risk mitigation strategies, balancing opportunities and threats, and promoting risk awareness; • Carry out risk management activities and reporting in their day-to-day operations, and ensure that risk management processes and mitigation plans follow good practices and guidelines established by the Group; and • Appoint risk managers or coordinators to facilitate communication, experience sharing and risk reporting.
2 **Control and Monitoring**	**Group Functions:** Departments responsible for Finance, Risk Management and Internal Control*, Business Development and Asset Management Oversight, Tax, Operations, Digital, Legal, Human Resources and Sustainability: • Establish relevant Group-wide policies, standards, procedures and guidelines; and • Oversee the risk and control activities of business units relevant to their respective functions. *(* See the role of Group Risk Management and Internal Control below)*
3 **Independent Assurance**	**The Group Internal Audit:** • Carries out independent appraisal of the effectiveness of the risk management and internal control systems.
4 **Management Oversight and Communication**	**The CEO and the Group Executive Committee:** • Provide leadership and guidance for the balance of risks and controls; • Review and report to the Board through the Audit & Risk Committee on the material risks affecting the Group, as well as their potential impact, their evolution and mitigating measures; and • Ensure a review of the effectiveness of the risk management and internal control systems is conducted at least annually and provide confirmation of this to the Board through the Audit & Risk Committee.
5 **Board Oversight**	**The Audit & Risk Committee acting on behalf of the Board:** • Evaluates and determines the nature and extent of the risks the Board is ready to endorse in pursuit of the Group's strategic objectives; • Oversees management of risk identification, reporting and mitigation efforts; and • Ensures an appropriate and effective risk management and internal control systems is established and maintained.

Group Risk Management and Internal Control

The Group Risk Management function is tasked with:

- Implementing the Group's Risk Management Framework and ensuring alignment across the Group;
- Providing assurance to the Board on the effectiveness of the risk management systems;
- Managing regular risk reviews and risk reporting processes of the Group;
- Facilitating risk assessment for projects seeking endorsement by the CLP Holdings Investment Committee; and
- Promoting risk culture through communication and experience sharing.

CLP's Risk Management Process

Assessing **strategic context and emerging trends** throughout the risk management process

- CLP recognises certain external challenges and opportunities could have impact its business and the markets in which it operates. The company continuously assesses and adapts to these developments by adjusting its strategy where necessary as part of its risk management process (see **External challenges and opportunities** below).

External challenges and opportunities

The Group's strategic direction in navigating external challenges and opportunities guides its risk identification and prioritisation, while insights from risk management shape its strategic responses. This continuous assessment ensures that both strategic planning and risk management remain current, relevant and effective. The components of this dynamic and reiterative process include:

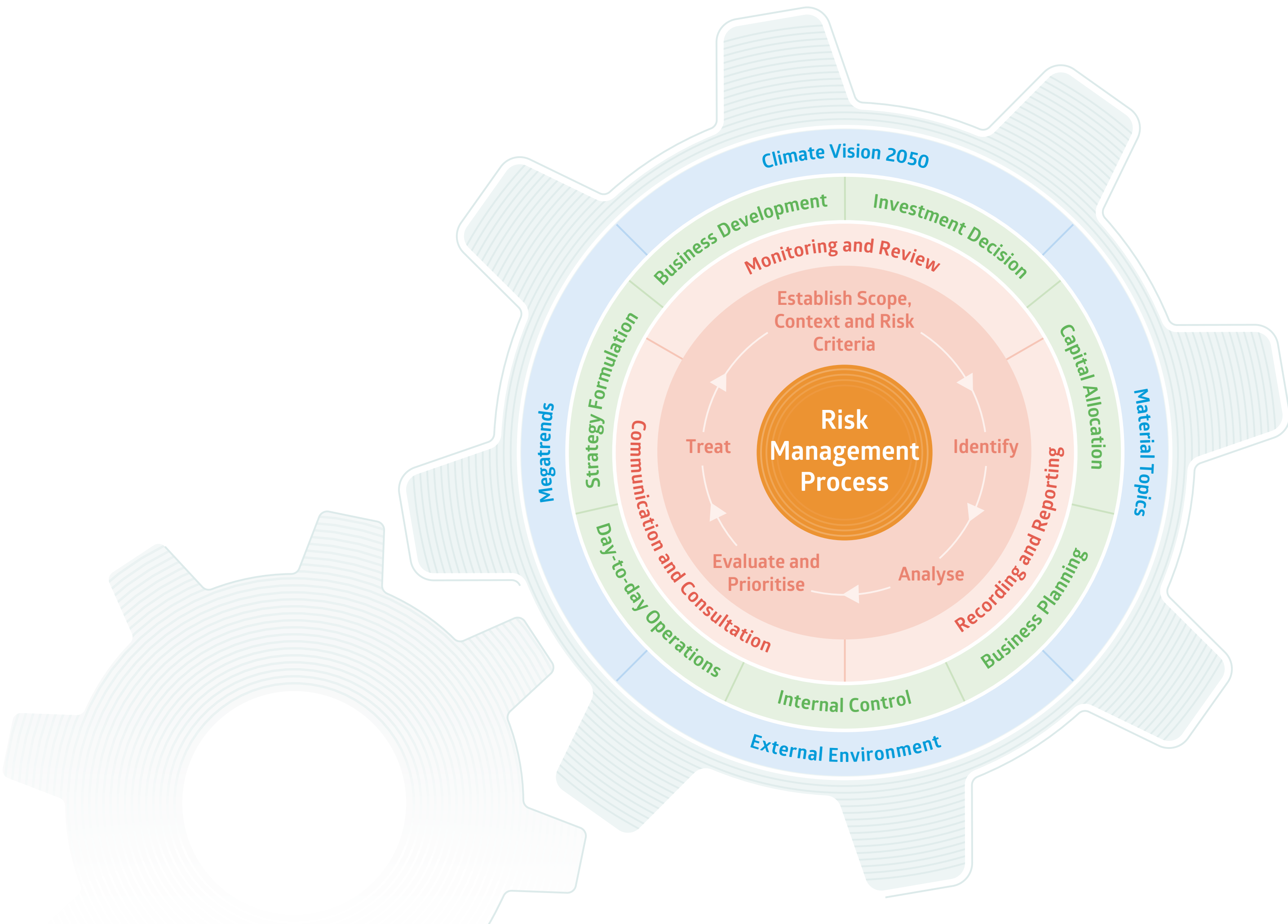
- **Understanding the external environment and megatrends** which may have significant implications for CLP's business and markets. These global trends encompass political, economic, social, environmental and technological factors which could rapidly evolve, changing the context in which the Group operates.
- **Climate Vision 2050** is the Group's blueprint and strategy for the transition to net-zero greenhouse gas emissions by 2050 and has been instrumental in informing CLP's business strategy and guiding investment decisions. Climate Vision 2050 is also an integral part of CLP's broader climate strategy, which covers key considerations around scenario analysis and long-term climate risks and opportunities identification, among other factors. It guides CLP in managing these issues.
- **Material Topics** are identified, revalidated and updated through a three-year double materiality assessments cycle. CLP undertook a comprehensive assessment in 2024 to identify the megatrends, material topics and sustainability-related risks and opportunities most likely to impact CLP's business and stakeholders. The material topics emerging from these assessments inform CLP's strategy and reporting on managing sustainability-related risks and leveraging sustainability-related opportunities. This integrated approach embeds material topics into CLP's risk and opportunity management processes.

An **integrated process** is key to embedding risk considerations at all levels of CLP and across all activities

- The process is integrated into business and decision-making processes across the organisation, including strategy formulation, business development, business planning, capital allocation, investment decisions, internal control and day-to-day operations. This helps provide a holistic view of both risks and opportunities, enabling CLP to make optimal decisions that balance risk and reward.

An **end-to-end** risk management from the initial identification of risks to ongoing monitoring and review

- **Risk identification, assessment and treatment processes include:**
  - ✓ **Establishing the scope, context and risk criteria** relevant to the business processes in different business units and Group functions;
  - ✓ **Identifying risks** based on relevant, appropriate, up-to-date information;
  - ✓ **Analysing risks** with detailed consideration of risk sources, consequences, likelihood, events, scenarios and existing controls and their effectiveness;
  - ✓ **Evaluating and prioritising risks** against the established risk criteria and allocating management efforts; and
  - ✓ **Treating risks** by formulating and selecting option plans, implementing controls, and assessing the effectiveness of controls.
- **To maintain effective risk management, the following steps take place within and throughout the risk management process:**
  - ✓ **Communication and Consultation:** A continuous and interactive process, involving communication and consultation with stakeholders.
  - ✓ **Recording and Reporting:** Processes and outcomes are documented and reported to facilitate communication and provide information for decision-making.
  - ✓ **Monitoring and Review:** Regular monitoring and review according to the established risk governance structure and process.



How CLP Identifies, Assesses and Manages Sustainability-related and Climate-related Risks

Sustainability-related and climate-related risks are integrated into CLP's risk governance and risk management process along with all other types of risks, forming a crucial component of the Group-wide Risk Management Framework. The company identifies these risks through its annual materiality assessments and a comprehensive series of top-down and bottom-up risk review processes. Climate scenario analysis and assessment of relevant physical and transition risks are also conducted in line with Climate Vision 2050. As with other material risks, CLP applies a consistent risk matrix to evaluate sustainability-related and climate-related risks with oversight and assurance from management to the Board.

How CLP Identifies, Assesses and Manages Sustainability-related and Climate-related Opportunities

CLP identifies sustainability-related and climate-related opportunities through its annual materiality assessment, the regularly updated Climate Vision 2050 strategy, business planning processes and ongoing monitoring of market developments. Climate scenario analysis provides insights into potential opportunities, especially in response to the evolution of the energy system and market. Opportunities are considered in areas such as expanding renewable energy and other low-carbon electricity, offering energy efficiency services, supporting electrification and advancing battery storage. In assessing opportunities, factors such as commercial viability, partnership potential, alignment with climate targets and future market demand are considered. Each business unit monitors, evaluates and captures opportunities specific to their market as part of their business performance reviews. Potential investment opportunities are subjected to a series of opportunity management processes, including business development, business planning, investment decisions and capital allocation.

Risk management is an integral part of CLP's business and decision-making processes – Examples

Quarterly Risk Review Process
An integrated top-down and bottom-up risk review process

CLP adopts an integrated top-down and bottom-up risk review process across the organisation to enable:

(1) Comprehensive identification and prioritisation of all material risks throughout the Group;

(2) Containment of material risks at the appropriate managerial level;

(3) Effective risk dialogue among the management team; and

(4) Proper governance of risk mitigation efforts.

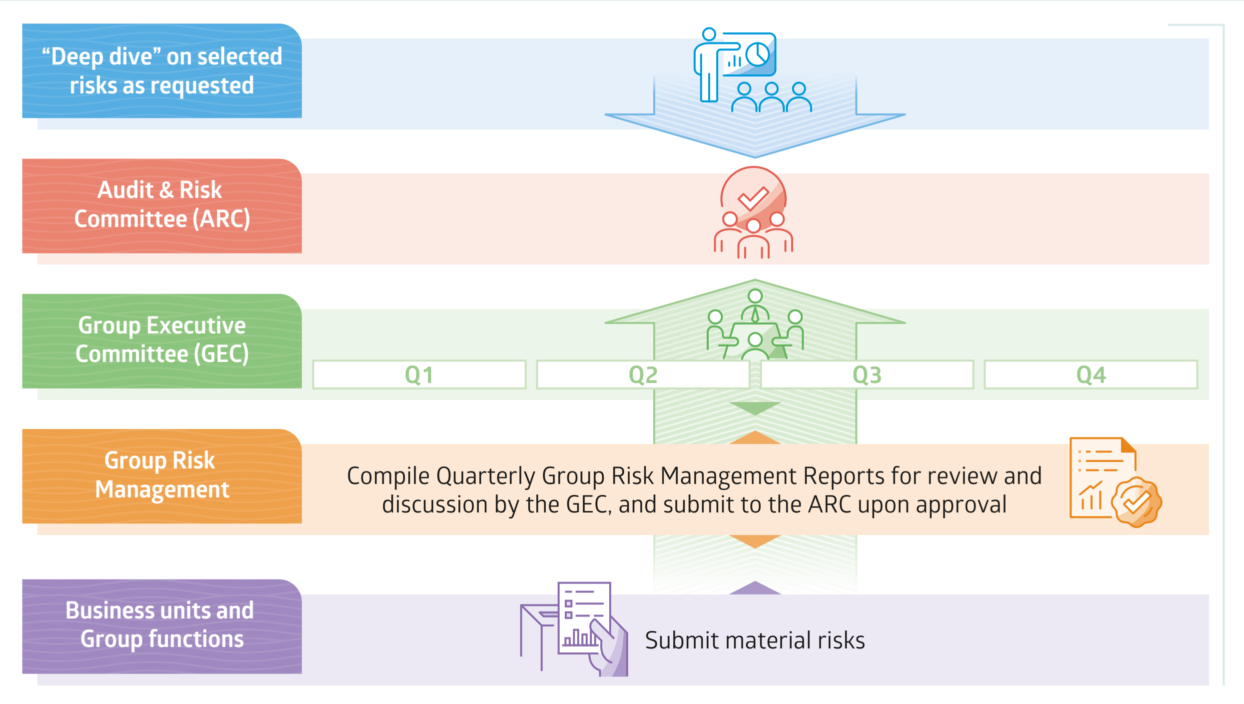
Top-down Process

- At Group Risk Management quarterly meetings, members of the Group Executive Committee examine the top-tier risks along with any other material risks that are relevant to the business. This dialogue offers an opportunity for management to identify and respond to emerging risks early and to share risk insights.
- In particular, emerging risks* are identified and characterised by observing changes in organisational contexts. They typically emerge as new circumstances or conditions not previously recognised, or as evolutions in the profiles of established risks. Group Risk Management facilitates the identification of emerging risks from both internal and external sources.
- Emerging risks that are identified as material are cascaded and further assessed and monitored by relevant business units or Group functions.

*(*See page 133 for the Emerging Risks to the Group)*

Bottom-up Process

- CLP's business units and relevant Group functions are required to submit their material risks identified through their risk management process to Group Risk Management on a quarterly basis.
- Through a diligent process of filtration, calibration, prioritisation and consultation, Group Risk Management compiles a Quarterly Group Risk Management Report for review and discussion in the Group Risk Management Meeting. The final report is submitted to the Audit & Risk Committee on a quarterly basis.
- More in-depth presentations on selected risks are given to the committee for more detailed review.



Risk Review for Investment Projects

- CLP adopts a multi-gated system of project appraisals throughout development and investment cycles.
- Investment opportunities or projects seeking endorsement by the CLP Holdings Investment Committee are reported through the Project Investment Opportunities process, managed by the Business Development & Asset Management Oversight team of Group Finance.
- CLP requires an independent, multi-disciplinary review of any investment proposal. Independent risk appraisal by Group Risk Management is part of the investment review process.
- Group Risk Management ensures a detailed project risk assessment is carried out for each investment project. Comprehensive checklists and worksheets are used to identify risks, formulate mitigation measures and assess risk levels. Material risks and associated mitigations are highlighted and discussed at the Investment Committee chaired by the CEO.

Risk Management Integrated with Internal Control Systems

- Risk management is closely linked to CLP's Integrated Framework of Internal Control. Key controls are subject to testing to assess their effectiveness. Details on Internal Control are set out in the Corporate Governance Report on pages 120 to 124.

Risk Management in the Business Planning Process

- At CLP, risk management is integrated into strategy and business planning by departments and business units across the Group.
- As part of the annual business planning process, business units are required to identify all material risks that may impact the delivery of their business strategy and objectives. Overarching strategic risks to the Group are also reviewed. Identified risks are evaluated with the same set of risk criteria as the quarterly risk review process. Plans to mitigate the identified risks are then developed. The material risks listed on pages 135 to 139 have been set out in CLP's 2025 business planning process.

Emerging Risks to the Group

Emerging risks are often characterised by high uncertainty, volatility, complexity and ambiguity, making them challenging to manage. The following describes two emerging risks considered material to the Group and the steps taken to mitigate them:

Supply chain disruption from geopolitical tensions and sanctions

The nature of CLP's business and the operating regions expose the Group to market volatility. Escalating geopolitical friction resulting in trade sanctions, the imposition of tariffs and commodity price fluctuations directly and indirectly impact our global supply chain reliability. This imminent risk is assessed by the Group as material from operational, reputational and financial perspectives.

To reduce the risk of supply interruption, the Group implements mitigation measures, including rigorous due diligence assessments on suppliers' sustainability profiles, continuous evaluation of our key counterparties to safeguard against the impact of sanctions and diversification of our supply of critical equipment and fuel resources, as well as digital infrastructure and services. CLP continually explores diversification options and develops strategies on vendor sourcing to minimise potential impacts.

Increasing adoption of artificial intelligence solutions

CLP's increasing adoption of artificial intelligence (AI) solutions presents complex operational and regulatory compliance challenges. When assessing these risks, CLP considers that data privacy breaches, discriminatory bias in AI output, overreliance on AI and lack of solution transparency are significant issues. The complexity is further intensified by varying regulatory frameworks in different operating regions.

The Group has implemented a set of guiding principles to govern the responsible use and deployment of AI. These principles emphasise accountability, purposeful use, ethical design, and importance of reliability, explainability, and transparency in AI solutions. The Group has planned developments in AI governance, including a Group-wide AI policy that sets out AI standards and requirement that business units deploy risk assessment of AI use cases. Knowledge building through education programmes and targeted communications have also been introduced to enhance AI literacy across the organisation. These measures are complemented by use of approved technology to ensure secure and effective AI deployment across the Group's operations.

Material Risks to the Group

As an investor and operator in the energy sector of the Asia-Pacific region, CLP's risk profile is categorised into five key risk areas: operational, market and commercial, regulatory, financial and transformation. The top-tier risk profile is summarised on pages 135 to 139:

Material Topics

The impact of sustainability-related topics on the business and its stakeholders is reviewed regularly through an annual materiality assessment. The review process detailed on pages 42 to 48 helps align the Group's strategy with its purpose and responds to the evolving needs of stakeholders, uncovering emerging ESG challenges and opportunities for consideration in the risk reviews and opportunity management processes.

Following the latest assessment, six material topics were identified:

- Net-Zero Transition
- Energy Growth Opportunities
- Digital Innovation and Cybersecurity
- Future-Ready Workforce
- Operational and Supply Chain Resilience
- Community Stewardship

The top-tier risk tables on pages 135 to 139 illustrate the links between the material risks and the material topics.

Climate-related Risks and Opportunities

In accordance with the HKFRS S2 Climate-related Disclosures standard, climate-related risks and opportunities have been classified into three major categories:

Climate-Related Transition Risks

Risks that arise from efforts to transition to a lower-carbon economy that entail policy, legal, technological, market and reputational risks, and could carry financial implications for a business, such as increased operating costs, asset impairment due to new or amended climate-related regulations or shifting consumer demands and the development and deployment of new technology.

Climate-Related Physical Risks

Risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk), and could carry financial implications for a business, such as costs resulting from direct damage to assets or the indirect effects of supply chain disruption.

Climate-Related Opportunities

Climate-related opportunities are the potential business opportunities resulting from the effects of climate change. Efforts to mitigate and adapt to climate change can produce climate-related opportunities for a business, such as investment opportunities in renewable energy, broader revenue streams and the adoption of new technologies.

CLP recognises the wide-ranging implications of climate change and considers climate-related risks a combination of standalone risks and drivers for other material risks. As illustrated in CLP's top-tier risk tables on pages 135 to 139, climate-related transition risks and physical risks have been identified as standalone risks, categorised respectively under Regulatory Risk and Operational Risk. The tables also depict other material risks associated with either climate-related transition or physical risk drivers, or a combination of the two, as well as climate-related opportunities .

Material Risks to the Group (continued)

Operational Risk

CLP's operations are exposed to a variety of operational risks relating to Health, Safety and Environment (HSE) incidents and compliance, physical security, plant performance, data privacy, cyber security attacks on operational technology (OT) and information technology (IT) systems, project delivery and extreme weather events resulting from climate change.

CLP Power's D2 combined-cycle gas turbine generation unit went into service in April 2024 and progress was made on the Clean Energy Transmission System (CETS), reducing the residual risk of major project delays.

CLP recognises the phenomenal growth opportunities from AI as well as uncertainties over implementation and regulations. Prudent governance principles have therefore been adopted to ensure the responsible integration of AI into business processes.

CLP manages operational risk by:

a) Executing targeted Group-wide initiatives to minimise the risk of serious injuries and fatalities (SIF);

b) Reinforcing operations and systems to maintain a high operational and emissions performance;

c) Performing regular drills to test plans for emergency responses, crisis management, disaster recovery and business continuity;

d) Using a range of climate scenarios to formulate strengthened plans and site-specific mitigation measures to cope with the heightened risks of extreme weather events;

e) Enforcing a Group-wide Project Management Governance System to facilitate the delivery of high-quality projects;

f) Imposing Group-wide cyber security policies and standards with appropriate controls, technologies and practices at all levels, while cultivating a cyber resilience culture across the Group; and

g) Establishing AI adoption principles, governance framework and risk assessment processes for the development of AI solutions.

Group Top-Tier Risks – Operational	Related Material Topics	Climate-related Drivers	Change in 2024	Additional References
1. Major HSE incidents			◀ ▶	Pages 75, 290-293
2. Cybersecurity attack – OT systems		–	◀ ▶	Page 69
3. Cybersecurity attack – IT systems		–	◀ ▶	Page 69
4. Major projects delay / cost overrun			▼	Pages 18, 52
5. Major failure – generation assets			◀ ▶	Pages 22-23, 67, 76-77
6. Climate-related physical risk			◀ ▶	Pages 53, 76-77
7. Adoption of AI solutions			New	Pages 66-67, 78, 133

▲ Risk level increased ▼ Risk level decreased ◀ ▶ Risk level remains broadly the same

Material Risks to the Group (continued)

Market & Commercial Risk

Market & Commercial risk refers to significant changes in market conditions and potential losses arising from inadequate gross margins and the non-performance of trading partners or counterparties. It is important to ensure our trading partners and counterparties are reliable, financially healthy and willing to abide by contracts. Currently, delays in the collection of receivables, fuel supply interruptions and tariff adjustment challenges are key market and commercial risks impacting CLP.

CLP manages market & commercial risk by:

a) Regularly reviewing business operations including but not limited to plant reliability and efficiency, hedging strategies, business planning approaches and company capital structures;

b) Assessing pricing strategy constantly to manage customer churn in the Australian market;

c) Implementing strategies to manage wholesale and retail positions;

d) Complying with Energy Risk Policy and ensuring energy market transactions are subject to continuous oversight; and

e) Diversify fuel sources and fuel procurement strategies to secure a stable supply of fuel at competitive prices while establishing contingency plans for potential supply disruptions.

Group Top-Tier Risks – Market and Commercial	Related Material Topics	Climate-related Drivers	Change in 2024	Additional References
8. Coal supply shortage – Australia				Page 22
9. Wholesale price volatility – Australia				Pages 22, 65, 274
10. Tariff adjustment challenge – Hong Kong				Pages 18, 65
11. Gas supply security – Hong Kong				Pages 18, 79
12. Delayed national renewable energy subsidies – Mainland China	–	–		Page 21

Material Risks to the Group (continued)

Regulatory Risk

More stringent performance targets – including the new penalty scheme for large-scale electricity supply interruption and enhanced information disclosure requirements – alongside potential adverse regulatory changes present an on-going regulatory risk exposure for the SoC business in Hong Kong.

The Group's Australian business continued to face regulatory challenges which may restrict its margin recovery and increase the complexity and cost of market operations. Increased scrutiny from key regulators presents significant regulatory compliance challenges.

In Mainland China, power sector reforms have resulted in a gradual evolution towards spot market-based trading with varying pace and implementation of the rules in different provinces. Increased grid curtailment may result in lower dispatch and revenue.

Geopolitical tensions between China and its major trading partners may bring new challenges to CLP's business, including efforts to enhance supply chain resilience and capture growth opportunities in India.

As CLP progresses its strategy to address climate challenges, the pace of change in government policies, regulations, technologies and market structures could be faster than the Group's responses.

CLP manages regulatory risk by:

a) Mobilising internal resources to ensure monitoring and timely responses to regulatory changes, while maintaining regulatory compliance and oversight;

b) Promoting engagement by CLP's leadership team with policymakers and key government officials in Hong Kong, Mainland China, Australia and India;

c) Working constructively with governments to advocate CLP's support for the net-zero transition;

d) Providing stakeholders and the public with a more detailed understanding of the Group's operations through different platforms;

e) Reinforcing CLP's efforts to care for the community and exploring new subsidy schemes under the CLP Community Energy Saving Fund;

f) Regularly reviewing CLP's Climate Vision 2050 and progressively phasing out remaining coal-fired generation assets before 2040;

g) Strategically capturing transition opportunities in the wind and solar energy sector;

h) Upgrading CLP Power's Clean Energy Transmission System (CETS) to allow for the import of more zero-carbon energy;

i) Continuously evaluating the procurement strategy to maintain sustainability and liaise with suppliers to mitigate sanction risk exposure; and

j) Conducting supply chain reviews for assets on imported equipment and spares, while exploring alternative sources and localisation opportunities.

Group Top-Tier Risks – Regulatory	Related Material Topics	Climate-related Drivers	Change in 2024	Additional References
13. Regulatory changes – Hong Kong			◀ ▶	Pages 19, 58-59, 63-64
14. Regulatory changes – Mainland China			◀ ▶	Pages 20-21, 59
15. Regulatory changes – Australia			◀ ▶	Pages 21-22, 65
16. Regulatory compliance – Australia		–	◀ ▶	Page 22
17. Geopolitical and sanctions risk		–	◀ ▶	Pages 14, 78-79, 133
18. Climate-related transition risk			◀ ▶	Pages 24, 49-57

Material Risks to the Group (continued)

Financial Risk

CLP's investments and operations, which are long term in nature, are exposed to financial risks in the areas of cash flow and liquidity, credit and counterparty risks, interest rate risks and foreign currency risks. These risks are further heightened by ongoing global economic uncertainty. Group-level earnings may also be impacted by mark-to-market fair value movements. Volatile foreign exchange and equity markets have further affected the cost of securing financing.

CLP Power issued an inaugural A$500 million, three-year public bond in the Australian market in July 2024 and a US$500 million perpetual bond on HKEX in January 2025. These diversified funding sources enhance the company's resilience against potential market volatility.

CLP manages financial risk by:

a) Timely review and replenishing of liquidity, maintaining investment grade credit ratings and preserving a healthy capital structure;

b) Taking pre-emptive action for early completion of major financings on preferential terms;

c) Securing debt funding diversity and maintaining an appropriate mix of committed credit facilities;

d) Maximising the use of local funding options;

e) Hedging most transactional foreign currency exposures in line with CLP's Treasury Policy;

f) Pursuing a natural hedge strategy by matching the currency of revenue, cost and debt and ensuring project level debt financing is denominated in and swapped to a functional currency;

g) Controlling financial counterparty exposure by transacting only with creditworthy and pre-approved financial institutions, allocating exposure limits based on banks' credit standing and ensuring non-recourse to CLP Holdings for counterparties of CLP Holdings' subsidiaries and affiliates; and

h) Maintaining good, trustworthy relationships with capital providers including banks and bondholders.

Group Top-Tier Risks – Financial	Related Material Topics	Climate-related Drivers	Change in 2024	Additional References
19. Availability of competitive funding				Pages 36, 55-57, 275-277
20. Financial market volatility	–	–		Pages 272-275, 278-280
21. Default of Group's financial counterparties	–	–		Pages 56, 275

Material Risks to the Group (continued)

Transformation Risk	
CLP is advancing on a journey to a net-zero future and executing a portfolio of transformation programmes to support its strategic objectives. The transformative journey involves complex and continuous implementations that present execution risk across people, processes and technology. The Group is simultaneously improving its customer engagement and experience, cost effectiveness, system flexibility and reliability, and strengthening its capabilities.	**CLP manages transformation risk by:** a) Strong coordination and leadership of strategic digital transformation initiatives; b) Building excellence in change management capabilities to raise operational resilience and agility; c) Stepping up recruitment of professionals across all markets and improving people development; d) Evolving to more agile operating models to enable business units to respond more quickly to customers and growth opportunities; and e) Refreshing CLP's Value Framework through a series of top-down and bottom-up employee engagement activities.

Group Top-Tier Risks – Transformation	Related Material Topics	Climate-related Drivers	Change in 2024	Additional References
22. Digital transformation		–	▲	Pages 23, 66
23. Organisation capability development		–	◀ ▶	Pages 70-75

Effectiveness Review of Risk Management and Internal Control Systems

CLP adopts the Five Lines of Assurance approach to coordinate and optimise its risk and assurance efforts as described on pages 126 to 127 of this report. Combined assurance includes Board oversight by the Audit & Risk Committee, management oversight by the CEO and the Group Executive Committee, independent assurance by internal audit, control and monitoring by Group functions and risk and control ownership by business units. It should be acknowledged that CLP's risk management and internal control systems are designed to manage rather than eliminate the risk of failure in achieving our strategic and business objectives and can only provide reasonable, not absolute, assurance against material loss or misstatements.

The Audit & Risk Committee on behalf of the Board has reviewed the effectiveness of the Group's risk management and internal control systems during the period covered by this Annual Report. The details of the effectiveness review are described in the Corporate Governance Report on page 123 and the Audit & Risk Committee Report on pages 143 to 144.

Alexandre Jean Keisser
Chief Financial Officer
Hong Kong, 24 February 2025

Audit & Risk Committee Report

The Members of the Audit & Risk Committee are appointed from the Independent Non-executive Directors by CLP Holdings' Board of Directors. This Committee comprised the following Members during the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period):

Members

Ms May Siew Boi Tan
(Chairperson)

Mr Nicholas C. Allen

Mr Chunyuan Gu

Ms Wang Xiaojun Heather

Mrs Kung Yeung Yun Chi Ann
(appointed in October 2024)

Biographies of the Members are set out in the "Board of Directors" section on page 82 and on our website.

The Committee works closely with the auditors and management-level group functions and, in addition to the Members, regular attendees at the Committee's meetings are:

- Chief Executive Officer – Mr T.K. Chiang;
- Chief Financial Officer – Mr Alexandre Keisser, appointed with effect from 1 April 2024;
- Chief Financial Officer – Mr Nicolas Tissot, handed over his executive responsibilities on 31 March 2024, became an Advisor to the CEO as part of the transition and left the CLP Group on 30 June 2024;
- Chief Strategy, Sustainability and Governance Officer – Mr David Simmonds;
- Senior Director & Group Controller – Mr Pablo Arellano;
- Senior Director – Group Internal Audit (GIA) – Mr Eric Chan;
- Joint Company Secretary – Mr Michael Ling; and
- Independent Auditor – the engagement partner and others from PwC.

Other members of management attended the Committee meetings from time to time to make presentations and discuss matters of interest to the Committee.

Meetings and Attendance

During the Period, the Committee held six meetings in 2024 and another two meetings in 2025. The Chairperson met regularly and individually with each of PwC, the Senior Director – GIA and the CFO. The Committee meetings include scheduled sessions in the absence of management for the Committee Members and PwC, as well as sessions for Committee Members only. Two private meetings between Committee Members and PwC were held and six sessions for Committee Members only were held during the Period.

Individual attendance of Members for the 2024 meetings is set out in the Corporate Governance Report on page 107.

EnergyAustralia

CLP's wholly owned subsidiary, EnergyAustralia, has its own board of directors that includes independent non-executive directors. The EnergyAustralia board has an audit and risk committee (ARC) and its members are EnergyAustralia's non-executive directors independent of EnergyAustralia's management.

The Committee's work with respect to the operations of EnergyAustralia is strengthened and supplemented by the work of EnergyAustralia ARC. There is an open invitation between this Committee and the EnergyAustralia ARC for members to attend the other committee's meetings.

During the Period, the Chairperson of the Committee participated in seven EnergyAustralia ARC meetings which included the additional meeting held in January 2024 for the consideration of key accounting judgement in relation to the impairment for the full-year 2023 financial statements of EnergyAustralia. The Chairman of EnergyAustralia ARC participated in two meetings of the Committee.

Apraava Energy

Apraava Energy is 50% owned each by CLP and Caisse de dépôt et placement du Québec (CDPQ). Apraava Energy's board of directors comprises three representatives from each of CLP and CDPQ and is chaired by CLP's CFO. Apraava Energy has an audit committee that comprises two representatives from each of CLP and CDPQ and is chaired by CLP's CFO.

As a 50:50 joint venture, the Committee's oversight with respect to the operations of Apraava Energy is supplemented by the GIA's review and reporting on Apraava Energy's internal audit reviews. The internal audit results and findings of Apraava Energy are periodically reported to the Committee by GIA.

Highlights of the Committee's Work

The Committee devoted considerable time in overseeing the financial reporting for the Group, reviewing the GIA reports and monitoring some of the material risks faced by the Group.

The following table provides an overview of how the Committee spent its time during the Period:

	2024						**2025**	
	Jan	Feb	May	Jun	Jul	Nov	**Jan**	**Feb**
Risk Management, Internal Control and Compliance								
Quarterly risk management report		◆	◆		◆	◆		◆
In depth briefing on heightened risk topics								
» Cybersecurity			◆			◆		
» ERP project		◆		◆				
» EnergyAustralia Mount Piper coal supply risks			◆					
» EnergyAustralia hedging strategy review				◆				
» CLP Power operational related incidents					◆	◆	◆	
» CLP China renewables subsidies update							◆	
Internal control review update		◆		◆		◆		◆
Management's general representation letter		◆			◆			◆
Outstanding internal audit issues		◆	◆	◆	◆	◆		◆
Legal and regulatory compliance		◆			◆			◆
Annual and Interim Financial Reports								
Annual and Interim financial statements and reports		◆			◆			◆
Assessment of critical accounting judgements	◆	◆		◆	◆		◆	◆
ESG data and materiality assessment assurance		◆				◆		◆
Internal and External Auditing								
Internal audit results and audit issues		◆	◆	◆	◆	◆		◆
Ethics and controls commitment surveys			◆					
PwC's audit report, audit plan and audit progress	◆	◆	◆	◆	◆	◆	◆	◆
Audit fees and non-audit engagements by auditors	◆	◆			◆			◆
Corporate Governance								
Corporate governance trends, developments and related policies			◆		◆	◆	◆	
Code of Conduct and whistleblowing cases		◆	◆	◆	◆			◆
Continuing connected transactions		◆						◆

Summary of Work Done

In addition to the Highlights of the Committee's Work for the Period, the table below explains the work carried out by the Committee and how it discharged its responsibilities for the Period.

Areas of Focus	
Risk Management, Internal Control and Compliance	
Effectiveness of risk management and internal control systems	The Committee received and reviewed management's periodic internal control reports and the Group's quarterly risk management reports. As part of the review of the half-year and full-year financial statements, the Committee examined and received the General Representation Letters from the CEO and CFO (see page 123 for further details regarding the General Representation Letters). The Committee's monitoring of the risk management and internal control systems was supported by the review work and reporting by GIA and by the independent auditor's report of their testing of the control environment of the Group. During the Period, no internal control issue that would be material to the integrity of the financial statements was identified. The Committee analysed and was satisfied that the Group's risk management and internal control systems were effective and adequate for the Period.
Deep dive briefings	Having regard to the nature of the risks and the potential exposure for the Group, management presented deep dive briefings on the following topics: - **Cybersecurity** – The Committee was updated on the key Group cybersecurity initiatives and progress update. The Group's operating model and capabilities and the cybersecurity framework were introduced. The Committee also examined the cyber threat landscape, noting the increasing aggression of ransomware and the 2025-2026 cybersecurity strategy. - **ERP project** – The Committee discussed with management the status of the ERP project including its progress and financials, key messages on the project risks. The Committee noted the Board level governance oversight through a newly established ERP Panel and the Committee would continue to monitor the risks and financial reporting implications associated with the project; whereas the ERP Panel would have primary oversight on the readiness, implementation and overall management of the project. - **EnergyAustralia Mount Piper coal supply risks** – The Committee and management discussed the risks associated with coal supply for Mount Piper and highlighted the status and mitigation measures for the water treatment issues at the coal supply mine. The Committee was also updated on the progress of this matter. - **EnergyAustralia hedging strategy review** – The Committee and management discussed the new electricity hedging strategy, the areas for improvement in risk governance, reporting and metrics. The Committee acknowledged the necessity of continued management and improvement of risk controls and reporting measures. - **CLP Power operational related incidents** – There were a number of operational issues that had emerged in the course of the Period. The Committee requested a contemporaneous update and briefing of these matters from management and the Committee provided oversight on how the associated issues should be addressed and remediated. - **CLP China renewables subsidies update** – The outstanding renewables subsidies of the CLP China business was a key audit matter in the 2023 Independent Auditor's Report. The Committee and management discussed the status of the outstanding subsidies, the ongoing recoverability and the associated accounting treatment.

Areas of Focus	
Risk Management, Internal Control and Compliance	
Reporting on risk management	The Committee provided input into the Group risk management reporting and an area of focus that would require close monitoring on the part of management is the operational resilience of the business's critical infrastructure.
Cybersecurity	The Committee continued to maintain a strong focus on the risks associated with cybersecurity having regard to the impending laws on critical infrastructure which would have an important cybersecurity element.
Compliance	As part of the review of the half-year and full-year financial statements, the Committee considered a comprehensive legal and regulatory report on the Group covering key regulatory compliance issues and legal cases for each region of the Group. The Committee acknowledged that the only exception to compliance with all the mandatory disclosure requirements and principles, code provisions and recommended best practices of the Corporate Governance Code is that CLP does not publish quarterly financial results (as a recommended best practice); and the Committee supported the considered reasons for this exception (please refer to page 97).
Annual and Interim Financial Reports	
Annual Reports and Interim Report	The Committee reviewed the 2023 and 2024 Annual Reports and the 2024 Interim Report and on the recommendations from the Committee, these were approved by the Board.
2024 Financial Statements – accounting judgements	Management and PwC presented to the Committee the key judgements with material accounting impact. These included the review of the carrying values of the Group's generation assets and EnergyAustralia's energy retail business and account receivables for the renewable projects in Mainland China. The Committee critically assessed these and found the judgements put forward to be acceptable for the issues presented.
ESG data and materiality assessment assurance	The Committee considered and acknowledged the independent consultant's report on the ESG data assurance in respect of the 2023 and 2024 identified ESG metrics disclosed in the Annual Report, Sustainability Report and CLP's Climate Vision 2050. The Committee was briefed on the scope of the ESG data assurance with the selected ESG performance indicators and some of the key changes. Furthermore, the Committee was briefed on the 2024 materiality assessment and the results from the assurance.
Internal and External Auditing	
Internal audit	The Committee received and considered two types of reports from the Senior Director – GIA and they are: 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. For the year 2024, a total of 17 audits and 8 special reviews were completed. Two audit reports carried a not satisfactory audit opinion. None of the control weaknesses identified had a material impact on the financial statements.

Areas of Focus

Internal and External Auditing	
Internal audit function	The Committee reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the GIA function as well as the accounting and financial reporting functions of the Group.
Financial Statements – auditor's opinion	For both the 2023 and 2024 financial statements, PwC presented the auditor's opinion on the financial statements and the Key Audit Matters that had material impacts on the financial results and position of the Group. The Key Audit Matters identified were considered and reviewed by the Committee.
Fees to independent auditor and its re-appointment	The Committee reviewed the following fees payable to PwC: • audit fees for 2023 and 2024 for approval by the Board; and • permissible audit related and non-audit services provided by PwC for 2023 and 2024. The Committee also reviewed and approved the fees relating to the PwC's specific non-audit service engagement. The Committee also reviewed the proposed permissible audit related and non-audit services to be provided by the external auditor in the coming year. At the 2024 AGM, over 99% of the shareholders voting supported the re-appointment of PwC and they were re-appointed as independent auditor for 2024. Having considered PwC's performance and independence as CLP's independent auditor, the Committee recommended to the Board that PwC be re-appointed as independent auditor for 2025 and this will be considered by shareholders at the forthcoming AGM. PwC also issued a letter of independence to the Committee. Ms Yee Shia Yuen has been the lead audit partner for CLP since the financial year 2021, after her predecessor retired from CLP's audit assignments upon the completion of seven years of service after the 2020 financial year-end audit. This rotation is consistent with The International Federation of Accountants rules on independence of external auditors. The Committee supports this approach for it believes that changing the lead audit partner regularly ensures the independence, objectivity and fresh perspectives the Committee requires in CLP's independent auditor. Further details of the fees payable to PwC and the assessment of their independence can be found on page 119.

Areas of Focus

Corporate Governance	
Corporate governance practices	The Committee received a report from management on Corporate Governance Policies and Practices Review covering the review of the shareholders' communication policy, Code of Conduct, whistleblowing policy, policy and procedure for gifts and entertainment, anti-fraud policy and policy on making political contributions. The Committee took particular note of the updates regarding a series of corporate governance related changes under the Listing Rules that will come into effect on 1 July 2025 and areas where specific changes or actions may need to be made or taken to address certain specific new requirements.
Continuing connected transactions	The Committee considered the work carried out by PwC on the annual reporting and confirmation of continuing connected transactions as required by the Listing Rules.
Culture-related	The Committee received and considered the periodic updates on the breaches of the Code of Conduct. None of the 31 breaches in 2024 were material to the Group's financial statements or overall operations. The breaches were mainly related to issues of workplace behaviour and individuals' ethics and integrity. None of the reported Code of Conduct violations involved employees at the grade level of senior manager or above. The Committee analysed the findings of the 2023 ethics and controls commitment surveys for the employees and took note that the results for 2023 were positive and in general, were either at the same level or better than the results of the previous year.

Responsibilities

Primary Responsibilities

The Committee's primary responsibilities include:

- satisfying itself that good accounting, audit principles, risk management, internal controls and ethical practices are applied on a consistent basis throughout the CLP Group (without limiting the primary responsibilities of all the business unit managers throughout the Group);
- assuring adequate risk management and internal control systems are in place and followed and where deficiencies are found, appropriate remedial actions are taken in a timely manner;
- assuring appropriate accounting principles and reporting practices are followed;
- performing the corporate governance duties described further in this Report and fulfilling the functions conferred on the Committee by the CLP Code;
- satisfying itself that the scope and direction of external and internal auditing are adequate; and
- reviewing and making sure the assurance of the sustainability data in the Sustainability Report is appropriate.

Accountability

The Committee is accountable to the Board. The Chairperson reports to the Board at the Board meetings in which the half-year and full-year financial statements are considered and this would cover key issues considered by the Committee in the course of the review of the preparation of the financial statements.

Terms of Reference

The Committee's terms of reference follow international best practice and they also comply with the HKICPA's "A Guide for Effective Audit Committees" and the Corporate Governance Code. Full terms of reference can be found on CLP's and the Hong Kong Stock Exchange's websites.

Audit & Risk Committee Effectiveness

The Company Secretary evaluated the performance and effectiveness of the Committee during 2024 and the Committee was pleased to note that the Company Secretary concluded that the Committee was performing its responsibilities in an effective manner in accordance with its terms of reference. The evaluation was supported by a survey on the work and focus of the Committee that was completed by the Committee Members and management who have frequent interaction with the Committee. The CLP Holdings Board also endorsed the Company Secretary's evaluation.

Looking Ahead

Over the past year, we saw how certain operational issues brought other underlying issues to the fore. The Group is entrusted with the operation of critical infrastructures in different markets and in particular, in our home market Hong Kong. This has always been an important focus for management and the Committee, and would undoubtedly continue to be a focus for the coming year.

May Siew Boi Tan
Chairperson, Audit & Risk Committee
Hong Kong, 24 February 2025

Sustainability Committee Report

The Sustainability Committee is chaired by an Independent Non-executive Director and comprises seven Non-executive Directors, five of whom including the Chair are Independent Non-executive Directors. Members of the Sustainability Committee are appointed by CLP Holdings' Board of Directors to oversee CLP's sustainability matters, and during the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period), the Committee Members are:

Members

Mr Chunyuan Gu
(Independent Non-executive Director) (the Chairman)

Mr Nicholas C. Allen
(Independent Non-executive Director)

Ms May Siew Boi Tan
(Independent Non-executive Director)

Ms Christina Gaw
(Independent Non-executive Director)

Mr Bernard Chan
(Independent Non-executive Director)

Mr Andrew Brandler
(Non-executive Director and Vice Chairman of the Board)

Mr Philip Kadoorie
(Non-executive Director)

Biographies of the Members are set out in the "Board of Directors" section on page 82 and on our website.

The governance of sustainability is integrated in the CLP Group's corporate governance structures – from Board-level Committees to management-level group functions and business units (please refer to page 98 of the Corporate Governance Report on "CLP's Approach to Sustainability-related Disclosures").

The Sustainability Committee holds the primary role of overseeing the management of the Group's sustainability matters.

The Committee is supported by the management-level Sustainability Executive Committee which in turn provides oversight of management's implementation of sustainability-related strategies, policies and goals. Membership of the Sustainability Executive Committee has been expanded since early 2025 to include all Members of, and senior executives with standing invitations to join meetings of, the Group Executive Committee (biographies of which are set out on pages 89 to 91 and on our website). The Group Sustainability Department reports to and seeks guidance from this Committee and the Sustainability Executive Committee on a range of sustainability matters including climate action, embedding sustainability practices into business strategies and planning, emerging sustainability risks and opportunities, and sustainability and climate-related reporting.

Regular attendees at the Committee's meetings include members of the Sustainability Executive Committee, the Director – Group Sustainability (Mr Hendrik Rosenthal) and Joint Company Secretary (Mr Michael Ling).

Meetings and Attendance

The Committee meets as frequently as required and the Committee met five times during the Period.

Highlights of the Committee's Work

It is worth highlighting as an area that continues to evolve and develop, there has been considerable expectation and anticipation from CLP's stakeholders on how CLP approaches the corporate disclosures under the International Sustainability Standards Board's IFRS S1 and IFRS S2 standards. With guidance from the Committee, management has spent considerable time in preparing the Group's disclosures in this regard.

The following table provides an overview of how the Committee spent its time during the Period:

	2024				**2025**
	Jan	Feb	Sep	Nov	**Feb**
Climate Change-related Matters	◆	◆	◆	◆	◆
Other Sustainability Matters – risks, opportunities and emerging issues	◆		◆	◆	
Sustainability Reporting / Indices Performance		◆	◆	◆	◆
Sustainability Governance	◆			◆	◆
Health, Safety, Security and Environment	◆			◆	◆
Community, Charitable and Environmental Partnerships and Initiatives		◆			◆

Summary of Work Done

In addition to the Highlights of the Committee's Work for the Period, the table below explains the work carried out by the Committee and how it discharged its responsibilities for the Period.

Areas of Focus	
Climate Change-related Matters	
Climate change-related developments and risks	The Committee received a presentation from management on the emerging trend in avoided emissions measurement and disclosure. There was a discussion on the role of avoided emissions, and how it could help organisations articulate climate benefits through energy service offering. The plan to continue monitoring the annual avoided emissions was endorsed by the Committee. The Committee was also updated on the Hong Kong Taxonomy for Sustainable Finance and the strategy to update CLP's Climate Action Finance Framework (CAFF).

Areas of Focus

Other Sustainability Matters – risks, opportunities and emerging issues	
Voluntary carbon markets	The Committee received briefings from international experts on the latest trends and insights, strategic motivation, key opportunities and execution blueprints of the carbon markets. The potential significance of these markets to utilities was also explained.
Sustainable Procurement Programme	The Committee was briefed on the update regarding the Sustainable Procurement Programme, including the progress and achievements made on sustainable procurement in 2024, the process on the assurance compliance, the sustainable procurement framework and the proposed targets for CLP's supply chain.
Materiality assessment	The Committee considered and endorsed the materiality assessment for 2024. The Committee took note that there were changes with some new material topics and sub-topics defined for 2024 and that KPMG would provide an assurance report on CLP's materiality assessment process.
Human rights due diligence	The Committee acknowledged the outcomes of the human rights due diligence initiative along with its corresponding improvement plan. There was a discussion on considerations for the Group Labour Standards and human rights and that the right balance should be struck as between local and international requirements and standards.
Sustainability Reporting / Indices Performance	
Sustainability reporting standards	The Committee considered and endorsed the approach to reporting on sustainability-related disclosures for the Annual Report and Sustainability Report. A new reporting initiative for 2024 was to shift some of the evergreen disclosures to the CLP website to ensure a more focused coverage on CLP's latest developments and performances, while streamlining the disclosures in the Sustainability Report. The Committee also endorsed the sustainability-related disclosures of the 2024 Annual Report to be prepared in accordance with the HKFRS S1 and HKFRS S2 reporting standards and the Hong Kong Stock Exchange's ESG Reporting Code. The Committee also reviewed and endorsed the contents of the 2024 Sustainability Report.
Sustainability-related targets	The Committee considered and approved the proposed sustainability-related targets that would be reflective of the Group's material sustainability topics in the ESG spectrum for disclosure in the 2024 Sustainability and Annual Reports.

Areas of Focus	
Sustainability Reporting / Indices Performance	
Performance on external sustainability indices	As a standing item, the Committee was briefed on, and monitored, CLP's performance on the external sustainability indices. The Committee analysed CLP's performance ratings under the key sustainability indices. The Committee acknowledged the evolving assessment and benchmarking initiatives and requirements, and reviewed the relevance and potential implications for CLP.
Sustainability Governance	
Annual review of resources for sustainability	The Committee observed that going forward there would be increasing reporting requirements as new system on reporting emerges. The Committee was satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget for ESG performance and reporting. The Committee also reviewed and noted the updated Terms of Reference for the Sustainability Executive Committee.
Health, Safety, Security and Environment	
Health, Safety and Environment Strategy & update	The Committee considered and endorsed the CLP 2025-2027 Group Health, Safety and Environment (HSE) Strategy. The Committee also received the management's update on Group HSE covering areas regarding governance, digital platforms, assurance programme, capability building, performance, group programmes and risks. The Committee also received an update on CLP's HSE performance for the year 2024.
Community, Charitable and Environmental Partnerships and Initiatives	
Community initiatives	The Committee reviewed management's report on the community initiatives undertaken by CLP in 2024 and gave their support on the 2025 programme highlights.

Responsibilities

Primary Responsibilities

The Committee's key responsibilities are:

- to review, endorse and report to the Board on CLP's sustainability-related strategy and to oversee the implementation of said strategy at the CLP Group;
- to review and evaluate the adequacy and effectiveness of the CLP Group-level frameworks insofar as they relate to sustainability matters;
- to review and report to relevant Board Committees on key international, regional and / or local sustainability trends, benchmarking against peers, sustainability risks and opportunities and other emerging issues;
- to review and evaluate the organisation's long-term corporate strategy through the perspectives of the Group's sustainability risks and opportunities, goals, targets, priorities and performance;
- to oversee, review and evaluate the CLP Group's sustainability performance in terms of internationally-recognised metrics relevant to the industry, as well as the requirements of sustainability indices and ratings and the desirability of CLP's inclusion in those indices and ratings;
- to review and advise the Board on CLP's public reporting with regard to its performance on sustainability matters;
- to monitor compliance with any applicable laws and regulations of the jurisdictions in which CLP operates as regards sustainability-related disclosures; and
- to oversee CLP's community, charitable and environmental partnerships, strategies and related Group-level policies and make recommendations to the Board on any changes to those partnerships, strategies and policies.

Accountability

The Committee is accountable to the Board. The Committee is authorised by the Board to investigate all matters that fall within its terms of reference.

The objectives of the Committee are to oversee management and advise the Board on matters required to enable the CLP Group:

a to operate on a sustainable basis for the benefit of current and future generations;

b to achieve sustainable growth having regard to the Group's impact on its value chain;

c to effectively manage the Group's sustainability-related risks and opportunities; and

d to disclose and communicate the Group's sustainability progress and objectives.

Terms of Reference

The terms of reference of the Committee were updated in January 2024 and are set out on CLP's and the Hong Kong Stock Exchange's websites.

Looking Ahead

At CLP, we value the importance of sustainability and we also recognise that for our stakeholders, of equal importance is how we report on our sustainability practices. We are pleased with the positive feedback from our stakeholders regarding our sustainability-related reporting such as our CLP's Climate Vision 2050 and our approach to double materiality. In the coming year ahead, we would welcome stakeholders' feedback on our disclosures regarding the HKFRS S1 and HKFRS S2 standards as we continue to review this on an ongoing basis.

Chunyuan Gu
Chairman, Sustainability Committee
Hong Kong, 24 February 2025

Nomination Committee Report

The Members of the Nomination Committee are appointed by CLP Holdings' Board of Directors and the majority of which are Independent Non-executive Directors. This Committee comprised the following Members during the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period):

Members

Mr Nicholas C. Allen
(Independent Non-executive Director) (the Chairman)

The Hon Sir Michael Kadoorie
(Non-executive Director and Chairman of the Board)

Ms May Siew Boi Tan
(Independent Non-executive Director)

Biographies of the Members are set out in the "Board of Directors" section on page 82 and on our website.

In addition to the Members, the regular attendees at the Committee's meeting include:

- Chief Executive Officer – Mr T.K. Chiang;
- Chief Strategy, Sustainability and Governance Officer – Mr David Simmonds; and
- Joint Company Secretary – Mr Michael Ling.

Summary of Work Done

The Committee met once during the Period. In addition, Committee Members considered and dealt with a number of important matters outside of the scheduled meeting by circulation. These matters included setting the desired profile for the potential candidate for an Independent Non-executive Director as well as the Members meeting and interviewing the then potential candidate Mrs Kung Yeung Yun Chi Ann which led to the formal appointment.

Areas of Focus	
Board nominations and Board refresh	**Appointment of Mrs Kung Yeung Yun Chi Ann as Independent Non-executive Director** The Committee considered and endorsed the nomination of a new Independent Non-executive Director for the Board's approval. The search process was conducted by Korn Ferry, an independent consulting firm. Mrs Kung Yeung Yun Chi Ann was considered as the leading candidate having regard to her over 30 years of experience in the banking industry with extensive knowledge and experience of financial services. The Committee considered how Mrs Kung's profile would complement the Board Members' skills, experience and background, in particular, that she would be able to strengthen the financial and accounting expertise on the Audit & Risk Committee. **Appointment of Mr Diego Alejandro González Morales as Non-executive Director** The Committee endorsed the appointment of Mr Diego González Morales as a Non-executive Director with effect from 1 April 2024. The Committee considered his broad, cross-functional corporate expertise spanning the financial services, healthcare, energy and entertainment industries and that he is a director representing Sir Elly Kadoorie & Sons Limited.

Areas of Focus	
Board Committees refresh	The Committee considered the evolving demands of the Board Committees and the changes in the Board composition in 2024. Having due regard to the unique experience, expertise and background of the Directors concerned, the Committee reviewed and endorsed the following appointments for the relevant Board Committees for approval by the Board: • appointment of Mr Diego González Morales as a Member of the Finance & General Committee with effect from 1 April 2024; • appointment of Mrs Kung Yeung Yun Chi Ann as a Member of the Audit & Risk Committee and the Finance & General Committee with effect from 22 October 2024; and • appointment of Mr Philip Kadoorie as a Member of the Finance & General Committee with effect from 1 January 2025. The Committee endorsed Ms Christina Gaw to step off the Finance & General Committee with effect from 27 February 2024 and in doing so, the Committee considered the desire to balance her interests in the affairs in and outside of CLP Holdings. Details of the Board Committees composition are set out in the Corporate Governance Report on page 107.
Board Diversity Policy, diversity aspects of the Board and independence mechanism	Since the last update of the Board Diversity Policy in late 2022, the Committee continued to undertake an annual review of the Policy and considered the market developments and expectations from institutional shareholders and proxy advisors regarding Board diversity; and concluded that no further change to the Policy was needed for 2024. The Committee also considered management's findings on the annual review of the existing diversity aspects of the Board for 2024. The Committee reaffirmed the commitment to the continuous Board refresh exercise with the view of enhancing the Board's diversity in terms of gender, length of service, age distribution, independence and the alignment between the Group's strategic direction and Directors' skills and experience. Full analysis of the diversity aspects of the Board can be found in the Corporate Governance Report on pages 110 and 111. The Committee endorsed the annual review of the implementation and effectiveness of the independence mechanism and its disclosure.
Regulatory-related	The Committee undertook the review and assessment of the following regulatory-related matters: • the nomination of Directors for election and re-election at the 2025 AGM, with assessment on the tenure (especially for Independent Non-executive Directors who have served for more than nine years), the retirement age guideline, time commitment, attendance at Board and Committee meetings, overboarding and cross-directorships or significant links of the Independent Non-executive Directors; • the independence of Independent Non-executive Directors; • the training and continuous professional development of Directors; and • Directors' time commitment and contribution to the Board to discharge their responsibilities.

Responsibilities

Primary Responsibilities

The Committee's primary responsibilities include:

- reviewing the Board structure and composition, and the Board Diversity Policy including the gender diversity target on an annual basis;
- making recommendations to the Board on Directors appointment and re-appointment and succession planning;
- supporting the Company's regular evaluation of the Board's performance;
- assessing the implementation and effectiveness of the independence mechanism annually, the independence of the Independent Non-executive Directors, and each Directors' time commitment and contribution to the Board and whether Directors are spending sufficient time performing their duties; and
- reviewing and monitoring the training and continuous professional development of Directors.

Accountability

The Committee is accountable to the Board. The Committee is authorised by the Board to investigate all matters that fall within its terms of reference. The objectives of the Committee are to recommend to the Board on the structure, size and composition of the Board and on the nomination of Directors, having regard to the independence and quality of the nominees and ensuring that the nominations are fair and transparent.

Terms of Reference

The terms of reference of the Committee were amended effective from 1 January 2025 in accordance with the amendments to the Corporate Governance Code regarding the scope of work of the Committee, primarily relate to the additional responsibilities in maintaining a board skills matrix and in supporting the regular Board's performance review. The terms of reference of the Committee are set out on the CLP's and the Hong Kong Stock Exchange's websites.

Nomination Policy

Embedded in the Committee's terms of reference is the Nomination Policy for Directors. The Policy (set out below) stipulates the key nomination criteria and principles of the Company for the nomination of Directors and provides what the Committee should do in order to give effect to this Policy:

1. review and monitor the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board on an annual basis, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. identify and nominate qualified individuals for appointment as additional Directors or to fill Board vacancies as and when they arise. The criteria to be adopted by the Board in considering each individual shall be their ability to contribute to the effective carrying out by the Board of its responsibilities set out in the CLP Code in particular those described in paragraphs II.B.36 and 37;
3. make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the Chairman and the CEO; and
4. make recommendations to the Board with particular regard to ensuring a substantial majority of the Directors on the Board being independent of management.

Looking Ahead

2024 saw a number of Directors retire from the Board and the appointment of new Directors joining the Board. This is a testament to our commitment to the gradual refresh of the Board's composition and the emphasis is on taking a progressive approach with due regard to the Group's strategic focus and needs. At the same time, we will always strive to identify the most suited candidate for CLP and timing is always key. Taking all these into consideration, it requires well considered forward planning and will continue to be a key focus of this Committee.

Nicholas C. Allen
Chairman, Nomination Committee
Hong Kong, 24 February 2025

Human Resources & Remuneration Committee Report

The Human Resources & Remuneration Committee (HR&RC) comprises five Non-Executive Directors, four of whom including the Chair are Independent Non-Executive Directors. Members of the HR&RC are appointed by the CLP Holdings' Board of Directors to oversee major human resources and pay issues. During the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period), the Committee members are:

Members

Mr Nicholas C. Allen
(Independent Non-executive Director) (the Chairman)

Ms May Siew Boi Tan
(Independent Non-executive Director)

Mr Chunyuan Gu
(Independent Non-executive Director)

Ms Wang Xiaojun Heather
(Independent Non-executive Director)

Mr Andrew Brandler
(Non-executive Director and Vice Chairman of the Board)

Mrs Zia Mody
(Independent Non-executive Director) (retired on 3 May 2024 after conclusion of the 2024 AGM)

There is no Executive Director on the HR&RC.

Biographies of the Members are set out in "Board of Directors" section on page 82 and on our website.

In addition to the Members, regular attendees at the Committee's meetings include:

- Chief Executive Officer – Mr T.K. Chiang;
- Chief Human Resources Officer – Ms Eileen Burnett-Kant; and
- Joint Company Secretary – Mr Michael Ling.

Meetings and Attendance

During the Period, the HR&RC held four meetings in 2024 and one meeting in 2025.

Highlights of the Committee's Work

On behalf of the Board, the HR&RC scrutinises the remuneration policies applied within the CLP Group, including the remuneration of Non-executive Directors, and as delegated by the Board, the determination of the remuneration of the Executive Directors and of Senior Management. It also reviews the management development and succession plans for executive levels and major changes to human resources policies and organisation in the light of current trends and business requirements.

Important areas of work for the Committee this year were commencement of a strategic review to align Remuneration Policy with delivery of CLP's strategy, as it evolves over time; the review and update of CLP's strategy on diversity and inclusion; and review of plans and progress to embed new ways of working.

The following table provides an overview of how the Committee spent its time during the Period:

	2024				**2025**
	Feb	Aug	Sep	Dec	**Feb**
Performance and Remuneration Policy and Review	◆	◆	◆	◆	◆
Succession Planning and Talent Development		◆			
People Strategy and Organisation Development		◆		◆	◆
Staff Policies and Benefits		◆			
Governance	◆			◆	◆

Areas of Focus

Performance and Remuneration Policy and Review	
Remuneration review	The Committee scrutinised and approved: - Group performance for 2023 and 2024 and targets for 2024 and 2025. - 2023 and 2024 organisation performance for CLP Power, CLP China and CLP*e* and targets for 2024 and 2025. - Group Function targets for 2025. - Base pay for 2024 and 2025 for staff under Hong Kong payroll and Mainland China. - CEO's remuneration. - Remuneration of direct reports to the CEO, including annual incentive payments for 2023 and 2024 and pay review for 2024 and 2025. - Peer groups for executive remuneration benchmarking for 2025 and onwards.
Performance management and remuneration policy	The Committee reviewed management's progress in implementing its refreshed approach to individual performance management which seeks to reward delivery of strategic priorities and desired future behaviours, provide greater differentiation and more development-focused feedback. The Committee also reviewed and endorsed the intent, scope, and timeline of a strategic review to align the future Remuneration Policy and framework with delivery of CLP's strategy, as it evolves over time. The Committee approved adjustments to incentive structure for selected executives to take effect from 2025, in line with the review's direction.

Areas of Focus

Succession Planning and Talent Development	
Enterprise leadership succession	The Committee reviewed and endorsed the succession plan for the enterprise leadership team and reviewed the initiatives to accelerate the readiness and capability for the leadership team's succession.
Talent development	The Committee reviewed and considered management's proposed plans and initiatives in ensuring that CLP has the necessary talent and capability to support the corporate strategy.
Diversity and inclusion policy and progress	The Committee discussed and endorsed the refreshed Group strategy on diversity and inclusion to be introduced in early 2025 and noted actions in progress and planned to foster a diverse workforce and fair policies and practices, and to ensure CLP's workplaces are welcoming to all.
People Strategy and Organisation Development	
People strategy and organisation development	The Committee reviewed management's long-term plans and initiatives to enable the delivery of corporate strategy including embedding a fit-for-purpose operating model and new ways of working.
Staff Policies and Benefits	
Human resources policies	The Committee reviewed Human Resources Policies, and the key areas that have been strengthened, such as: health and wellbeing, family-friendly and flexible working, talent attraction and retention, mature workforce policies, and sustainability and governance.
Governance	
Training and professional development of Senior Management	The Committee considered the activities undertaken in 2023 and 2024 and the planned activities for 2024 and 2025 in respect of the training and continuous professional development of Senior Management.
Executive remuneration governance and disclosure	The Committee reviewed and approved the 2023 and 2024 HR&RC Reports. The Committee took note of management's findings from their regular reviews on the governance and disclosure requirements for executive remuneration and the associated trends.

Remuneration

The underlying principles of CLP's remuneration policies for Non-executive Directors, Executive Directors and Senior Management have been in place for a number of years and are incorporated in the CLP Code:

- No individual or any of his or her close associates should determine his or her own remuneration;
- Remuneration should be broadly aligned with companies with whom CLP competes for human resources; and
- Remuneration should reflect performance, complexity, and responsibility with a view to attracting, motivating, and retaining high performing individuals and promoting the enhancement of the value of the Company to its shareholders.

This Report explains the specific policies applied to determining remuneration levels and sets out the remuneration paid to Non-executive Directors, Executive Directors, and Senior Management. This Report covering the Period has been reviewed and approved by the HR&RC.

As stated in Note 31(D) to the Financial Statements on page 268, the following sections in the highlighted boxes below form part of the Financial Statements and have been audited by the Company's independent auditor:

- **"Non-executive Directors – Remuneration in 2024";**
- **"Change of Remuneration – Executive Directors and Senior Management in 2024";**
- **"Executive Directors – Remuneration in 2024";**
- **"Total Directors' Remuneration in 2024";**
- **"Senior Management – Remuneration in 2024"; and**
- **"The Five Highest Paid Individuals in 2024".**

Non-executive Director Remuneration

Principles of Remuneration

How Non-executive Directors (NEDs) should be remunerated

- Recognise that they are not employees.
- Sufficiently competitive to attract and retain high-calibre candidates.
- Should not be excessive.

References include:

- The Financial Reporting Council's "The UK Corporate Governance Code" last published in January 2024.
- The Corporate Governance Code and associated Listing Rules.

Fees Review

- No less than every three years.
- Latest independent review undertaken in 2025 (2025 Review).

Highlights of the Review and the Proposed Fees

The following paragraphs outline the key highlights of the 2025 Review and the proposed fees payable to the NEDs.	
Calculations	The review is undertaken every three years, and the proposed fees are applied for the coming three-year period from the 2025 AGM until the 2028 AGM. In principle, the proposed fees are derived by applying an hourly rate to the time spent by NEDs calculated by a historical average over the past nine years and taking into account any anticipated additional time commitments such as the Management Briefing Sessions and ERP Panel (as a panel to oversee the ERP project).
Hourly Rate	The hourly rate will be increased by 6.7% to an hourly rate of $6,000 as compared to the current hourly rate and this rate will be used for each of the next three years.
Time Spent	The time NEDs are spending at the Board level on fulfilling their duties has increased due to heightened governance requirements and stakeholders' expectations; the actual time spent by the Board in the past three financial years (2022-2024) increased by 5.8% as compared against the previous three-year review period of 2019-2021. In calculating the proposed fees and adjusting for the recently introduced additional commitments, there will be a further increase on the time spent of 12 hours – for all NEDs on the Management Briefing Sessions and 20 hours for NEDs on the ERP Panel. These additions represent further increases in the time spent of 11.08% and 18.47%, respectively, over the average annual time spent by a NED as a Board Member (only) for the past nine years.
Proposed Fees in Aggregate for NEDs	For illustration purposes, the impact of the above on our total Board NED fees for the next three financial years are (on the basis of a Board of 12 NEDs taking into account one NED retirement at the coming AGM): (i) 2025 fees*: HK$15,839,210; (ii) 2026 fees*: HK$16,561,005; and (iii) 2027 fees*: HK$17,438,049. (*projected fees for the twelve calendar months) As compared against the aggregate fees of HK$14,521,485 paid in 2024, the year-on-year increases in 2025, 2026 and 2027 will be 9.1%, 4.6% and 5.3%, respectively. In respect of the 9.1% increase from 2024 to 2025, 6.8% arises from the additional work on the Management Briefing Sessions and the ERP Panel.
Management Briefing Sessions	These sessions are held where NEDs are updated and briefed on a range of key topics and issues facing CLP's business during the course of the year. The objectives of these sessions are: (i) to provide the opportunity for Directors to take a deeper dive into different topics and issues facing the Group outside the Board's scheduled formal meetings; (ii) to facilitate an open dialogue and interactive discussion between Directors and management on these key issues as the sessions are not a decision-making forum; and (iii) as and when the relevant issues are brought to a Board meeting for formal consideration, to ensure Directors are well briefed on pertinent issues before decision making. Our Board is regarded as a strategic partner of management and through these sessions, we strive to enhance the Directors' engagement with management, to keep our Directors abreast of the Group's key developments contemporaneously and to enable Directors to play an active role in the oversight of management.
ERP Panel	This was established by the Board in April 2024 to provide specific oversight of the ERP project. Under the Terms of Reference of the ERP Panel, the new ERP Panel is expected to meet four times a year with each meeting estimated to take five hours inclusive of travel, reading and meeting time. The ERP Panel operates similarly to a Board Committee except that it is being established as a non-permanent, project specific governance oversight forum. It will operate for the duration of the ERP project which is expected to run for at least the next 12 months.

Analysis

The methodology adopted in the 2025 Review is the same as that used in the previous reviews – it takes into account the workload, scale and complexity of the business and the responsibility of NEDs in determining the remuneration of the Company's NEDs. The proposed fees for the Board were then adjusted to take into account extra time expected to be spent by the Board on the Management Briefing Sessions and the ERP Panel. The resulting fees from the 2025 Review were then benchmarked against the level of fees paid to NEDs of other leading Hong Kong listed companies as well as fees paid to NEDs of utility companies listed on exchanges in Hong Kong, the UK, Australia and New Zealand. The proposed fees are set out in the table below.

	Current Annual Fees HK$	Proposed Fees* HK$	Proposed Percentage Change
Board			
Chairman	889,200	1,010,240	13.61%
Vice Chairman	698,700	793,760	13.61%
Non-executive Director	635,200	721,600	13.60%
Audit & Risk Committee			
Chairman	719,500	795,340	10.54%
Member	513,500	568,100	10.63%
Finance & General Committee			
Chairman	449,900	449,900	0.00%
Member	319,400	319,400	0.00%
HR&RC			
Chairman	145,500	175,980	20.95%
Member	104,300	125,700	20.52%
Sustainability Committee			
Chairman	154,100	181,720	17.92%
Member	109,600	129,800	18.43%
Nomination Committee			
Chairman	43,100	45,640	5.89%
Member	30,800	32,600	5.84%
ERP Panel**			
Chairman	–	168,000	N/A
Deputy Chair	–	132,000	N/A
Member	–	120,000	N/A

* The proposed increase to be spread over a period of three years from 2025 to 2027.

** The ERP Panel was established on 23 April 2024 and its members did not receive fees for the additional time they spent on the ERP Panel in 2024 and up to the date of the 2025 AGM. The proposed fees for the ERP Panel have been calculated on the same time spent basis as other committees.

The methodology is aligned with the recommendations of "The UK Corporate Governance Code", as well as the recommendations contained in the Hong Kong Stock Exchange's Corporate Governance Code and associated Listing Rules, and includes:

(a) the application of an average of partner level hourly rates of professional services firms charged to CLP. Based on this, the average hourly rate has been increased from HK$5,620 in 2022 to HK$6,000 for 2025;

(b) a calculation of the time spent by NEDs on CLP's affairs (including attendance and perusing papers); and

(c) an additional fee of 40% and 10% per annum for the Chairman and the Vice Chairman respectively.

Having regard to the possible year-to-year fluctuations in the time spent by NEDs, it has been recommended to maintain the approach established since the 2016 Review by taking the average time spent by NEDs over a longer duration of three periods (i.e. nine years), rather than over the three years immediately preceding the review.

Time Spent

The following are key observations from the 2025 workload review over the nine-year period as against the 2022 Review:

(a) there was a moderate increase in the working hours of the Board (after having adjusted for the time spent on Management Briefing Sessions from 2025 onwards which will now be taken into account in the Review);

(b) moderate increases were recorded in the working hours of the Audit & Risk Committee, HR&RC and Sustainability Committee;

(c) there has been a slight increase in the working hours of the Nomination Committee;

(d) the working hours of the Finance & General Committee were very slightly reduced; and

(e) the new ERP Panel was established in 2024 and will operate as a non-permanent project specific Board Committee.

The working hours for the Board and all the Board Committees (except the Nomination Committee) were the highest in 2024 compared to any other year in the nine-year period. This was largely due to the time spent on the strategic review.

In addition, specific new Board initiatives, namely, the Management Briefing Sessions and ERP Panel will require additional time commitments from the Directors as follows:

(a) Management Briefing Sessions – From 2025 onwards, 10 meetings per year will be scheduled with each meeting estimated to take 90 minutes inclusive of reading, meeting, and travelling time (factoring in where, at times, attendance can be online). Directors are expected to attend these sessions, and it is assumed that the attendance rate will be 80%.

(b) ERP Panel – The ERP Panel will operate for the duration of the ERP project which is expected to run for at least the next 12 months.

The increased time spent by most of the Committees and the expected increase in time anticipated to be spent by the Board on Management Briefing Sessions is in line with generally increasing workloads on Directors, especially NEDs.

Proposed Fees

Including time expected to be spent on Management Briefing Sessions, the proposed fee increase for the Board is 13.6%. This is justifiable given the expected improvement in the Board's effectiveness by enhancing the Board's ability to query management and to make better informed decisions and is also in line with international trends.

The average working hours of the Finance & General Committee very slightly reduced over the review period, due to the delivery of more succinct board papers and enhanced efficiency in the Committee's work especially from the period of 2017 onwards. However, the Committee's working hours moderately increased over the last three-year period (from 2022 to 2024) compared to the preceding five-year period. The increase in the Committee's workload over the 2022-2024 period is anticipated to continue and, in these circumstances, management considers it appropriate to maintain the Committee's current fees.

The review methodology results in moderate increases in the proposed fees of the Audit & Risk Committee and Nomination Committee, and material increases in the proposed fees of the HR&RC and Sustainability Committee. Management considers that these increases are justified because of increasing demands on these Committees in recent years; for the Audit & Risk Committee, in terms of increased oversight on risk management; for the HR&RC, in terms of succession planning and organisational capability; for the Sustainability Committee, in terms of managing longer-term emerging sustainability matters of the Group; and for the Nomination Committee, in terms of the growing demand on the continuous review of the composition, refreshment, independence and time commitments of the Board.

As with previous reviews since 2013, it is recommended to spread the proposed increase over a period of three years from 2025 to 2027. The proposed fees for the next three years are as set out on page 164.

The methodology and resulting level of fees have been reviewed by J.S. Gale & Co (JSG), external legal advisor. JSG who have reviewed the full 2025 Review and all supporting material provided by CLP, as well as the summary of the analysis and proposed fees. On this basis, JSG have provided an opinion to the effect that the methodology adopted by CLP is reasonable and appropriate, has been fairly and consistently applied in all material respects and that the resulting proposed level of fees is reasonable and appropriate having regard to current corporate governance practices in Hong Kong and the UK.

The proposed level of fees has been considered and endorsed by the HR&RC and the Board of the Company and is being recommended to Shareholders for approval.

The 2025 Review which contains JSG's opinion is available on the CLP website and can be obtained on request to the Company Secretary.

Fees for Non-executive Directors

	Current Annual Fees HK$	Proposed Annual Fees (w.e.f. 10 May 2025) HK$	Proposed Annual Fees (w.e.f. 10 May 2026) HK$	Proposed Annual Fees (w.e.f. 10 May 2027) HK$
Board				
Chairman	889,200	947,100	1,008,900	1,074,700
Vice Chairman	698,700	744,200	792,700	844,400
Non-executive Director	635,200	676,600	720,700	767,700
Audit & Risk Committee				
Chairman	719,500	756,100	794,700	835,200
Member	513,500	539,800	567,600	596,800
Finance & General Committee				
Chairman	449,900	449,900	449,900	449,900
Member	319,400	319,400	319,400	319,400
HR&RC				
Chairman	145,500	159,800	175,500	192,700
Member	104,300	114,300	125,400	137,500
Sustainability Committee				
Chairman	154,100	167,100	181,300	196,700
Member	109,600	119,100	129,500	140,800
Nomination Committee				
Chairman	43,100	44,300	45,600	47,000
Member	30,800	31,700	32,600	33,500
ERP Panel				
Chairman	–	168,000	168,000	168,000
Deputy Chair	–	132,000	132,000	132,000
Member	–	120,000	120,000	120,000

Note: Executive Director and management serving on the Board and Board Committees are not entitled to any Directors' fees.

Non-executive Directors – Remuneration in 2024 (Audited)

The fees paid to each of our Non-executive Directors in 2024 for their service on the CLP Holdings' Board and, where applicable, on its Board Committees are set out below. Higher level of fees was paid to Chairmen of the Board and Board Committees and the Vice Chairman of the Board as indicated by (C) and (VC) respectively. Executive Directors and management serving on the Board and Board Committees are not entitled to any Directors' fees.

There was a slight increase in total Directors' fees compared to 2023, partly due to an increase in the level of Non-executive Directors' fees which took effect from 7 May 2024.

In HK$	Board	Audit & Risk Committee	Finance & General Committee	HR&RC	Sustainability Committee	Nomination Committee	Total 2024	Total 2023
Non-executive Directors								
The Hon Sir Michael Kadoorie	889,027 (C)	-	-	-	-	30,557	919,584	918,385
Mr Andrew Brandler	698,561 (VC)	-	449,900 (C)	103,780	108,698	-	1,360,939	1,280,075
Mr J.A.H. Leigh [1]	157,833	-	-	-	-	-	157,833	634,662
Mr Philip Kadoorie	635,061	-	-	-	108,698	-	743,759	740,764
Mrs Betty Yuen [2]	635,061	-	319,400	-	-	-	954,461	954,062
Mr Diego González Morales [3]	477,228	-	239,986	-	-	-	717,214	-
Independent Non-executive Directors								
Sir Rod Eddington	635,061	-	319,400	-	-	-	954,461	954,062
Mr Nicholas C. Allen	635,061	509,752	319,400	144,945 (C)	108,698	42,753 (C)	1,760,609	1,775,488
Mrs Zia Mody [4]	215,069	-	-	34,828	-	-	249,897	736,944
Ms May Siew Boi Tan	635,061	714,017 (C)	319,400	103,780	108,698	30,557	1,911,513	1,859,508
Ms Christina Gaw [5]	635,061	-	49,743	-	108,698	-	793,502	1,060,164
Mr Chunyuan Gu	635,061	509,752	319,400	103,780	152,573 (C)	-	1,720,566	1,577,055
Mr Bernard Chan	635,061	-	-	-	108,698	-	743,759	740,764
Ms Wang Xiaojun Heather	635,061	509,752	-	103,780	-	-	1,248,593	781,559
Mrs Kung Yeung Yun Chi Ann [6]	123,222	99,613	61,960	-	-	-	284,795	-
Mrs Fanny Law [7]	-	-	-	-	-	-	-	456,267
						Total	**14,521,485**	14,469,759

Notes:

1 Mr J.A.H. Leigh retired as a Non-executive Director on 31 March 2024. The fees paid to Mr Leigh in respect of his service were made on a pro rata basis up to 31 March 2024.

2 Mrs Betty Yuen received HK$300,000 as fees for her service on the board of CLP Power for each of 2023 and 2024.

3 Mr Diego González Morales was appointed as a Non-executive Director and a Member of the Finance & General Committee with effect from 1 April 2024. The fees paid to Mr González Morales in respect of his service were made on a pro rata basis from 1 April 2024.

4 Mrs Zia Mody retired as an Independent Non-executive Director and a Member of the HR&RC with effect from the conclusion of the 2024 AGM held on 3 May 2024. The fees paid to Mrs Mody in respect of her service were made on a pro rata basis up to 3 May 2024.

5 Ms Christina Gaw stepped down as a Member of the Finance & General Committee with effect from 27 February 2024.

6 Mrs Kung Yeung Yun Chi Ann was appointed as an Independent Non-executive Director and a Member of the Audit & Risk Committee and the Finance & General Committee with effect from 22 October 2024. The fees paid to Mrs Kung in respect of her service were made on a pro rata basis from 22 October 2024.

7 The fees paid to Mrs Fanny Law (a former Director) was made in respect of her service up to 5 May 2023, and it is included in the table solely for the purpose of comparing the total fees paid to Non-executive Directors in 2023 with those in 2024.

Senior Management Remuneration

For the purposes of this section, Senior Management means the managers, including Executive Directors, whose details are set out on pages 89 to 91.

Senior Management Remuneration Policy

CLP's Senior Management Remuneration Policy is an important element of the Group's strategy and an expression of our culture. The Policy is designed to be sustainable, aligned with shareholders and simple. Delivery of a highly reliable supply of electricity today together with transforming our business to become better-fit for a net zero future is a commitment that requires long-term stewardship and a sustainable approach to remuneration. Ensuring fairness and internal equity, underpin this approach.

CLP's Senior Management Remuneration is designed to attract, retain and motivate a diverse, high-performing executive team, and is guided by the following **five** principles:

Market-competitive Package structures are assessed in terms of appropriateness to the role and with reference to both local and international markets.

Fair and equitable CLP seeks to fairly recognise the extent of assigned job responsibilities and capabilities. External pay competitiveness is balanced with internal equity, as a long-term career with the Group is an important asset to CLP. Remuneration structure and outcomes are aligned with the wider workforce whose skills, values and commitments are essential to CLP's success.

Sustainable Pay is structured to avoid excessive risk-taking in the achievement of performance targets. A broad range of performance indicators is considered in determining incentive payments and total remuneration, including both **what** was achieved and **how** it was achieved.

Simple CLP strives to keep remuneration arrangements simple, clear, and consistent to enable effective stakeholder scrutiny.

Aligned with shareholders Balanced judgement of short- and long-term performance, together with encouraging and rewarding appropriate behaviour while discouraging inappropriate behaviour.

The determination of performance outcomes is not formulaic, as the HR&RC believes that its overriding responsibility is to exercise judgement and responsibility, ensuring alignment between shareholders and management.

In 2024, the HR&RC maintained Remuneration Policy in line with prior years recognising that current arrangements are embedded into the business and are well-understood both internally and externally.

During the year, the HR&RC commenced a strategic review to align Remuneration Policy and framework with delivery of CLP's strategy, as it evolves over time. While this review is underway, the current Policy and framework will be broadly maintained for 2025. However, adjustments to Incentive Plan measures have been made for Executives reporting to the CEO (excluding the Managing Director – EnergyAustralia) to add an element of Business Unit or Functional Performance (as appropriate to each role) alongside Group Performance in determination of outcomes.

Senior Management Remuneration Framework

Executive Directors and Senior Management (excluding Managing Director – EnergyAustralia)

The illustration below summarises policy design and operation for members of Senior Management excluding the Managing Director – EnergyAustralia.

Remuneration Component	Fixed Pay	Annual Incentive Plan (AIP)	Long-Term Incentive (LTI)	Retirement Arrangements
How does it link with strategy?	Competitive remuneration to attract and retain the capabilities needed to lead and sustain a multi-jurisdictional business in a complex operating environment, without over-paying.	Rewards for delivering performance aligned to short- and long-term value creation considering both **what** was achieved and **how** it was achieved, while avoiding excessive risk-taking.	Rewards for driving long-term value creation, supporting retention of Senior Management, and encouraging an owner's mindset.	Market-competitive and sustainable retirement benefits, supporting retention of Senior Management.
Maximum opportunity and alignment with wider workforce	Intent to align target **Total Remuneration** to between median and upper quartile of the reference market			
	Ordinarily, base salary increases in percentage terms will be in line with, or less than, increases awarded to other CLP employees. Increases may be made above this level for circumstances such as a significant change in responsibility or progression due to recent appointment.	Maximum annual incentive opportunity of 100% of base salary. Half of the maximum is payable for target performance. The maximum opportunity may be exceeded in exceptional cases where a discretionary additional annual incentive is awarded by the HR&RC. All employees are eligible to participate in the AIP with target AIP percentage calculated as a percentage of base salary.	Maximum LTI opportunity of 66.6% of base salary. LTI awards are based on the target LTI opportunity (50% of the maximum opportunity) set at the beginning of the year, multiplied by the organisational performance score for the preceding year. Participation in the LTI Plan applies to Senior Management and other senior roles.	To receive the maximum 17.5% employer contribution, employees must have completed 10 or more years of service and are required to contribute 10% of their base salary. Employer contribution rates are the same for all employees. All Hong Kong-based employees are eligible to join the Group Provident Fund Scheme.
How is it delivered?	Base salary. Changes are usually effective from 1 April each year.	Annual cash payment, paid in March following the relevant performance year.	A minimum of 75% of the award is delivered in phantom shares subject to a three-year vesting period. Up to 25% can be allocated to a notional cash deposit or to phantom shares.	Employer and employee contributions to the Group Provident Fund Scheme (a Defined Contribution Scheme).

Remuneration Component	Fixed Pay	Annual Incentive Plan (AIP)	Long-Term Incentive (LTI)	Retirement Arrangements
How is it determined?	Reviewed annually with reference to local and international comparators, role scope and experience, and wider workforce considerations.	Balanced consideration by the HR&RC of a range of quantitative and qualitative performance measures including **WHAT** was achieved (Financial and Operational performance), **HOW** it was achieved (Safety, Environmental and Internal Control performance) and **ADDITIONAL OBJECTIVES** reflecting strategic priorities and long-term sustainability of CLP's business model, people, environmental impact, and community acceptance. Performance measures are the same for Annual Incentive and LTI Plans. In 2024, awards were based wholly on CLP Group performance.		Not applicable.

Remuneration Mix

The current remuneration mix is structured to attract, drive performance and retain executives, with a proportion of variable remuneration which is at-risk and based on performance. The 2024 remuneration mix **at maximum** for Senior Management is summarised below.

Fixed Pay 43%		Performance-based Pay 57%	
Base pay 34%	**Pension** 9%	**Maximum AIP** 34%	**Maximum LTI** 23%
	Based on 17.5% contribution	Cash	Phantom shares 75% minimum / up to 25% notional cash deposit

Managing Director – EnergyAustralia

The pay structure of Managing Director – EnergyAustralia is aligned with Australian market practice. The illustration below summarises policy design and operation.

Remuneration Component	Fixed Pay	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
How does it link with strategy?	Competitive remuneration to reflect responsibility and complexity of the role, the skills and experience of the individual and to support the attraction and retention of executives to develop and deliver our strategy.	Rewards for individual performance based on achievement of annual financial and operational targets which are linked to EnergyAustralia's strategy. This ensures that total remuneration received is consistent with organisational performance for which management can be held to account. Deferral of incentives facilitates clawback.	Rewards for driving long-term business performance aligning Senior Management incentives to key strategic objectives and to achieve long-term value creation for shareholders.

Remuneration Component	Fixed Pay	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Maximum opportunity and alignment with wider workforce	Ordinarily, fixed annual remuneration (FAR) increases in percentage terms will be in line with or less than increases awarded to other EnergyAustralia employees.	Maximum STI opportunity is 150% of FAR. 100% of FAR is payable for on-target performance. All salaried employees are eligible to participate in the STI with target percentage calculated as a percentage of FAR.	Maximum LTI opportunity is equal to 100% of FAR. 50% of FAR is payable for on-target performance. Participation in the LTI plan applies to senior and other selected roles.
How is it delivered?	FAR including base salary and employer contribution to the Australian statutory superannuation scheme.	50% of the STI award is paid in cash annually, with 50% deferred for one year.	Upon determination of the Final Award Value, 100% of that value subject to the discretion of the Nomination, People and Remuneration Committee of EnergyAustralia is paid on the vesting date in the fourth year.
How is it determined?	FAR is reviewed annually taking into consideration the competitive market position compared to peer companies (a range of listed companies with market capitalisation of 50% to 200% of EnergyAustralia's notional market capitalisation), market practice and individual performance.	STI awards are based on a mix of the corporate scorecard and specific Managing Director-level objectives related to the strategic performance of the business. 60% of the STI is based on corporate performance and 40% on priorities set for the business. Performance is assessed over a financial year.	LTI awards are determined based on performance over a three-year period against a mix of financial conditions and conditions relating to long-term strategy delivery. Performance is assessed over three years.

Remuneration Mix

The remuneration mix for the Managing Director – EnergyAustralia is structured to attract, drive performance and retain, with a significant proportion of variable remuneration which is at-risk and based on performance. The 2024 remuneration mix **at maximum** for the Managing Director – EnergyAustralia is summarised below.

Fixed Pay 29%	Performance-based Pay 71%	
FAR 29%	**Maximum STI** 43%	**Maximum LTI** 28%
Includes employer contribution to statutory superannuation	100% cash of which 50% deferred for 1 year	100% cash

2024 Performance and Executive Remuneration Outcomes

When determining overall 2024 remuneration outcomes, the HR&RC (and the EnergyAustralia Nomination, People and Remuneration Committee for the Managing Director – EnergyAustralia) was cognisant to ensure they were reflective of market benchmarks; performance against a mix of financial, operational, strategic, climate-related, safety and internal control objectives; and shareholder experience.

Outcomes Awarded

The HR&RC considered that CLP Group operational and financial performance was solid, and that CLP's low- and non-carbon development pipelines continued to expand. However, aspects of safety and compliance performance were below management and the Board's expectations, and initiatives are being undertaken to improve performance in these areas. On this basis, the Committee decided to award a lower Group incentive performance outcome than in 2023. Similarly, the EnergyAustralia Nomination, People and Remuneration Committee awarded a lower outcome to the Managing Director – EnergyAustralia, reflecting EnergyAustralia's strong operational and financial performance; however, aspects of safety, compliance and employee engagement performance were also below expectations.

Change of Remuneration – Executive Directors and Senior Management in 2024 (Audited)

Details of the remuneration of Executive Directors and Senior Management prepared in accordance with the Hong Kong Financial Reporting Standards for the 12 months ended 31 December 2024 are set out in the tables on page 171 (Executive Directors) and pages 173 and 174 (Senior Management).

The amounts disclosed consist of remuneration accrued or paid for service in 2024 and, for the annual and long-term incentives, service, and performance in previous years.

The amounts disclosed are the amounts recognised in the financial year for accounting purposes, which do not necessarily reflect the cash actually received by the individual. Where payments are made to the individual over more than one financial year, this is explained in the notes.

To provide a clear picture of remuneration, amounts are shown as recurring or non-recurring items. Recurring items are the normal annual remuneration of Executive Directors and Senior Management while non-recurring items relate primarily to the appointment or termination of Executive Directors and Senior Management.

In the tables on page 171 and pages 173 and 174 the "Total Remuneration" column for 2024 includes the following recurring items:

(i) base compensation, allowances & benefits paid;

(ii) 2024 annual incentive accrued based on previous year's Company performance and the 2023 annual incentive adjustment. The adjustment is the difference between the actual annual incentive paid in 2024 for 2023 performance and the annual incentive accrual for 2023;

(iii) the 2021 long-term incentive award paid in January 2024 when the vesting conditions were satisfied (the comparative figures are the long-term incentive for 2020 paid in 2023); and

(iv) provident fund contribution made.

The "Other Payments" column includes the approved acceleration of long-term incentive payments and any termination related payments for departed Executive Director and Senior Management member.

Executive Directors – Remuneration in 2024 (Audited)

The remuneration paid to the Executive Directors of the Company in 2024 was as follows:

	Recurring Remuneration Items					Non-recurring Remuneration Items	
		Performance Bonus[2]					
	Base Compensation, Allowances & Benefits[1] HK$M	Annual Incentive HK$M	Long-term Incentive HK$M	Provident Fund Contribution HK$M	Total Remuneration HK$M	Other Payments HK$M	Total HK$M
2024							
CEO (Mr T.K. Chiang)	9.6	8.9	3.3	2.4	24.2	–	24.2
Former: Advisor to CEO (Mr Richard Lancaster)[3]	1.5	1.9	5.9	0.3	9.6	20.2	29.8
	11.1	10.8	9.2	2.7	33.8	20.2	54.0

		Performance Bonus[2]					
	Base Compensation, Allowances & Benefits[1] HK$M	Annual Incentive HK$M	Long-term Incentive HK$M	Provident Fund Contribution HK$M	Total Remuneration HK$M	Other Payments HK$M	Total HK$M
2023							
CEO (from 1 October to 31 December) (Mr T.K. Chiang)[4]	2.4	1.7	–	0.6	4.7	–	4.7
CEO (from 1 January to 30 September) Advisor to CEO (from 1 October to 31 December) (Mr Richard Lancaster)[3]	11.1	7.7	4.5	2.8	26.1	–	26.1
	13.5	9.4	4.5	3.4	30.8	–	30.8

Notes:

1 The value of non-cash benefits is included under the "Base Compensation, Allowances & Benefits" column of the above table. The nature of these benefits includes electricity allowance, the availability of a company vehicle for personal use, life insurance and medical benefits. The applicability of these benefits depends primarily on the location of the individual.

2 Performance Bonus consists of (a) annual incentive (2024 accrual and 2023 adjustment) and (b) long-term incentive (payment for 2021 award). The annual incentive payments and long-term incentive awards were approved by the HR&RC.

Payment of the annual incentive and granting of the long-term incentive awards relating to 2024 performance will be made in March 2025. These payments and awards are subject to the prior approval of the HR&RC after 31 December 2024. Details of these will be published on the CLP website at the time that the 2024 Annual Report is published.

3 Mr Richard Lancaster was an Executive Director and the CEO of the Group. He stepped down as CEO with effect from 1 October 2023 and retired as Advisor to CEO and an Executive Director at the conclusion of the 2024 AGM. The Other Payments of HK$20.2 million in 2024 included accelerated payment of long-term incentive awards for 2022, 2023 and 2024 in accordance with the Company's policy; and encashment of untaken annual leave. His remuneration for 2023 covered the full year from 1 January 2023 to 31 December 2023.

4 Mr T.K. Chiang was appointed as CEO and has become an Executive Director with effect from 1 October 2023. His remuneration covered the period from 1 October 2023 to 31 December 2023.

The Group does not have, and has never had, a share option scheme. No Executive Director has a service contract with the Company or any of its subsidiaries with a notice period in excess of six months or with provisions for predetermined compensation on termination which exceeds one year's salary and benefits in kind.

Total Directors' Remuneration in 2024 (Audited)

The total remuneration of Non-executive and Executive Directors in 2024 was:

	2024 HK$M	2023 HK$M
Fees	**14.5**	14.5
Recurring Remuneration Items		
Base Compensation, Allowances & Benefits [1]	**11.1**	13.5
Performance Bonus [2]		
– Annual Incentive	**10.8**	9.4
– Long-term Incentive	**9.2**	4.5
Provident Fund Contribution	**2.7**	3.4
Non-recurring Remuneration Items		
Other Payments	**20.2**	–
	68.5	45.3

Notes:

1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 171 for Executive Directors.

2 Refer to Note 2 on Performance Bonus on page 171 for Executive Directors.

Of the total remuneration paid to Directors, HK$5.2 million (2023: HK$8.4 million) has been charged to the SoC operation.

Senior Management – Remuneration in 2024 (Audited)

Details of the remuneration of the Senior Management are set out below (except for the Executive Directors, which are set out in “Executive Directors – Remuneration in 2024”).

	Recurring Remuneration Items					Non-recurring Remuneration Items	
		Performance Bonus[2]					
	Base Compensation, Allowances & Benefits[1] HK\$M	Annual Incentive HK\$M	Long-term Incentive HK\$M	Provident Fund Contribution HK\$M	Total Remuneration HK\$M	Other Payments HK\$M	Total HK\$M
2024							
Current:							
Chief Financial Officer (Mr Alex Keisser)[3]	6.3	6.1	2.3	1.1	15.8	–	15.8
Chief Operating Officer (Mr Derek Parkin)	6.2	5.7	2.8	1.3	16.0	–	16.0
Managing Director – CLP Power (Mr Joseph Law)	5.7	5.3	1.7	1.5	14.2	–	14.2
Managing Director – China (Mr Roger Chen)	4.2	3.8	1.1	1.1	10.2	–	10.2
Managing Director – EnergyAustralia (Mr Mark Collette)[4]	6.7	7.2	0.8	0.1	14.8	–	14.8
Chief Strategy, Sustainability & Governance Officer (Mr David Simmonds)	6.3	5.9	3.2	1.6	17.0	–	17.0
Former:							
Advisor to CEO (Mr Nicolas Tissot)[5]	3.6	3.8	3.7	0.6	11.7	20.8	32.5
Total	39.0	37.8	15.6	7.3	99.7	20.8	120.5

The notes are set out on page 174.

Of the total remuneration paid to Senior Management, HK\$26.0 million (2023: HK\$25.5 million) has been charged to the SoC operation.

Senior Management – Remuneration in 2024 (Audited) (continued)

	Recurring Remuneration Items					Non-recurring Remuneration Items	
		Performance Bonus[2]					
	Base Compensation, Allowances & Benefits[1] HK$M	Annual Incentive HK$M	Long-term Incentive HK$M	Provident Fund Contribution HK$M	Total Remuneration HK$M	Other Payments HK$M	Total HK$M
2023							
Current:							
Chief Financial Officer (Mr Nicolas Tissot)	7.0	4.7	0.4	1.3	13.4	–	13.4
Chief Operating Officer	5.9	4.8	2.1	1.3	14.1	–	14.1
Chief Officer – International Business (Mr Alex Keisser)[3]	1.4	1.0	–	0.2	2.6	–	2.6
Managing Director – CLP Power[6]	4.7	3.5	1.1	1.2	10.5	–	10.5
Managing Director – China[7]	1.9	1.4	–	0.5	3.8	–	3.8
Managing Director – EnergyAustralia[4]	6.6	6.8	0.4	0.1	13.9	–	13.9
Chief Strategy, Sustainability & Governance Officer	6.1	4.1	2.5	1.5	14.2	–	14.2
Former:							
Managing Director – CLP Power (Mr T.K. Chiang)[8]	4.7	3.1	2.4	1.2	11.4	–	11.4
Total	38.3	29.4	8.9	7.3	83.9	–	83.9

Notes:

1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 171.

2 Refer to Note 2 on Performance Bonus on page 171. For Managing Director – EnergyAustralia, the annual incentive payment was approved by the Board of EnergyAustralia following consultation between the CEO, the Chairman of the EnergyAustralia Nomination, People and Remuneration Committee and Members of the HR&RC.

3 Mr Alex Keisser was appointed as CFO with effect from 1 April 2024. Prior to this, he was a member of Senior Management since 1 October 2023 and was the Chief Officer – International Business till 31 March 2024. His remuneration covered the full year from 1 January 2024 to 31 December 2024. For year 2023, his remuneration covered the period from 1 October 2023 to 31 December 2023.

4 The remuneration of Mr Mark Collette is denominated in Australian dollars. The month end exchange rates prevailing at the month of payment were adopted for conversion to Hong Kong dollars.

5 Mr Nicolas Tissot stepped down as CFO with effect from 1 April 2024 and was appointed as Advisor to CEO until he left the Company on 30 June 2024. His remuneration covered the period from 1 January 2024 to 30 June 2024. The annual incentive for 2024 was made on a pro rata basis for his service up to 30 June 2024. The Other Payments of HK$20.8 million included accelerated payment of long-term incentive awards for 2022, 2023 and 2024 pro-rated up to his last day of employment in accordance with the Company's policy and other separation related payment.

6 Mr Joseph Law was appointed as Managing Director – CLP Power with effect from 1 July 2023. Prior to this, he has been a member of Senior Management since 1 April 2022 and was the Managing Director – China from that date to 30 June 2023. His remuneration for 2023 covered the full year from 1 January to 31 December 2023.

7 Mr Roger Chen was appointed as Managing Director – China and has become a member of Senior Management with effect from 1 July 2023. His remuneration for 2023 covered the period from 1 July 2023 to 31 December 2023.

8 Mr T.K. Chiang was appointed as CEO and became an Executive Director with effect from 1 October 2023. Prior to this, he has been a member of Senior Management and was the Managing Director – CLP Power. His remuneration covered the period from 1 January 2023 to 30 September 2023. Refer to page 171 for his remuneration received after becoming an Executive Director of the Company.

The Five Highest Paid Individuals in 2024 (Audited)

The five highest paid individuals in the Group included two Directors (2023: two Directors), two members of Senior Management and one former senior executive of the Group who left in 2024 (2023: two members of Senior Management and one former senior executive). The total remuneration of the five highest paid individuals in the Group is shown below:

	2024 HK$M	2023 HK$M
Recurring Remuneration Items		
Base Compensation, Allowances & Benefits [1]	**26.5**	34.0
Performance Bonus [2]		
– Annual Incentive	**26.1**	24.4
– Long-term Incentive	**16.1**	12.7
Provident Fund Contribution	**5.9**	8.1
Non-recurring Remuneration Items		
Other Payments [3]	**53.0**	5.4
	127.6	84.6

Notes:

1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 171.

2 Refer to Note 2 on Performance Bonus on page 171.

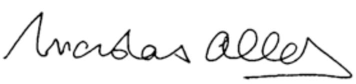
3 Three out of the five individuals refer to executives who left CLP in 2024. The "Other Payments" includes the approved acceleration of long-term incentive payments and other related termination payments for the departed executives.

The remuneration paid to these five individuals is within the following bands:

	Number of Individuals	
	2024	2023
HK$14,000,001 – HK$14,500,000	**–**	3
HK$16,000,001 – HK$16,500,000	**–**	1
HK$17,000,001 – HK$17,500,000	**1**	–
HK$24,000,001 – HK$24,500,000	**2**	–
HK$26,000,001 – HK$26,500,000	**–**	1
HK$29,500,001 – HK$30,000,000	**1**	–
HK$32,500,001 – HK$33,000,000	**1**	–

Looking Ahead

The HR&RC remains committed to its core functions of the oversight of remuneration policies and levels as well as the work on succession planning and shaping the organisation's culture. The Committee acknowledges that management will continue to work on the plan to transition and transform the organisation and align Performance and Remuneration Policy with delivery of CLP's strategy, as it evolves over time, and this will also be a key focus of the Committee.



Nicholas C. Allen
Chairman, Human Resources & Remuneration Committee
Hong Kong, 24 February 2025

Directors' Report

The Directors have pleasure in submitting their Report together with the audited Financial Statements for the year ended 31 December 2024.

Principal Activities

The principal activity of the Company is investment holding and those of its subsidiaries are the generation and supply of electricity. The Company's principal subsidiary companies are listed under Note 33 to the Financial Statements.

Consolidated Financial Statements

The consolidated Financial Statements incorporate the Financial Statements of the Company and its subsidiaries (collectively referred to as the Group) together with the Group's interests in joint ventures and associates. Details of the joint ventures and associates are provided under Notes 13 and 14 to the Financial Statements.

Earnings and Dividends

The earnings of the Group for the year are set out under the consolidated statement of profit or loss.

The Directors have declared and paid the first to third interim dividends of HK$1.89 (2023: HK$1.89) per share totalling HK$4,775 million (2023: HK$4,775 million) during the year.

On 24 February 2025, the Directors declared the fourth interim dividend of HK$1.26 (2023: HK$1.21) per share totalling HK$3,183 million (2023: HK$3,057 million).

This fourth interim dividend will be paid on 20 March 2025.

Business Review and Performance

Summary of the Review

Discussions on the Group's businesses and performance can be found throughout this Annual Report and the cross references are set out below. These discussions form part of this Directors' Report.

	Topics	Sections
1	A review of the business of the Group and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position, including analysis using financial key performance indicators	Financial Highlights (page 7) Chairman's Statement (page 12) CEO's Strategic Review (page 16) Financial Review (page 26) Managing What Matters to Our Business (page 40)
2	Description of the principal risks and uncertainties facing the Group	Risk Management Report (page 125) Financial Risk Management (page 272)
3	Particulars of important events affecting the Group that have occurred since the end of the 2024 financial year	Chairman's Statement (page 12) CEO's Strategic Review (page 16) Managing What Matters to Our Business (page 40)
4	Outlook of the Group's business	Chairman's Statement (page 12) CEO's Strategic Review (page 16)
5	An account of the Group's relationships with its key stakeholders	Chairman's Statement (page 12) CEO's Strategic Review (page 16) Managing What Matters to Our Business (page 40)
6	Details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, as well as compliance with relevant laws and regulations which have a significant impact on the Group	Chairman's Statement (page 12) CEO's Strategic Review (page 16) Managing What Matters to Our Business (page 40) Governance (page 80) Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 290)

Board's Statement on Sustainability

The following is a statement from the Board of Directors explaining the Board's oversight of sustainability matters and how CLP approaches the management of sustainability matters.

Governance structure

The CLP Board is ultimately responsible for CLP's sustainability matters, and governance of sustainability is integrated into our corporate governance structure across the Group. The Sustainability Committee is delegated with the responsibilities of providing oversight on how sustainability matters within the Group are managed. It places a high priority on climate change developments and our own climate action, with a particular emphasis on the impact of longer-term sustainability topics on the Group's business strategy. The Sustainability Committee, as a Board Committee, is supported by the Sustainability Executive Committee and coordinated through the Group Sustainability Department. The Audit & Risk Committee continues to oversee monitoring of significant sustainability-related risks and the assurance process. For further details on the governance structure, please refer to page 98 of the Corporate Governance Report on "CLP's Approach to Sustainability-related Disclosures".

How does CLP approach and manage material sustainability-related topics?

CLP regularly reviews our strategic priorities against sustainability risks and opportunities to ensure they remain appropriate. Amid the complex interplay of global economic recovery, climate events and decarbonisation expectations as well as geopolitical developments, CLP remains focused on balancing growing electricity needs with sustainability, reliability and affordability objectives in 2024. This reinforces the need to regularly review CLP's strategic priorities, as sustainability concerns evolve and have immediate as well as long-term effects on CLP's operations.

In 2024, CLP continued to uphold our transparency by meeting the disclosure requirements of the Hong Kong Stock Exchange's ESG Reporting Code and providing a detailed description of our sustainability-related impacts, risks and opportunities (IROs) based on our materiality assessment. With reference to HKFRS S1 and HKFRS S2, CLP also includes relevant metrics and targets in different material topic sections of our reports, in which sustainability and climate-related risks and opportunities are discussed. Furthermore, the materiality assessment process is closely integrated with risk management. The sustainability-related material topics, which are determined through the comprehensive annual materiality assessment process, have been taken into account in CLP's risk management and strategic planning process. The materiality results are categorised as:

- **Financially material topics,** which could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital in the short, medium and long term, as per HKFRS S1, are covered in this **Annual Report**. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence investment decisions. The key audience is providers of financial capital.
- **Impact material topics,** which reflect significant positive or negative impacts on people, the environment and the economy, are covered in the **Sustainability Report**. They address the concerns of a diverse range of stakeholders, including customers, people, partners and the wider community, who are interested in CLP's positive and negative contributions to sustainable development.

In 2024, CLP completed Year 1 of our three-year materiality assessment cycle. Through megatrend analysis, peer review, research and stakeholder engagement, CLP identified, assessed and prioritised key sustainability-related IROs. The materiality results were presented first to the Sustainability Executive Committee and then to the Sustainability Committee for their consideration and endorsement. In addition, CLP appointed a non-financial auditor to perform limited assurance over its materiality assessment process in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Further details of the materiality assessment process can be found in Managing What Matters to Our Business – Overview on page 42.

The sustainability IROs have been grouped under six sustainability material topics, which are: (i) net-zero transition; (ii) energy growth opportunities; (iii) digital innovation and cybersecurity; (iv) future-ready workforce; (v) operational and supply chain resilience; and (vi) community stewardship. For further details on how sustainability material topics are addressed by the Sustainability Committee, please see the Sustainability Committee Report on page 148.

CLP's Climate Vision 2050

Climate change continues to be one of the top sustainability priorities for CLP. Following an extensive review of our climate targets and commitments, CLP published the updated CLP's Climate Vision 2050 in 2024, with a strengthened target for its 2030 near-term greenhouse gas emissions intensity of electricity sold and a detailed transition plan for the Group. The plan will be reviewed at least every three years. Annual updates on key metrics will also be included in the Annual Report in accordance with HKFRS S2.

The Board recognises that climate change is one of the most material risks to CLP's business and will continue to provide oversight to ensure that the Group acts in a responsible manner and will be able to pursue the opportunities that may arise from the energy transition.

Share Capital

There was no movement in the share capital of the Company during the year. There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares during the year.

Reserves

Distributable reserves of the Company amounted to HK$25,139 million as at 31 December 2024 (2023: HK$21,013 million).

Bank Loans and Other Borrowings

The total borrowings (including debentures) of the Group as at 31 December 2024 amounted to HK$65,154 million (2023: HK$57,515 million). Particulars of borrowings are set out in Note 22 to the Financial Statements and on pages 55 to 57 of the Net-Zero Transition.

Financial Assistance and Guarantees to Affiliated Companies

The financial assistance given to affiliated companies and the guarantees given for facilities granted to affiliated companies aggregated to 1.0% of the Group's total assets as at 31 December 2024.

Equity-linked Agreements

For the year ended 31 December 2024, the Company did not enter into any equity-linked agreement.

Donations

Donations by the Group for charitable and other purposes amounted to HK$6,911,000 (2023: HK$9,179,000).

Five-year Summary

A summary of the results for the year and of the assets and liabilities of the Group as at 31 December 2024 and for the previous four financial years are on page 294. A ten-year summary is on the CLP website.

Senior Management

The biographical details of the Senior Management as at the date of this Report are set out on pages 89 to 91. Details of their remuneration are set out in the Human Resources & Remuneration Committee Report on page 156.

Major Customers and Suppliers

Sales to the Group's five largest customers together represented less than 30% of the Group's total turnover during the year. Purchases from the Group's five largest suppliers, in aggregate, accounted for 53.07% of the Group's total purchases during the year and a breakdown of the purchases (as a percentage of the Group's total purchases) from each of the five largest suppliers are set out below in descending order:

1 15.64% from Australian Energy Market Operator (AEMO) in which the Group has no economic interest. AEMO is the administrator and operator of the Australian energy market, from whom electricity is bought to supply EnergyAustralia group customers and to whom electricity is sold from EnergyAustralia group generators (as market participants, EnergyAustralia group entities are members of AEMO but do not hold any economic interest in AEMO).

2 11.00% from Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) which is 25% owned by the Group. GNPJVC owns Guangdong Daya Bay Nuclear Power Station (GNPS), and CLP Power, a wholly owned subsidiary of the Company and the largest electricity supplier in Hong Kong, purchases 80% of GNPS's output for supply of electricity to its customers in Hong Kong.

3 10.61% from PetroChina International South China Co., Ltd. (PCISC) in which the Group has no interest. CAPCO purchases natural gas from PCISC for its electricity generation.

4 10.52% from CNOOC China Limited (CNOOC) in which the Group has no interest. CAPCO purchases natural gas from CNOOC for its electricity generation.

5 5.30% from China Nuclear Industry Huaxing Construction Company Limited (CNI) in which the Group has no interest. CNI provides infrastructure construction services and is the Engineering, Procurement & Construction contractor of Guanxian Wind (230MW) and Juancheng Wind (300MW) in Shandong province.

As at 31 December 2024, none of the Directors, their close associates or substantial shareholders of the Company had any interest in those suppliers other than their indirect interests in GNPJVC, which interests arose from the Group's interest in GNPJVC.

Directors

As at the date of this Report, the Directors of the Company together with their biographical details are set out on pages 82 to 89 of this Annual Report. With the exception of Mr Diego González Morales and Mrs Kung Yeung Yun Chi Ann who were appointed in April 2024 and October 2024 respectively, the Directors held their office for the whole year ended 31 December 2024. Details of Directors' remuneration are set out in the Human Resources & Remuneration Committee Report on page 156.

Retirement of Directors in 2024

Mr J.A.H. Leigh retired as a Non-executive Director of the Company on 31 March 2024 as he retired from Sir Elly Kadoorie & Sons Limited, which oversees a number of

Kadoorie Family interests in Hong Kong and overseas. Mrs Zia Mody did not seek re-election at the AGM held on 3 May 2024 as she was in her eighth year of service on the CLP Holdings Board, and she retired as an Independent Non-executive Director of the Company at the conclusion of the 2024 AGM. Mr Richard Lancaster did not seek re-election and retired as an Executive Director of the Company at the conclusion of the 2024 AGM. Both Mrs Zia Mody and Mr Richard Lancaster confirmed that they had no disagreement with the Board and that they were not aware of any matter in relation to their retirement that should be brought to the attention of the shareholders of the Company.

Appointments made by the Board

Mr Diego González Morales was appointed as a Non-executive Director of the Company with effect from 1 April 2024. In accordance with Article 125 of the Company's Articles of Association, he retired and was elected as a Director by the shareholders at the 2024 AGM.

Mrs Kung Yeung Yun Chi Ann was appointed as an Independent Non-executive Director of the Company with effect from 22 October 2024.

2025 Annual General Meeting Retirement, Election and Re-election

Under the Company's Articles of Association, the following Directors are subject to retirement by rotation and election or re-election, as the case may be at the 2025 AGM:

- Mrs Kung Yeung Yun Chi Ann will retire at the 2025 AGM having been appointed by the Board since the last 2024 AGM; and
- The Honourable Sir Michael Kadoorie, Mr Andrew Brandler, Mr Philip Kadoorie, Sir Rod Eddington and Mr Nicholas C. Allen will retire by rotation at the 2025 AGM.

After having served on the CLP Holdings Board for almost 20 years, Sir Rod Eddington has confirmed to the Company that, pursuant to the retirement age guideline of the CLP Board Diversity Policy, he will not be seeking for re-election at the 2025 AGM and will therefore retire at the conclusion of the 2025 AGM as a Director of CLP Holdings. Separately, with Sir Rod Eddington's extensive experience and understanding of CLP's operations and his familiarity with the key markets that CLP operates in, Sir Rod Eddington will be appointed as a Senior Advisor to the Chairman of the Company.

All the other retiring Directors, being eligible, offer themselves for election or re-election. None of the Directors offering themselves for election or re-election at the 2025 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation.

Directors' Interests in Transactions, Arrangements or Contracts

During the year ended 31 December 2024, none of the Directors or his / her connected entity had directly or indirectly any material interest in transactions, arrangements or contracts of significance entered into by the Group.

Directors of Subsidiaries

The names of all directors who have served on the boards of the subsidiaries of the Company during the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period) are available on the CLP website.

Permitted Indemnity Provisions

During the Period, the Company has in force indemnity provisions as permitted under the relevant statutes for the benefit of the Directors (including former Directors) of the Company or its associated companies. The permitted indemnity provisions are provided for in the Company's Articles of Association and in the Group-wide directors and officers liability insurance maintained by the Company in respect of potential liability and costs associated with legal proceedings that may be brought against the Directors of the Company.

Continuing Connected Transactions

China Southern Power Grid International (HK) Co., Limited (CSG HK) (for reference, China Southern Power Grid Co., Ltd. (CSG) and its subsidiaries, collectively, the CSG Group) is a connected person of CLP Holdings (at the subsidiary level) by virtue of CSG HK being a substantial shareholder of CAPCO, a subsidiary of CLP Holdings. Accordingly, ongoing transactions entered into between members of the CSG Group and members of the CLP Group constitute continuing connected transactions (CCTs) for CLP Holdings under Chapter 14A of the Listing Rules.

Under the Listing Rules, the Group's CCTs relating to the power purchase arrangements with the CSG Group are required to be subject to an annual aggregate cap determined by the Company, and for 2024, this was HK$1,383 million. The annual aggregate cap was approved by the Board of Directors in December 2023 and subsequently disclosed in the announcement dated 2 January 2024 (2024 Announcement). The project level caps of the CCTs for 2024 set out in the table on pages 180 to 195 are for reference only and were used to derive the annual aggregate cap of HK$1,383 million.

Other details of the CCTs, which are required to be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules, are also set out in the same table. The considerations for 2024, unless otherwise stated, represented the actual transaction values of the relevant CCTs in the full twelve months of 2024.

	Name, date and term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Nature and description of the transaction	Basis for determining the consideration	Consideration for 2024 HK$M
1	**CLP Power electricity sales to Mainland China**					
1.1	Energy Economy Interchange Agreement Original agreement entered into on 25 December 2015 and extended by way of further agreements upon negotiation. On 27 December 2023, an extension agreement was entered into to further extend the term from 1 January 2024 to 31 December 2026.	CLP Power	Guangdong Power Grid Co., Ltd., a subsidiary of CSG (CSG-GPG)	Economic interchange of electricity from, on the one side, CLP Power to CSG-GPG and, on the other, from CSG-GPG to CLP Power, depending on which party is affected by an emergency incident resulting in interruption of normal electricity supply to its customers.	The consideration will, under circumstances prescribed in the agreement, be settled either by cash payment or by CSG-GPG's supply of such volume of water to Guangzhou Pumped Storage Power Station (for which the CLP Group has contractual rights to use 50% of Phase I of the power station (600MW)) for the generation of electricity equivalent to the volume supplied by CLP Power. For the energy transfer settled by cash payment, it is based on the number of kWh sold multiplied by an arm's length tariff (unit rate of energy transfer) agreed between the parties. In addition, under the standby capacity support, the consideration settled by cash payment is based on the capacity (MW) and hours requested to standby multiplied by an arm's length tariff (standby charges) agreed between the parties. The unit rate of energy transfer and standby charges are determined after taking into account the available market information and the relevant cost.	–
	Aggregated total consideration for CLP Power electricity sales to Mainland China *(Project level cap for 2024 was HK$280.00 million)*					–
2	**Huaiji hydro project**					
2.1	Zelian Hydro Station Power Purchase Agreement (PPA) New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods.	Guangdong Huaiji Xinlian Hydro-electric Power Company Limited, a subsidiary of the Company (CLP-GHX)	Zhaoqing Power Bureau of CSG-GPG, a subsidiary of CSG (CSG-ZPB)	CLP-GHX sells electricity to CSG-ZPB.	Payment is based on the number of kWh sold multiplied by a tariff pre-determined by the Zhaoqing Development and Reform Commission (Zhaoqing DRC). This tariff is published at the Zhaoqing DRC Document ZhaoJia [2012] No. 67, supplemented by the Guangdong Provincial Development and Reform Commission (Guangdong PDRC) Document YueJia [2013] No. 177 and is updated from time to time.	5.82
2.2	Longzhongtan Hydro Station PPA New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods.	CLP-GHX	CSG-ZPB	As in item 2.1 above	As in item 2.1 above	2.56
2.3	Jiaoping Hydro Station PPA New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods.	CLP-GHX	CSG-ZPB	CLP-GHX sells electricity to CSG-ZPB which delegated the role of settlement to Zhaoqing Huaiji Power Bureau (CSG-ZHPB), another subsidiary of CSG.	As in item 2.1 above	1.88
2.4	Xiazhu Hydro Station PPA New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods.	CLP-GHX	CSG-ZPB	As in item 2.3 above	As in item 2.1 above	9.04

	Name, date and term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Nature and description of the transaction	Basis for determining the consideration	Consideration for 2024 HK$M
2.5	Shuixia Hydro Station PPA New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods.	Guangdong Huaiji Weifa Hydro-electric Power Company Limited, a subsidiary of the Company (CLP-GHW)	CSG-ZPB	CLP-GHW sells electricity to CSG-ZPB which delegated the role of settlement to CSG-ZHPB, another subsidiary of CSG.	As in item 2.1 above	31.20
2.6	Baishuihe Four Hydro Stations PPA New agreement entered into on 17 June 2024 for a period to 31 May 2025 with automatic renewals for successive one-year periods.	Guangdong Huaiji Changxin Hydro-electric Power Company Limited (CLP-GHC) Guangdong Huaiji Gaotang Hydro-electric Power Company Limited (CLP-GHG) CLP-GHW CLP-GHX All of the above companies are subsidiaries of the Company.	CSG-ZPB	CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX sell electricity to CSG-ZPB.	As in item 2.1 above	139.20
2.7	Supplemental Agreement to Baishuihe Four Hydro Stations PPA Agreement entered into on 9 December 2020 with automatic renewal terms. The latest renewal was for another one-year period to 8 December 2025.	CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX	CSG-ZPB	CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX sell / purchase electricity to / from CSG-ZPB.	As in item 2.1 above	–
2.8	Niuqi Hydro Station PPA New agreement entered into on 28 August 2024 for a period to 22 August 2025 with automatic renewals for successive one-year periods.	CLP-GHX	CSG-ZPB	As in item 2.1 above	As in item 2.1 above	22.80
2.9	Zelian Hydro Station (35kV Zelian Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025.	CLP-GHX	CSG-ZHPB	CSG-ZHPB supplies electricity to CLP-GHX as an industrial user for station consumption.	According to the National Development and Reform Commission (NDRC) Document [2021] No. 809, power users are required to purchase electricity through market sales directly or through grid companies, who will act as agents to purchase electricity on behalf of industrial and commercial users that cannot purchase directly from the market. The tariff is based on 1-1.5 times weighted average price of the monthly centralised bidding transactions plus fees such as agency fees as well as transmission and distribution fees.	0.02
2.10	Longzhongtan Hydro Station (10kV Fenggan-Ganyu Branch Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025.	CLP-GHX	CSG-ZHPB	As in item 2.9 above	As in item 2.9 above	0.01

	Name, date and term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Nature and description of the transaction	Basis for determining the consideration	Consideration for 2024 HK$M
2.11	Jiaoping Hydro Station (10kV Xiqu-I Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025.	CLP-GHX	CSG-ZHPB	As in item 2.9 above	As in item 2.9 above	0.04
2.12	Xiazhu Hydro Station (35kV Liangxia Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025.	CLP-GHX	CSG-ZHPB	As in item 2.9 above	As in item 2.9 above	0.02
2.13	Shuixia Hydro Station (110kV Shashui Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025.	CLP-GHW	CSG-ZHPB	CSG-ZHPB supplies electricity to CLP-GHW as an industrial user for station consumption.	As in item 2.9 above	0.14
2.14	Baishuihe Four Hydro Stations (110kV Feixin Line) High Voltage Electricity Supply Contract Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2025.	CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX	CSG-ZHPB	CSG-ZHPB supplies electricity to CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX as industrial users for station consumption.	As in item 2.9 above	0.18
2.15	Shuixia Hydro Station (10kV Zhongxia Line) High Voltage Electricity Supply Contract Agreement entered into on 2 March 2023 with automatic renewal terms. The latest renewal was for another one-year period to 1 March 2025.	CLP-GHW	CSG-ZHPB	As in item 2.13 above	As in item 2.9 above	0.01
2.16	Shuixia Hydro Station (10kV Xiashuai Line) High Voltage Electricity Supply Contract Agreement entered into on 2 March 2023 with automatic renewal terms. The latest renewal was for another one-year period to 1 March 2025.	CLP-GHW	CSG-ZHPB	As in item 2.13 above	As in item 2.9 above	0.01
2.17	Niuqi Hydro Station (35kV Dongniu-II Line) High Voltage Electricity Supply Contract Agreement entered into on 13 February 2023 for a three-year period to 12 February 2026 with automatic renewals for successive one-year periods.	CLP-GHX	Zhaoqing Guangning Power Bureau of CSG-GPG, a subsidiary of CSG (CSG-ZGPB)	CSG-ZGPB supplies electricity to CLP-GHX as industrial user for station consumption.	As in item 2.9 above	0.07
2.18	Changdiao Hydro Station (10kV Xinying Line) High Voltage Electricity Supply Contract Agreement entered into on 16 June 2023 for a three-year period to 15 June 2026 with automatic renewals for successive one-year periods.	CLP-GHC	CSG-ZHPB	CSG-ZHPB supplies electricity to CLP-GHC as an industrial user for station consumption.	As in item 2.9 above	0.02

	Name, date and term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Nature and description of the transaction	Basis for determining the consideration	Consideration for 2024 HK$M
2.19	Shuixia Hydro Station (10kV standby transmission line) High Voltage Electricity Supply Contract New agreement entered into on 25 January 2024 for a three-year period to 24 January 2027 with automatic renewals for successive one-year periods.	CLP-GHW	CSG-ZHPB	As in item 2.13 above	As in item 2.9 above	–
	Aggregated total consideration for Huaiji hydro project *(Project level cap for 2024 was HK$275.00 million)*					213.02
3	**Meizhou solar project**					
3.1	Meizhou Solar Project PPA Agreement entered into on 1 March 2019 with automatic renewal terms. The latest renewal was for another one-year period to 1 February 2025.	Pingyuan Litian New Energy Power Company Limited, a wholly owned subsidiary of the Company (CLP Meizhou)	Meizhou Power Bureau of CSG-GPG, a subsidiary of CSG (CSG-MPB)	CLP Meizhou sells electricity to CSG-MPB.	Payment is based on the number of kWh sold multiplied by a tariff pre-determined by the Guangdong PDRC. This tariff is published at the Guangdong PDRC Document YueFaGaiJiaGe [2017] No. 3084 and is updated from time to time.	44.76
3.2	Meizhou Solar Project High Voltage Electricity Supply Contract (110kV DongLi Line) Agreement entered into on 10 July 2019 with automatic renewal terms. The latest renewal was for another one-year period to 9 July 2025.	CLP Meizhou	Meizhou Pingyuan Power Bureau of CSG-GPG, a subsidiary of CSG (CSG-MPPB)	CSG-MPPB supplies electricity to CLP Meizhou as an industrial user for power consumption at the project site.	As in item 2.9 above	0.07
3.3	Meizhou Solar Project High Voltage Electricity Supply Contract (10kV DongShi Line) Agreement entered into on 9 June 2017 with automatic renewal terms. The latest renewal was for another one-year period to 8 June 2025.	CLP Meizhou	CSG-MPPB	As in item 3.2 above	As in item 2.9 above	0.29
	Aggregated total consideration for Meizhou solar project *(Project level cap for 2024 was HK$59.00 million)*					45.12
4	**Yang_er hydro project**					
4.1	Yang_er Hydro Project High Voltage Electricity Supply Contract (10kV, for dam) Agreement entered into on 23 September 2022 for a three-year period to 22 September 2025 with automatic renewals for successive three-year periods.	Dali Yang_er Hydropower Development Co., Ltd., a wholly owned subsidiary of the Company (Dali Yang_er)	Dali Yangbi Power Bureau of CSG Yunnan, a subsidiary of CSG (CSG Yangbi)	CSG Yangbi supplies electricity to Dali Yang_er as an industrial user for consumption at project site.	According to Yunnan Provincial Development and Reform Commission (Yunnan PDRC) Document [2021] No. 1140, power users are required to purchase electricity through market sales directly or through grid companies, who will act as agents to purchase electricity on behalf of industrial and commercial users that cannot purchase directly from the market. The tariff is based on 1-1.5 times weighted average price of the monthly centralised bidding transactions plus fees such as agency fees as well as transmission and distribution fees.	0.01

	Name, date and term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Nature and description of the transaction	Basis for determining the consideration	Consideration for 2024 HK$M
4.2	Yang_er Hydro Project High Voltage Electricity Supply Contract (10kV, for plant) Agreement entered into on 23 September 2022 for a three-year period to 22 September 2025 with automatic renewals for successive three-year periods.	Dali Yang_er	CSG Yangbi	As in item 4.1 above	As in item 4.1 above	0.01
4.3	Yang_er Hydro Project High Voltage Electricity Supply Contract (110kV) New agreement entered into on 18 March 2024 for a three-year period to 17 March 2027 with automatic renewals for successive three-year periods.	Dali Yang_er	CSG Yangbi	CSG Yangbi supplies electricity to Dali Yang_er as an industrial user for station consumption.	As in item 4.1 above	–
4.4	Power Exchange Sales Transactions entered into via Kunming Power Exchange Center Limited (Kunming PEC) on various dates in 2024 for electricity sales for various durations.	Dali Yang_er	CSG Yunnan, a subsidiary of CSG, and Kunming PEC which is 40% owned by CSG Yunnan	Dali Yang_er sells electricity through Kunming PEC from time to time where (i) CSG Yunnan acts as settlement agent and assumes settlement risks for these transactions as defined under the Kunming PEC settlement rules or (ii) CSG Yunnan acts as the purchaser for interprovincial electricity sales.	Payment is based on the number of kWh sold multiplied by the tariff determined through competitive bidding processes conducted on Kunming PEC, an arm's length tariff agreed between the parties for market sales (as applicable), or set by Kunming PEC for interprovincial electricity sales (together with a transaction fee charged by Kunming PEC).	30.88
	Aggregated total consideration for Yang_er hydro project *(Project level cap for 2024 was HK$36.00 million)*					30.90
5	**Xicun solar project (Phases I and II)**					
5.1	Xicun Solar Project PPA Agreement entered into on 22 November 2022 with automatic renewal terms. The latest renewal was for another one-year period to 9 October 2025.	CLP Dali (Xicun) Solar Power Co., Ltd, a wholly owned subsidiary of the Company (CLP Xicun)	CSG Yunnan	CLP Xicun sells electricity to CSG Yunnan.	According to Yunnan Energy Operations Document [2021] No. 286, renewable energy generators are required in non-wet seasons (from January to May and from November to December) fully participate in market sales, and in wet seasons (between June and October), all generation is required to be sold under "Priority Sales" at a discounted tariff based upon the average monthly bidding tariffs announced by Kunming PEC. The total tariff includes the settled price and a subsidy.	40.82
5.2	Xicun Solar Project High Voltage Electricity Supply Contract (for project site) Agreement entered into on 25 September 2022 for a three-year period to 24 September 2025 with automatic renewals for successive three-year periods.	CLP Xicun	Dali Binchuan Power Bureau of CSG Yunnan, a subsidiary of CSG (CSG Binchuan)	CSG Binchuan supplies electricity to CLP Xicun as an industrial user for power consumption at the project site.	As in item 2.9 above	–
5.3	Xicun Solar Project High Voltage Electricity Supply Contract New agreement entered into on 7 April 2024 for a three-year period to 6 April 2027 with automatic renewals for successive three-year periods.	CLP Xicun	CSG Binchuan	CSG Binchuan supplies electricity to CLP Xicun for power consumption as an industrial user at the project site for equipment when the plant is not in generation status.	As in item 2.9 above	0.47

	Name, date and term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Nature and description of the transaction	Basis for determining the consideration	Consideration for 2024 HK$M
5.4	Xicun Solar Project High Voltage Electricity Supply Contract (for pump station) Agreement entered into on 25 September 2022 for a three-year period to 24 September 2025 with automatic renewals for successive three-year periods.	CLP Xicun	CSG Binchuan	CSG Binchuan supplies electricity to CLP Xicun as an agricultural user for use by the watering facilities.	Payment is based on the number of kWh sold multiplied by a tariff pre-determined by the NDRC and subject to adjustment in accordance with the 2022 Implementation Scheme for Trading in Yunnan Electricity Market issued by Yunnan PDRC and Yunnan Provincial Energy Administration and is updated from time to time.	0.03
5.5	Power Exchange Sales Transactions entered into via Kunming PEC on various dates in 2024 for electricity sales for various durations.	CLP Xicun	CSG Yunnan and Kunming PEC	CLP Xicun sells electricity through Kunming PEC from time to time where CSG Yunnan acts as settlement agent and assumes settlement risks for these transactions as defined under the Kunming PEC settlement rules.	Payment is based on the number of kWh sold multiplied by the tariff determined through competitive bidding processes conducted on Kunming PEC or an arm's length tariff agreed between the parties for market sales (as applicable).	85.95
	Aggregated total consideration for Xicun solar project (Phases I and II) *(Project level cap for 2024 was HK$156.00 million)*					127.27
6	**Xundian wind project (Phases I and II)**					
6.1	Xundian Wind Project PPA Agreement entered into on 17 January 2023 with automatic renewal terms. The latest renewal was for another one-year period to 30 January 2025.	CLP (Kunming) Renewable Energy Co., Ltd., a wholly owned subsidiary of the Company (CLP Xundian)	CSG Yunnan	CLP Xundian sells electricity to CSG Yunnan.	According to Yunnan Energy Operations Document [2021] No. 286 and subsequent notice YunFaGaiJiaGe [2023] No. 665, subsidised renewable energy generators (i.e. Xundian Phase I) are required in non-wet seasons (from January to May and from November to December) fully participate in market sales, and in wet seasons (between June and October), all generation is required to be sold under "Priority Sales" at a discounted tariff based upon the average monthly bidding tariffs announced by Kunming PEC. The total tariff includes the settled price and a subsidy. For grid-parity wind energy generators (i.e. Xundian Phase II), they should fully participate in market sales throughout the year, but 60% of the monthly dispatched volume will be compensated based on the difference between the average market tariff and the coal-fired power benchmark tariff.	37.32
6.2	Xundian Wind Project High Voltage Electricity Supply Contract Agreement entered into on 22 December 2023 for a three-year period to 21 December 2026 with automatic renewals for successive three-year periods.	CLP Xundian	Kunming Power Bureau of CSG Yunnan, a subsidiary of CSG (CSG-KPB)	CSG-KPB supplies electricity via a 110kV line to CLP Xundian for station consumption.	As in item 2.9 above	0.36
6.3	Xundian Wind Project High Voltage Electricity Supply Contract (10kV) Agreement entered into on 8 July 2019 with automatic renewal terms. The latest renewal was for another three-year period to 7 July 2025.	CLP Xundian	Kunming Xundian Power Supply Company Limited of CSG Yunnan, a subsidiary of CSG (CSG-KXPSC)	CSG-KXPSC supplies electricity to CLP Xundian for non-residential use by the facilities in the plant.	Payment is based on the number of kWh sold multiplied by the non-residential tariff determined by the Yunnan PDRC. This tariff is updated from time to time.	0.01

	Name, date and term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Nature and description of the transaction	Basis for determining the consideration	Consideration for 2024 HK$M
6.4	Power Exchange Sales Transactions entered into via Kunming PEC on various dates in 2024 for electricity sales for various durations.	CLP Xundian	CSG Yunnan and Kunming PEC	CLP Xundian sells electricity through Kunming PEC from time to time where CSG Yunnan acts as settlement agent and assumes settlement risks for these transactions as defined under the Kunming PEC settlement rules.	As in item 5.5 above	76.31
	Aggregated total consideration for Xundian wind project (Phases I and II) *(Project level cap for 2024 was HK$139.00 million)*					114.00
7	**Sandu wind project (Phases I and II)**					
7.1	Sandu Wind Project PPA New agreement entered into on 5 February 2024 for a period to 31 December 2025 with automatic renewals for successive two-year periods.	CLP (Sandu) Renewable Energy Limited, a wholly owned subsidiary of the Company (CLP Sandu)	Guizhou Power Grid Company Limited, a subsidiary of CSG (CSG Guizhou)	CLP Sandu sells electricity to CSG Guizhou.	Payment is based on the number of kWh sold multiplied by a tariff pre-determined by the Guizhou Provincial Development and Reform Commission (Guizhou PDRC). The tariff is published at the Guizhou PDRC Document QianFaGaiJiaGe [2015] No. 1935 and is updated from time to time.	117.60
7.2	Sandu Wind Project High Voltage Electricity Supply Contract New agreement entered into on 19 December 2024 for a three-year period to 18 December 2027 with automatic renewals for successive one-year periods.	CLP Sandu	Duyun Sandu Power Bureau of CSG Guizhou, a subsidiary of CSG (CSG-DSPB)	CSG-DSPB supplies electricity to CLP Sandu as an industrial user for power consumption at the project site.	According to the NDRC Document [2021] No. 809 and the Guizhou Province Commission of Development & Reform Price Document [2023] No. 497, power users shall purchase electricity through market sales directly or through grid companies, which shall act as agents to purchase electricity on behalf of industrial and commercial users that cannot purchase directly from the market. The tariff shall be based on 1-1.5 times of agency power purchase price plus fees such as line loss fee, transmission and distribution fee, system operation fee, government funds and surcharges, basic electricity fee.	0.52
7.3	Sandu Wind Project Electricity Supply Contract (10kV) Agreement entered into on 23 March 2018 with automatic renewal terms. The latest renewal was for another three-year period to 22 March 2027.	CLP Sandu	CSG-DSPB	CSG-DSPB supplies electricity to CLP Sandu for power consumption at the project site.	Payment is based on the number of kWh sold multiplied by the residential users determined by the Guizhou PDRC. The tariff is published at the Guizhou PDRC Document QianFaGaiJiaGe [2020] No. 1025 and is updated from time to time.	0.02
	Aggregated total consideration for Sandu wind project (Phases I and II) *(Project level cap for 2024 was HK$178.00 million)*					118.14
8	**Bobai wind project**					
8.1	Bobai Wind Project PPA New agreement entered into on 14 June 2024 for a period to 31 December 2024 with automatic renewals for successive one-year periods.	CLP Guangxi Bobai Energy Limited, a wholly owned subsidiary of the Company (CLP Bobai)	Guangxi Power Grid Company Limited, a subsidiary of CSG (CSG-GX)	CLP Bobai sells electricity to CSG-GX.	Payment is based on the number of kWh sold multiplied by a tariff pre-determined by the "Notice on Issuing the Implementation Plan for Guangxi Electricity Market Trading" and "Notice on Announcing the Tariff in Government-Authorised Contract for New Energy Generation Enterprises", which were issued by the Development and Reform Commission of Guangxi Zhuang Autonomous Region.	8.77

	Name, date and term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Nature and description of the transaction	Basis for determining the consideration	Consideration for 2024 HK$M
8.2	Bobai Wind Project Electricity Supply Contract New agreement entered into on 26 June 2024 for a one-year period to 25 June 2025 with automatic renewals for successive one-year periods.	CLP Bobai	Yulin Power Bureau of CSG-GX, a subsidiary of CSG (CSG-YPB)	CSG-YPB supplies electricity to CLP Bobai for power consumption at the project site.	According to the "Notice on Issuing the Implementation Plan for Guangxi Electricity Market Trading for 2024" issued by the Development and Reform Commission of Guangxi Zhuang Autonomous Region, industrial and commercial users are encouraged to purchase electricity through market sales directly. The tariff consists of the electricity energy trading price, line loss fee for the grid connection, transmission and distribution fees, system operation fee, government funds and surcharges, market profit and loss sharing, peak and valley floating price, etc.	0.28
8.3	Power Exchange Sales Transactions entered into via Guangxi PEC on various dates in 2024 for electricity sales for various durations.	CLP Bobai	CSG-GX and Guangxi PEC which is 37% owned by CSG Guangxi	CLP Bobai sells electricity through Guangxi PEC from time to time where CSG-GX acts as settlement agent and assumes settlement risks for these transactions as defined under the Guangxi PEC settlement rules.	Payment is based on the number of kWh sold multiplied by the tariff determined through competitive bidding processes conducted on Guangxi PEC or an arm's length tariff agreed between the parties for market sales (as applicable).	10.06
	Aggregated total consideration for Bobai wind project *(Cap provision for new projects for 2024 was HK$260.00 million)*					19.11
Total Consideration for 2024						**667.56**

Pursuant to Rule 14A.55 of the Listing Rules, all the Independent Non-executive Directors of the Company have reviewed the CCTs and confirmed that the CCTs have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better to CLP; and

(iii) according to the relevant agreement governing each of the CCTs on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's independent auditor, PwC, was engaged to report on the CCTs in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

PwC has reviewed these transactions and, pursuant to Rule 14A.56 of the Listing Rules, confirmed to the Board of the Company that nothing has come to their attention that causes them to believe that:

(i) the transactions have not been approved by the Board of the Company;

(ii) the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and

(iv) the transactions have exceeded the annual aggregate cap.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Related Party Transactions

Details of the significant related party transactions undertaken in the normal course of business are provided under Note 31 to the Financial Statements. None of these constitutes a discloseable connected transaction as defined under the Listing Rules.

Interests of Directors and Chief Executive Officer

The interests / short positions of each of the Directors and the CEO in the shares, underlying shares and debentures of the Company or any of the Company's associated corporations (within the meaning of the Securities and Futures Ordinance (SFO)) as at 31 December 2024, as recorded in the register required to be kept under Section 352 of Part XV of the SFO, are set out below and on page 197:

1 Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

The interests of Directors and the CEO in the shares of the Company (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds) as at 31 December 2024 were as follows:

Directors	Capacity	Total Interests in Number of Ordinary Shares of the Company	% of the Issued Share Capital of the Company
The Hon Sir Michael Kadoorie	Note 1	410,526,125	16.24913
Mr Andrew Brandler	Note 2	10,600	0.00042
Mr Philip Kadoorie	Note 3	409,226,125	16.19767
Mr Nicholas C. Allen	Note 4	41,000	0.00162
Ms May Siew Boi Tan	Beneficial Owner	20,000	0.00079
Mr Bernard Chan	Note 5	409,000	0.01619
Mrs Kung Yeung Yun Chi Ann	Beneficial Owner	3,200	0.00013

Notes:

1 The Hon Sir Michael Kadoorie was deemed (by virtue of the SFO) to be interested in 410,526,125 shares in the Company. These shares were held in the following capacity:

   a 233,044,212 shares were ultimately held by a discretionary trust, of which The Hon Sir Michael Kadoorie is one of the beneficiaries and the founder.

   b 170,181,913 shares were ultimately held by a discretionary trust, of which The Hon Sir Michael Kadoorie is one of the beneficiaries and the founder.

   c 1,300,000 shares were ultimately held by a discretionary trust, of which The Hon Sir Michael Kadoorie is the founder.

   d 2,000,000 shares were ultimately held by each of three discretionary trusts, all of which The Hon Sir Michael Kadoorie is one of the beneficiaries and the founder.

2 600 shares were held in a personal capacity and 10,000 shares were held in a beneficial owner capacity.

3 Mr Philip Kadoorie was deemed (by virtue of the SFO) to be interested in 409,226,125 shares in the Company. These shares were held in the following capacity:

   a 233,044,212 shares were ultimately held by a discretionary trust, of which Mr Philip Kadoorie is one of the discretionary beneficiaries.

   b 170,181,913 shares were ultimately held by a discretionary trust, of which Mr Philip Kadoorie is one of the discretionary beneficiaries.

   c 2,000,000 shares were ultimately held by a discretionary trust, of which Mr Philip Kadoorie is one of the discretionary beneficiaries.

   d 2,000,000 shares were ultimately held by each of two discretionary trusts, both of which Mr Philip Kadoorie is one of the default beneficiaries.

4 41,000 shares were held in a beneficial owner capacity and jointly with spouse.

5 Mr Bernard Chan was deemed (by virtue of the SFO) to be interested in 409,000 shares in the Company. These shares were held in the following capacity:

a 400,000 shares were held by two wholly owned subsidiaries of Asia Financial Holdings Limited (AFH). Mr Bernard Chan is deemed to be interested in approximately 61.84% of AFH, in addition to his personal interest of 0.20% in AFH.

b 9,000 shares were held by United Asia Enterprises Inc., an investment company in which Mr Bernard Chan holds 54.2% (including the interest of spouse).

Each of the other Directors, namely Mrs Yuen So Siu Mai Betty, Mr Diego González Morales, Sir Rod Eddington, Ms Christina Gaw, Mr Chunyuan Gu, Ms Wang Xiaojun Heather and Mr T.K. Chiang (CEO) have confirmed that they had no interests in the shares of the Company or any of its associated corporations as at 31 December 2024.

None of the Directors or the CEO had interests in debentures or under equity derivatives, interests in underlying shares of the Company or its associated corporations as at 31 December 2024.

2 Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

None of the Directors or the CEO had short positions in respect of shares, debentures or under equity derivatives, interests in underlying shares of the Company or its associated corporations as at 31 December 2024.

At no time during the year was the Company or its subsidiaries a party to any arrangement to enable the Directors and the CEO of the Company (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

Interests of Substantial Shareholders

The interests / short positions of substantial shareholders in the shares and underlying shares of the Company as at 31 December 2024, as recorded in the register required to be kept under Section 336 of Part XV of the SFO, are set out below and on page 199:

1 Aggregate long position in the shares and underlying shares of the Company

The Company had been notified of the following substantial shareholders' interests in the shares of the Company as at 31 December 2024:

Substantial Shareholders	Capacity	Total Interests in Number of Ordinary Shares of the Company	% of the Issued Share Capital of the Company
Bermuda Trust Company Limited	Trustee / Interests of controlled corporations	305,591,730 Note 1	12.10
Guardian Limited	Beneficiary / Interest of controlled corporation	218,651,853 Note 3	8.65
Harneys Trustees Limited	Trustee / Interests of controlled corporations	629,177,978 Note 3	24.90
Lawrencium Holdings Limited	Beneficiary	170,181,913 Note 2	6.74
Lawrencium Mikado Holdings Limited	Beneficiary	233,044,212 Note 2	9.22
The Magna Foundation	Beneficiary	233,044,212 Note 2	9.22
The Mikado Private Trust Company Limited	Trustee / Interests of controlled corporations	410,526,125 Note 2	16.25
Oak CLP Limited	Beneficiary	218,651,853 Note 4	8.65
Oak (Unit Trust) Holdings Limited	Trustee	218,651,853 Note 1	8.65
The Oak Private Trust Company Limited	Trustee / Interest of controlled corporation	218,651,853 Note 4	8.65
The Hon Sir Michael Kadoorie	Note 5	410,526,125 Note 5	16.25
Mr Philip Kadoorie	Note 6	409,226,125 Note 6	16.20

Notes:

1 Bermuda Trust Company Limited was deemed to be interested in the shares in which Oak (Unit Trust) Holdings Limited, The Oak Private Trust Company Limited and other companies were deemed to be interested, either in the capacity as trustee of various discretionary trusts and / or by virtue of having direct or indirect control over such companies.

2 The Mikado Private Trust Company Limited was deemed to be interested in the shares in which Lawrencium Holdings Limited, Lawrencium Mikado Holdings Limited and other companies were deemed to be interested, either in the capacity as trustee of various discretionary trusts and / or by virtue of having direct or indirect control over such companies. The Magna Foundation was also deemed to be interested in the shares in which Lawrencium Mikado Holdings Limited was deemed to be interested. The interests of The Mikado Private Trust Company Limited in the shares of the Company include the shares held by discretionary trusts of which The Hon Sir Michael Kadoorie is one of the beneficiaries and / or a founder as disclosed in "Interests of Directors and Chief Executive Officer".

3 Harneys Trustees Limited was deemed to be interested in the shares in which The Mikado Private Trust Company Limited and Guardian Limited were deemed to be interested, either by virtue of having direct or indirect control over such companies and / or in the capacity as trustee of a discretionary trust.

4 The Oak Private Trust Company Limited was deemed to be interested in the shares in which Oak CLP Limited was deemed to be interested, either in the capacity as trustee of a discretionary trust and / or by virtue of having direct or indirect control over such company.

5 See Note 1 under "Interests of Directors and Chief Executive Officer".

6 See Note 3 under "Interests of Directors and Chief Executive Officer".

As at 31 December 2024, the Company had not been notified of any long positions being held by any substantial shareholder in the underlying shares of the Company through equity derivatives such as share options, warrants to subscribe or convertible bonds.

2 Aggregate short position in the shares and underlying shares of the Company

As at 31 December 2024, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company.

Interests of Any Other Persons

As at 31 December 2024, the Company had not been notified of any persons other than the substantial shareholders who held interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

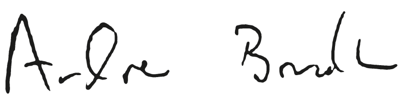
Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on page 92 of this Annual Report.

Auditor

The Financial Statements for the year have been audited by PwC who will retire and, being eligible, offer themselves for re-appointment, at the AGM of the Company.

On behalf of the Board



Andrew Brandler
Vice Chairman
Hong Kong, 24 February 2025

Financials

We aim to provide our stakeholders with a comprehensive, clear and concise view of our financial position and performance.

Contents

Approaching Our Financial Statements

The objective of financial statements is to communicate the Group's financial information to our stakeholders, especially shareholders, investors and lenders, for making economic decisions. To achieve this objective, it is always our aim to present the financial information of CLP as clearly and concisely as possible. This overview helps you understand how information is organised and presented in our financial statements. Hopefully, this will bring you a more insightful reading experience.

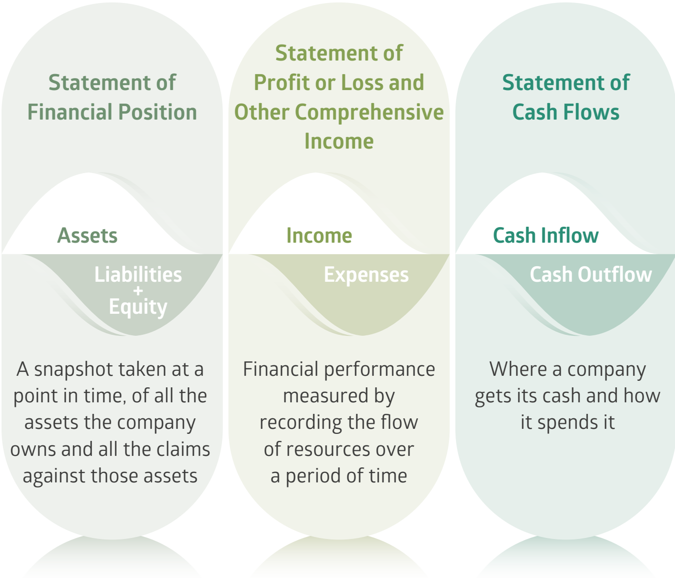
1 Accounting Mini-series

We believe that understanding financial statements is a right, not a privilege. To help those unfamiliar with accounting terms read our financial statements, we have developed an Accounting Mini-series to **explain topical and difficult accounting concepts in a way that is easier to understand**. A number of topics have been discussed since 2007, the content of which can be found in our website.

Read our accounting mini-series

2 Essential Financial Statements

Financial statements start with summaries of the financial position, performance and changes in resources of the Group. **These summaries are presented in three essential financial statements with different objectives as shown in the diagram**. The relationships between these statements and the interactions with the Group's stakeholders are set out in our website.



3 Material Accounting Policies

Financial statements are prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). You do not need to be familiar with all the requirements of HKFRS because **the accounting policies which are material and relevant to the Group are disclosed in the financial statements**. The disclosures include specific principles and procedures selected and applied by management in preparing the financial statements, as well as the methods, measurement basis and procedures to account for the transactions.

Look for purple boxes

4 Critical Accounting Estimates and Judgements

Management makes judgements and estimates in preparing the financial statements, some of which will have a significant effect on the reported results and financial position. HKAS 1 specifies that an entity shall disclose (1) the key judgements that have the most significant effect on amounts recognised; and (2) the assumptions and other sources of estimation uncertainty at period end that have a significant risk of material adjustment to the carrying amounts of assets or liabilities within the next financial year. You should pay attention to **our disclosures under "critical accounting estimates and judgements" which help you assess CLP's financial position and performance and understand the sensitivities to changes in assumptions**.

Look for light purple boxes

5 Tips & Hints

Tips & Hints are our initiatives to **facilitate you to understand the content of a particular disclosure or complicated accounting concepts or terms**.

Look for archery target

FIXED ASSETS ACCOUNTING

The utilities industry, exemplified by companies like CLP, is notably capital-intensive, requiring significant investments in fixed assets such as power plants, pipelines, transmission infrastructure, and digitalisation equipment. These assets are vital as they represent a large share of an entity's resources and are essential for generating profit. Recognising the significance of fixed assets accounting in the utilities sector is crucial for accurately capturing and managing these assets, thereby facilitating informed decision-making and financial reporting.

Why understanding on fixed assets accounting is important for CLP's stakeholders?

Fixed assets accounting is essential for evaluating a company's long-term investments. It provides vital information to investors, lenders, and creditors. Investors can assess a company's value, profitability, and growth potential. Lenders and creditors can evaluate collateral and assess creditworthiness. Additionally, this contributes to a better understanding of maintenance costs and the need for future capital investments. Overall, it is a crucial tool for making informed decisions and understanding a company's financial health and growth prospects.

The mini-series this year aims to provide readers with a general understanding of the fixed assets accounting framework while delving into certain specific areas. In accounting, the terms fixed assets and property, plant, and equipment are often used interchangeably. These terms refer to assets that are expected to be used for a prolonged period in the operations of a business, rather than being held for sale. Fixed assets represent tangible assets that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purpose; and
- are expected to be used during more than one period.

Certain notable fixed assets development and advancements for CLP in recent years:

Hong Kong

- D2 gas-fired generation unit at Black Point
- Offshore LNG terminal (via a joint venture)
- Upgrade of Clean Energy Transmission System
- Enhancement of the transmission and distribution network
- CLP Headquarters in Kai Tak

Mainland China

- Various renewable energy projects, primarily investment in wind and solar projects, including Sandu II, Bobai and Xundian II wind farms; Yixing, Gongdao and Huai'an Nanzha solar farms

Australia

- Generation plants enhancement and capital works (Yallourn and Mount Piper power station)
- Construction of the Tallawarra B power station and upgrade of the Tallawarra A power station
- Flexible capacity projects including battery energy storage systems

In the following part, we will briefly introduce the life cycle of fixed assets and the accounting considerations at each stage:

	A	B	C	D
Fixed assets life cycle	Construction, development and acquisition	Fixed assets ready for management intended use	Utilisation / Operation / Repair and maintenance	Retirement / Disposal
Accounting considerations	Initial recognition	Useful lives determination	Subsequent measurement (including depreciation, reassessment of useful lives); Impairment assessment	Derecognition

A Initial recognition

Instead of recognising expenses as incurred, costs that satisfy the classification and recognition criteria of fixed asset will be capitalised. This ensures that costs are recognised in a manner that corresponds with the benefits received from the assets.

The cost of fixed assets shall be recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the (expense) item will flow to the entity, and
(b) the cost of the (expense) item can be measured reliably.

The purpose of recognising fixed assets is to acknowledge that these items can generate future economic benefits for the entity that exceed what would have been gained had the assets not been acquired. In essence, all costs related to the purchase and direct preparation of assets intended for use by management are classified as capital expenditures and recorded as fixed assets, with common examples including:

- Costs associated with external materials or purchases (including replacement cost) ➊
- Directly attributable costs to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management
- Delivery charges
- Borrowing costs ➋
- Internal costs (including staff costs) ➌
- Asset retirement obligations ➍

The following are some considerations related to the initial recognition:

➊ Periodic replacement of an asset

In the case of large-scale utility assets, there is often a need to periodically replace specific components over their useful lives to ensure they operate effectively. Generally, if the replacement component is substantial and meets the fixed asset criteria, it should be recognised as such. Conversely, minor components, often spare parts, would be recorded as inventory and expensed when consumed.

➋ Borrowing costs

When entities seek external financing for capital-intensive assets, borrowing costs may factor into the total expenditure associated with these assets. Accounting standards stipulate that only borrowing costs directly attributable to the acquisition or construction of qualifying assets should be capitalised as part of the fixed assets. Qualifying assets are typically defined as fixed assets that demand a significant amount of time to become operational, usually interpreted as a period of one year or longer. Once an asset meets these criteria, the borrowing costs can be capitalised, whether they arise from specific borrowing or general borrowing that is directly attributable to the assets.

➌ Internal costs

Besides the external costs, there are internal costs associated with fixed assets. These costs mainly consist of staff expenses that directly contribute to asset construction or development, can be capitalised if recognition criteria are met. Cost incurred to hire additional staff for overseeing or developing the fixed assets can typically be fully capitalised, while costs incurred by existing staff can also be capitalised if a reliable system accurately records their time spent and associated expenses for specific fixed assets. These costs are capitalised until the asset is ready for its intended use by management.

➍ Asset retirement obligations

Asset retirement obligations, also known as dismantling cost or reinstatement cost, are a crucial aspect of fixed assets. These costs represent the legal, contractual, or constructive obligations that arise from acquiring or constructing fixed assets and lead to unavoidable future cash outflows for the entity at the end of asset's life.

Determining the existence of asset retirement obligations is complex, especially in cases where there are no explicit contractual obligations but rather a general obligation for retirement or reinstatement. The obligation is recognised as a liability on the financial statements when it is highly probable that cash outflows will occur. Simultaneously, an equivalent amount is recorded as part of the fixed assets. Key factors influencing the estimated amount include the timing and expected cost of the expenses, changes in requirements, and compliance with regulatory and environmental policies. Given the complexity, entities may seek external expertise or refer to historical patterns of expenses to form reasonable estimates. These estimates are subject to change and require regular reassessment.

Apart from the accounting standards, companies might be required to also comply with the mechanisms set by the regulatory framework. For example, CLP Power Hong Kong Limited and Castle Peak Power Company Limited must adhere to the Scheme of Control ("SoC") and make a periodic charge and accrue in the statement of financial position a liability balance to be utilised in discharging asset decommissioning cost if and when incurred. Thus these companies will assess if the provision of liability would be sufficient in addressing the probable obligations.

B Useful lives determination

When fixed assets are ready for use, entities are required to exercise their accounting judgement in determining the useful lives and the residual values of the fixed assets, selecting the appropriate depreciation method, and starting to recognise depreciation charges.

While capitalised costs are classified as fixed assets, they differ from operating expenses, which are charged immediately. Known as capital expenditures, capitalised costs are viewed as expenses from a lifecycle perspective, and their recognition is spread out over time through depreciation. This approach aligns the asset values with their anticipated useful lives and the additional benefits they produce. The Accounting Mini-Series in 2021 Annual Report discusses the related considerations, including how sustainability factors impact this process.

C 1 Subsequent measurement

After the initial recognition, entities commonly adopt the cost model, including CLP, as their accounting policy. Under the cost model, fixed assets are carried at their original cost minus accumulated depreciation and impairment losses. Subsequent costs incurred are capitalised only if they meet the recognition criteria. Otherwise, these costs, which typically pertain to repairs and maintenance needed to maintain the original expected benefits of the assets, are expensed during the period in which they are incurred. However, if a significant improvement is made to existing fixed assets resulting in additional economic benefits or prolonged economic lives, such as major inspections or maintenance programs, these costs may still be eligible for capitalisation if they meet the recognition criteria.

2 Impairment assessment

Accounting focuses on assessing whether the recognised assets are recoverable and whether their carrying value remains supportable. When applying the cost model for subsequent measurement, it becomes crucial for management to determine if the carrying value of fixed assets remains supportable and capable of generating future economic benefits that would allow for the recovery of that carrying value. This may involve identifying impairment triggers and conducting a comprehensive impairment assessment. If it is determined that the assets are not recoverable, impairment charges will be recognised. This expectation arises because financial statement users rely on the assumption that the entity's future profitability will enable the recovery of the carrying amount of the fixed assets. As a result, financial statement users closely examine any impairment charges, as they can offer valuable insights into the entity's future prospects or profitability, even though they are typically classified as non-cash items.

D Derecognition

Once a fixed asset is disposed of or is no longer expected to generate future economic benefits, it will be derecognised. If consideration is received during the disposal, any resulting gain or loss should be recognised at the time control is transferred. In some cases, even if an asset is fully depreciated but still in use, it may not be derecognised. This may lead to the presence of both cost and accumulated depreciation of the same amount on the books. This situation occurs because the assets are still usable beyond their presumed useful lives.

CLP adheres to the aforementioned mechanism for accounting for its fixed assets.

Other relevant considerations in CLP

1 How does fixed assets accounting impact the return?

Utility companies often operate in regulated environments where their rates and tariffs are determined by regulatory authorities. In Hong Kong, the SoC regulations govern the permitted return for electricity providers. These regulations aim to strike a balance between allowing providers to earn a fair and reasonable rate of return on their capital investments while also safeguarding public interests. The permitted return is periodically reviewed to ensure fairness and alignment with current market conditions. As such, having precise fixed assets accounting enables CLP Group companies to accurately calculate the costs related to their infrastructure investments.

2 Classification of CLP Headquarters in Kai Tak

In this year's financial statements, you will observe an increase of HK$1.1 billion in fixed assets within the buildings category, alongside a rise of HK$2.6 billion in the leasehold land category under right-of-use assets, which is related to the acquisition of a subsidiary. The acquisition fundamentally entails the purchase of the entire interest in Sanon Limited (Sanon), which owns the property currently housing CLP Headquarters located in Kai Tak. While Sanon holds legal title and owns the property, it leases the office floors and car parks to other CLP entities to support the operational requirements of the Group. In Sanon's standalone financial statements, it classifies the property as investment properties as its main purpose is to generate rental income. Conversely, from the perspective of the consolidated financial statements of CLP Holdings Limited, which has consolidated Sanon, the property is regarded as being for self-use or owner-occupied purposes. The costs related to the assets will be recovered through the future economic benefits generated by the Group. Consequently, these will be classified as fixed assets (Note 9) and right-of-use assets (Note 10) in the consolidated financial statements.

Fixed assets represent a key financial statement line on the statement of financial position and are the core profit generating assets for participants in utility industry. Understanding fixed assets accounting provide valuable insights for the financial statements users in evaluating the financial results and position of the entity.

To the Members of CLP Holdings Limited

(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The consolidated financial statements of CLP Holdings Limited (the "Company") and its subsidiaries (the "Group") ("the Group Financial Statements"), which are set out on pages 216 to 284, comprise:

- the Consolidated Statement of Financial Position as at 31 December 2024;
- the Consolidated Statement of Profit or Loss for the year then ended;
- the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended; and
- the Material Accounting Policies, Notes to the Financial Statements and Financial Risk Management.

Our opinion

In our opinion, the Group Financial Statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

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

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

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

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

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

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

Key Audit Matter	***How our audit addressed the Key Audit Matter***
Unbilled retail revenue Refer to note 3 to the Group Financial Statements Retail electricity and gas revenues are recognised when electricity and gas are supplied to and consumed by the customers. Revenues are measured on the basis of periodic cycle meter readings and include an estimated accrual for the value of electricity and gas consumed from the meter reading date to the end of the reporting period. Unbilled retail revenue of the Group totalled HK$3,296 million as at 31 December 2024. CLP Power Hong Kong Limited (CLP Power) calculates unbilled revenue using estimates including: consumption quantity based on the electricity sent-out adjusted by loss factors, the pattern of residential and non-residential consumption, weather and certain other factors. EnergyAustralia Holdings Limited (EnergyAustralia) calculates unbilled retail revenue based on the electricity purchased and the applicable tariffs for the mass market customer segment, as well as the actual meter readings and the contracted rates for commercial and industrial customers. The amount is adjusted for physical energy loss and other measurable factors. This is a Key Audit Matter because the calculation of unbilled retail revenue involves a high degree of estimation.	Our procedures in relation to unbilled revenue included: - Understanding of and testing the key controls in place to determine the estimate of unbilled revenue for both CLP Power and EnergyAustralia; - Testing the volume of electricity sent-out by CLP Power to supporting information; - Assessing the reasonableness of estimates by comparing them against historical trends; - Verifying the volume of electricity purchased by EnergyAustralia from the wholesale electricity market to the underlying Australian Energy Market Operator data and reconciling the total purchase volumes to revenue volumes; - Understanding the estimates made relating to loss factors and tariffs used in determining the level of unbilled revenue for both CLP Power and EnergyAustralia; - Assessing their reasonableness by comparing them against historical trends and against the weighted average tariff for prices for CLP Power; - Verifying the integrity of formulae and mathematical accuracy of management's unbilled revenue calculations for EnergyAustralia; and - Assessing the reasonableness of management estimation on the tariffs rate input comparing against recent customer data for EnergyAustralia. Based on the work performed, we found that the Group's unbilled revenue amount is supported by the available evidence.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
The carrying values of EnergyAustralia's energy retail business and generation assets Refer to notes 9 and 12 to the Group Financial Statements	
EnergyAustralia has goodwill relating to the energy retail business in Australia. The recoverable amount of EnergyAustralia's energy retail business is determined based on a value in use calculation. The cash flow projections used in the value in use calculation are derived from EnergyAustralia's approved business plan which includes cost saving initiatives and an appropriate reflection of future cash flows from potential legislative, regulatory and structural changes in the industry. The key assumptions used in the value in use calculation include retail tariffs, electricity and gas volumes, network distribution costs, the customer account growth rate and the discount rate. This is a Key Audit Matter, because of the inputs to the value in use model require significant management judgements and a high degree of estimation. Changes in these key assumptions would have a direct impact on the valuation and resulting impairment charge.	Our procedures in relation to management's assessment of the carrying value of EnergyAustralia's energy retail business included: - Assessing the appropriateness of the valuation methodologies used in the assessment of the recoverable amount; - Reconciling input data to supporting evidence, such as the approved business plan and where possible to publicly available market data; - Challenging the reasonableness of the key assumptions based on our knowledge of the business and industry; - Assessing the discount rate used in the assessment which has included the involvement of in-house valuation experts where appropriate; - Verifying the integrity of formulae and mathematical accuracy of management's valuation model; - Assessing the potential impact of reasonably possible changes in key assumptions including possible future regulatory policy changes with respect to retail sales of electricity in Australia; and - Reviewing the appropriateness of the Group's disclosures with respect to the impairment assessment. Based on the work performed we found that the carrying value of EnergyAustralia's energy retail business is supported by the available evidence and the key assumptions have been appropriately disclosed in note 12 to the Group Financial Statements.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
The carrying values of EnergyAustralia's energy retail business and generation assets (continued) The Group has substantial investments in assets of HK$12.1 billion related to EnergyAustralia's generation business. They are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying value of EnergyAustralia's generation assets are supported by scenarios which are produced to reflect a range of economic conditions that may exist over the life of the assets and the expected power plant closure dates. The key assumptions included within the scenarios include an estimation of forward electricity pool prices (the forward curve), generation volumes, retail volumes, gas prices, long term assumptions around market movements, potential regulatory changes including those impacting the timing of national power plant closure dates and the impact to the useful lives of the EnergyAustralia's generation assets. Management has performed an assessment and confirmed that no impairment was required for EnergyAustralia's generation assets at 31 December 2024. This is a Key Audit Matter because critical judgements exist in estimating forward electricity pool prices, volumes, gas prices and long term market assumptions.	Our procedures in relation to management's assessment of the carrying value of EnergyAustralia's generation assets included: - Discussing EnergyAustralia's generation assets scenarios with management and understanding the key assumptions included within them; - Assessing the appropriateness of movements in the forward electricity pool prices and the gas prices, and the movements in the market inputs used in the scenarios to available observable market data, where possible; - Comparing the historical forecasted generation and retail volumes with the actual volumes; - Assessing the useful lives of EnergyAustralia's assets to the committed asset closure of the assets; - Reconciling the generation asset scenarios to the approved business plan; - Verifying the integrity of formulae and mathematical accuracy of management's valuation model; - Assessing the potential impact of possible future regulatory policy changes in Australia; and - Reviewing the appropriateness of the Group's disclosures on generation assets. Based on the work performed, we found that management's scenarios were supported by the available evidence.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Fixed asset accounting and the calculation of the Scheme of Control permitted return Refer to notes 9 and 10 to the Group Financial Statements Consolidated fixed assets and right-of-use assets were HK$168,715 million at 31 December 2024. This includes fixed assets and leasehold land relating to CLP Power and Castle Peak Power Company Limited (CAPCO) (together the SoC Companies) (SoC fixed assets) which are the base used in the calculation of the permitted return under the Scheme of Control (SoC) Agreement. The annual permitted return is 8% of the SoC Companies' average net fixed assets. If the gross tariff revenue in a period is less than or exceeds the total of the SoC operating costs, the permitted return and the taxation charges, such deficiency shall be deducted from, or such excess shall be added to, the Tariff Stabilisation Fund (TSF). In any period, the amount of deduction from or addition to the TSF is recognised as a revenue adjustment to the extent that the return and charges under the SoC are recognised in profit or loss. This is a Key Audit Matter because of the significance of the balance and its importance to the SoC Companies. The accuracy of SoC fixed asset additions, disposals and depreciation charges is important to ensure the SoC fixed asset balance is appropriate and the permitted return is calculated correctly.	Our procedures in relation to the Group's SoC fixed assets and the calculation of the SoC permitted return included: - Assessing the control environment and testing controls over SoC fixed assets additions, disposals and depreciation charges; - Testing the SoC fixed asset additions in the year to supporting evidence on a sample basis and assessing whether the items have been appropriately capitalised; - Assessing the appropriateness of SoC capital accruals made by management for large projects by agreeing assumptions to audit evidence from the vendors; - Assessing the estimated useful lives of the SoC fixed assets for compliance with the SoC; - Testing depreciation charges by performing depreciation reasonableness tests; - Obtaining management's reconciliation of SoC fixed assets from the opening balance at the beginning of the year to the closing balance at the end of the year and reconciling this to the general ledger and supporting records; - Recalculating the SoC permitted return for the year; and - Recalculating the SoC adjustment to revenue for the year. Based on the work performed, we found that the Group's SoC fixed asset accounting and the SoC permitted return calculation are supported by the available evidence.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Recoverability of trade receivables Refer to note 18 to the Group Financial Statements CLP Power and EnergyAustralia have significant retail businesses with many individual customers. The offtakers for the Group's other generation businesses are mainly a small number of state grid operators in Mainland China. The Group measures the loss allowance for its trade receivables at an amount equal to the lifetime expected credit losses. Expected credit losses in CLP Power are close to zero as the trade receivables are mostly secured by cash deposits or bank guarantees from customers and have no recent history of default. EnergyAustralia has trade receivables of HK$6,194 million at 31 December 2024 against which provisions for expected credit losses of HK$791 million are held. Management estimated the level of expected losses, by assessing future cash flows for each group of trade receivables including a probability weighted amount determined by evaluating a range of possible outcomes based on twelve month rolling historical credit loss experience by customer segment, geographical region, tenure and type of customer and applying that weighting to the receivables held at year end. The impact of economic factors, both current and future, is considered in assessing the likelihood of recovery from customers. As at 31 December 2024, the Group had total receivables of HK$2,716 million relating to unpaid Renewable National Subsidies in its Mainland China business. The expected credit loss is close to zero as continuous settlements have been noted with no history of default and the subsidy is funded by the Renewable Energy Development Fund set up and administered by the Ministry of Finance. This is a Key Audit Matter because of the magnitude of the trade receivables balance and the significant judgement applied in assessing the allowance for expected credit losses.	Our procedures in relation to trade receivables included: • Testing controls over the billing and collection cycles in CLP Power and EnergyAustralia; • Testing the system calculated trade receivables ageing analysis used to assess the recoverability of receivables in CLP Power; • Testing the trade receivables ageing analysis and customer segmentation in EnergyAustralia; • Assessing the appropriateness of the credit loss provisioning methodologies used by the Group; • Assessing the estimates used to determine the expected credit losses by considering cash collection performance and assessing the reasonableness of forward-looking factors included in the expected credit loss model; • Reviewing the allocation of deposits to customer balances as a part of CLP Power's expected credit loss assessment; • Reviewing the accuracy of management's judgements by comparing historical provisions against actual write-offs; • Reviewing minutes of the boards of directors' meetings relating to the recoverability of trade receivables; and • Discussion with management to understand the nature and the judgement involved in their determination that the expected credit loss on unpaid Renewable National Subsidies is close to zero, assessing the regulatory eligibility for the Group's projects and considering subsidies collected to-date and correspondences with government authorities. Based on the work performed, we found that management's assessments of the recoverability of trade receivables are supported by the available evidence.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Asset retirement obligations (AROs) Refer to note 25 to the Group Financial Statements Provisions are held for estimated remediation costs, discounted to present value, where the Group has a legal or constructive obligation for remediation and the likelihood of an economic outflow is probable. Estimating the amount and timing of the obligation requires significant judgement. Management has assessed the Group's obligations for each asset based on the local regulatory environment and expected closure dates. Management's key ARO judgements are as follows: The Group's ARO provision for land remediation and decommissioning of generation assets in Australia was HK$3,143 million. The provisions are based on estimates by external and internal experts that are discounted using internally determined end of plant lives. Other significant judgements also include the timing of the asset removal and costs to remove infrastructure, remediate soil and groundwater, water usage and technological developments. CLP Power expects that its transmission and distribution network will continue to be used for the distribution of electricity supply to its customers and considers it remote that the network will be removed from the existing land sites. Therefore, AROs have not been recognised for transmission and distribution assets. CAPCO is retiring the coal-fired generation units at Castle Peak "A" Station (CPA) between 2022 to 2025. At 31 December 2024, three units of CPA have been retired. Management considers that the dismantling obligation for the CPA units is covered by the asset decommissioning liability accrued under the SoC as at 31 December 2024. No provision for AROs has been recognised for the other generation units of CAPCO as the removal of CAPCO's other fossil-fuel generation units is possible and it is expected that should such obligation be incurred, it will be met by the liability accrued and the cost recovery mechanism under the SoC. This is a Key Audit Matter because significant judgement is required in determining whether an ARO exists and estimating the amount and timing of the obligation.	Our procedures in relation to AROs included: - Assessing the appropriateness of the Group's accounting policy; - Evaluating management's judgement that it is remote that the Hong Kong transmission and distribution network would be removed from the existing land sites; it is probable that the CPA units will be removed; and it is possible but not probable that CAPCO's other fossil-fuel generation units may be removed at some point in time in the future; - Assessing management's judgements as to whether a contractual or constructive obligation exists based on the respective power purchase agreements, lease agreements, local laws and regulations and past practice, where applicable; - Assessing the independence, objectivity and competence of management's external and internal experts involved where applicable in respect of the future cost estimates for those assets where a provision has been recognised; and - Testing the appropriateness of management's estimates of future costs, the timing of payments and the discount rates where management has concluded that a legal or constructive obligation exists. Based on the work performed, we found that the ARO provisions are supported by the available evidence.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yee Shia Yuen.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 February 2025

Consolidated Statement of Profit or Loss

for the year ended 31 December 2024

	Note	2024 HK$M	2023 HK$M
Revenue	3	**90,964**	87,169
Expenses			
Purchases and distributions of electricity and gas		**(31,871)**	(30,825)
Staff expenses		**(5,150)**	(4,749)
Fuel and other operating expenses		**(29,764)**	(27,817)
Depreciation and amortisation		**(9,276)**	(8,594)
		(76,061)	(71,985)
Other charge	4(c)	**–**	(5,868)
Operating profit	4	**14,903**	9,316
Finance costs	5	**(2,254)**	(2,139)
Finance income	5	**235**	270
Share of results, net of income tax			
Joint ventures	13	**845**	1,147
Associates	14	**1,810**	2,049
Profit before income tax		**15,539**	10,643
Income tax expense	6	**(2,821)**	(2,973)
Profit for the year		**12,718**	7,670
Earnings attributable to:			
Shareholders		**11,742**	6,655
Perpetual capital securities holders		**136**	139
Other non-controlling interests		**840**	876
		12,718	7,670
Earnings per share, basic and diluted	8	**HK$4.65**	HK$2.63

The notes and disclosures on pages 222 to 284 are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

	2024 HK$M	2023 HK$M
Profit for the year	**12,718**	7,670
Other comprehensive income		
Items that can be reclassified to profit or loss		
Exchange differences on translation	**(2,474)**	(222)
Translation reserve reclassified upon early termination of a joint venture agreement	**(68)**	–
Cash flow hedges	**(161)**	(2,102)
Costs of hedging	**345**	220
Release of other reserves	**(2)**	–
	(2,360)	(2,104)
Items that cannot be reclassified to profit or loss		
Fair value gains on investments	**190**	26
Remeasurement losses on defined benefit plans	**(4)**	(3)
	186	23
Other comprehensive income for the year, net of tax	**(2,174)**	(2,081)
Total comprehensive income for the year	**10,544**	5,589
Total comprehensive income attributable to:		
Shareholders	**9,530**	4,635
Perpetual capital securities holders	**136**	139
Other non-controlling interests	**878**	815
	10,544	5,589

The notes and disclosures on pages 222 to 284 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 31 December 2024

	Note	2024 HK$M	2023 HK$M
Non-current assets			
Fixed assets	*9*	**158,532**	152,786
Right-of-use assets	*10*	**10,183**	7,993
Investment property	*11*	**817**	884
Goodwill and other intangible assets	*12*	**12,445**	12,854
Interests in and loans to joint ventures	*13*	**12,188**	12,518
Interests in associates	*14*	**8,486**	9,380
Deferred tax assets	*23*	**1,625**	2,041
Derivative financial instruments	*15*	**1,134**	1,173
Other non-current assets	*16*	**1,464**	2,492
		206,874	202,121
Current assets			
Inventories – stores and fuel		**3,513**	3,327
Renewable energy certificates		**1,055**	1,151
Properties for sale	*17*	**1,888**	2,193
Trade and other receivables	*18*	**14,114**	13,650
Derivative financial instruments	*15*	**900**	1,077
Fuel clause account	*19*	**370**	328
Short-term deposits and restricted cash	*20*	**23**	22
Cash and cash equivalents	*20*	**4,976**	5,182
		26,839	26,930
Current liabilities			
Customers' deposits	*18(a)*	**(7,207)**	(6,880)
Trade payables and other liabilities	*21*	**(19,788)**	(20,306)
Income tax payable		**(775)**	(1,063)
Bank loans and other borrowings	*22*	**(15,849)**	(12,572)
Derivative financial instruments	*15*	**(1,185)**	(1,658)
		(44,804)	(42,479)
Net current liabilities		**(17,965)**	(15,549)
Total assets less current liabilities		**188,909**	186,572

	Note	2024 HK$M	2023 HK$M
Financed by:			
Equity			
Share capital	*26*	**23,243**	23,243
Reserves	*27*	**80,812**	79,088
Shareholders' funds		**104,055**	102,331
Perpetual capital securities	*28*	**–**	3,887
Other non-controlling interests	*28*	**6,063**	6,164
		110,118	112,382
Non-current liabilities			
Bank loans and other borrowings	*22*	**49,305**	44,943
Deferred tax liabilities	*23*	**17,348**	16,752
Derivative financial instruments	*15*	**1,388**	1,719
Scheme of Control (SoC) reserve accounts	*24*	**3,172**	2,643
Asset decommissioning liabilities and retirement obligations	*25*	**4,696**	5,047
Other non-current liabilities		**2,882**	3,086
		78,791	74,190
Equity and non-current liabilities		**188,909**	186,572

The Company's statement of financial position is presented in Note 32.

Andrew Brandler
Vice Chairman

Chiang Tung Keung
Chief Executive Officer

Alexandre Keisser
Chief Financial Officer

Hong Kong, 24 February 2025

The notes and disclosures on pages 222 to 284 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Attributable to Shareholders			Perpetual Capital Securities	Other Non-controlling Interests	Total Equity
	Share Capital HK$M	Reserves HK$M	Total HK$M	HK$M	HK$M	HK$M
Balance at 1 January 2023	23,243	82,255	105,498	3,887	6,309	115,694
Profit for the year	–	6,655	6,655	139	876	7,670
Other comprehensive income for the year	–	(2,020)	(2,020)	–	(61)	(2,081)
Transfer to fixed assets	–	30	30	–	13	43
Dividends paid						
2022 fourth interim	–	(3,057)	(3,057)	–	–	(3,057)
2023 first to third interim	–	(4,775)	(4,775)	–	–	(4,775)
Distributions to perpetual capital securities holders	–	–	–	(139)	–	(139)
Dividends paid to other non-controlling interests	–	–	–	–	(973)	(973)
Balance at 31 December 2023	23,243	79,088	102,331	3,887	6,164	112,382
Balance at 1 January 2024	23,243	79,088	102,331	3,887	6,164	112,382
Profit for the year	–	11,742	11,742	136	840	12,718
Other comprehensive income for the year	–	(2,212)	(2,212)	–	38	(2,174)
Transfer to fixed assets	–	20	20	–	8	28
Dividends paid						
2023 fourth interim	–	(3,057)	(3,057)	–	–	(3,057)
2024 first to third interim	–	(4,775)	(4,775)	–	–	(4,775)
Distributions to perpetual capital securities holders	–	–	–	(136)	–	(136)
Dividends paid to other non-controlling interests	–	–	–	–	(987)	(987)
Reclassification to other borrowings (Note 28(A))	–	6	6	(3,887)	–	(3,881)
Balance at 31 December 2024	**23,243**	**80,812**	**104,055**	**–**	**6,063**	**110,118**

The notes and disclosures on pages 222 to 284 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	Note	2024 HK$M	2024 HK$M	2023 HK$M	2023 HK$M
Operating activities					
Net cash inflow from operations	*29(A)*	**25,178**		25,597	
Interest received		**209**		189	
Income tax paid		**(2,247)**		(2,219)	
Net cash inflow from operating activities			**23,140**		23,567
Investing activities					
Capital expenditure		**(15,076)**		(11,776)	
Capitalised interest and other finance costs paid		**(564)**		(601)	
Proceeds from disposal of fixed assets		**45**		51	
Additions of other intangible assets		**(663)**		(796)	
Acquisition of a subsidiary		**(3,023)**		–	
Increase in investments at fair value through profit or loss		**(14)**		(90)	
Proceeds from disposal of investment at fair value through other comprehensive income		**481**		–	
Proceeds from disposal of investments at fair value through profit or loss		**161**		9	
Increase in investments in and loans to joint ventures		**(40)**		(277)	
Decrease in investments in and loans to joint ventures		**29**		5	
Proceeds from sale of a joint venture		**–**		1,635	
Dividends received from					
Joint ventures		**770**		527	
Associates		**1,659**		1,830	
Equity investments		**15**		15	
Decrease/(increase) in bank deposits with maturities of more than three months		**4**		(4)	
Net cash outflow from investing activities			**(16,216)**		(9,472)
Net cash inflow before financing activities			**6,924**		14,095
Financing activities	*29(B)*				
Proceeds from long-term borrowings		**9,817**		5,744	
Repayment of long-term borrowings		**(7,131)**		(5,843)	
Increase/(decrease) in short-term borrowings		**2,269**		(1,573)	
Payment of principal portion of lease liabilities		**(346)**		(321)	
Interest and other finance costs paid		**(1,765)**		(1,597)	
Settlement of derivative financial instruments		**(648)**		(337)	
Decrease in advances from other non-controlling interests		**(278)**		(271)	
Distributions paid to perpetual capital securities holders		**(139)**		(139)	
Dividends paid to shareholders		**(7,832)**		(7,832)	
Dividends paid to other non-controlling interests		**(987)**		(973)	
Net cash outflow from financing activities			**(7,040)**		(13,142)
Net (decrease) / increase in cash and cash equivalents			**(116)**		953
Cash and cash equivalents at beginning of year			**5,182**		4,251
Effect of exchange rate changes			**(90)**		(22)
Cash and cash equivalents at end of year	*20*		**4,976**		5,182

The notes and disclosures on pages 222 to 284 are an integral part of these consolidated financial statements.

Material Accounting Policies

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

1. Basis of Preparation

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and requirements of the Hong Kong Companies Ordinance (Cap.622).

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

2. Changes in Material Accounting Policies

(A) Amendments to standards first time adopted in 2024

There have been a number of amendments and interpretation to standards effective in 2024. Amendments and interpretation which are applicable to the Group include:

- Amendments to HKAS 1 Classification of Liabilities as Current or Non-current, Non-current liabilities with covenant and Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements: clarify that liabilities are categorised as either current or non-current based on the rights that exist at the end of the reporting period, and classification is unaffected by the entity's expectations or events after the reporting date;
- Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements: clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements enables users of financial statements to assess the effect of those arrangements on the entity's liabilities, cash flows and exposure to liquidity risk; and
- Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback: clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determine lease payment and revised lease payment in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains.

The Group has applied the above amendments for the first time in 2024. The adoption of these amendments has had no significant impact on the results and financial position of the Group.

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of Bank Loans and Other Borrowings (Note 22). The adoption of new accounting policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

Except for the abovementioned amendments to HKAS 1, the Group has not changed other material accounting policies, or made retrospective adjustments as a result of adopting these amendments.

2. Changes in Material Accounting Policies (continued)

(B) New standards and amendments to standards effective after 2024

The following new standards, amendments and improvements to standards, which may be applicable to the Group, have been issued and are effective after 2024. The Group has not elected to early adopt these pronouncements in 2024.

- HKFRS 18 Presentation and Disclosure in Financial Statements
- HKFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments
- Amendments to HKAS 21 Lack of Exchangeability
- Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Annual Improvements to HKFRS Accounting Standards — Volume 11

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

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

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

3. Consolidation and Equity Accounting

(A) Basis of consolidation

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

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

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

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

3. Consolidation and Equity Accounting (continued)

(B) Joint ventures and associates

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

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

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

(C) Joint operations

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

(D) Change in ownership interests

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

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

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

A quick guide to the classification of equity investments:

Control → Subsidiary
Joint control → Joint venture / joint operation
Significant influence → Associate
Less than significant influence → Equity investment

4. Inventory

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

5. Renewable Energy Products

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

6. Retirement Benefits

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

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

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

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

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

7. Foreign Currency Translation

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

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

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

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

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

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

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

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

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, and Taiwan Region and Thailand.

The financial operations of the Company's major subsidiaries, CLP Power Hong Kong Limited (CLP Power) and Castle Peak Power Company Limited (CAPCO) (collectively referred to as SoC Companies), are governed by a SoC Agreement entered into with the Hong Kong Government. Our electricity business in Hong Kong is therefore also referred to as the SoC business. The main features of the current SoC are summarised on pages 285 and 286, which are unaudited.

The consolidated financial statements were approved for issue by the Board of Directors on 24 February 2025.

2. Segment Information

Accounting Policy

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

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

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

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

2. Segment Information (continued)

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

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

2. Segment Information (continued)

	Hong Kong HK$M	Mainland China HK$M	Australia HK$M	India HK$M	Taiwan Region and Thailand HK$M	Unallocated Items HK$M	Total HK$M
For the year ended 31 December 2023							
Revenue from contracts with customers	51,980	1,782	33,102	–	3	1	86,868
Other revenue	139	64	88	–	–	10	301
Revenue	52,119	1,846	33,190	–	3	11	87,169
EBITDAF	18,159	1,369	(3,561)	(14)	(6)	(1,077)	14,870
Share of results, net of income tax							
Joint ventures	(21)	234	–	619	315	–	1,147
Associates	–	2,049	–	–	–	–	2,049
Consolidated EBITDAF	18,138	3,652	(3,561)	605	309	(1,077)	18,066
Depreciation and amortisation	(5,439)	(825)	(2,281)	–	–	(49)	(8,594)
Fair value movements	(14)	–	3,054	–	–	–	3,040
Finance costs	(1,428)	(209)	(477)	–	–	(25)	(2,139)
Finance income	159	14	23	6	–	68	270
Profit/(loss) before income tax	11,416	2,632	(3,242)	611	309	(1,083)	10,643
Income tax expense	(1,911)	(379)	(670)	(11)	(2)	–	(2,973)
Profit/(loss) for the year	9,505	2,253	(3,912)	600	307	(1,083)	7,670
Earnings attributable to							
Perpetual capital securities holders	(139)	–	–	–	–	–	(139)
Other non-controlling interests	(868)	(8)	–	–	–	–	(876)
Earnings/(loss) attributable to shareholders	8,498	2,245	(3,912)	600	307	(1,083)	6,655
Excluding: Items affecting comparability	(87)	115	5,868	(299)	–	–	5,597
Operating earnings	8,411	2,360	1,956	301	307	(1,083)	12,252
Capital additions	11,491	759	3,062	–	–	90	15,402
Impairment provisions							
Fixed assets	–	85	–	–	–	–	85
Goodwill and other intangible assets	12	–	5,868	–	–	–	5,880
Receivables and others	18	–	237	–	–	–	255
Purchases and distributions of electricity and gas	8,099	–	22,726	–	–	–	30,825
At 31 December 2023							
Fixed assets, right-of-use assets and investment property	137,930	9,107	14,523	–	–	103	161,663
Goodwill and other intangible assets	5,935	3,124	3,688	–	–	107	12,854
Interests in and loans to joint ventures	2,097	5,021	–	3,510	1,890	–	12,518
Interests in associates	–	9,380	–	–	–	–	9,380
Deferred tax assets	2	49	1,990	–	–	–	2,041
Other assets	10,213	4,848	13,200	29	59	2,246	30,595
Total assets	156,177	31,529	33,401	3,539	1,949	2,456	229,051
Bank loans and other borrowings	47,835	5,025	4,655	–	–	–	57,515
Current and deferred tax liabilities	16,592	1,165	26	1	31	–	17,815
Other liabilities	27,531	1,051	12,188	2	2	565	41,339
Total liabilities	91,958	7,241	16,869	3	33	565	116,669

Items affecting comparability refer to significant unusual events such as acquisition/disposal, impairment of non-current assets, property valuation gain/loss, legal disputes, change in law and natural catastrophe. They have no impact in assessing the underlying operating performance of the Group and are separately disclosed to allow a better understanding and comparison of the financial results. Details of the items affecting comparability can be found on page 32.

3. Revenue

Accounting Policy

(A) Revenue from contracts with customers

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

(B) Revenue from sales of properties

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

Critical Accounting Estimates and Judgements: Unbilled Retail Revenue

The Group records revenues from retail energy sales using the accrual accounting method. In Hong Kong, the unbilled retail revenue is calculated using estimates including consumption quantity based on electricity sent-out adjusted by loss factors, pattern of residential and non-residential consumption, weather and certain other factors. In Australia, the unbilled retail revenue is calculated based on the electricity purchased and applicable tariffs for the mass market customers, as well as actual meter readings and contracted rates for commercial & industrial customers. The amount is adjusted for physical energy loss and other measurable factors. Unbilled retail revenue of the Group (included in trade and other receivables) totalled HK$3,296 million at 31 December 2024 (2023: HK$4,001 million).

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

	2024 HK$M	2023 HK$M
Revenue from contracts with customers		
Sales of electricity in Hong Kong	**50,649**	50,288
Transfer for SoC (from) / to revenue (Note 24(A))	**(505)**	48
SoC sales of electricity	**50,144**	50,336
Sales of electricity outside Hong Kong	**32,718**	28,828
Sales of gas in Australia	**5,749**	5,862
Sales of properties in Hong Kong	**374**	645
Others	**1,453**	1,197
	90,438	86,868
Other revenue	**526**	301
	90,964	87,169

4. Operating Profit

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

	2024 HK$M	2023 HK$M
Charging		
Retirement benefits costs [(a)]	**519**	484
Auditors' remuneration		
Audit services		
PricewaterhouseCoopers	**47**	42
Other auditor	**–**	–
Permissible audit related and non-audit services		
PricewaterhouseCoopers [(b)]	**8**	8
Other auditor	**–**	–
Variable lease expenses	**29**	43
Cost of properties sold	**306**	510
Net losses on disposal of fixed assets	**582**	393
Impairment of		
Energy retail goodwill in Australia [(c)]	**–**	5,868
Fixed assets [(d)]	**–**	85
Other intangible assets	**–**	12
Inventories – stores and fuel	**47**	9
Trade and other receivables	**457**	246
Revaluation loss on investment property	**67**	25
Net exchange losses/(gains)	**21**	(51)
Crediting		
Rental income from investment property	**(26)**	(26)
Dividends from equity investments	**(15)**	(15)
Fair value (gains)/losses on investments at fair value through profit or loss	**(2)**	164
Net fair value gains 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	**(1,758)**	(392)
Fuel and other operating expenses	**(102)**	(1,316)
Ineffectiveness of cash flow hedge	**(21)**	(11)
Not qualified for hedge accounting	**(983)**	(1,760)

Notes:

(a) Retirement benefits costs for the year amounted to HK$696 million (2023: HK$655 million), of which HK$173 million (2023: HK$167 million) was capitalised.

(b) Permissible audit related and non-audit services provided by PricewaterhouseCoopers comprised Continuing Connected Transactions limited assurance, limited assurance over regulatory reviews and reporting, audits of CLP's provident funds, auditor's attestation and other advisory services.

(c) In 2023, energy retail business of EnergyAustralia Holdings Limited (EnergyAustralia) was affected by adverse energy retail market trends and an assessment of the value in use of the energy retail cash generating unit (CGU) was performed to determine the recoverable amount. Since the recoverable amount did not support the carrying value of the energy retail CGU at 31 December 2023, an impairment on the energy retail goodwill of HK$5,868 million (A$1,103 million) was recognised as other charge in the profit or loss.

(d) Triggered by the reduction in utilisation hours of Dali Yang_er Hydro Power Station and continuous low tariff, an impairment provision for fixed assets of HK$85 million was recognised in 2023.

5. Finance Costs and Income

Accounting Policy

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

	2024 HK$M	2023 HK$M
Finance costs		
Interest expenses on		
Bank loans and overdrafts	**1,181**	1,143
Other borrowings	**1,081**	1,090
Tariff Stabilisation Fund [(a)]	**124**	114
Customers' deposits and others	**50**	47
Lease liabilities	**65**	49
Net fair value losses / (gains) on debt related derivative financial instruments		
Cash flow hedge		
Reclassified from cash flow hedge reserve	**356**	158
Reclassified from cost of hedging reserve	**(31)**	(30)
Ineffectiveness of cash flow hedges	**–**	(14)
Fair value hedge		
Net fair value losses / (gains)	**315**	(54)
Reclassified from cost of hedging reserve	**1**	(1)
Ineffectiveness of fair value hedges	**(34)**	13
Not qualified for hedge accounting	**(2)**	9
Net fair value (gains) / losses on hedged items in fair value hedges	**(315)**	54
Net exchange gains	**(277)**	(83)
Finance charges	**294**	258
	2,808	2,753
Less: amount capitalised [(b)]	**(554)**	(614)
	2,254	2,139
Finance income		
Interest income on		
Bank deposits	**114**	108
Loans to joint ventures and others	**121**	162
	235	270

Notes:

(a) In accordance with the provisions of the SoC Agreement, CLP Power is required to credit, to a Rate Reduction Reserve in its financial statements, a charge of the average of one-month Hong Kong Interbank Offered Rate on the average balance of the Tariff Stabilisation Fund (Note 24(B)).

(b) Finance costs of the Group's general borrowings have been capitalised at average interest rates of 2.10% – 3.84% (2023: 2.85% – 3.82%) per annum.

6. 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:

	2024 HK$M	2023 HK$M
Current income tax expense	**1,963**	1,709
Deferred tax expense	**858**	1,264
	2,821	2,973

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Income tax on profits assessable outside Hong Kong has been provided at the rates prevailing in the respective jurisdictions.

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

	2024 HK$M	2023 HK$M
Profit before income tax	**15,539**	10,643
Less: Share of results of joint ventures and associates, net of income tax	**(2,655)**	(3,196)
	12,884	7,447
Calculated at an income tax rate of 16.5% (2023: 16.5%)	**2,126**	1,229
Effect of different income tax rates in other countries	**415**	556
Income not subject to tax	**(182)**	(142)
Expenses not deductible for tax purposes	**342**	1,321
Revenue adjustment for SoC not subject to tax	**83**	(8)
Tariff rebates deductible for tax purposes	**(3)**	(45)
Under-provision in prior years	**5**	3
Tax losses not recognised	**35**	29
Write-off of deferred tax assets	**–**	30
Income tax expense	**2,821**	2,973

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

Pillar Two legislation has been enacted in Australia in December 2024 and the Rules take effect from 1 January 2024. The Group has assessed that there is no top-up tax exposure for the year ended 31 December 2024 with respect to the Group's Australian operation.

Other major jurisdictions where CLP operates have not enacted or substantively enacted legislation of the Rules. The Hong Kong government has announced the implementation of the Rules for years commencing on or after 1 January 2025. The Group continues monitoring local legislation and other development of the Rules in relevant jurisdictions and assess the potential impact.

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

7. Dividends

	2024 HK$ per Share	2024 HK$M	2023 HK$ per Share	2023 HK$M
First to third interim dividends paid	**1.89**	**4,775**	1.89	4,775
Fourth interim dividend declared	**1.26**	**3,183**	1.21	3,057
	3.15	**7,958**	3.10	7,832

At the Board meeting held on 24 February 2025, the Directors declared the fourth interim dividend of HK$1.26 per share (2023: HK$1.21 per share). The fourth interim dividend is not reflected as a dividend payable in the financial statements.

8. Earnings per Share

The earnings per share are computed as follows:

	2024	2023
Earnings attributable to shareholders (HK$M)	**11,742**	6,655
Weighted average number of shares in issue (thousand shares)	**2,526,451**	2,526,451
Earnings per share (HK$)	**4.65**	2.63

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 2024 and 2023.

9. Fixed Assets

Accounting Policy

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

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

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

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

9. Fixed Assets (continued)

Accounting Policy (continued)

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

Critical Accounting Estimates and Judgements

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

Given continued changes in the National Electricity Market (NEM) in Australia and changes in the supply and demand equilibrium, risk is introduced in market modelling which heightens the criticality of this judgement area. As part of making these critical judgements, risks do exist in the assumptions made around supply and demand with regard to our generation assets in Australia. In certain circumstances, where demand expectations and supply side responses vary substantially from the assumptions made, particularly in regard to the transition to renewable energy sources and uses, significant changes in the value of the assets could eventuate. The NEM is highly sensitive to a variety of factors such as government intervention and expected power plant closure dates. There has been no change in expected closure dates of our generation assets during 2024.

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

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

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

The assessment concluded that the carrying value of generation assets of HK$12.1 billion (2023: HK$13.3 billion) was supported by future cash flows. Management particularly considers the generation CGU to be highly sensitive to a change in expected long-term wholesale prices, which interplay with coal supply and expected power plant closure dates. The Group will continually assess the carrying value of the generation assets as the market and the Group transition towards a cleaner energy future.

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

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

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

9. Fixed Assets (continued)

Fixed assets included assets under construction with book value of HK$16,438 million (2023: HK$20,417 million). The movements during the year are set out below:

	Freehold Land HK$M	Buildings HK$M	Plant, Machinery and Equipment HK$M	Total HK$M
Net book value at 1 January 2023	296	22,433	124,538	147,267
Additions	–	1,432	12,309	13,741
Transfers and disposals	–	(31)	(453)	(484)
Depreciation	–	(881)	(6,688)	(7,569)
Impairment charge	–	(85)	–	(85)
Exchange differences	2	(44)	(42)	(84)
Net book value at 31 December 2023	298	22,824	129,664	152,786
Cost	376	39,363	243,206	282,945
Accumulated depreciation and impairment	(78)	(16,539)	(113,542)	(130,159)
Net book value at 31 December 2023	298	22,824	129,664	152,786
Net book value at 1 January 2024	298	22,824	129,664	152,786
Acquisition of a subsidiary (note)	–	1,087	–	1,087
Additions	3	2,409	12,752	15,164
Transfers and disposals	–	(72)	(698)	(770)
Depreciation	–	(936)	(7,217)	(8,153)
Exchange differences	(29)	(111)	(1,442)	(1,582)
Net book value at 31 December 2024	**272**	**25,201**	**133,059**	**158,532**
Cost	343	42,318	249,903	292,564
Accumulated depreciation and impairment	(71)	(17,117)	(116,844)	(134,032)
Net book value at 31 December 2024	**272**	**25,201**	**133,059**	**158,532**

Note: In March 2024, the Group completed the acquisition of the entire interest in Sanon Limited, a company that holds a property in Kai Tak, Hong Kong. This property became CLP's new headquarters. The total consideration for this acquisition amounted to HK$3,699 million (net of consideration adjustment of HK$6 million), including the additional costs with respect to the add-on designs required by the Group. The property comprised building and leasehold land of HK$1,087 million and HK$2,618 million (Note 10) respectively.

The transaction is accounted for as an asset acquisition since substantially all the fair value of the gross assets acquired was primarily concentrated in the property held by Sanon Limited.

10. Right-of-Use Assets

Accounting Policy

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

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

	Leasehold Land [a] HK$M	Buildings [b] HK$M	Plant, Machinery and Equipment [b] HK$M	Total HK$M
Net book value at 1 January 2023	6,475	554	553	7,582
Additions	352	20	411	783
Depreciation	(211)	(103)	(62)	(376)
Exchange differences	(8)	–	12	4
Net book value at 31 December 2023	6,608	471	914	7,993
Net book value at 1 January 2024	6,608	471	914	7,993
Acquisition of a subsidiary (Note 9)	2,618	–	–	2,618
Additions /cost adjustments	151	30	(37)	144
Modifications to lease terms	–	(8)	–	(8)
Depreciation	(234)	(104)	(86)	(424)
Exchange differences	(25)	(36)	(79)	(140)
Net book value at 31 December 2024	**9,118**	**353**	**712**	**10,183**

Notes:

(a) Leasehold land represents lease payments, including land premium, on lease of land with the tenure of 15 to 150 years.

(b) The Group has leased several assets including a water treatment plant, battery storage facilities and offices. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Tenures of the leases range from 1 to 24 years.

11. Investment Property

Accounting Policy

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

	2024 **HK$M**	2023 HK$M
At 1 January	**884**	909
Revaluation loss	**(67)**	(25)
At 31 December	**817**	884

Investment property represents the commercial interest of the retail portion of the Laguna Mall in Hong Kong, which is leased out by the Group under operating leases.

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

Cushman has valued the property at 31 December 2024 by using the income capitalisation approach, cross-referenced with comparable market transactions. The income capitalisation approach is based on the capitalisation of the existing rental / licence income and potential reversionary income over the remaining tenure of the property from the date of valuation at appropriate capitalisation rates that by reference to the yields achieved in analysed market sales transactions and as expected by investors. The significant unobservable input is the capitalisation rates adopted for the valuation which are ranging from 4.15% to 4.40% (2023: 4.00% to 4.25%). The fair value is negatively correlated to the capitalisation rate.

The fair value measurement of the Group's investment property is categorised within Level 3 of the fair value hierarchy at 31 December 2024 and 2023.

12. Goodwill and Other Intangible Assets

Accounting Policy

(A) Goodwill

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

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

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

(B) Other intangible assets

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

Critical Accounting Estimates and Judgements: Goodwill Impairment

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

Energy retail business in Australia

Key assumptions for value in use calculations

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

The assumptions impacting gross margin include:

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

Other assumptions include:

- The cash flow projections are discounted using a pre-tax discount rate of 11.6% (2023: 11.3%). The discount rates reflect the current market assessments of the time value of money and are based on the estimated cost of capital.
- A long-term growth rate of 2.8% (2023: 2.5%) is applied in the terminal value calculation beyond a period of ten years of cash flows.

12. Goodwill and Other Intangible Assets (continued)

Critical Accounting Estimates and Judgements: Goodwill Impairment (continued)

Energy retail business in Australia (continued)

Sensitivity analysis for the energy retail CGU valuation

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

- A 5% decrease in long-term gross margin would decrease the recoverable amount by HK$1,443 million (A$300 million).
- A 1% decrease in long-term annual customer growth rate would decrease the recoverable amount by HK$1,563 million (A$325 million).
- An increase in the discount rate of 0.5% would decrease the recoverable amount by HK$909 million (A$189 million).
- A decrease in terminal growth rate of 0.1% would decrease the recoverable amount by HK$130 million (A$27 million).

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

Hong Kong electricity business

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

- Goodwill arising from the acquisition of CAPCO has been allocated to CLP Power and CAPCO as a combined CGU as the acquisition is considered beneficial to the whole SoC business.
- The electricity tariff for the supply of electricity in meeting the demand of customers in Hong Kong over the forecast periods is determined with reference to the rate-setting mechanism under the SoC.
- The forecast for electricity demand is based on the load forecast to support local infrastructure development and meeting customer load requirements, maintaining safety and supply reliability, and meeting environmental requirements.
- Expenditures for the supply of electricity in meeting the forecast demand are based on committed purchase contracts where applicable, and inputs on cost trend specific to the electricity business in Hong Kong. Such forecast aligns with the projection in the Business Plan for our Hong Kong electricity business, with capital expenditures up to 2028 aligned with those forecasted in the approved Development Plan.
- Terminal value of the CGU is adopted to estimate the cash flows to be generated for the periods beyond ten years. This is expressed as a multiple of net asset values which corresponds to our return model based on fixed assets investment. The terminal value is a multiple of 1.2 times of the net asset values forecasted at the end of 2034.
- The cash flow projections are discounted using a pre-tax discount rate of 9.78% (2023: 9.75%), or a post-tax return of 8.00% (2023: 8.00%) which reflects the SoC return rate applicable to the electricity business in Hong Kong.

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

12. Goodwill and Other Intangible Assets (continued)

	Goodwill [a] HK$M	Capacity Right [b] HK$M	Others HK$M	Total HK$M
Net carrying value at 1 January 2023	13,888	3,362	1,201	18,451
Additions	–	9	869	878
Amortisation	–	(282)	(367)	(649)
Impairment charge	(5,868)	–	(12)	(5,880)
Exchange differences	50	–	4	54
Net carrying value at 31 December 2023	8,070	3,089	1,695	12,854
Cost	20,263	5,756	5,656	31,675
Accumulated amortisation and impairment	(12,193)	(2,667)	(3,961)	(18,821)
Net carrying value at 31 December 2023	8,070	3,089	1,695	12,854
Net carrying value at 1 January 2024	8,070	3,089	1,695	12,854
Additions	–	12	651	663
Amortisation	–	(283)	(416)	(699)
Write-offs	–	–	(30)	(30)
Exchange differences	(241)	–	(102)	(343)
Net carrying value at 31 December 2024	**7,829**	**2,818**	**1,798**	**12,445**
Cost	18,850	5,768	5,729	30,347
Accumulated amortisation and impairment	(11,021)	(2,950)	(3,931)	(17,902)
Net carrying value at 31 December 2024	**7,829**	**2,818**	**1,798**	**12,445**

Notes:

(a) Goodwill mainly arose from the acquisitions of energy retail business in Australia of HK$2,254 million (2023: HK$2,493 million) and the acquisition of CAPCO under Hong Kong electricity business of HK$5,545 million (2023: HK$5,545 million).

(b) Capacity right represents the right to use 50% of the pumped storage capacity of Phase I of the Guangzhou Pumped Storage Power Station in Conghua, Guangzhou and the corresponding right to use the associated transmission facilities until 2034.

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

The table below lists the material joint ventures of the Group at 31 December 2024:

Name	% of Ownership Interest at 31 December 2023 and 2024	Place of Incorporation / Business	Principal Activity
Apraava Energy Private Limited (Apraava Energy)	50	India	Generation of electricity and power projects investment holding
CSEC Guohua International Power Company Limited (CSEC Guohua) [(a)]	30	Mainland China	Generation of electricity
Hong Kong LNG Terminal Limited (HKLTL) [(b)]	49	Hong Kong	Development, construction, operation, maintenance and owning of LNG terminal and provision of related services
OneEnergy Taiwan Ltd (OneEnergy Taiwan) [(c)]	50	British Virgin Islands / Taiwan Region	Investment holding
ShenGang Natural Gas Pipeline Company Limited (SNGPC) [(d)]	40	Mainland China	Natural gas transportation

Notes:

(a) Registered as foreign-invested enterprise (unlisted joint stock company) under People's Republic of China (PRC) law

(b) HKLTL is 70% owned by CAPCO which is 70% owned by CLP Power

(c) OneEnergy Taiwan indirectly owns 40% interest in Ho-Ping Power Company

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

More detailed information of our joint ventures can be found on "Our Portfolio" on pages 296 to 299 of the Annual Report.

13. Interests in and Loans to Joint Ventures (continued)

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

	Apraava Energy HK$M	CSEC Guohua HK$M	HKLTL HK$M	OneEnergy Taiwan HK$M	SNGPC HK$M	Others HK$M	Total HK$M
For the year ended 31 December 2024							
Revenue	**6,207**	**13,083**	**785**	**–**	**838**	**3,058**	**23,971**
Depreciation and amortisation	**(436)**	**(889)**	**(267)**	**–**	**(255)**	**(909)**	**(2,756)**
Interest income	**118**	**3**	**–**	**–**	**6**	**6**	**133**
Interest expense	**(436)**	**(87)**	**(257)**	**–**	**(72)**	**(56)**	**(908)**
Other expenses	**(4,289)**	**(12,064)**	**(261)**	**(4)**	**(173)**	**(1,948)**	**(18,739)**
Share of results of joint ventures	**–**	**–**	**–**	**523**	**–**	**2**	**525**
Profit before income tax	**1,164**	**46**	**–**	**519**	**344**	**153**	**2,226**
Income tax expense	**(261)**	**(1)**	**–**	**–**	**(116)**	**(46)**	**(424)**
Profit for the year	**903**	**45**	**–**	**519**	**228**	**107**	**1,802**
Non-controlling interests	**–**	**(40)**	**–**	**–**	**–**	**–**	**(40)**
Profit for the year attributable to shareholders	**903**	**5**	**–**	**519**	**228**	**107**	**1,762**
Profit for the year	**903**	**45**	**–**	**519**	**228**	**107**	**1,802**
Other comprehensive income	**(1)**	**–**	**–**	**–**	**–**	**–**	**(1)**
Total comprehensive income	**902**	**45**	**–**	**519**	**228**	**107**	**1,801**
Group's share of profit and total comprehensive income	**451**	**1**	**–**	**260**	**91**	**42**	**845**
Dividends received from joint ventures	**345**	**59**	**–**	**136**	**163**	**67**	**770**
For the year ended 31 December 2023							
Revenue	6,129	14,080	527	–	983	3,591	25,310
Depreciation and amortisation	(342)	(1,029)	(123)	–	(184)	(1,107)	(2,785)
Interest income	85	5	–	–	5	8	103
Interest expense	(401)	(124)	(123)	–	(25)	(107)	(780)
Other expenses	(3,772)	(12,941)	(281)	(4)	(161)	(2,175)	(19,334)
Share of results of joint ventures	–	–	–	593	–	(1)	592
Profit/(loss) before income tax	1,699	(9)	–	589	618	209	3,106
Income tax (expense)/credit	(460)	18	–	–	(149)	(60)	(651)
Profit for the year	1,239	9	–	589	469	149	2,455
Non-controlling interests	–	(45)	–	–	–	–	(45)
Profit/(loss) for the year attributable to shareholders	1,239	(36)	–	589	469	149	2,410
Profit and total comprehensive income for the year	1,239	9	–	589	469	149	2,455
Group's share of profit/(loss) and total comprehensive income	619	(11)	–	295	188	56	1,147
Dividends received from joint ventures	202	38	–	–	135	152	527

13. Interests in and Loans to Joint Ventures (continued)

	Apraava Energy HK$M	CSEC Guohua HK$M	HKLTL HK$M	OneEnergy Taiwan HK$M	SNGPC HK$M	Others HK$M	Total HK$M
At 31 December 2024							
Non-current assets	**9,338**	**17,484**	**5,020**	**3,399**	**4,278**	**3,026**	**42,545**
Current assets							
Cash and cash equivalents	**1,483**	**618**	**–**	**13**	**390**	**343**	**2,847**
Other current assets	**3,590**	**1,561**	**189**	**1**	**42**	**1,232**	**6,615**
	5,073	**2,179**	**189**	**14**	**432**	**1,575**	**9,462**
Current liabilities							
Financial liabilities [e]	**(1,411)**	**(1,828)**	**(142)**	**–**	**(50)**	**(52)**	**(3,483)**
Shareholders' loans	**–**	**–**	**(88)**	**–**	**–**	**–**	**(88)**
Other current liabilities [e]	**(1,053)**	**(1,914)**	**(198)**	**–**	**(112)**	**(240)**	**(3,517)**
	(2,464)	**(3,742)**	**(428)**	**–**	**(162)**	**(292)**	**(7,088)**
Non-current liabilities							
Financial liabilities [e]	**(4,683)**	**(1,357)**	**(1,913)**	**–**	**(463)**	**(48)**	**(8,464)**
Shareholders' loans	**–**	**–**	**(2,868)**	**–**	**–**	**(38)**	**(2,906)**
Other non-current liabilities [e]	**(277)**	**(2,022)**	**–**	**–**	**(1,559)**	**(13)**	**(3,871)**
	(4,960)	**(3,379)**	**(4,781)**	**–**	**(2,022)**	**(99)**	**(15,241)**
Non-controlling interests	**–**	**(5,659)**	**–**	**–**	**–**	**–**	**(5,659)**
Net assets	**6,987**	**6,883**	**–**	**3,413**	**2,526**	**4,210**	**24,019**
Group's share of net assets	**3,494**	**2,065**	**–**	**1,706**	**1,010**	**1,865**	**10,140**
Goodwill	**–**	**–**	**–**	**–**	**–**	**30**	**30**
Interests in joint ventures	**3,494**	**2,065**	**–**	**1,706**	**1,010**	**1,895**	**10,170**
Loans to joint ventures	**–**	**–**	**2,008** [f]	**–**	**–**	**10**	**2,018**
	3,494	**2,065**	**2,008**	**1,706**	**1,010**	**1,905**	**12,188**
At 31 December 2023							
Non-current assets	9,619	17,947	4,973	3,399	3,123	7,815	46,876
Current assets							
Cash and cash equivalents	1,094	1,254	11	11	355	317	3,042
Other current assets	2,638	1,776	114	1	71	1,466	6,066
	3,732	3,030	125	12	426	1,783	9,108
Current liabilities							
Financial liabilities [e]	(1,040)	(2,428)	(112)	–	(86)	(1,737)	(5,403)
Shareholders' loans	–	–	(86)	–	–	–	(86)
Other current liabilities [e]	(1,092)	(2,079)	(223)	(1)	(94)	(1,807)	(5,296)
	(2,132)	(4,507)	(421)	(1)	(180)	(3,544)	(10,785)
Non-current liabilities							
Financial liabilities [e]	(4,047)	(1,226)	(1,780)	–	(523)	(1,672)	(9,248)
Shareholders' loans	–	–	(2,897)	–	–	(38)	(2,935)
Other non-current liabilities [e]	(153)	(2,122)	–	–	(50)	(18)	(2,343)
	(4,200)	(3,348)	(4,677)	–	(573)	(1,728)	(14,526)
Non-controlling interests	–	(5,802)	–	–	–	–	(5,802)
Net assets	7,019	7,320	–	3,410	2,796	4,326	24,871
Group's share of net assets	3,510	2,196	–	1,705	1,118	1,911	10,440
Goodwill	–	–	–	–	–	31	31
Interests in joint ventures	3,510	2,196	–	1,705	1,118	1,942	10,471
Loans to joint ventures	–	–	2,028 [f]	–	–	19	2,047
	3,510	2,196	2,028	1,705	1,118	1,961	12,518

13. Interests in and Loans to Joint Ventures (continued)

Notes:

(e) Financial liabilities exclude trade and other payables and provisions which are included in other current and non-current liabilities.

(f) Pursuant to agreement between shareholders of HKLTL, shareholders' loan facilities are provided to HKLTL by the shareholders pro-rata to their shareholdings to finance the construction of the LNG terminal. The loans to HKLTL are unsecured, carry interest at rates which are benchmarked to market interest rates. Instalment repayment of the loans have commenced after the commissioning of the LNG terminal in July 2023 with final maturity at the end of the related asset lives of the LNG terminal. At 31 December 2024, the current portion of the loans of HK$61 million (2023: HK$60 million) was included under the Group's trade and other receivables (Note 18).

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

	2024 HK$M	2023 HK$M
Share of capital commitments	**4,817**	3,876
Share of other commitments*	**1,239**	1,632
Share of contingent liabilities	**–**	–

* Representing the share of other commitments in relation to the use and operation of a floating storage and regasification unit and related support vessels.

The Group's capital commitments in relation to its interests in joint ventures are disclosed in Note 30(C).

14. Interests in Associates

Accounting Policy No. 3(B)

The table below lists the associates of the Group at 31 December 2024:

Name	**% of Ownership Interest at 31 December 2023 and 2024**	**Place of Incorporation / Business**	**Principal Activity**
Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) [(a)]	25	Mainland China	Generation of electricity
Yangjiang Nuclear Power Co., Ltd. (Yangjiang Nuclear) [(a)]	17	Mainland China	Generation of electricity

More detailed information of our associates can be found on "Our Portfolio" on page 297 of the Annual Report.

14. Interests in Associates (continued)

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

	GNPJVC HK$M	Yangjiang Nuclear [b] HK$M	Total HK$M
For the year ended 31 December 2024			
Revenue	**8,416**	**20,045**	**28,461**
Profit and total comprehensive income	**3,834**	**5,009**	**8,843**
Group's share of profit and total comprehensive income	**959**	**851**	**1,810**
Dividends received from associates	**990**	**669**	**1,659**
For the year ended 31 December 2023			
Revenue	8,390	20,797	29,187
Profit and total comprehensive income	3,965	6,223	10,188
Group's share of profit and total comprehensive income	991	1,058	2,049
Dividends received from associates	1,022	808	1,830
At 31 December 2024			
Non-current assets	**4,892**	**80,042**	**84,934**
Current assets	**10,154**	**13,995**	**24,149**
Current liabilities	**(5,617)**	**(19,326)**	**(24,943)**
Non-current liabilities	**(5,612)**	**(30,405)**	**(36,017)**
Net assets	**3,817**	**44,306**	**48,123**
Group's share of net assets	**954**	**7,532**	**8,486**
At 31 December 2023			
Non-current assets	4,437	85,654	90,091
Current assets	10,239	13,160	23,399
Current liabilities	(1,916)	(16,028)	(17,944)
Non-current liabilities	(5,681)	(38,022)	(43,703)
Net assets	7,079	44,764	51,843
Group's share of net assets	1,770	7,610	9,380

At 31 December 2024, the Group's share of capital commitments of its associates was HK$279 million (2023: HK$487 million).

Notes:

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

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

15. Derivative Financial Instruments

Accounting Policy

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

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

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

(A) Fair value hedges

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

(B) Cash flow hedges

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

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

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

15. Derivative Financial Instruments (continued)

Accounting Policy (continued)

(C) Costs of hedging

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

(D) Rebalancing of hedge relationships

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

	2024		2023	
	Assets HK$M	**Liabilities HK$M**	Assets HK$M	Liabilities HK$M
Cash flow hedges				
Forward foreign exchange contracts	**119**	**36**	21	107
Cross currency interest rate swaps	**4**	**1,026**	–	1,669
Interest rate swaps	**28**	**4**	30	8
Energy contracts	**1,499**	**483**	1,844	250
Fair value hedges				
Cross currency interest rate swaps	**17**	**659**	–	374
Interest rate swaps	**19**	**53**	–	48
Not qualified for hedge accounting				
Forward foreign exchange contracts	**5**	**89**	17	78
Energy contracts	**343**	**223**	338	843
	2,034	**2,573**	2,250	3,377
Current	**900**	**1,185**	1,077	1,658
Non-current	**1,134**	**1,388**	1,173	1,719
	2,034	**2,573**	2,250	3,377

At 31 December 2024, the contractual maturity profile of the hedging instruments from the end of the reporting period is summarised below:

Forward foreign exchange contracts	Up to 3 years
Cross currency interest rate swaps	Up to 12 years
Interest rate swaps	Up to 8 years
Energy contracts	Up to 6 years

16. Other Non-current Assets

Accounting Policy

(A) Investments

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

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

(B) Contract acquisition costs

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

	2024 **HK$M**	2023 HK$M
Investments at fair value through other comprehensive income	**35**	326
Investments at fair value through profit or loss	**464**	607
Prepayment for purchase of a property	**–**	676
Contract acquisition costs	**274**	265
Defined benefit asset (note)	**191**	217
Others	**500**	401
	1,464	2,492

Note: The most recent actuarial valuation of the defined benefit plans for the Group's Australian subsidiaries, at 31 December 2024, was prepared by Mr Mark Samuels of Mercer Consulting (Australia) Pty Ltd, a fellow of the Institute of Actuaries of Australia. In respect of the plans for the Group's Australian subsidiaries: (i) the principal actuarial assumptions used include discount rate of 5.0% (2023: 4.9%), long-term salary increase rate of 4.0% (2023: 4.0%) and pension increase rate of 2.5% (2023: 2.5% to 3.5%); (ii) the level of funding is 151% (2023: 155%).

The costs for these defined benefit plans represent an immaterial portion to the Group's total retirement benefit costs. For the year ended 31 December 2024, the associated costs represented 0.0% (2023: 0.0%) of the Group's total retirement benefit costs.

17. Properties for Sale

Accounting Policy

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

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

The arrangement entered into by the Group and Sino Land does not involve an establishment of a separate legal entity and is considered as a joint operation under HKFRS 11 Joint Arrangements. The non-refundable upfront payment forms part of the proceeds from the property development and is recorded as deferred revenue (Note 21(e)). When legal titles of the units in the developed property are passed to the purchasers, deferred revenue and the percentage share of the sale proceeds to which the Group is entitled will be credited to the profit or loss as revenue, while cost of properties will be charged to the profit or loss as cost of sales.

In 2024, cost of properties of HK$306 million (2023: HK$510 million) and deferred revenue of HK$303 million (2023: HK$507 million) were recognised to profit or loss.

18. Trade and Other Receivables

Accounting Policy

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

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

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

18. Trade and Other Receivables (continued)

Critical Accounting Estimates and Judgements: Recoverability of Trade Receivables

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

	2024 HK$M	2023 HK$M
Trade receivables [(a)]	**11,367**	11,852
Deposits, prepayments and other receivables	**1,874**	1,700
Loans to a joint venture (Note 13(f))	**61**	60
Dividend receivables from		
Joint ventures	**29**	31
An associate	**777**	–
Current accounts with [(b)]		
Joint ventures	**4**	6
An associate	**2**	1
	14,114	13,650

Notes:

(a) Trade receivables

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

	2024 HK$M	2023 HK$M
30 days or below*	**9,618**	10,159
31 – 90 days	**754**	735
Over 90 days	**995**	958
	11,367	11,852

* Including unbilled revenue

Movements in provision for impairment

	2024 HK$M	2023 HK$M
Balance at 1 January	**836**	852
Provision for impairment	**456**	249
Receivables written off during the year as uncollectible	**(337)**	(266)
Amounts reversed	**(4)**	(3)
Exchange differences	**(81)**	4
Balance at 31 December	**870**	836

18. Trade and Other Receivables (continued)

Notes (continued):

(a) Trade receivables (continued)

Credit risk management

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

In Hong Kong, electricity bills are due within two weeks after issuance. To limit the credit risk exposure, the Group has a policy to require cash deposits or bank guarantees from customers for an amount determined from time to time by reference to the usage of the customers, and in the normal course of events will not exceed the highest expected charge for 60 days. For all the deposits held, customers are paid at a floating market interest rate equivalent to the HSBC bank saving rate. At 31 December 2024, such cash deposits amounted to HK$7,207 million (2023: HK$6,880 million) and the bank guarantees stood at HK$952 million (2023: HK$919 million). The customers' deposits are treated on the statement of financial position as current liabilities on the basis that they are repayable on demand.

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

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

Expected credit losses

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

CLP Power

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

	Lifetime Expected Credit Loss Rate	Gross Carrying Amount HK$M	Lifetime Expected Credit Loss HK$M	Net Carrying Amount HK$M
At 31 December 2024				
Active accounts				
Provision on individual basis	**100%**	**6**	**(3)**	**3**
Provision on collective basis	**0%***	**2,574**	**(16)**	**2,558**
Terminated accounts				
Provision on individual basis	**100%**	**15**	**(15)**	**–**
Provision on collective basis	**26%**	**10**	**(3)**	**7**
		2,605	**(37)**	**2,568**
At 31 December 2023				
Active accounts				
Provision on individual basis	100%	4	(3)	1
Provision on collective basis	0%*	2,716	(17)	2,699
Terminated accounts				
Provision on individual basis	100%	9	(9)	–
Provision on collective basis	27%	7	(2)	5
		2,736	(31)	2,705

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

18. Trade and Other Receivables (continued)

Notes (continued):

(a) Trade receivables (continued)

Expected credit losses (continued)

EnergyAustralia

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

	Weighted Average Lifetime Expected Credit Loss Rate	Gross Carrying Amount HK$M	Lifetime Expected Credit Loss HK$M	Net Carrying Amount HK$M
At 31 December 2024				
Current	**0%**	**3,453**	**(12)**	**3,441**
1 – 30 days	**3%**	**726**	**(21)**	**705**
31 – 60 days	**7%**	**379**	**(26)**	**353**
61 – 90 days	**21%**	**152**	**(32)**	**120**
Over 90 days	**47%**	**1,484**	**(700)**	**784**
		6,194	**(791)**	**5,403**
At 31 December 2023				
Current	0%	4,214	(15)	4,199
1 – 30 days	3%	727	(23)	704
31 – 60 days	9%	334	(29)	305
61 – 90 days	21%	157	(33)	124
Over 90 days	48%	1,400	(670)	730
		6,832	(770)	6,062

Mainland China

At 31 December 2024, the Group had total receivables of HK$2,716 million (2023: HK$2,426 million) relating to unpaid Renewable National Subsidies. The application, approval and settlement of the Renewable National Subsidy are governed by the relevant policies issued by the Central People's Government. All of the relevant wind and solar projects are qualifiable for renewable energy subsidy in accordance with the prevailing government policies. Under normal operating cycle, it takes a relatively long time for settlement as the collection is subject to the allocation of funds by relevant government authorities to local grid companies and there is no due date for the settlement of Renewable National Subsidies. The expected credit loss is close to zero as continuous settlements have been noted with no history of default and the subsidy is funded by the Renewable Energy Development Fund set up and administered by the Ministry of Finance.

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

19. Fuel Clause Account

The cost of fuel consumed by CLP Power is passed on to the customers. Any variations between the actual cost of fuel and the fuel cost billed to customers are captured in the Fuel Clause Account. The balance on the account (inclusive of interest) represents amounts over-recovered or under-recovered and is treated as an amount due to or from customers. CLP Power may adjust fuel related tariff from time to time, including on a monthly basis in accordance with the SoC, to reflect changes in the cost of fuels consumed by the SoC Companies for the generation of electricity. At 31 December 2024, the fuel clause account asset balance represented the right of CLP Power to collect the under-recovered fuel costs from the customers under the SoC.

20. Bank Balances, Cash and Other Liquid Funds

	2024 **HK$M**	2023 HK$M
Cash and cash equivalents		
Deposits with banks with maturities of less than three months	**3,224**	2,123
Cash at banks and on hand	**1,752**	3,059
	4,976	5,182
Short-term deposits and restricted cash		
Bank deposits with maturities of more than three months	**2**	6
Restricted cash*	**21**	16
	23	22
Bank balances, cash and other liquid funds	**4,999**	5,204

* Represents restricted bank balances held by the stakeholders of the properties held for sale (Note 17) which can be released to stakeholders after relevant conditions are met

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

	2024 **HK$M**	2023 HK$M
Hong Kong dollar	**3,496**	2,554
Renminbi	**1,314**	1,604
Australian dollar	**108**	943
US dollar	**74**	95
Others	**7**	8
	4,999	5,204

The balances denominated in the currencies other than the functional currencies of the corresponding Group entities amounted to HK$411 million (2023: HK$313 million) which were mostly denominated in Renminbi (2023: Renminbi).

21. Trade Payables and Other Liabilities

Accounting Policy

(A) Trade and other payables

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

(B) Lease liabilities

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

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

	2024 HK$M	2023 HK$M
Trade payables [(a)]	**6,848**	6,526
Other payables and accruals	**10,037**	10,578
Lease liabilities [(b)]	**148**	200
Advances from non-controlling interests [(c)]	**311**	589
Current accounts with [(d)]		
Joint ventures	**6**	3
An associate	**454**	120
Deferred revenue [(e)]	**1,984**	2,290
	19,788	20,306

Notes:

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

	2024 HK$M	2023 HK$M
30 days or below	**6,409**	6,308
31 – 90 days	**355**	191
Over 90 days	**84**	27
	6,848	6,526

At 31 December 2024, trade payables denominated in currencies other than the functional currencies of the corresponding Group entities amounted to HK$930 million (2023: HK$1,311 million), of which HK$805 million (2023: HK$1,146 million) were denominated in US dollar (2023: US dollar).

21. Trade Payables and Other Liabilities (continued)

Notes (continued):

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

	2024 **HK$M**	2023 HK$M
Within one year	**148**	200
Between one and two years	**123**	135
Between two and five years	**356**	360
Over five years	**356**	527
	983	1,222
Less: amount due after one year included under other non-current liabilities	**(835)**	(1,022)
	148	200

(c) The advances from non-controlling interests represented the advances from China Southern Power Grid International (HK) Co., Limited (CSGHK) to CAPCO. Pursuant to the agreement between the shareholders of CAPCO, both CLP Power and CSGHK are required to provide shareholders' advances pro rata to their shareholdings in CAPCO. The advances are unsecured, interest free and repayable on demand. The advances are denominated in Hong Kong dollar.

(d) The amounts payable to joint ventures and an associate are unsecured, interest free and have no fixed repayment terms.

(e) Deferred revenue included the non-refundable upfront payment for the property development at Argyle Street of HK$1.9 billion (2023: HK$2.2 billion) (Note 17) and payments received in advance for other services. Non-current deferred revenue of HK$1,539 million (2023: HK$1,457 million) was included under other non-current liabilities.

22. Bank Loans and Other Borrowings

Accounting Policy

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

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

	Bank Loans		**Other Borrowings***		**Perpetual Capital Securities (Note 28(A))**		**Total**	
	2024 **HK$M**	2023 HK$M	**2024** **HK$M**	2023 HK$M	**2024** **HK$M**	2023 HK$M	**2024** **HK$M**	2023 HK$M
Within one year	**8,820**	11,741	**3,146**	831	**3,883**	–	**15,849**	12,572
Between one and two years	**6,632**	3,351	**1,646**	3,165	**–**	–	**8,278**	6,516
Between two to five years	**6,565**	6,260	**11,451**	8,987	**–**	–	**18,016**	15,247
Over five years	**3,869**	3,315	**19,142**	19,865	**–**	–	**23,011**	23,180
	25,886	24,667	**35,385**	32,848	**3,883**	–	**65,154**	57,515

* Representing Medium Term Notes

Another presentation of the Group's liquidity risk is set out on pages 275 to 277.

22. Bank Loans and Other Borrowings (continued)

Bank loans for subsidiaries in Mainland China of HK$5,256 million (2023: HK$4,893 million) are secured by rights of receipt of tariff, fixed assets and land use rights with carrying amounts of HK$8,942 million (2023: HK$9,145 million).

At 31 December 2024 and 2023, all of the Group's borrowings are either in the functional currencies of the corresponding Group entities or hedged into those currencies.

At 31 December 2024, the Group had undrawn bank loans and overdraft facilities of HK$31.0 billion (2023: HK$30.9 billion).

An analysis of borrowings by currencies is shown in "Financial Review" on page 36 of the Annual Report.

23. Deferred Tax

Accounting Policy

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

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

	2024 **HK$M**	2023 HK$M
Deferred tax assets	**1,625**	2,041
Deferred tax liabilities	**(17,348)**	(16,752)
	(15,723)	(14,711)

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

23. Deferred Tax (continued)

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

	2024 HK$M	2023 HK$M
Balance at 1 January	**(14,711)**	(14,114)
Charged to profit or loss (Note 6)	**(858)**	(1,264)
Credited to other comprehensive income	**14**	653
Exchange differences	**(168)**	14
Balance at 31 December	**(15,723)**	(14,711)

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

Deferred tax assets (prior to offset)

	Tax Losses [a]		Accruals and Provisions		Derivative Financial Instruments		Others [b]		Total	
	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M
Balance at 1 January	**1,776**	902	**1,591**	1,408	**312**	1,483	**485**	402	**4,164**	4,195
(Charged)/credited to profit or loss	**(195)**	849	**33**	171	**(22)**	(1,153)	**(1)**	80	**(185)**	(53)
Charged to other comprehensive income	**–**	–	**–**	–	**(44)**	–	**–**	–	**(44)**	–
Exchange differences	**(154)**	25	**(153)**	12	**(26)**	(18)	**(34)**	3	**(367)**	22
Balance at 31 December	**1,427**	1,776	**1,471**	1,591	**220**	312	**450**	485	**3,568**	4,164

Deferred tax liabilities (prior to offset)

	Accelerated Tax Depreciation		Withholding Tax		Intangibles		Derivative Financial Instruments		Others [b]		Total	
	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M
Balance at 1 January	**(16,901)**	(16,081)	**(451)**	(397)	**(613)**	(625)	**(342)**	(895)	**(568)**	(311)	**(18,875)**	(18,309)
(Charged)/credited to profit or loss	**(449)**	(811)	**13**	(56)	**39**	13	**(210)**	(102)	**(66)**	(255)	**(673)**	(1,211)
Credited to other comprehensive income	**–**	–	**–**	–	**–**	–	**56**	651	**2**	2	**58**	653
Exchange differences	**74**	(9)	**9**	2	**5**	(1)	**55**	4	**56**	(4)	**199**	(8)
Balance at 31 December	**(17,276)**	(16,901)	**(429)**	(451)	**(569)**	(613)	**(441)**	(342)	**(576)**	(568)	**(19,291)**	(18,875)

Notes:

(a) The deferred tax asset arising from tax losses mainly related to the energy business in Australia. There is no expiry on tax losses recognised.

(b) Others mainly included temporary differences arising from right-of-use assets and corresponding lease liabilities.

24. SoC Reserve Accounts

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

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

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

	2024 HK$M	2023 HK$M
Tariff Stabilisation Fund (A)	**3,048**	2,529
Rate Reduction Reserve (B)	**124**	114
	3,172	2,643

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

(A) Tariff Stabilisation Fund

	2024 HK$M	2023 HK$M
At 1 January	**2,529**	2,928
Transfer from Rate Reduction Reserve	**114**	40
Transfer under the SoC [(a)]		
– transfer for SoC from/(to) revenue (Note 3)	**505**	(48)
– charge for asset decommissioning [(b)]	**(80)**	(120)
Special energy saving rebate to customers [(c)]	**(20)**	(271)
At 31 December	**3,048**	2,529

Notes:

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

(b) Under the SoC, a periodic charge to accrue for asset decommissioning is made with corresponding deferred liabilities recognised in the statement of financial position of the SoC Companies. The balance of the asset decommissioning liabilities account of HK$1,647 million (2023: HK$1,575 million) (Note 25) recognised under the SoC represents a liability of the Group.

(c) The amount represented the adjustments for the 2023 special energy saving rebate provided to customers.

(B) Rate Reduction Reserve

	2024 HK$M	2023 HK$M
At 1 January	**114**	40
Transfer to Tariff Stabilisation Fund	**(114)**	(40)
Interest expense charged to profit or loss (Note 5)	**124**	114
At 31 December	**124**	114

25. Asset Decommissioning Liabilities and Retirement Obligations

Accounting Policy

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

Critical Accounting Estimates and Judgements

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

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

As agreed with the Hong Kong Government, CAPCO is retiring the coal-fired generation units at Castle Peak "A" Station (CPA) when they reach the end of their useful lives between 2022 to 2025. At 31 December 2024, three units of CPA have been retired. Following this retirement, the removal of CPA's coal-fired generation units has become probable. In support of the Government's net-zero carbon emissions targets in the "Hong Kong's Climate Action Plan 2050", CAPCO is working on the phase-out of coal at Castle Peak "B" Station and exploring the ways to convert its gas-fired generation facilities to operate on green fuels. While it is envisaged that these remaining generation units will have their roles in supporting the Government's Climate Action Plan 2050, with the continuous development in decarbonisation technologies, the removal of these units and replacement by alternative facilities is possible. Under the SoC, CAPCO makes a periodic charge to accrue in the statement of financial position a liability balance to be utilised in discharging asset decommissioning costs if and when incurred. CAPCO considers that the dismantling obligation for the CPA units is covered under the asset decommissioning liability accrued under the SoC as at 31 December 2024. While no provision for asset retirement obligations for the other generation units of CAPCO has been recognised, it is expected that if such an obligation be incurred, it will be met by the liability accrued and the cost recovery mechanism under the SoC.

Asset retirement obligations of EnergyAustralia at 31 December 2024 amounted to HK$3,143 million (2023: HK$3,544 million) which mainly related to the provision for land remediation and decommissioning of generation assets. The provisions are largely based on estimates by external and internal experts that are discounted using internally determined end of plant lives. The calculation of the provision requires management judgement with respect to estimating the timing of asset retirement, costs to remove infrastructure, remediate soil and groundwater, water usage and technological developments. The terms associated with the decommissioning of certain assets including site restoration plans are expected to evolve as plans are refined and agreed with the governing bodies when approaching facility closure dates. Any future agreements with regulators or changes to regulatory requirements could impact the cost estimates used in the decommissioning provision. On an ongoing basis, we continually review and update underlying assumptions relating to future rehabilitation estimates and timelines.

25. Asset Decommissioning Liabilities and Retirement Obligations (continued)

	2024 HK$M	2023 HK$M
Asset decommissioning liabilities (Note 24(A)(b))	**1,647**	1,575
Provisions for land remediation and restoration costs (note)	**3,049**	3,472
	4,696	5,047

Note: The movements of the balances, including the current portion of HK$94 million (2023: HK$72 million) under the Group's trade payables and other liabilities, are as follows:

	2024 HK$M	2023 HK$M
Balance at 1 January	**3,544**	2,982
Effect of changes in discount rate	**(107)**	(163)
Additional provisions	**40**	689
Amounts used	**(92)**	(54)
Unused amounts reversed	**–**	(5)
Unwinding of discount	**95**	64
Exchange differences	**(337)**	31
Balance at 31 December	**3,143**	3,544

26. Share Capital

	2024		2023	
	Number of Ordinary Shares	Amount HK$M	Number of Ordinary Shares	Amount HK$M
Issued and fully paid, at 31 December	**2,526,450,570**	**23,243**	2,526,450,570	23,243

27. 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 2023	(7,119)	2,233	(152)	2,194	85,099	82,255
Earnings attributable to shareholders	–	–	–	–	6,655	6,655
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	2	(16)	–	–	16	2
Joint ventures	(105)	–	–	–	–	(105)
Associates	(119)	–	–	–	–	(119)
Cash flow hedges						
Net fair value losses	–	(1,128)	–	–	–	(1,128)
Reclassification to profit or loss	–	(1,568)	–	–	–	(1,568)
Tax on the above items	–	685	–	–	–	685
Costs of hedging						
Net fair value gains	–	–	214	–	–	214
Reclassification to profit or loss	–	–	14	–	–	14
Tax on the above items	–	–	(38)	–	–	(38)
Fair value gains on investments	–	–	–	26	–	26
Remeasurement losses on defined benefit plans	–	–	–	–	(3)	(3)
Release of revaluation gains upon sale of properties	–	–	–	(347)	347	–
Total comprehensive income attributable to shareholders	(222)	(2,027)	190	(321)	7,015	4,635
Transfer to fixed assets	–	30	–	–	–	30
Appropriation of reserves	–	–	–	66	(66)	–
Dividends paid						
2022 fourth interim	–	–	–	–	(3,057)	(3,057)
2023 first to third interim	–	–	–	–	(4,775)	(4,775)
Balance at 31 December 2023	(7,341)	236	38	1,939	84,216 [note]	79,088

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

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

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

27. Reserves (continued)

	Translation Reserve HK$M	Cash Flow Hedge Reserve HK$M	Cost of Hedging Reserve HK$M	Other Reserves HK$M	Retained Profits HK$M	Total HK$M
Balance at 1 January 2024	(7,341)	236	38	1,939	84,216	79,088
Earnings attributable to shareholders	–	–	–	–	11,742	11,742
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	(1,773)	(78)	–	–	78	(1,773)
Joint ventures	(430)	–	–	–	–	(430)
Associates	(271)	–	–	–	–	(271)
Early termination of a joint venture agreement	(68)	–	–	–	–	(68)
Cash flow hedges						
Net fair value gains	–	1,250	–	–	–	1,250
Reclassification to profit or loss	–	(1,495)	–	–	–	(1,495)
Tax on the above items	–	85	–	–	–	85
Costs of hedging						
Net fair value gains	–	–	396	–	–	396
Reclassification to profit or loss	–	–	(29)	–	–	(29)
Tax on the above items	–	–	(61)	–	–	(61)
Release of other reserves	–	–	–	(2)	–	(2)
Fair value gains on investments	–	–	–	190	–	190
Reclassification of gains on disposal of investments	–	–	–	(81)	81	–
Remeasurement losses on defined benefit plans	–	–	–	–	(4)	(4)
Release of revaluation gains upon sale of properties	–	–	–	(208)	208	–
Total comprehensive income attributable to shareholders	(2,542)	(238)	306	(101)	12,105	9,530
Transfer to fixed assets	–	21	(1)	–	–	20
Appropriation of reserves	–	–	–	253	(253)	–
Dividends paid						
2023 fourth interim	–	–	–	–	(3,057)	(3,057)
2024 first to third interim	–	–	–	–	(4,775)	(4,775)
Reclassification of perpetual capital securities to other borrowings (Note 28(A))	–	–	–	–	6	6
Balance at 31 December 2024	**(9,883)**	**19**	**343**	**2,091**	**88,242** (note)	**80,812**

Note: The fourth interim dividend declared for the year ended 31 December 2024 was HK$3,183 million (2023: HK$3,057 million). The balance of retained profits after the fourth interim dividend of the Group was HK$85,059 million (2023: HK$81,159 million).

28. Perpetual Capital Securities and Other Non-controlling Interests

(A) Perpetual Capital Securities

A total of US$500 million perpetual capital securities ("Existing Securities") was issued by the wholly-owned subsidiary, CLP Power HK Finance Ltd. (CLPPHKFL) in 2019. The securities are perpetual, non-callable in the first 5.25 years (with issuer call option at par at any time in the 3 months before 5 February 2025) and entitle the holders to receive distributions at a distribution rate of 3.55% per annum in the first 5.25 years and at refixed rate thereafter, payable semi-annually in arrears, cumulative and compounding.

As at 31 December 2023, as the perpetual capital securities did not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32, they were classified as equity and regarded as part of non-controlling interests for accounting purpose.

Pursuant to the terms and conditions of the Existing Securities, CLPPHKFL notified the holders of the perpetual capital securities on 23 December 2024 of its decision to redeem the securities. Following notification to the holders, the perpetual capital securities were reclassified from equity to other borrowings (Note 22) as an obligation to deliver cash was created. They were classified as current financial liabilities at 31 December 2024 and subsequently redeemed on 24 January 2025.

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

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

As the New Securities does not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32, it will be classified as equity and regarded as part of non-controlling interests for accounting purpose in 2025.

(B) Other Non-controlling Interests

Other non-controlling interests included CSGHK's pro-rata share of HK$5,115 million (2023: HK$5,115 million) of redeemable shareholder capital of CAPCO. The redeemable shareholder capital is subordinated, unsecured, interest free and has no fixed terms of repayment. CAPCO can, at its sole discretion, redeem all or part of the redeemable shareholder capital at any time after 31 December 2032.

As the redeemable shareholder capital does not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32, it is classified as equity and regarded as part of non-controlling interests for accounting purpose.

29. Notes to the Consolidated Statement of Cash Flows

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

	2024 **HK$M**	2023 HK$M
Profit before income tax	**15,539**	10,643
Adjustments for:		
Finance costs	**2,254**	2,139
Finance income	**(235)**	(270)
Dividends from equity investments	**(15)**	(15)
Share of results of joint ventures and associates, net of income tax	**(2,655)**	(3,196)
Depreciation and amortisation	**9,276**	8,594
Impairment charge	**504**	6,220
Net losses on disposal of fixed assets	**582**	393
Revaluation loss on investment property	**67**	25
Fair value (gains)/losses on investments at fair value through profit or loss	**(2)**	164
Fair value changes of non-debt related derivative financial instruments and net exchange difference	**(1,297)**	(2,911)
Exchange gain realised upon early termination of a joint venture agreement	**(68)**	–
Release of other reserves	**(2)**	–
SoC items		
Increase in customers' deposits	**327**	329
(Increase)/decrease in fuel clause account	**(23)**	3,284
Decrease in rent and rates refunds	**–**	(126)
Special rebates to customers (Note 24(A)(c))	**(20)**	(271)
Transfer for SoC	**505**	(48)
	789	3,168
(Increase)/decrease in inventories	**(395)**	375
(Increase)/decrease in trade receivables and other current assets	**(552)**	1,839
(Increase)/decrease in restricted cash	**(5)**	17
Changes in non-debt related derivative financial instruments	**659**	(953)
Increase/(decrease) in trade and other payables	**396**	(397)
Increase/(decrease) in current accounts due to joint ventures and associates	**338**	(238)
Net cash inflow from operations	**25,178**	25,597

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

(B) Reconciliation of liabilities arising from financing activities

	Bank Loans and Other Borrowings HK$M	Interest and Other Finance Costs Payables HK$M	Lease Liabilities HK$M	Debt-related Derivative Financial Instruments HK$M	Advances from Non-controlling Interests HK$M	Total HK$M
Balance at 1 January 2023	59,217	162	955	1,414	860	62,608
Cash flows changes						
Proceeds from long-term borrowings	5,744	–	–	–	–	5,744
Repayment of long-term borrowings	(5,843)	–	–	–	–	(5,843)
Decrease in short-term borrowings	(1,573)	–	–	–	–	(1,573)
Payment of principal portion of lease liabilities	–	–	(321)	–	–	(321)
Interest and other finance costs paid	–	(1,597)	–	–	–	(1,597)
Settlement of derivative financial instruments	–	–	–	(337)	–	(337)
Decrease in advances from other non-controlling interests	–	–	–	–	(271)	(271)
Non-cash changes						
Fair value losses of derivative financial instruments charged to equity	–	–	–	958	–	958
Additions of leases	–	–	528	–	–	528
Net exchange and translation differences	(94)	1	10	–	–	(83)
Interest and other finance costs charged to profit or loss	–	1,672	47	87	–	1,806
Other non-cash movements	64	–	3	–	–	67
Balance at 31 December 2023	57,515	238	1,222	2,122	589	61,686
Balance at 1 January 2024	57,515	238	1,222	2,122	589	61,686
Cash flows changes						
Proceeds from long-term borrowings	9,817	–	–	–	–	9,817
Repayment of long-term borrowings	(7,131)	–	–	–	–	(7,131)
Increase in short-term borrowings	2,269	–	–	–	–	2,269
Payment of principal portion of lease liabilities	–	–	(346)	–	–	(346)
Interest and other finance costs paid	–	(1,765)	–	–	–	(1,765)
Settlement of derivative financial instruments	–	–	–	(648)	–	(648)
Decrease in advances from other non-controlling interests	–	–	–	–	(278)	(278)
Non-cash changes						
Fair value gains of derivative financial instruments charged to equity	–	–	–	(217)	–	(217)
Additions of leases	–	–	144	–	–	144
Net exchange and translation differences	(1,176)	(4)	(94)	–	–	(1,274)
Interest and other finance costs charged to profit or loss	–	1,733	60	468	–	2,261
Reclassification from perpetual capital securities	3,881	–	–	–	–	3,881
Other non-cash movements	(21)	59	(3)	–	–	35
Balance at 31 December 2024	**65,154**	**261**	**983**	**1,725**	**311**	**68,434**

30. Commitments

(A) Capital expenditure on fixed assets, leasehold land and intangible assets contracted for but not yet incurred at 31 December 2024 amounted to HK$11,467 million (2023: HK$10,158 million).

(B) The Group has entered into a long-term Energy Storage Services Agreement (ESSA) to be the market operator of the 250MW Kidston pumped hydro energy storage facility in Queensland. This facility is currently under construction and the ESSA is subject to a number of conditions precedent which must be satisfied before the lease commencement date, which is expected to occur in 2026. At 31 December 2024, the expected undiscounted contractual lease payments under this agreement were approximately HK$1.8 billion (2023: HK$2.0 billion).

(C) Equity contributions to be made for joint ventures and private equity partnerships at 31 December 2024 were HK$134 million (2023: HK$187 million) and HK$138 million (2023: HK$77 million) respectively.

31. Related Party Transactions

Accounting Policy

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

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

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

(A) CLP Power has arrangements with GNPJVC and its shareholder, Guangdong Nuclear Investment Company Limited, to purchase nuclear electricity from Guangdong Daya Bay Nuclear Power Station (GNPS). The base price paid by CLP Power for electricity generated by GNPS is determined by a formula based on GNPS's operating costs and a calculation of profits with reference to the capacity factors. The purchase of nuclear electricity under the arrangements was HK$6,629 million (2023: HK$6,632 million).

(B) CAPCO entered into an arrangement with HKLTL to use the LNG terminal and related LNG storage and regasification services amounting to HK$476 million (2023: HK$308 million), which mainly cover the costs incurred in providing the services.

(C) The loans to joint ventures and related interest income are disclosed under Notes 13 and 5. Other amounts due from and to the related parties at 31 December 2024 are disclosed in Notes 18 and 21 respectively. At 31 December 2024, the Group did not have any guarantees which were of a significant amount given to or received from these entities (2023: nil).

31. Related Party Transactions (continued)

(D) Remuneration of key management personnel

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

	2024 HK$M	2023 HK$M
Fees	**14**	14
Recurring remuneration items (note)		
Base compensation, allowances & benefits	**50**	52
Performance bonus		
Annual incentive	**49**	39
Long-term incentive	**25**	13
Provident fund contribution	**10**	11
Non-recurring remuneration items		
Other payments	**41**	–
	189	129

Note: Refer to remuneration items on page 170 of Human Resources & Remuneration Committee Report.

Remuneration of all Directors for the year totalled HK$68 million (2023: HK$45 million). The five highest paid individuals in the Group during the year included two Directors (2023: two Directors), two members of Senior Management and one former senior executive of the Group who left in 2024 (2023: two members of Senior Management and one former senior executive). The total remuneration of these five highest paid individuals amounted to HK$128 million (2023: HK$85 million). Further details of the remuneration of the Director and Senior Management, on a named basis, and remuneration paid to the five highest paid individuals by bands are disclosed in highlighted sections of the Human Resources & Remuneration Committee Report with a heading of "Audited" on pages 165 and 170 to 175. These sections are part of the financial statements.

(E) Interest of Directors

There are no loans, quasi-loans or other dealings in favour of directors, their controlled body corporates and connected entities (2023: nil).

During the year and at the year end, no director of the Company had or has a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Group's business to which the Group was or is a party (2023: nil).

32. Statement of Financial Position of the Company

	2024 HK$M	2023 HK$M
Non-current assets		
Fixed assets	**134**	79
Intangible assets	**105**	107
Right-of-use assets	**302**	57
Investments in subsidiaries	**48,578**	42,012
Other non-current assets	**16**	17
	49,135	42,272
Current assets		
Trade and other receivables	**54**	53
Dividend receivable	**–**	2,500
Cash and cash equivalents	**11**	74
	65	2,627
Current liabilities		
Trade payables and other liabilities	**(543)**	(623)
Net current (liabilities) / assets	**(478)**	2,004
Total assets less current liabilities	**48,657**	44,276
Financed by:		
Equity		
Share capital	**23,243**	23,243
Retained profits	**25,139**	21,013
Shareholders' funds	**48,382**	44,256
Non-current liabilities		
Lease and other liabilities	**275**	20
Equity and non-current liabilities	**48,657**	44,276

The movement of retained profits is as follows:

	2024 HK$M	2023 HK$M
Balance at 1 January	**21,013**	22,052
Profit and total comprehensive income for the year	**11,958**	6,793
Dividends paid		
2023 / 2022 fourth interim	**(3,057)**	(3,057)
2024 / 2023 first to third interim	**(4,775)**	(4,775)
Balance at 31 December	**25,139**	21,013

The fourth interim dividend declared for the year ended 31 December 2024 was HK$3,183 million (2023: HK$3,057 million). The balance of retained profits after the fourth interim dividend of the Company was HK$21,956 million (2023: HK$17,956 million).

Andrew Brandler
Vice Chairman

Chiang Tung Keung
Chief Executive Officer

Alexandre Keisser
Chief Financial Officer

Hong Kong, 24 February 2025

33. Subsidiaries

The table below lists the principal subsidiaries of the Group at 31 December 2024:

Name	Issued Share Capital / Registered Capital	% of Ownership Interest at 31 December 2023 and 2024	Place of Incorporation / Business	Principal Activity
CLP Power Hong Kong Limited	HK$20,400,007,269.65 divided into 2,488,320,000 ordinary shares	100	Hong Kong	Generation and supply of electricity
Castle Peak Power Company Limited	HK$50,000,000 divided into 500,000 ordinary shares	70 [(a)]	Hong Kong	Generation and sale of electricity
Hong Kong Pumped Storage Development Company, Limited	HK$10,000,000 divided into 100,000 ordinary shares	100 [(a)]	Hong Kong	Provision of pumped storage services
Hong Kong Nuclear Investment Company Limited	HK$300,000,000 divided into 300,000 ordinary shares	100	Hong Kong / Mainland China	Power projects investment holding
CLP Nuclear Power (Yangjiang) Limited	3,138,629,815 ordinary shares of HK$1 each	100 [(a)]	Hong Kong	Power projects investment holding
CLP*e* Holdings Limited	HK$49,950,002 divided into 49,950,002 ordinary shares	100	Hong Kong	Investment holding of energy & infrastructure solutions business
CLP Power Asia Limited	1,000 ordinary shares of US$1 each	100	British Virgin Islands / International and Mainland China	Power projects investment holding
CLP Power International Limited	692,000 ordinary shares of US$1,000 each	100 [(a)]	British Virgin Islands / International	Power projects investment holding
CLP Power China Limited	192,000,000 ordinary shares of US$1 each	100 [(a)]	British Virgin Islands / Mainland China and Hong Kong	Power projects investment holding
CLP Properties Limited	HK$150,000,000 divided into 15,000,000 ordinary shares	100	Hong Kong	Property investment holding
Sanon Limited	1 ordinary share of HK$1 each	100 [(a)] [(d)]	Hong Kong	Property investment holding
CLP Innovation Enterprises Limited	1 ordinary share of HK$1 each	100	Hong Kong	Innovation projects investment holding
EnergyAustralia Holdings Limited	A$1,585,491,005 for 1,585,491,005 ordinary shares	100 [(a)]	Australia	Energy business investment holding
EnergyAustralia Yallourn Pty Ltd	A$15 for 15 ordinary shares	100 [(a)]	Australia	Generation and supply of electricity
EnergyAustralia Pty Ltd	A$3,368,686,988 for 3,368,686,988 ordinary shares	100 [(a)]	Australia	Retailing of electricity and gas

33. Subsidiaries (continued)

Name	Issued Share Capital / Registered Capital	% of Ownership Interest at 31 December 2023 and 2024	Place of Incorporation / Business	Principal Activity
EnergyAustralia NSW Pty Ltd	A$2 for 2 ordinary shares	100 [(a)]	Australia	Generation of electricity
CLP Sichuan (Jiangbian) Power Company Limited [(b)]	RMB496,380,000	100 [(a)]	Mainland China	Generation of electricity
Guangdong Huaiji Changxin Hydro-electric Power Company Limited [(c)]	RMB69,098,976	84.9 [(a)]	Mainland China	Generation of electricity
Guangdong Huaiji Gaotang Hydro-electric Power Company Limited [(c)]	RMB249,430,049	84.9 [(a)]	Mainland China	Generation of electricity
Guangdong Huaiji Weifa Hydro-electric Power Company Limited [(c)]	US$13,266,667	84.9 [(a)]	Mainland China	Generation of electricity
Guangdong Huaiji Xinlian Hydro-electric Power Company Limited [(c)]	RMB141,475,383	84.9 [(a)]	Mainland China	Generation of electricity

Notes:

(a) Indirectly held through subsidiaries of the Company

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

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

(d) Acquired in March 2024

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

	2024 HK$M	2023 HK$M
Results for the year		
Revenue	**23,447**	24,678
Profit for the year	**3,146**	3,271
Other comprehensive income for the year	**124**	(201)
Total comprehensive income for the year	**3,270**	3,070
Dividends paid to non-controlling interests	**973**	964
Net assets		
Non-current assets	**44,540**	44,939
Current assets	**7,031**	7,102
Current liabilities	**(10,974)**	(15,875)
Non-current liabilities	**(22,695)**	(18,319)
	17,902	17,847
Cash flows		
Net cash inflow from operating activities	**3,983**	3,725
Net cash outflow from investing activities	**(974)**	(778)
Net cash outflow from financing activities	**(3,009)**	(2,947)
Net change in cash and cash equivalents	**–**	–

1. Financial Risk Factors

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

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

Foreign exchange risk

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

SoC Companies

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

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

	2024 **HK$M**	2023 HK$M
Increase / (decrease) in the cash flow hedge reserve		
Hong Kong dollar against US dollar		
If Hong Kong dollar weakened by 0.6% (2023: 0.6%)	**91**	95
If Hong Kong dollar strengthened by 0.6% (2023: 0.6%)	**(91)**	(95)
Hong Kong dollar against Euro		
If Hong Kong dollar weakened by 3% (2023: 3%)	**2**	10
If Hong Kong dollar strengthened by 3% (2023: 3%)	**(2)**	(10)

1. Financial Risk Factors (continued)

Foreign exchange risk (continued)

<u>The Group's Asia-Pacific Investments</u>

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

The Group closely monitors translation risk using a Value-at-Risk (VaR) approach but does not hedge foreign currency translation risk because translation gains or losses do not affect the project company's cash flow or the Group's annual profit until an investment is sold. At 31 December 2024, the Group's net investment subject to translation exposure was HK$43,150 million (2023: HK$46,272 million), arising mainly from our investments in Mainland China, Australia, India, and Taiwan Region and Thailand. This means that, for each 1% (2023: 1%) average foreign currency movement, our translation exposure will vary by about HK$432 million (2023: HK$463 million). All the translation exposures are recognised in other comprehensive income and therefore have no impact on the profit or loss.

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

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

	2024 HK$M	2023 HK$M
US dollar		
If US dollar strengthened by 5% (2023: 4%)		
Post-tax profit for the year	**2**	–
Equity – cash flow hedge reserve	**68**	6
If US dollar weakened by 5% (2023: 4%)		
Post-tax profit for the year	**(2)**	–
Equity – cash flow hedge reserve	**(62)**	(5)
Renminbi		
If Renminbi strengthened by 2% (2023: 3%)		
Post-tax profit for the year	**1**	6
Equity – cash flow hedge reserve	**–**	–
If Renminbi weakened by 2% (2023: 3%)		
Post-tax profit for the year	**(1)**	(6)
Equity – cash flow hedge reserve	**–**	–

1. Financial Risk Factors (continued)

Energy portfolio risk

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

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

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

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

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

	2024 HK$M	2023 HK$M
Electricity forward price		
If electricity forward prices were 15% higher (2023: 15%)		
Post-tax profit for the year	**(118)**	(469)
Equity – cash flow hedge reserve	**67**	808
If electricity forward prices were 15% lower (2023: 15%)		
Post-tax profit for the year	**138**	426
Equity – cash flow hedge reserve	**(61)**	(744)
Oil forward price		
If oil forward prices were 15% higher (2023: 15%)		
Post-tax profit for the year	**2**	10
Equity – cash flow hedge reserve	**263**	282
If oil forward prices were 15% lower (2023: 15%)		
Post-tax profit for the year	**(6)**	(11)
Equity – cash flow hedge reserve	**(263)**	(282)

Interest rate risk

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

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

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

1. Financial Risk Factors (continued)

Interest rate risk (continued)

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

	2024 HK$M	2023 HK$M
Hong Kong dollar		
If interest rates were 0.9% (2023: 0.5%) higher		
Post-tax profit for the year	**(187)**	(76)
Equity – cash flow hedge reserve	**14**	10
If interest rates were 0.9% (2023: 0.5%) lower		
Post-tax profit for the year	**187**	76
Equity – cash flow hedge reserve	**(14)**	(10)
Australian dollar		
If interest rates were 0.8% (2023: 0.4%) higher		
Post-tax profit for the year	**(8)**	(5)
Equity – cash flow hedge reserve	**13**	–
If interest rates were 0.8% (2023: 0.4%) lower		
Post-tax profit for the year	**8**	5
Equity – cash flow hedge reserve	**(13)**	–
Renminbi		
If interest rates were 0.2% (2023: 0.2%) higher		
Post-tax profit for the year	**(4)**	(6)
Equity – cash flow hedge reserve	**–**	–
If interest rates were 0.2% (2023: 0.2%) lower		
Post-tax profit for the year	**4**	6
Equity – cash flow hedge reserve	**–**	–

Credit risk

The Group's approach to managing credit risk for trade receivables is discussed in Note 18.

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

Liquidity risk

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

1. Financial Risk Factors (continued)

Liquidity risk (continued)

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

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

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

1. Financial Risk Factors (continued)

Liquidity risk (continued)

	Within 1 year HK$M	Between 1 and 2 years HK$M	Between 2 to 5 years HK$M	Over 5 years HK$M	Total HK$M
At 31 December 2023					
Non-derivative financial liabilities					
Bank loans	12,694	3,823	6,865	3,857	27,239
Other borrowings	1,743	4,008	10,966	21,087	37,804
Customers' deposits	6,880	–	–	–	6,880
Trade payables and other liabilities	18,342	189	476	605	19,612
SoC reserve accounts	–	–	–	2,643	2,643
Asset decommissioning liabilities	–	–	–	1,575	1,575
	39,659	8,020	18,307	29,767	95,753
Derivative financial liabilities – net settled					
Forward foreign exchange contracts	1	–	–	–	1
Interest rate swaps	33	13	18	–	64
Energy contracts	955	118	2	54	1,129
	989	131	20	54	1,194
Derivative financial liabilities – gross settled					
Gross contractual amounts payable					
Forward foreign exchange contracts	8,600	4,146	–	–	12,746
Cross currency interest rate swaps	1,995	4,398	8,862	17,414	32,669
	10,595	8,544	8,862	17,414	45,415
Gross contractual amounts receivable					
Forward foreign exchange contracts	(8,485)	(4,072)	–	–	(12,557)
Cross currency interest rate swaps	(1,526)	(4,164)	(8,321)	(16,995)	(31,006)
	(10,011)	(8,236)	(8,321)	(16,995)	(43,563)
Net payable	584	308	541	419	1,852
Derivative financial assets – gross settled					
Gross contractual amounts payable					
Forward foreign exchange contracts	16,257	46	–	–	16,303
Gross contractual amounts receivable					
Forward foreign exchange contracts	(16,293)	(48)	–	–	(16,341)
Net receivable	(36)	(2)	–	–	(38)
Total net payable	548	306	541	419	1,814

2. Hedge Accounting

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

Hedges on debt related transactions

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

Hedges on non-debt related transactions

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

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

2. Hedge Accounting (continued)

Effects of hedge accounting

The tables below summarise the effect of the hedge accounting on financial position and performance of the Group for the year ended 31 December 2024 and 2023:

Cash Flow Hedges	Notional amount of hedging instruments HK$M	Carrying amount of hedging instrument assets / (liabilities) HK$M	Favourable / (Unfavourable) changes in fair value used for measuring ineffectiveness		Fair value losses / (gains) recognised in cash flow hedge reserve HK$M	Hedge ineffectiveness credited to profit or loss [a] HK$M	Amount reclassified from cash flow hedge reserve and (charged) / credited to profit or loss [a]	
			Hedging instruments HK$M	Hedged items HK$M			Hedged items affected profit or loss HK$M	Hedged future cash flows no longer expected to occur HK$M
At 31 December 2024								
Debt related transactions								
Interest rate risk [b]	**27,524**	**(998)**	**(196)**	**190**	**196**	**–**	**(356)**	**–**
Non-debt related transactions								
Foreign exchange risk	**23,316**	**83**	**166**	**(165)**	**(166)**	**–**	**97**	**–**
Energy portfolio risk – electricity [c]	**N/A**	**894**	**974**	**(953)**	**(953)**	**(21)**	**1,562**	**–**
Energy portfolio risk – gas [c]	**N/A**	**122**	**330**	**(330)**	**(330)**	**–**	**196**	**–**
At 31 December 2023								
Debt related transactions								
Interest rate risk [b]	27,583	(1,647)	(1,177)	1,222	1,191	(14)	(158)	–
Non-debt related transactions								
Foreign exchange risk	24,615	(86)	128	(128)	(128)	–	121	–
Energy portfolio risk – electricity [c]	N/A	1,597	(102)	112	113	(11)	(272)	1,264
Energy portfolio risk – gas [c]	N/A	(3)	(25)	25	25	–	649	–

Fair Value Hedges	Notional amount of hedging instruments HK$M	Carrying amount of hedged items HK$M	Accumulated fair value hedge adjustments included in carrying amount of hedged items HK$M	Favourable / (Unfavourable) changes in fair value used for measuring ineffectiveness		Hedge ineffectiveness (credited) / charged to finance costs HK$M
				Hedging instruments HK$M	Hedged items HK$M	
At 31 December 2024						
Debt related transactions						
Interest rate risk [b]	**7,791**	**(7,634)**	**685**	**(281)**	**315**	**(34)**
At 31 December 2023						
Debt related transactions						
Interest rate risk [b]	4,332	(4,144)	371	41	(54)	13

Notes:

(a) Hedge ineffectiveness and amounts reclassified from cash flow hedge reserve on non-debt and debt related transactions were recognised in fuel and other operating expenses and finance costs respectively.

(b) Interest rate risk included foreign exchange risk in case of foreign currency debts.

(c) The aggregate notional volumes of the outstanding energy derivatives were 40,944GWh (2023: 43,763GWh) for and 4.4 million barrels (2023: 4.9 million barrels) for electricity and oil respectively.

2. Hedge Accounting (continued)

Effects of hedge accounting (continued)

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

Cash Flow Hedge Reserve	Interest Rate Risk (b) HK$M	Foreign Exchange Risk HK$M	Energy Portfolio Risk HK$M	Total HK$M
Balance at 1 January 2023	(1)	(86)	2,230	2,143
Fair value (losses)/gains	(1,191)	128	(138)	(1,201)
Reclassification to profit or loss				
Hedged items affect profit or loss	158	(121)	(377)	(340)
Hedged future cash flows no longer expected to occur	–	–	(1,264)	(1,264)
Transfer to hedged assets	–	52	–	52
Related deferred tax	171	(10)	533	694
Exchange difference	–	–	(16)	(16)
Balance at 31 December 2023	(863)	(37)	968	68
Balance at 1 January 2024	(863)	(37)	968	68
Fair value (losses)/gains	(196)	166	1,283	1,253
Reclassification to profit or loss	356	(97)	(1,758)	(1,499)
Transfer to hedged assets	–	34	–	34
Related deferred tax	(27)	(36)	142	79
Exchange difference	–	(6)	(72)	(78)
Balance at 31 December 2024	**(730)**	**24**	**563**	**(143)**

Cost of Hedging Reserve	Foreign Currency Basis Spread HK$M
Balance at 1 January 2023	(184)
Changes due to transaction related hedged items	
Fair value gains	5
Reclassification to profit or loss	58
Changes due to time-period related hedged items	
Fair value gains	236
Reclassification to profit or loss	(35)
Related deferred tax	(44)
Balance at 31 December 2023	36
Balance at 1 January 2024	36
Changes due to transaction related hedged items	
Fair value gains	34
Reclassification to profit or loss	(4)
Changes due to time-period related hedged items	
Fair value gains	413
Reclassification to profit or loss	(31)
Related deferred tax	(67)
Balance at 31 December 2024	**381**

3. Fair Value Estimation and Hierarchy of Financial Instruments

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

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

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

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

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

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

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

(A) Fair value hierarchy

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

	Level 1 HK$M	Level 2 HK$M	Level 3 HK$M	Total HK$M
At 31 December 2024				
Financial assets				
Investments at fair value through other comprehensive income	**–**	**–**	**35**	**35**
Investments at fair value through profit or loss	**–**	**–**	**464**	**464**
Forward foreign exchange contracts	**–**	**124**	**–**	**124**
Cross currency interest rate swaps	**–**	**21**	**–**	**21**
Interest rate swaps	**–**	**47**	**–**	**47**
Energy contracts	**139**	**386**	**1,317**	**1,842**
	139	**578**	**1,816**	**2,533**
Financial liabilities				
Forward foreign exchange contracts	**–**	**125**	**–**	**125**
Cross currency interest rate swaps	**–**	**1,685**	**–**	**1,685**
Interest rate swaps	**–**	**57**	**–**	**57**
Energy contracts	**92**	**312**	**302**	**706**
	92	**2,179**	**302**	**2,573**
At 31 December 2023				
Financial assets				
Investments at fair value through other comprehensive income	291	–	35	326
Investments at fair value through profit or loss	21	–	586	607
Forward foreign exchange contracts	–	38	–	38
Interest rate swaps	–	30	–	30
Energy contracts	325	392	1,465	2,182
	637	460	2,086	3,183
Financial liabilities				
Forward foreign exchange contracts	–	185	–	185
Cross currency interest rate swaps	–	2,043	–	2,043
Interest rate swaps	–	56	–	56
Energy contracts	527	424	142	1,093
	527	2,708	142	3,377

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

(A) Fair value hierarchy (continued)

The Group's policy is to recognise transfers into / out of fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer. During 2024 and 2023, there were no transfers between Level 1 and Level 2.

(B) Valuation techniques used to determine fair values

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

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

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

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

		2024			2023	
	Investments HK$M	**Energy Contracts HK$M**	**Total HK$M**	Investments HK$M	Energy Contracts HK$M	Total HK$M
Opening balance	**621**	**1,323**	**1,944**	711	1,981	2,692
Total gains / (losses) recognised in						
Profit or loss and presented in fuel and other operating expenses (note)	**4**	**342**	**346**	(164)	52	(112)
Other comprehensive income	**(5)**	**(101)**	**(106)**	(4)	(456)	(460)
Purchases	**14**	**–**	**14**	102	–	102
Disposals	**(135)**	**–**	**(135)**	–	–	–
Settlements / distributions	**–**	**(549)**	**(549)**	(24)	(254)	(278)
Closing balance	**499**	**1,015**	**1,514**	621	1,323	1,944

Note: Out of which, unrealised gains recognised in profit or loss relating to the assets and liabilities held at the end of the reporting period was HK$292 million (2023: HK$83 million).

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

	2024 HK$M	2023 HK$M
Balance of Level 3 energy contracts would increase / (decrease) if		
Electricity prices were 15% higher (2023: 15%)	**519**	656
Electricity prices were 15% lower (2023: 15%)	**(519)**	(657)

4. Offsetting Financial Assets and Financial Liabilities

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

	Effect of offsetting in the consolidated statement of financial position			Related amounts not offset in the consolidated statement of financial position		
	Gross amounts recognised HK$M	Gross amounts offset HK$M	Net amounts presented in the respective line HK$M	Financial instruments HK$M	Financial instrument collateral HK$M	Net amount [(a)] HK$M
At 31 December 2024						
Financial assets						
Trade receivables	**5,343**	**–**	**5,343**	**(2,169)**	**(2,539)**	**635**
Derivative financial instruments	**2,467**	**(573)**	**1,894**	**(44)** [(b)]	**–**	**1,850**
	7,810	**(573)**	**7,237**	**(2,213)**	**(2,539)**	**2,485**
Financial liabilities						
Customers' deposits	**7,207**	**–**	**7,207**	**(2,539)**	**–**	**4,668**
Bank loans and other borrowings	**5,256**	**–**	**5,256**	**–**	**(2,169)**	**3,087**
Derivative financial instruments	**3,121**	**(573)**	**2,548**	**(44)** [(b)]	**–**	**2,504**
	15,584	**(573)**	**15,011**	**(2,583)**	**(2,169)**	**10,259**
At 31 December 2023						
Financial assets						
Trade receivables	5,099	–	5,099	(2,195)	(2,575)	329
Derivative financial instruments	2,960	(712)	2,248	(56) [(b)]	–	2,192
	8,059	(712)	7,347	(2,251)	(2,575)	2,521
Financial liabilities						
Customers' deposits	6,880	–	6,880	(2,575)	–	4,305
Bank loans and other borrowings	4,893	–	4,893	–	(2,195)	2,698
Derivative financial instruments	4,023	(712)	3,311	(56) [(b)]	–	3,255
	15,796	(712)	15,084	(2,631)	(2,195)	10,258

Notes:

(a) Under HKFRS, amounts cannot be offset if the rights of set-off are conditional on a future event (e.g. default of payment). "Net amount" column represents the net impact that would be shown on the consolidated statement of financial position if all set-off rights (e.g. master netting arrangements, collateral arrangements, etc.) were exercised. At 31 December 2024, these items include (1) trade receivables related to Hong Kong electricity business where customers' deposits are served as security for payments; and (2) bank loans and other borrowings of subsidiaries in Mainland China which are secured by charges over trade receivables or rights to income.

(b) For derivative financial instruments, the Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master agreements in which there is a set-off provision. Under certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, a termination value is then assessed and only a single net amount is payable in settlement of all transactions. The ISDA agreements do not meet the criteria for offsetting in the consolidated statement of financial position since the Group does not have any currently legally enforceable right to offset recognised amounts. The right to offset is enforceable only on the occurrence of future events such as a default on the bank transactions or other credit events.

5. Capital Management

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

The Group manages its capital structure and fine-tunes it in light of changes in economic conditions and business strategies. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, issue new shares or change the level of debts. The Group's capital management objectives, policies or processes were unchanged during 2024 and 2023.

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

	2024 **HK$M**	2023 HK$M
Total debt [(a)]	**61,271**	57,515
Net debt [(b)]	**56,272**	52,311
Total equity [(c)]	**114,312**	112,971
Total capital (based on total debt) [(d)]	**175,583**	170,486
Total capital (based on net debt) [(e)]	**170,584**	165,282
Total debt to total capital (based on total debt) ratio (%)	**34.9**	33.7
Net debt to total capital (based on net debt) ratio (%)	**33.0**	31.6

Increase in the net debt to total capital was driven by higher net debt for capital expenditure in Hong Kong for decarbonisation projects and other business needs.

Certain entities of the Group are subject to loan covenants. For both 2024 and 2023, there is no material non-compliance with those loan covenants.

As disclosed in Note 22, the entire non-current portion of bank loans and other borrowings is subject to certain covenants which the relevant Group entities are required to comply with. Under the terms of the loan agreements, certain entities of the Group are required to comply with financial covenants applicable to certain bank loans, which includes interest coverage ratio and debt gearing ratio that are assessed at the end of each interim and/or annual period. Non-financial related covenants that the Group's entities must comply with are terms that commonly applicable to borrowers based on the prevalent financial market practice and assessed on the date agreed upon with the lenders.

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

Notes:

(a) Total debt equals bank loans and other borrowings less perpetual capital securities.

(b) Net debt equals total debt less bank balances, cash and other liquid funds.

(c) Total equity equals equity (including perpetual capital securities) plus advances from non-controlling interests.

(d) Total capital (based on total debt) equals total debt plus total equity.

(e) Total capital (based on net debt) equals net debt plus total equity.

CLP Power Hong Kong Limited and Castle Peak Power Company Limited

Overview

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

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

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

Tariff Setting Mechanism

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

(i) basic tariff rate which is derived by taking into account the annual forecast of (a), (b) and (c) below, using the formula "(a-b)/c":

  (a) the allowed net return and operating costs including the standard cost of fuels; generation, transmission, distribution and administration expenses; depreciation; interest expenses; and taxes;

  (b) 80% of the profit on electricity sales to Mainland China; and

  (c) local unit sales as determined by the load forecast.

(ii) fuel clause charge or rebate (Fuel Cost Adjustment) which represents the difference between the cost of fuels (including natural gas, coal and oil) and the standard cost recovered through the basic tariff rate. The Fuel Cost Adjustment may be adjusted from time to time, including on a monthly basis, to reflect changes in the cost of fuels consumed by the SoC Companies for the generation of electricity.

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

Permitted and Net Return

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

- The annual permitted return under the SoC is 8% of the SoC Companies' average net fixed assets.
- The net return under the SoC is the permitted return after the deduction or adjustment of the following items:

(a) interest up to a maximum of 7% per annum on borrowed capital arranged for financing fixed assets;

(b) a charge of the average one-month Hong Kong Interbank Offered Rate on the average balance of the Tariff Stabilisation Fund under the SoC, which is credited to the Rate Reduction Reserve;

(c) an excess capacity adjustment of 8% less an allowed interest charge up to 7% per annum on the average related excess capacity expenditure;

(d) interest up to 7% per annum on the increase in average balance of the customers' deposits in excess of the balance as at 30 September 1998; and

(e) performance-linked incentives / penalties adjustments

Category	% incentives (+) / penalties (-)
Operation performance related incentives / penalties	in the range of -0.05% to +0.05% on average net fixed assets
Energy efficiency and renewable performance incentives	• a maximum of 0.315% on average net fixed assets • incentive of 10% of renewable energy certificates sales revenue • five-year energy saving and renewable energy connections incentives with a maximum of 0.11% on the average net fixed assets at the final year of the five-year period
Demand response reduction incentive	a maximum of 0.025% on average net fixed assets
Large-scale electricity supply interruption penalty (effective from 2024)	a maximum of 0.03% on average net fixed assets for each single large-scale electricity supply interruption incident

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

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

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

For the year ended 31 December

	2024 HK$M	2023 HK$M
SoC revenue	**50,804**	50,455
Expenses		
Operating costs	**5,571**	5,336
Fuel	**19,713**	20,974
Purchases of nuclear electricity	**5,800**	5,802
Provision for asset decommissioning	**80**	120
Depreciation	**5,683**	5,380
Operating interest	**1,407**	1,154
Taxation	**2,112**	1,933
	40,366	40,699
Profit after taxation	**10,438**	9,756
Interest on increase in customers' deposits	**39**	37
Interest on borrowed capital	**1,700**	1,539
Adjustment for performance incentives	**(481)**	(642)
Profit for SoC	**11,696**	10,690
Transfer (to)/from Tariff Stabilisation Fund	**(425)**	168
Permitted return	**11,271**	10,858
Deduct interest on/Adjustment for		
Increase in customers' deposits as above	**39**	37
Borrowed capital as above	**1,700**	1,539
Performance incentives as above	**(481)**	(642)
Tariff Stabilisation Fund to Rate Reduction Reserve	**124**	114
	1,382	1,048
Net return	**9,889**	9,810
CESF contribution	**(238)**	(230)
Net return after CESF contribution	**9,651**	9,580
Divisible as follows:		
CLP Power	**6,536**	6,351
CAPCO	**3,115**	3,229
	9,651	9,580
CLP Power's share of net return after CESF contribution		
CLP Power	**6,536**	6,351
Interest in CAPCO	**2,180**	2,261
	8,716	8,612

Five-year Summary: CLP Group Economic and Financial Data

	2024	2023	2022	2021	2020
Consolidated Operating Results (HK$M)					
Revenue					
Hong Kong electricity business	**50,657**	50,630	50,600	44,311	41,325
Energy businesses outside Hong Kong	**38,901**	35,039	48,873	38,941	37,687
Others	**1,406**	1,500	1,189	707	578
Total	**90,964**	87,169	100,662	83,959	79,590
Earnings					
Hong Kong energy business	**8,694**	8,536	8,445	8,157	7,758
Hong Kong energy business related	**201**	287	263	301	270
Mainland China	**1,851**	2,073	2,229	1,660	2,233
Australia	**591**	(182)	(2,330)	251	1,382
India	**329**	301	193	221	175
Taiwan Region and Thailand	**260**	307	11	173	386
Other earnings in Hong Kong	**(58)**	(112)	(65)	(18)	(193)
Unallocated net finance income/(costs)	**45**	43	(6)	(9)	24
Unallocated Group expenses	**(964)**	(1,126)	(1,138)	(869)	(781)
Operating earnings before fair value movements	**10,949**	10,127	7,602	9,867	11,254
Fair value movements	**699**	2,125	(2,979)	(350)	323
Operating earnings	**11,648**	12,252	4,623	9,517	11,577
Property revaluation	**(67)**	(25)	(57)	(34)	(121)
Profit from sale of properties	**56**	112	80	–	–
(Losses)/gains on sales of investments	**–**	–	(3,722)	249	–
Impairment provision	**–**	(5,983)	–	(148)	–
Other items affecting comparability	**105**	299	–	(1,093)	–
Total earnings	**11,742**	6,655	924	8,491	11,456
Dividends	**7,958**	7,832	7,832	7,832	7,832
Depreciation and amortisation, owned and leased assets	**9,276**	8,594	8,904	9,308	8,476
Consolidated Statement of Financial Position (HK$M)					
SoC fixed assets	**140,993**	136,482	130,842	124,353	119,873
Non-SoC fixed assets, right-of-use assets and investment property	**28,539**	25,181	24,916	37,801	36,642
Goodwill and other intangible assets	**12,445**	12,854	18,451	19,710	20,559
Interests in and loans to joint ventures	**12,188**	12,518	11,748	10,602	11,017
Interests in associates	**8,486**	9,380	9,090	8,769	9,181
Other non-current assets	**4,223**	5,706	6,518	4,686	3,568
Current assets	**26,839**	26,930	34,461	33,888	33,393
Total assets	**233,713**	229,051	236,026	239,809	234,233
Shareholders' funds	**104,055**	102,331	105,498	113,034	112,200
Perpetual capital securities	**–**[#]	3,887	3,887	3,887	3,887
Other non-controlling interests	**6,063**	6,164	6,309	9,788	9,885
Equity	**110,118**	112,382	115,694	126,709	125,972
Bank loans and other borrowings	**65,154**[#]	57,515	59,217	58,215	54,348
SoC reserve accounts	**3,172**	2,643	3,094	3,440	2,374
Other current liabilities	**28,955**	29,907	33,147	27,286	27,260
Other non-current liabilities	**26,314**	26,604	24,874	24,159	24,279
Total liabilities	**123,595**	116,669	120,332	113,100	108,261
Equity and total liabilities	**233,713**	229,051	236,026	239,809	234,233

A 10-year summary is on our website

	2024	2023	2022	2021	2020
Consolidated Statement of Cash Flows (HK$M)					
Funds from operations	**25,178**	25,597	13,555	20,223	24,418
Net cash inflow from operating activities	**23,140**	23,567	12,734	17,806	22,374
Net cash outflow from investing activities	**(16,216)**	(9,472)	(15,382)	(11,787)	(10,081)
Net cash outflow from financing activities	**(7,040)**	(13,142)	(987)	(8,484)	(10,211)
Capital expenditure	**(15,076)**	(11,776)	(14,553)	(12,431)	(10,586)
Per Share Data (HK$)					
Shareholders' funds per share	**41.19**	40.50	41.76	44.74	44.41
Earnings per share					
Total earnings	**4.65**	2.63	0.37	3.36	4.53
Operating earnings	**4.61**	4.85	1.83	3.77	4.58
Dividends per share	**3.15**	3.10	3.10	3.10	3.10
Closing share price					
Highest	**71.50**	64.45	80.35	80.90	84.20
Lowest	**59.70**	55.55	51.80	71.75	65.00
As at year-end	**65.30**	64.45	56.95	78.75	71.70
Ratios					
Return on equity (%)	**11.4**	6.4	0.8	7.5	10.5
Operating return on equity (%)	**11.3**	11.8	4.2	8.5	10.6
Total debt to total capital (%)	**34.9**#	33.7	33.7	31.3	30.0
Net debt to total capital (%)	**33.0**#	31.6	32.0	28.1	25.1
FFO interest cover (times)	**11**	11	7	12	13
Price/Earnings (times)	**14**	25	154	23	16
Dividend yield (%)	**4.8**	4.8	5.4	3.9	4.3
Dividend cover (times)					
Total earnings	**1.5**	0.8	0.1	1.1	1.5
Operating earnings	**1.5**	1.6	0.6	1.2	1.5
Dividend pay-out (%)					
Total earnings	**67.8**	117.7	847.6	92.2	68.4
Operating earnings	**68.3**	63.9	169.4	82.3	67.7
Total return to shareholders (%)	**3.9**	4.7	2.6	5.8	5.2
Group Generation Capacity* (MW)					
– by region					
Hong Kong	**7,222**	8,268	8,268	8,243	8,143
Mainland China	**7,369**	7,180	7,029	9,071	8,990
Australia	**5,732**	5,859	5,786	5,470	5,443
India	**1,974**	1,699	1,700	2,040	1,890
Taiwan Region and Thailand	**285**	285	285	285	285
	22,582	23,291	23,068	25,108	24,752
– by status					
Operational	**21,275**	22,096	21,892	24,253	24,202
Construction	**1,307**	1,195	1,176	855	550
	22,582	23,291	23,068	25,108	24,752

* Group generation capacity (in MW) is incorporated on the following basis: CAPCO on 100% capacity as stations operated by CLP Power and other stations on the proportion of the Group's equity interests, plus long-term capacity and energy purchase arrangements. Prior years' figures have been restated to align with the current presentation. Minor discrepancies may result from rounding.

\# Perpetual capital securities of HK$3,883 million at 31 December 2024 were reclassified from equity to other borrowings upon the issuance of redemption notice to the holders in December 2024, with the subsequent refinancing by the new perpetual capital securities in January 2025. For the purpose of comparable analysis on the ratio, the amount remained as equity and exclude from other borrowings on a consistent basis with previous years.

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

Environmental

Performance Indicators	Units	2024	2023	2022	2021	2020	GRI Standards (GRI)/ HKEx ESG Reporting Code (HKEx)/SASB Standards for Electric Utilities (SASB)/ Hong Kong Financial Reporting Standard S2 Climate-related Disclosures (HKFRS S2)
Greenhouse gas emissions							
CLP Group [1]							
Total CO_2e emissions – on an equity basis [2, 3]	kt	**50,692**	52,988	60,223	65,017	62,138	GRI 305-1, 305-2, 305-3/ HKEx A1.2/SASB IF-EU-110a.1, IF-EU-110a.2 /HKFRS S2-29(a)
Scope 1 CO_2e [4]	kt	**38,055**	38,163	44,141	47,690	45,105	
Scope 2 CO_2e	kt	**361**	229	220	236	244	
Scope 3 CO_2e	kt	**12,276**	14,597	15,861	17,091	16,790	
CLP Group's generation and energy storage portfolio [2, 4]							
CO_2 – on an equity basis [5]	kt	**38,082**	38,051	44,019	47,574	44,987	GRI 305-1, 305-2/HKEx A1.2
CO_2e – on an equity basis [5]	kt	**38,268**	38,241	44,235	47,813	N/A	
CO_2 – on an equity plus long-term capacity and energy purchase basis [6]	kt	**42,197**	42,216	48,074	51,674	48,621	
CO_2e – on an equity plus long-term capacity and energy purchase basis [6]	kt	**42,413**	42,439	48,323	51,941	N/A	
CO_2 – on an operational control basis [5]	kt	**31,852**	30,563	44,338	46,842	43,808	
CO_2e – on an operational control basis [5]	kt	**32,009**	30,732	44,571	47,090	44,023	
Greenhouse gas emissions intensity							
CLP Group – GHG emissions intensity of generation and energy storage portfolio [2, 4]							
On an equity basis [5]	kg CO_2e/kWh	**0.61**	0.62	0.63	0.65	0.66	GRI 305-4/HKEx A1.2/ HKFRS S2-33(a)
On an equity plus capacity and energy purchase basis [6]	kg CO_2e/kWh	**0.53**	0.54	0.55	0.57	0.57	
Environmental regulations and compliances [7]							
Environmental regulatory non-compliances resulting in fines or prosecutions	number	**0**	0	0	0	0	GRI 2-27
Environmental licence limit exceedances & other non-compliances	number	**5**	5	6	5	4	
Resource use & emissions [7]							
Nitrogen oxides (NO_x)	kt	**33.7**	32.3	43.5	45.7	43.2	GRI 305-7/HKEx A1.1/ SASB IF-EU-120a.1
Sulphur dioxide (SO_2)	kt	**43.0**	40.6	48.9	52.7	48.0	
Particulates	kt	**6.4**	6.7	6.8	7.6	6.9	
Sulphur hexafluoride (SF_6)	kt	**0.003**	0.004	0.003	0.004	0.003	
Mercury	t	**0.28**	0.22	0.52	0.31	N/A	SASB IF-EU-120a.1
Hazardous waste produced [8]	t (solid)/kl (liquid)	**818/621**	3,617/1,935	869/1,103	1,524/1,017	1,503/1,091	GRI 306-3/HKEx A1.3
Hazardous waste recycled [8]	t (solid)/kl (liquid)	**457/593**	331/684	493/797	520/947	523/1,069	
Non-hazardous waste produced [8]	t (solid)/kl (liquid)	**9,899/0**	12,326/0	12,702/23	24,481/65	17,901/3	GRI 306-3/HKEx A1.4
Non-hazardous waste recycled [8]	t (solid)/kl (liquid)	**4,712/0**	6,744/0	7,917/23	4,214/65	4,458/3	
Ash produced / recycled and sold	kt	**1,130/241**	1,045/328	3,066/2,365	3,403/2,501	2,624/1,793	SASB IF-EU-150a.1
Gypsum produced / recycled and sold	kt	**39/36**	52/61	286/280	367/365	334/335	
Total water withdrawal [9]	Mm^3	**4,254.8**	4,249.0	5,339.3	5,243.7	5,466.0	GRI 303-3/HKEx A2.2/ SASB IF-EU-140a.1
Total water discharge [9]	Mm^3	**4,237.6**	4,240.3	5,310.9	5,205.4	5,438.6	GRI 303-4
Fuel use [9, 10]							
Coal consumed (for power generation)	TJ	**260,615**	250,177	394,274	426,190	403,379	GRI 302-1/HKEx A2.1
Gas consumed (for power generation)	TJ	**151,371**	146,370	151,327	142,304	134,776	
Oil consumed (for power generation)	TJ	**2,732**	2,854	2,936	2,717	2,243	

Notes:

1 Refers to a range of businesses, including generation and energy storage portfolio, transmission and distribution, retail and others.

2 Paguthan Power Station, the power purchase agreements of which expired in December 2018, was not included in the 2020-2024 numbers.

3 Numbers have been subject to rounding. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

4 In accordance with the Greenhouse Gas Protocol, direct CO_2 emissions from Jhajjar Power Station's biomass combustion and WE Station's landfill gas from waste for power generation are not included in CLP's Scope 1 CO_2 and CO_2e emissions inventory and are reported separately. The CO_2 emissions from Jhajjar Power Station's biomass combustion is 267kt, while the CO_2 emissions from the WE Station's landfill gas combustion is 28kt. Both assets' non-CO_2 GHG emissions (i.e. CH_4 and N_2O) are included in CLP's Scope 1 CO_2e emissions.

5 Numbers include Scope 1 and Scope 2 emissions.

6 Numbers include Scope 1, Scope 2 and Scope 3 Category 3 emissions (direct emissions from generation of purchased electricity that is sold to CLP's customers).

7 Numbers include operating assets where CLP has operational control during the calendar year.

8 Waste categorised in accordance with local regulations.

9 Numbers have been subject to rounding.

10 Numbers include operating assets where CLP has operational control during the calendar year. Paguthan Power Station, the power purchase agreements of which expired in December 2018, was not included in the 2020-2024 numbers.

Performance Indicators	Units	2024	2023	2022	2021	2020	GRI Standards (GRI)/ HKEx ESG Reporting Code (HKEx)/SASB Standards for Electric Utilities (SASB)/ Hong Kong Financial Reporting Standard S2 Climate-related Disclosures (HKFRS S2)
Asset management							
Total generation and energy storage capacity by asset type (on an equity basis) [3]	MW (%)	**17,893 (100%)**	18,123 (100%)	17,970 (100%)	20,018 (100%)	19,691 (100%)	GRI EU1
Coal	MW (%)	**7,222 (40.4%)**	8,486 (46.8%)	8,486 (47.2%)	10,795 (53.9%)	10,765 (54.7%)	
Gas	MW (%)	**4,976 (27.8%)**	4,938 (27.2%)	4,934 (27.5%)	4,666 (23.3%)	4,600 (23.4%)	
Nuclear	MW (%)	**1,600 (8.9%)**	1,600 (8.8%)	1,600 (8.9%)	1,600 (8.0%)	1,600 (8.1%)	
Wind [11]	MW (%)	**2,227 (12.4%)**	1,827 (10.1%)	1,680 (9.3%)	1,747 (8.7%)	1,521 (7.7%)	
Hydro [11]	MW (%)	**489 (2.7%)**	489 (2.7%)	489 (2.7%)	489 (2.4%)	489 (2.5%)	
Solar [11]	MW (%)	**1,013 (5.7%)**	548 (3.0%)	554 (3.1%)	499 (2.5%)	499 (2.5%)	
Waste-to-energy [11]	MW (%)	**10 (0.1%)**	7 (0.0%)	7 (0.0%)	7 (0.0%)	7 (0.0%)	
Energy Storage	MW (%)	**147 (0.8%)**	18 (0.1%)	10 (0.1%)	5 (0.0%)	0 (0.0%)	
Others	MW (%)	**210 (1.2%)**	210 (1.2%)	210 (1.2%)	210 (1.0%)	210 (1.1%)	
Total generation and energy storage capacity by asset type (on an equity plus long-term capacity and energy purchase basis) [3]	MW (%)	**22,582 (100%)**	23,291 (100%)	23,068 (100%)	25,108 (100%)	24,752 (100%)	
Coal	MW (%)	**8,140 (36.0%)**	9,719 (41.7%)	9,719 (42.1%)	12,027 (47.9%)	11,997 (48.5%)	
Gas	MW (%)	**6,131 (27.1%)**	6,093 (26.2%)	6,089 (26.4%)	5,813 (23.2%)	5,717 (23.1%)	
Nuclear	MW (%)	**2,685 (11.9%)**	2,685 (11.5%)	2,685 (11.6%)	2,685 (10.7%)	2,685 (10.8%)	
Wind [12]	MW (%)	**2,625 (11.6%)**	2,391 (10.3%)	2,264 (9.8%)	2,331 (9.3%)	2,105 (8.5%)	
Hydro [12]	MW (%)	**489 (2.2%)**	489 (2.1%)	489 (2.1%)	489 (1.9%)	489 (2.0%)	
Solar [12]	MW (%)	**1,307 (5.8%)**	842 (3.6%)	848 (3.7%)	793 (3.2%)	793 (3.2%)	
Waste-to-energy [12]	MW (%)	**14 (0.1%)**	10 (0.0%)	10 (0.0%)	10 (0.0%)	10 (0.0%)	
Energy Storage	MW (%)	**892 (4.0%)**	763 (3.3%)	665 (2.9%)	660 (2.6%)	655 (2.6%)	
Others	MW (%)	**300 (1.3%)**	300 (1.3%)	300 (1.3%)	300 (1.2%)	300 (1.2%)	
Total energy sent out by asset type (on an equity basis) [2, 3]	GWh (%)	**62,383 (100%)**	62,052 (100%)	69,726 (100%)	73,113 (100%)	68,699 (100%)	GRI EU2/HKEx A2.1/ SASB IF-EU-000.D
Coal	GWh (%)	**30,372 (48.7%)**	30,364 (48.9%)	37,031 (53.1%)	42,002 (57.4%)	39,438 (57.4%)	
Gas	GWh (%)	**14,154 (22.7%)**	13,817 (22.3%)	14,435 (20.7%)	13,233 (18.1%)	12,390 (18.0%)	
Nuclear	GWh (%)	**12,064 (19.3%)**	12,128 (19.5%)	12,346 (17.7%)	12,302 (16.8%)	11,192 (16.3%)	
Wind [13]	GWh (%)	**3,056 (4.9%)**	3,164 (5.1%)	3,146 (4.5%)	2,959 (4.0%)	2,886 (4.2%)	
Hydro [13]	GWh (%)	**1,776 (2.8%)**	1,626 (2.6%)	1,835 (2.6%)	1,668 (2.3%)	1,879 (2.7%)	
Solar [13]	GWh (%)	**932 (1.5%)**	920 (1.5%)	901 (1.3%)	922 (1.3%)	898 (1.3%)	
Waste-to-energy [13]	GWh (%)	**31 (0.0%)**	32 (0.1%)	29 (0.0%)	27 (0.0%)	15 (0.0%)	
Energy Storage	GWh (%)	**0 (0.0%)**	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	
Others	GWh (%)	**1 (0.0%)**	0 (0.0%)	1 (0.0%)	0 (0.0%)	1 (0.0%)	
Total energy sent out by asset type (on an equity plus long-term capacity and energy purchase basis) [2, 3]	GWh (%)	**79,760 (100%)**	79,512 (100%)	87,360 (100%)	91,183 (100%)	85,949 (100%)	
Coal	GWh (%)	**32,234 (40.4%)**	32,418 (40.8%)	39,027 (44.7%)	43,995 (48.2%)	41,118 (47.8%)	
Gas	GWh (%)	**19,847 (24.9%)**	19,203 (24.2%)	19,507 (22.3%)	18,461 (20.2%)	17,157 (20.0%)	
Nuclear	GWh (%)	**19,878 (24.9%)**	20,098 (25.3%)	20,836 (23.9%)	20,962 (23.0%)	19,923 (23.2%)	
Wind [14]	GWh (%)	**4,482 (5.6%)**	4,688 (5.9%)	4,709 (5.4%)	4,611 (5.1%)	4,445 (5.2%)	
Hydro [14]	GWh (%)	**1,776 (2.2%)**	1,626 (2.0%)	1,835 (2.1%)	1,668 (1.8%)	1,879 (2.2%)	
Solar [14]	GWh (%)	**1,491 (1.9%)**	1,480 (1.9%)	1,472 (1.7%)	1,524 (1.7%)	1,522 (1.8%)	
Waste-to-energy [14]	GWh (%)	**44 (0.1%)**	45 (0.1%)	42 (0.0%)	38 (0.0%)	22 (0.0%)	
Energy Storage	GWh (%)	**8 (0.0%)**	-46 (-0.1%)	-69 (-0.1%)	-75 (-0.1%)	-118 (-0.1%)	
Others	GWh (%)	**1 (0.0%)**	1 (0.0%)	2 (0.0%)	1 (0.0%)	1 (0.0%)	

Notes:

11 Renewables include wind, hydro, solar and waste-to-energy. The total capacity of renewables on an equity basis is 3,739MW (20.9%) in 2024.

12 Renewables include wind, hydro, solar and waste-to-energy. The total capacity of renewables on an equity plus long-term capacity and energy purchase basis is 4,436MW (19.6%) in 2024.

13 Renewables include wind, hydro, solar and waste-to-energy. The total sent out of renewables on an equity basis is 5,793GWh (9.3%) in 2024.

14 Renewables include wind, hydro, solar and waste-to-energy. The total sent out of renewables on an equity plus long-term capacity and energy purchase basis is 7,793GWh (9.8%) in 2024.

*All 2024 data in the above table have been independently verified by KPMG **except** those numbers which are shaded in dark grey.*

Social and Governance

For more detailed narrative on the "Environmental, Social and Governance" related performance indicators, please refer to Managing What Matters to Our Business chapter and the Corporate Governance Report of this report.

Performance Indicators	Units	2024	2023	2022	2021	2020	GRI Standards (GRI)/ HKEx ESG Reporting Code (HKEx)/SASB Standards for Electric Utilities (SASB)/ Hong Kong Financial Reporting Standard S2 Climate-related Disclosures (HKFRS S2)
Employees							
Employee headcount by region							
Hong Kong	number	**5,397**	5,163	4,954	4,771	4,689	GRI 2-7/HKEx B1.1
Mainland China	number	**763**	702	663	627	609	
Australia	number	**2,255**	2,176	2,251	2,281	2,320	
India	number	**N/A**	N/A	450	437	442	
Group total	number	**8,415**	8,041	8,318	8,116	8,060	
Voluntary staff turnover rate [1, 2]							
Hong Kong	%	**5.4**	5.4	6.6	4.6	3.1	GRI 401-1/HKEx B1.2
Mainland China	%	**2.8**	2.6	2.3	2.3	1.3	
Australia	%	**11.2**	15.2	18.8	16.1	7.7	
India	%	**N/A**	N/A	10.6	6.9	4.7	
Employees eligible to retire within the next five years [3]							
Hong Kong	%	**16.6**	17.3	18.8	20.1	20.4	GRI EU15
Mainland China	%	**15.9**	15.9	15.7	15.1	13.4	
Australia	%	**7.8**	7.8	6.7	6.6	5.7	
India	%	**N/A**	N/A	5.5	5.0	5.1	
Group total	%	**13.9**	14.3	14.1	14.6	14.5	
Average training hours per employee	hours	**42.7**	44.1	46.2	51.6	42.5	GRI 404-1/HKEx B3.2
Training hours dedicated to upskilling and reskilling	%	**15.4**	N/A	N/A	N/A	N/A	
Safety [4]							
Fatalities – employees only [5, 6]	number of personnel	**0**	0	0	0	0	GRI 403-2/HKEx B2.1
Fatalities – contractors only [5, 6]	number of personnel	**0**	0	0	0	0	
Fatalities – employees and contractors combined [5, 6]	number of personnel	**0**	0	0	0	0	
Fatality Rate – employees only [7, 8]	number per 200,000 work hours	**0.00**	0.00	0.00	0.00	0.00	GRI 403-2/HKEx B2.1/ SASB IF-EU-320a.1
Fatality Rate – contractors only [7, 8]	number per 200,000 work hours	**0.00**	0.00	0.00	0.00	0.00	
Fatality Rate – employees and contractors combined [7, 8]	number per 200,000 work hours	**0.00**	0.00	0.00	0.00	0.00	
Days Away From Work Injuries – employees only [6, 9]	number of personnel	**13**	2	6	4	12	GRI 403-2
Days Away From Work Injuries – contractors only [6, 9]	number of personnel	**10**	8	15	10	10	
Days Away From Work Injuries – employees and contractors combined [6, 9]	number of personnel	**23**	10	21	14	22	
Lost Time Injury Rate – employees only [8, 10]	number per 200,000 work hours	**0.16**	0.03	0.07	0.05	0.13	
Lost Time Injury Rate – contractors only [8, 10]	number per 200,000 work hours	**0.11**	0.09	0.11	0.08	0.09	
Lost Time Injury Rate – employees and contractors combined [8, 10]	number per 200,000 work hours	**0.14**	0.06	0.10	0.07	0.11	

Notes:

1 Voluntary staff turnover refers to employees leaving the organisation voluntarily and does not include dismissal, retirement, company-initiated termination or end of contract.

2 Includes permanent employees only, except for Mainland China where both permanent and fixed-term contract employees are included due to local employment legislation.

3 The percentages given refer to permanent employees within each region, who are eligible to retire within the next five years.

4 The system of rules applied in recording and reporting accident statistics complies with the International Labour Organization (ILO) Code of Practice on Recording and Notification of Occupational Accidents and Diseases.

5 Refers to the number of fatalities as a result of work-related injury.

6 Starting from 2021, the unit is changed from the number of cases to the number of personnel.

7 Refers to the number of fatal injuries per 200,000 work hours in the year.

8 Rates are normalised to 200,000 work hours, which approximately equals to the number of hours worked by 100 people in one year.

9 Starting from 2021, "Days Away From Work Injuries" replaces "Lost Time Injury". Days Away From Work Injuries refers to the number of personnel who sustain a work-related injury and are unfit to perform any work on any day after the occurrence of the injury. "Any day" is any calendar day which includes rest days, weekend days, leave days, public holidays or days after ceasing employment. It does not include the day the injury incident occurred. "Days Away From Work Injuries" excludes fatalities which were included in "Lost Time Injury". Numbers prior to 2021 are the previously reported numbers for "Lost Time Injury".

10 Refers to the number of Days Away From Work Injuries and Fatalities per 200,000 work hours in the year.

Performance Indicators	Units	2024	2023	2022	2021	2020	GRI Standards (GRI)/ HKEx ESG Reporting Code (HKEx)/SASB Standards for Electric Utilities (SASB)/ Hong Kong Financial Reporting Standard S2 Climate-related Disclosures (HKFRS S2)
High-consequence Injuries – employees only [11]	number of personnel	**0**	0	0	0	N/A	GRI 403-9
High-consequence Injuries – contractors only [11]	number of personnel	**0**	1	2	1	N/A	
High-consequence Injuries – employees and contractors combined [11]	number of personnel	**0**	1	2	1	N/A	
Total Recordable Injury Rate – employees only [8, 12]	number per 200,000 work hours	**0.28**	0.13	0.17	0.14	0.25	GRI 403-2/SASB IF-EU-320a.1
Total Recordable Injury Rate – contractors only [8, 12]	number per 200,000 work hours	**0.21**	0.22	0.31	0.29	0.37	
Total Recordable Injury Rate – employees and contractors combined [8, 12]	number per 200,000 work hours	**0.24**	0.18	0.25	0.23	0.32	
Work-related Ill Health – employees only [6, 13]	number of personnel	**0**	3	4	1	0	GRI 403-10/HKEx B2.1
Lost Days – employees only [14]	number of days	**471**	125	176	304	443	GRI 403-2/HKEx B2.2
Governance							
Total number of breaches of Code of Conduct reported to the Audit & Risk Committee	cases	**31**	12	10	18	25	
Convicted cases of corruption reported to the Audit & Risk Committee	cases	**0**	0	0	0	0	GRI 205-3/HKEx B7.1

Notes:

11 Refers to the number of personnel who sustain life-threatening or life-altering work-related injury. It is a subset of Days Away From Work Injuries.

12 Refers to the number of Total Recordable Injuries per 200,000 work hours in the year. Total Recordable Injuries include Fatalities, Days Away From Work Injuries, Restricted Work Injuries, and Medical Treatment Injuries.

13 Starting from 2021, "Work-related Ill Health" replaces "Occupational Disease". Work-related Ill Health includes the diseases listed in the ILO List of Occupational Diseases, work-related mental illnesses and work-related disorders. Numbers prior to 2021 are the previously reported numbers for "Occupational Disease".

14 Starting from 2021, "Lost Days" replaces "Days Lost". "Lost Days" is the sum total of calendar days (consecutive or otherwise) after the days on which the work-related injuries and work-related ill health occurred. "Days Lost" accounts the working days instead of calendar days. Numbers prior to 2021 are the previously reported numbers for "Days Lost".

*All 2024 data in the above table have been independently verified by KPMG **except** those numbers which are shaded in dark grey.*

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

CLP Power Hong Kong Limited and Castle Peak Power Company Limited

	2024	2023	2022	2021	2020
SoC Financial Statistics					
Combined Profit & Loss Statement, HK$M					
Profit for SoC	**11,696**	10,690	10,876	10,926	10,026
Transfer (to) / from Tariff Stabilisation Fund	**(425)**	168	(531)	(1,072)	(519)
Permitted return	**11,271**	10,858	10,345	9,854	9,507
Deduct interest on / Adjustment for					
Borrowed capital	**1,700**	1,539	1,115	1,018	1,111
Increase in customers' deposits	**39**	37	4	–	–
Performance incentives	**(481)**	(642)	(448)	(438)	(416)
Tariff Stabilisation Fund	**124**	114	40	3	18
Net return	**9,889**	9,810	9,634	9,271	8,794
Combined Balance Sheet, HK$M					
Net assets employed					
Fixed assets	**143,124**	138,657	132,792	125,827	120,523
Non-current assets	**36**	16	74	134	351
Current assets	**5,487**	5,706	9,681	8,359	6,350
	148,647	144,379	142,547	134,320	127,224
Less: current liabilities	**28,641**	32,472	27,881	25,311	23,046
Net assets	**120,006**	111,907	114,666	109,009	104,178
Exchange fluctuation account	**647**	1,183	465	606	555
	120,653	113,090	115,131	109,615	104,733
Represented by					
Equity	**56,036**	54,364	52,528	49,934	47,807
Long-term loans and other borrowings	**40,860**	35,967	40,680	38,328	37,146
Deferred liabilities	**20,709**	20,230	18,995	18,244	17,761
Tariff Stabilisation Fund	**3,048**	2,529	2,928	3,109	2,019
	120,653	113,090	115,131	109,615	104,733
Other SoC Information, HK$M					
Total electricity sales	**50,649**	50,288	50,919	45,222	41,798
Capital expenditure	**10,818**	11,670	12,573	11,222	8,882
Depreciation	**5,683**	5,380	5,313	5,434	5,011
SoC Operating Statistics					
Customers and Sales					
Number of customers (thousand)	**2,830**	2,790	2,752	2,711	2,672
Sales analysis, millions of kWh					
Commercial	**13,882**	13,673	13,233	13,423	12,878
Manufacturing	**1,573**	1,594	1,615	1,665	1,616
Residential	**10,204**	9,929	10,113	10,525	10,298
Infrastructure and Public Services	**10,466**	10,196	9,863	9,742	9,171
Local	**36,125**	35,392	34,824	35,355	33,963
Export	**–**	–	–	–	–
Total Electricity Sales	**36,125**	35,392	34,824	35,355	33,963
Annual change, %	**2.1**	1.6	(1.5)	4.1	(0.9)
Renewable Energy Certificate Sold, millions of kWh	**340**	172	100	15	5
Local consumption, kWh per person	**5,687**	5,595	5,680	5,704	5,404
Local sales, HK¢ per kWh (average)[1]					
Basic Tariff	**95.8**	93.1	93.3	93.6	92.3
Fuel Cost Adjustment[2]	**44.3**	58.4	46.1	30.2	28.4
Special Rebate	**–**	–	(2.1)	–	–
Total Tariff	**140.1**	151.5	137.3	123.8	120.7
Rent and Rates Special Rebate[3]	**–**	(0.4)	(1.3)	–	(1.2)
Net Tariff[4]	**140.1**	151.1	136.0	123.8	119.5
Annual change in Basic Tariff, %	**2.9**	(0.2)	(0.3)	1.4	1.8
Annual change in Total Tariff, %	**(7.5)**	10.3	10.9	2.6	1.8
Annual change in Net Tariff, %	**(7.3)**	11.1	9.9	3.6	0.8

A 10-year summary is on our website

	2024	2023	2022	2021	2020
Generation (Including Affiliated Generating Companies)					
Installed capacity, MW	**9,202**	9,648	9,648	9,623	9,573
System maximum demand					
Local, MW[5]	**7,336**	7,452	7,720	7,477	7,264
Annual change, %	**(1.6)**	(3.5)	3.2	2.9	0.8
System load factor, %	**60.9**	58.9	56.0	58.8	57.3
Generation by CAPCO stations, millions of kWh	**27,034**	26,102	24,828	25,330	23,752
Sent out, millions of kWh –					
From own generation	**25,761**	24,846	23,602	24,109	22,605
Net transfer from GNPS/GPSPS/Others	**11,335**	11,552	12,289	12,484	12,583
From Feed-in Tariff customers	**316**	267	199	111	45
Total	**37,412**	36,665	36,090	36,704	35,233
Fuel consumed, terajoules –					
Oil	**2,061**	2,161	1,875	1,928	1,538
Coal	**69,394**	76,699	77,172	75,307	63,505
Gas	**146,100**	135,670	128,453	132,609	131,244
Total	**217,555**	214,530	207,500	209,844	196,287
Cost of fuel, HK$ per gigajoule – Overall	**85.17**	91.97	99.18	70.25	65.94
Thermal efficiency, % based on units sent out	**42.6**	41.6	40.9	41.3	40.8
Plant availability, %	**89.1**	85.8	89.1	84.4	87.5
Transmission and Distribution					
Network, circuit kilometres					
400kV	**556**	556	555	555	555
132kV	**1,666**	1,659	1,651	1,638	1,638
33kV	**22**	22	22	22	22
11kV	**14,879**	14,683	14,450	14,182	13,990
Transformers, MVA	**70,728**	69,128	68,343	67,479	66,633
Substations –					
Primary	**250**	241	240	237	235
Secondary	**15,759**	15,539	15,413	15,204	15,028
Employees and Productivity					
Number of SoC employees	**4,317**	4,101	4,012	3,900	3,861
Productivity, thousands of kWh per employee	**8,583**	8,725	8,803	9,111	8,849

Notes:

1 Figures are rounded to one decimal place. Minor discrepancies may result from rounding.

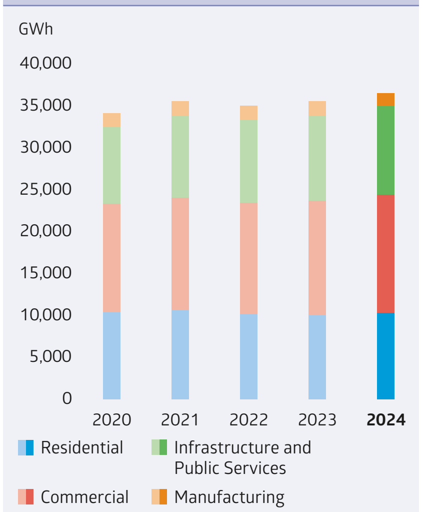
2 The Fuel Cost Adjustment has replaced the Fuel Clause Charge effective from October 2014. Commencing 1 October 2018, the Fuel Cost Adjustment is automatically adjusted on a monthly basis to reflect changes in actual price of fuel used.

3 CLP Power provided customers with a Rent and Rates Special Rebate of 1.2 cents per unit in 2020 and 1.3 cents per unit from January 2022 to 28 April 2023, returning to customers the refunds received from the Government in relation to CLP Power's claims against the Government's overcharged rent and rates.

4 Effective net tariff including one-off 2023 Special Energy Saving Rebate and one-off three-month special fuel rebate in 2023 was 150.2 cents per unit.

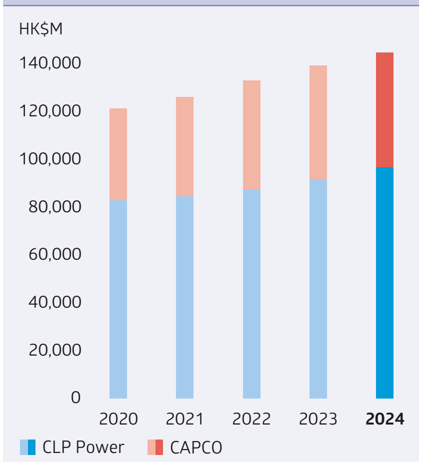
5 Without taking into account the effect of the customer programme of demand response pursued to reduce electricity usage, the maximum demand would have been higher at 7,369MW in 2020, 7,551MW in 2021, 7,858MW in 2022, 7,641MW in 2023 and 7,349MW in 2024.

Electricity Sales by Sector



Installed Capacity

SoC Net Fixed Assets



Our Portfolio

CLP's business spans every major segment of the energy value chain, including retail, transmission, distribution and a diversified portfolio of electricity generation assets. As of 31 December 2024, the Group's total generation and energy storage capacity [1] was 22,582MW in Hong Kong, Mainland China, Australia, India, Taiwan Region and Thailand, including 4,436MW of renewable energy capacity. The capacity and main business activities by market are detailed in tables below.

Overview of Generation and Energy Storage Capacity by Asset Type [1]				
Hong Kong	Mainland China	Australia	India	Taiwan Region and Thailand
7,222MW	7,369MW	5,732MW	1,974MW	285MW
Gas 3,850MW Coal 3,058MW Waste-to-energy 14MW Others 300MW	Wind 1,609MW Solar 592MW Hydro 489MW Nuclear 2,685MW Coal 1,248MW Energy storage 747MW	Wind 430MW Solar 294MW Gas 1,953MW Coal 2,910MW Energy storage 145MW	Wind 586MW Solar 400MW Gas 328MW Coal 660MW	Solar 21MW Coal 264MW

Hong Kong				
Assets and Services	Location	CLP's Equity Interest	Gross Capacity	CLP's Capacity (Equity / Long-term Purchase)
Customer Services				
Electricity and customer services for about **2.83 million customer accounts** in Kowloon, the New Territories and most of Hong Kong's outlying islands	Hong Kong	100%	–	–
Transmission and Distribution				
556 km of 400kV lines, 1,666 km of 132kV lines, 22 km of 33kV lines and 14,879 km of 11kV lines 70,728 MVA transformers, 250 primary and 15,759 secondary substations in operation	Hong Kong	100%	–	–
Gas				
Black Point Power Station, one of the world's largest gas-fired combined-cycle power stations comprising one 550MW unit, one 600MW unit [2] and eight 337.5MW units	Hong Kong	70%	3,850MW	3,850MW
Coal				
Castle Peak Power Station, with one 350MW coal-fired unit and four 677MW units [3]	Hong Kong	70%	3,058MW	3,058MW
Others				
Hong Kong Branch Line, comprising a 20 km pipeline (including subsea portion of 19 km) and the associated gas launching and end stations, which transports natural gas from PipeChina's Second West-East Gas Pipeline in Shenzhen Dachan Island to Black Point Power Station	Hong Kong	40%	–	–
Hong Kong LNG Terminal Limited owns and operates the offshore liquified natural gas (LNG) terminal in Hong Kong to provide LNG regasification and related services to Castle Peak Power Company Limited and The Hongkong Electric Company Limited	Hong Kong	49%	–	–
Penny's Bay Power Station, comprising three 100MW diesel-fired gas turbine units mainly for backup purposes	Hong Kong	70%	300MW	300MW
WE Station [4], comprising seven 2MW units which make use of landfill gas from waste for power generation	Hong Kong	70%	14MW	14MW

Mainland China				
Assets and Services	Location	CLP's Equity Interest	Gross Capacity	CLP's Capacity (Equity / Long-term Purchase)
Wind				
Nanao II Wind Farm	Guangdong	25%	45MW	11MW
Nanao III Wind Farm	Guangdong	25%	15MW	4MW
Bobai Wind Farm [5]	Guangxi	100%	150MW	150MW
Sandu Wind Farm	Guizhou	100%	99MW	99MW
Sandu II Wind Farm [6]	Guizhou	100%	100MW	100MW
Changling II Wind Farm	Jilin	45%	49.5MW	22MW
Datong Wind Farm	Jilin	49%	49.5MW	24MW
Qian'an I Wind Farm	Jilin	100%	49.5MW	49.5MW
Qian'an II Wind Farm	Jilin	100%	49.5MW	49.5MW
Qian'an III Wind Farm	Jilin	100%	100MW	100MW

Notes:

1 Of projects in operation and under construction on an equity basis, in addition to long-term capacity and energy purchase arrangements. Minor discrepancies may result from rounding. Assets in the Hong Kong section are under the Scheme of Control Agreement (except Hong Kong Branch Line).

2 The 600MW Combined-Cycle Gas Turbine (CCGT) D2 unit commenced operation on 19 April 2024.

3 Units A1, A2 and A3 units of Castle Peak Power Station, with a combined capacity of 1,050MW, were retired as of 20 April 2024.

4 Phase 2 of WE Station, with a capacity of 4MW, commenced operation on 30 October 2024.

5 Bobai Wind Farm was connected to the grid in January 2025 after construction was completed.

6 Construction of Sandu II Wind Farm started in March 2024.

Mainland China (Cont'd)				
Assets and Services	**Location**	**CLP's Equity Interest**	**Gross Capacity**	**CLP's Capacity (Equity / Long-term Purchase)**
Shuangliao I Wind Farm	Jilin	49%	49.3MW	24MW
Shuangliao II Wind Farm	Jilin	49%	49.5MW	24MW
CLP Laizhou I Wind Farm	Shandong	100%	49.5MW	49.5MW
CLP Laizhou II Wind Farm	Shandong	100%	49.5MW	49.5MW
Dongying Hekou Wind Farm	Shandong	49%	49.5MW	24MW
Huadian Laizhou I Wind Farm [7]	Shandong	45%	37.5MW	17MW
Juancheng Wind Farm [8]	Shandong	100%	300MW	300MW
Laiwu I Wind Farm	Shandong	100%	49.5MW	49.5MW
Laiwu II Wind Farm	Shandong	100%	49.5MW	49.5MW
Laiwu III Wind Farm	Shandong	100%	50MW	50MW
Lijin I Wind Farm	Shandong	49%	49.5MW	24MW
Lijin II Wind Farm	Shandong	49%	49.5MW	24MW
Penglai I Wind Farm	Shandong	100%	48MW	48MW
Rongcheng I Wind Farm	Shandong	49%	48.8MW	24MW
Rongcheng II Wind Farm	Shandong	49%	49.5MW	24MW
Rongcheng III Wind Farm	Shandong	49%	49.5MW	24MW
Weihai I Wind Farm	Shandong	45%	19.5MW	9MW
Weihai II Wind Farm	Shandong	45%	49.5MW	22MW
Zhanhua I Wind Farm	Shandong	49%	49.5MW	24MW
Zhanhua II Wind Farm	Shandong	49%	49.5MW	24MW
Chongming Wind Farm	Shanghai	29%	48MW	14MW
Xundian I Wind Farm	Yunnan	100%	49.5MW	49.5MW
Xundian II Wind Farm [9]	Yunnan	100%	50MW	50MW
Solar [10]				
Jinchang Solar Power Station	Gansu	100%	85MW	85MW
Meizhou Solar Power Station	Guangdong	100%	36.1MW	36.1MW
Huai'an Solar Power Station	Jiangsu	100%	12.8MW	12.8MW
Huai'an Nanzha Solar Power Station [11]	Jiangsu	100%	100MW	100MW
Sihong Solar Power Station	Jiangsu	100%	93.4MW	93.4MW
Yangzhou Gongdao Solar Power Station [12]	Jiangsu	100%	74MW	74MW
Yixing Solar Power Station [13]	Jiangsu	100%	90MW	90MW
Lingyuan Solar Power Station	Liaoning	100%	17MW	17MW
Xicun I Solar Power Station	Yunnan	100%	42MW	42MW
Xicun II Solar Power Station	Yunnan	100%	42MW	42MW
Hydro				
Huaiji Hydro Power Stations	Guangdong	84.9%	129MW	110MW
Jiangbian Hydropower Station	Sichuan	100%	330MW	330MW
Dali Yang_er Hydropower Station	Yunnan	100%	49.8MW	49.8MW
Nuclear				
Guangdong Daya Bay Nuclear Power Station, comprising two 984MW Pressurised Water Reactors. Through long-term capacity purchase, 70% of electricity generated is supplied to Hong Kong, with the remaining 30% sold to Guangdong province [14]	Guangdong	25%	1,968MW	1,577MW
Yangjiang Nuclear Power Station, comprising six 1,086MW generating units	Guangdong	17%	6,516MW	1,108MW
Coal [15]				
Beijing Yire Power Station [16]	Beijing	30%	–	–
Sanhe I and II Power Stations	Hebei	16.5%	1,330MW	219MW
Zhungeer II and III Power Stations	Inner Mongolia	19.5%	1,320MW	257MW
Suizhong I and II Power Stations	Liaoning	15%	3,760MW	564MW
Panshan Power Station	Tianjin	19.5%	1,060MW	207MW

7 The gross capacity of Huadian Laizhou I project was reduced to 37.5MW from 40.5MW in 2023 following the decommissioning of two wind turbines.

8 Juancheng Wind Farm commenced construction in December 2024.

9 Xundian II Wind Farm commenced commercial operation in March 2023.

10 Gross / CLP Equity MW of solar power projects are expressed on an alternating current (AC) basis unless specified otherwise.

11 Construction of Huai'an Nanzha Solar Power Station, with direct current (DC) generation capacity of up to 100MW, commenced in April 2024.

12 Yangzhou Gongdao Solar Power Station commenced operation in September 2023.

13 Construction of Yixing Solar Power Station, with a generation capacity of 90MW, commenced in May 2024.

14 Agreements have been reached to increase the proportion of energy supply to Hong Kong to slightly above 70% in 2014 and to about 80% from 2015 to 2023, with the remainder continuing to be sold to Guangdong province. The agreement was renewed for a further five years between 2024 – 2028. Guangdong Daya Bay Nuclear Power Station is in the process to complete the application of updating electric power business licenses for the plant capacity upgrade.

15 Shenmu Power Station ceased operation on 28 February 2018 and the joint venture company deregistered on 23 October 2023. In September 2024, CLP executed an early exit from Shandong Zhonghua Power Company Limited, operator of Heze II Power Station and Liaocheng I Power Station.

16 Beijing Yire Power Station ceased operation on 20 March 2015.

Mainland China (Cont'd)				
Assets and Services	**Location**	**CLP's Equity Interest**	**Gross Capacity**	**CLP's Capacity (Equity / Long-term Purchase)**
Energy Storage				
Rights to use 50% of Phase I of **Guangzhou Pumped Storage Power Station** for serving CLP's Hong Kong business under a long-term capacity purchase agreement	Guangdong	–	1,200MW	600MW
Battery energy storage systems co-located with Huai'an Nanzha Solar Power Station **(10MW)**, Qian'an III Wind Farm **(5MW)**, Sandu II Wind Farm **(10MW)**, Guanxian Wind Farm **(100MW)** [17], Xundian II Wind Farm **(5MW)**, Yangzhou Gongdao Solar Power Station **(8MW)** and Yixing Solar Power Station **(9MW)**	Guizhou, Jiangsu, Jilin, Shandong and Yunnan	100%	147MW	147MW
Others				
CLP-TELD New Energy Technology (Guangdong) Ltd.	Guangdong	60%	–	–

Australia				
Assets and Services	**Location**	**CLP's Interest (Equity / Long-term Purchase)**	**Gross Capacity**	**CLP's Capacity (Equity / Long-term Purchase)**
Customer Services				
Electricity and gas services for **2.38 million customer accounts**	New South Wales, Queensland, South Australia and Victoria	100%	–	–
Wind				
Cathedral Rocks Wind Farm [18]	South Australia	50%	62MW	31MW
Renewable Energy Long-term Purchase [19,20]				
Boco Rock Wind Farm [21]	New South Wales	100%	113MW	113MW
Bodangora Wind Farm	New South Wales	60%	113MW	68MW
Coleambally Solar Farm	New South Wales	70%	150MW	105MW
Manildra Solar Farm	New South Wales	100%	46MW	46MW
Taralga Wind Farm	New South Wales	100%	107MW	107MW
Ross River Solar Farm	Queensland	80%	116MW	93MW
Waterloo Wind Farm Stage 1	South Australia	100%	111MW	111MW
Gannawarra Solar Farm	Victoria	100%	50MW	50MW
Gas				
Tallawarra Gas-fired Power Station [22], including the new Tallawarra B plant	New South Wales	100%	778MW	778MW
Hallett Gas-fired Power Station	South Australia	100%	235MW	235MW
Jeeralang Gas-fired Power Station	Victoria	100%	440MW	440MW
Newport Gas-fired Power Station	Victoria	100%	500MW	500MW
Coal				
Mount Piper Coal-fired Power Station	New South Wales	100%	1,430MW	1,430MW
Yallourn Coal-fired Power Station and Brown Coal Open-cut Mine	Victoria	100%	1,480MW	1,480MW
Energy Storage				
Rights to charge and dispatch energy from the **Riverina Stage 2** and **Darlington Point** battery storage systems, which are capable of powering more than 49,000 homes for two hours of critical peak demand before being recharged [23]	New South Wales	100%	90MW / 180MWh	90MW / 180MWh
Rights to charge and dispatch energy from **Ballarat Battery Storage** which is capable of powering more than 20,000 homes for an hour of critical peak demand before being recharged	Victoria	100%	30MW / 30MWh	30MW / 30MWh
Rights to charge and dispatch energy from **Gannawarra Battery Storage** which is capable of powering more than 16,000 homes through two hours of peak demand before being recharged	Victoria	100%	25MW / 50MWh	25MW / 50MWh
Others				
Pine Dale Black Coal Mine	New South Wales	100%	–	–

17 In December 2024, construction of Guanxian Battery Energy Storage System started. It will be co-located with Guanxian Wind Farm, which will commence construction in the first quarter of 2025.

18 The gross capacity of Cathedral Rocks Wind Farm was reduced to 62MW from 64MW following fire damage to a wind turbine in January 2023.

19 Relates to long-term power purchase from wind and solar farms in which CLP has neither equity nor operational control.

20 EnergyAustralia's power purchase agreement on the Mortons Lane Wind Farm ended on 30 June 2023. The power purchase agreement with Gullen Range Wind Farm ended in December 2024.

21 In 2024, EnergyAustralia extended its power purchase agreement on the Boco Rock Wind Farm to November 2029.

22 Upgrade to Tallawarra A commenced in October 2024 to increase the plant's generation capacity by 38MW. The Tallawarra B plant, with a generation capacity of 320MW, began commercial operations in June 2024.

23 EnergyAustralia took operational control of the Riverina Stage 2 and Darlington Point battery systems in New South Wales in September 2023 after the projects completed construction.

India				
Assets and Services	**Location**	**CLP's Equity Interest**	**Gross Capacity**	**CLP's Equity Capacity**
Wind				
Mahidad Wind Farm	Gujarat	50%	50.4MW	25.2MW
Samana I Wind Farm	Gujarat	50%	50.4MW	25.2MW
Samana II Wind Farm	Gujarat	50%	50.4MW	25.2MW
Sidhpur Wind Farm [24]	Gujarat	50%	250.8MW	125.4MW
Harapanahalli Wind Farm	Karnataka	50%	39.6MW	19.8MW
Saundatti Wind Farm	Karnataka	50%	72MW	36MW
Chandgarh Wind Farm	Madhya Pradesh	50%	92MW	46MW
Andhra Lake Wind Farm	Maharashtra	50%	106.4MW	53.2MW
Jath Wind Farm	Maharashtra	50%	60MW	30MW
Khandke Wind Farm	Maharashtra	50%	50.4MW	25.2MW
Bhakrani Wind Farm	Rajasthan	50%	102.4MW	51.2MW
Sipla Wind Farm	Rajasthan	50%	50.4MW	25.2MW
Tejuva Wind Farm	Rajasthan	50%	100.8MW	50.4MW
Theni I Wind Farm	Tamil Nadu	50%	49.5MW	24.8MW
Theni II Wind Farm	Tamil Nadu	50%	48MW	24MW
Solar [10]				
Gale Solar Farm	Maharashtra	50%	50MW	25MW
Tornado Solar Farm	Maharashtra	50%	20MW	10MW
NHPC Bhanipura 1 Solar Farm [25]	Rajasthan	50%	250MW	125MW
NTPC Bhanipura 2 Solar Farm [26]	Rajasthan	50%	300MW	150MW
Cleansolar Renewable Energy Private Limited	Telangana	50%	30MW	15MW
Divine Solren Private Limited	Telangana	50%	50MW	25MW
Veltoor Solar Farm	Telangana	50%	100MW	50MW
Gas				
Paguthan Power Station [27], a combined-cycle gas-fired power plant designed to run on natural gas with naphtha as alternate fuel	Gujarat	50%	655MW	327.5MW
Coal				
Jhajjar Power Station, comprising two 660MW supercritical coal-fired units	Haryana	50%	1,320MW	660MW
Transmission				
Kohima-Mariani Transmission Ltd., operator of a 254 km 400kV double circuit interstate transmission line in Northeast India, and owns a 400/220kV gas insulated switchgear substation at Kohima in the state of Nagaland	Assam, Manipur and Nagaland	37% [28]	–	–
Satpura Transco Private Ltd., operator of a 240 km 400kV double circuit intra-state transmission line	Madhya Pradesh	50%	–	–
Karera Power Transmission Limited, developer of a 41 km of 765kV double circuit interstate transmission line and a 3,000 megavolt ampere (MVA) substation	Madhya Pradesh	50%	–	–
Fatehgarh III Transmission Limited and **Fatehgarh IV Transmission Limited**, developers of a combined total of 252 km of 400kV double circuit interstate transmission lines and a 2,500MVA pooling substation, currently under construction	Rajasthan	50%	–	–
Others				
Advanced metering infrastructure project in Assam – covering around 700,000 smart meters	Assam	50%	–	–
Advanced metering infrastructure project in Gujarat – covering more than 2.3 million smart meters	Gujarat	50%	–	–
Advanced metering infrastructure project in Himachal Pradesh – covering more than 930,000 smart meters	Himachal Pradesh	50%	–	–
Advanced metering infrastructure project in West Bengal – covering more than 770,000 smart meters	West Bengal	50%	–	–

Taiwan Region and Thailand				
Assets and Services	**Location**	**CLP's Equity Interest**	**Gross Capacity**	**CLP's Equity Capacity**
Solar [10]				
Lopburi Solar Farm	Thailand	33.3%	63MW	21MW
Coal				
Ho-Ping Power Station	Taiwan Region	20%	1,320MW	264MW

24 Sidhpur Wind Farm was fully commissioned in January 2025.

25 NHPC Bhanipura 1 Solar Farm commenced construction in November 2024.

26 NTPC Bhanipura 2 Solar Farm commenced construction in December 2024.

27 Paguthan Power Station did not undertake any significant commercial generation in 2024.

28 Apraava Energy increased its ownership of Kohima-Mariani Transmission Ltd. to 74% after acquiring a further 25% stake in February 2023.

Glossary

Term	Definition
Advanced Metering Infrastructure (AMI)	AMI functions like a sensor overlay on the power grid. It provides greater visibility of the power grid conditions and detects power network irregularities, thus enhancing supply reliability. AMI enables power companies to provide timely electricity usage information to their customers, empowering them to manage their consumption efficiently.
Air emissions	The emission of air pollutants such as sulphur dioxide (SO_2), nitrogen oxides (NO_x) and particulate matter (PM).
Availability	The fraction of a given operating period in which a generating unit is available without outages and capacity reductions. Also known as Equivalent Availability Factor.
Behind-the-meter	Behind-the-meter assets are controllable electrical devices that help drive renewable technology through to customers, whether located inside or outside a home or business. Examples include electric hot water heaters, solar panels, batteries and electric vehicles.
Capacity purchase	Additional third-party owned power generation capacity contracted by CLP under long-term agreements to meet customer demand. Some of these agreements may confer CLP rights to use the generation assets and exercise dispatch control as if they belonged to the Group.
Carbon neutral	The condition in which greenhouse gas (GHG) emissions associated with an activity or entity's carbon footprint are reduced as much as possible and any remaining hard-to-abate emissions are counterbalanced by offsetting through measures such as the use of carbon credits, carbon sinks or storage.
Climate Action Finance Framework (CAFF)	Launched in 2017, CAFF supports the transition to a low-carbon economy by attracting socially responsible, sustainable financing to fund CLP's investments to reduce carbon emissions and increase efficiency of energy usage. The CAFF formalises and governs project evaluation, usage and management of proceeds, as well as reporting for Climate Action Finance Transactions, including bonds, loans and other forms of finance.
Climate Vision 2050	CLP's Climate Vision 2050 is the blueprint of the Group's transition to a net-zero greenhouse gas emissions business by mid-century. Since its launch in 2007, the Climate Vision has informed CLP's business strategy. It guides CLP's investment decision-making and is integral to the broader climate strategy.
Combined-cycle gas turbine (CCGT)	A power generation technology that uses dual turbine design, comprising a gas turbine and steam turbine. During the process, the heat from the gas turbine is captured and transported to heat up water in a boiler. Steam is then produced to drive the steam turbine for power generation. The combined-cycle design enables significantly higher efficiency by allowing for greater output without the use of additional fuel.
Decarbonisation	The action of lowering GHG emissions. For the power sector, this primarily refers to the reduction of GHG emissions from electricity generation and providing energy efficiency services and solutions which reduce carbon footprint for customers.
Demand response	Demand response programmes encourage participating customers to commit to short-term reductions in electricity demand, helping energy suppliers to keep the grid running optimally during high load periods.

Term	Definition
Development Plan	CLP Power's Development Plan, which is part of the Scheme of Control (SoC) Agreement, covers capital projects for the provision and future expansion of electricity supply systems under CLP's operation. It is implemented over a given five-year period, and is subject to the review and approval by the Executive Council of Hong Kong.
Digitalisation	The application of new information technologies, including artificial intelligence and data analytics, to help electricity utilities develop new customer-centric services and improve operations.
Distributed energy	Distributed energy includes power generated from sources such as solar panels and wind turbines located close to the users, as well as controllable loads or storage such as electric vehicles and batteries.
Double materiality	Under the concept of double materiality, companies assess matters affecting business sustainability from two perspectives: firstly financially material topics that may reasonably be expected to affect the business's cash flows, access to finance or cost of capital; secondly impact material topics with potential effects on people, the environment and the economy. The concept was formally proposed by the European Commission in 2019.
Electricity sent out	Gross electricity generated by a power plant less self-generated auxiliary power consumption, measured at connecting point between generating unit and transmission line.
Energy-as-a-Service	Evolution in the business strategy of energy companies to provide a more diverse range of value-adding energy services such as energy management and distributed energy resources, enabling customers to benefit from sustainable energy solutions through a schedule of regular payments, minimising upfront costs.
Energy purchase	Electricity purchased by CLP to meet customer demand under long-term agreements from power plants not owned by CLP, and without existing capacity purchase agreements with the Group.
Energy security	The uninterrupted availability of energy sources.
Energy transition	Transformation of the global energy sector from fossil fuel-based energy systems to low- or zero-carbon sources.
Feed-in Tariff (FiT)	Payable by CLP under the SoC Agreement to purchase electricity produced by any of its customers with an embedded renewable energy system qualified to participate under the terms of the FiT Scheme.
Flexible capacity	Also known as firming capacity, it refers to energy that is not baseload and can be switched on or off depending on demand. It is typically used for balancing the intermittency of renewable energy sources when needed. Examples of flexible capacity assets include gas-fired peaking power stations, large-scale battery energy storage systems and pumped hydro.
Flue gas desulphurisation (FGD) facility	Equipment used to remove sulphur oxides from the combustion gases of a boiler plant before discharge to the atmosphere.
Fuel Clause Account	Also known as Fuel Clause Recovery Account, this account is maintained by CLP Power through which the difference between the standard cost of fuels and the actual cost of fuels is captured and passed on to the customers by way of rebates or charges.

Term	Definition
Fuel Cost Adjustment	Fuel Cost Adjustment is either a charge or rebate to cover the difference between the actual cost of fuels spent and the standard cost of fuel collected through the Basic Tariff.
Generation capacity	The maximum amount of power that a generator is rated to produce. Also known as installed capacity or nameplate capacity.
Green Electricity Certificates (GECs)	Issued by China's National Energy Administration, GECs provide proof of the environmental attributes of renewable energy and enable holders to claim the associated benefits.
Greenhouse gas (GHG) emissions	The emission of gases that contribute to the greenhouse effect, causing a changing climate. CLP's GHG emissions inventory covers the six GHGs specified in the Kyoto Protocol. Nitrogen trifluoride (NF_3), the seventh mandatory gas added under the second Kyoto Protocol, was deemed immaterial to CLP's operations after evaluation (see also Scopes).
National Electricity Market (NEM)	Australia's NEM is a wholesale spot market connecting six regional market jurisdictions – Queensland, New South Wales, the Australian Capital Territory, Victoria, South Australia and Tasmania.
Net-zero greenhouse gas emissions	When GHG emissions are reduced, and the residual emissions are balanced by the removal of an equivalent amount of greenhouse gases from the atmosphere.
Non-carbon energy	Energy from power sources that add no extra carbon to the atmosphere, such as wind, solar, hydro and nuclear energy. It does not include waste-to-energy and other forms of biomass.
Offshore LNG terminal	Offshore LNG terminals receive cargos of LNG for processing into fuel. The Floating Storage and Regasification Unit (FSRU) is where the LNG cargo is unloaded, stored and regasified for transport to a power station or other users.
Offtake	A long-term agreement to purchase electricity from another generator (see capacity purchase).
Particulate matter (PM)	Microscopic solids or liquid droplets in the air.
Peaking plant	A power generating station that is normally used to produce extra electricity during peak load times.
Permitted rate of return	Under the SoC Agreement with the Hong Kong Government, CLP has a permitted rate of return of 8% on the total value of average net fixed assets for a given year, which is the average of the cost of CLP's electricity-related fixed assets less depreciation at the beginning and end of that year, calculated in accordance with the SoC Agreement.
Power Purchase Agreement (PPA)	A long-term electricity supply agreement specifying deliverables such as the capacity allocation, the quantity of electricity to be supplied and financial terms.
Pumped hydro energy storage	A method used for large-scale storage of power. During non-peak times, electricity is used to pump water to a reservoir. During peak times, the reservoir releases water for hydroelectric generation.

Term	Definition
Renewable energy	Energy that is generated from renewable resources, which are naturally replenished on a human timescale, including sunlight, geothermal heat, wind, tides, water, waste-to-energy and various forms of biomass.
Renewable Energy Certificates (RECs)	In Hong Kong, RECs represent the environmental attributes associated with electricity produced by applicable renewable sources in Hong Kong including solar, wind and landfill gas, purchased or generated by CLP Power.
Scheme of Control (SoC) Agreement	The SoC Agreement sets out the electricity regulatory framework, procedures and policies for the 1 October 2018 – 31 December 2033 period. It governs and applies to the financial affairs of CLP Power and CAPCO, the manner in which CLP Power and CAPCO are responsible for providing, operating and maintaining sufficient electricity-related facilities and supplying electricity to meet demand in Hong Kong over the term of the Agreement.
Science-based target (SBT)	A target for greenhouse gas reductions that is in line with the goals of the Paris Agreement to limit global temperature increase to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. SBTs are managed by the Science Based Targets initiative (SBTi).
Scopes	The GHG Protocol categorises GHG emissions into three “scopes”. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions include other indirect emissions (not covered in Scope 2) that occur in the value chain of the organisation.
Tariff Stabilisation Fund	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.
Utilisation	Gross generation by a power plant unit in a given period as a fraction of the gross maximum generation. Also known as Gross Capacity Factor.
Virtual Power Plant (VPP)	VPPs are networks of distributed energy systems such as rooftop solar and battery storage systems that are pooled together to provide additional capacity to the electricity grid.
Waste-to-energy	A form of renewable energy generation using waste such as landfill gas. Greenhouse gases are emitted during the process.
Wholesale electricity price	The given price for a bulk quantity of electricity in a wholesale market paid by energy retailers or distributors to generators, reflecting prevailing supply and demand.

Information for Our Investors

Annual Report – Publication Dates

Online:	10 March 2025

- CLP website: www.clpgroup.com ("Investor Relations" section)
- Hong Kong Stock Exchange website: www.hkexnews.hk

Shareholders are encouraged to access our Annual Report electronically.

Hard copies circulation (together with Notice of AGM and proxy form)	26 March 2025

Choice of Language and Means of Receipt of Corporate Communications[1]

You can, at any time, free of charge, ask for this Annual Report in printed form (English and / or Chinese); and change[2] your choice of language and / or means of receipt of the Company's future corporate communications.

You can make the above request(s) by completing and returning the Request Form (available on the Company's website under "Shareholder Services" in the "Investor Relations" section) to the Company's Registrars by post or by email to clp.ecom@computershare.com.hk.

Please refer to the Corporate Communications Arrangement on CLP website for more information.

Notes:

1 Corporate communications refer to Interim / Annual Reports, Quarterly Statements, notice(s) of meeting, proxy form(s) or other shareholder publications of the Company (including any "corporate communication" as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

2 Your change request applies to the next batch of corporate communications if we have at least seven days written notice of your request, otherwise, it will apply to the subsequent batch of corporate communications.

Information for American Depositary Receipts Holders

The Group's financial statements are prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). HKFRS differ in certain respects from United States Generally Accepted Accounting Principles. The Company's duty to file or submit reports under Sections 13(a) or 15(d) of the United States Securities Exchange Act of 1934, as amended (the Exchange Act), was terminated on 30 January 2008 after the Company filed a Form 15F with the United States Securities and Exchange Commission on 31 October 2007. The information contemplated in Rule 12g3-2(b)(1)(iii) under the Exchange Act is and will be published on the Company's website.

Company's Registrars

Computershare Hong Kong Investor Services Limited

Address:	17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone:	(852) 2862 8628
Facsimile:	(852) 2865 0990
Enquiries:	www.computershare.com/hk/en/online_feedback

Share Listing

Shares of CLP Holdings are:

- listed on the Stock Exchange of Hong Kong;
- eligible for Southbound trading through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect; and
- traded over the counter in the United States in the form of American Depositary Receipts.

Our Stock Code

The Stock Exchange of Hong Kong:	00002
Bloomberg:	2 HK
Reuters:	0002.HK
Ticker Symbol for ADR Code:	CLPHY
CUSIP Reference Number:	18946Q101

Contact Us

Address:	CLP Headquarters, 43 Shing Kai Road, Kai Tak, Kowloon, Hong Kong
Telephone:	(852) 2678 8228 (Shareholders' hotline)
Email:	cosec@clp.com.hk (Company Secretary) ir@clp.com.hk (Director – Investor Relations)

The following are the key shareholder-related dates and events:

Any changes to these dates will be published on our website.

Any shareholders who have questions or comments are most welcome to contact us by calling our shareholders' hotline on (852) 2678 8228 from 9 a.m. to 5 p.m. (Monday to Friday, excluding Hong Kong public holidays) or email to cosec@clp.com.hk (Company Secretary) or ir@clp.com.hk (Director – Investor Relations).

Thank you

Thank you for reading our Annual Report. Please take a moment to fill out the online feedback form and share your valuable opinions with us to help us improve. We appreciate your feedback.

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