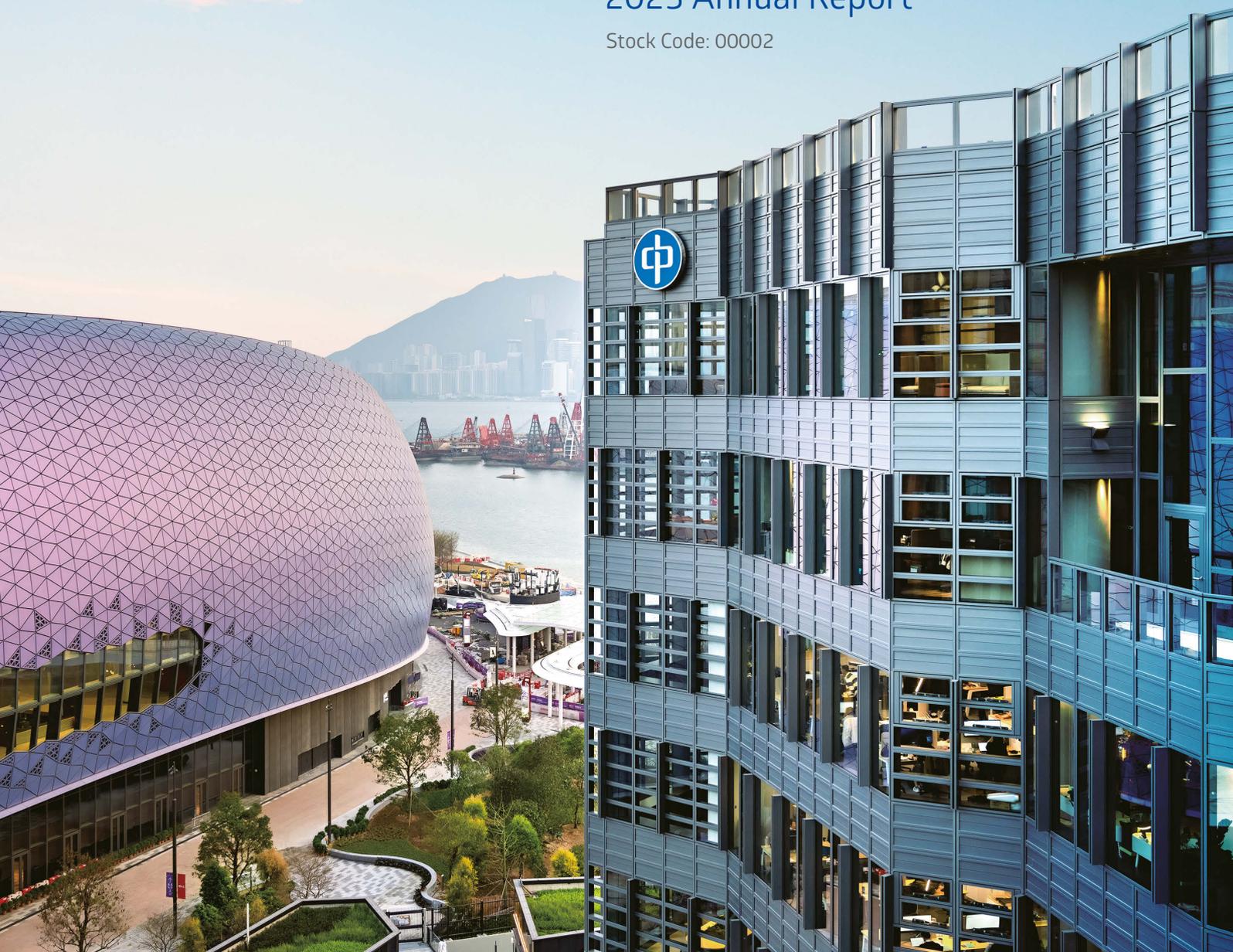


CLP 中電 | 125

# Power Brighter Tomorrows

2025 Annual Report

Stock Code: 00002



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Welcome to CLP's 2025 Annual Report.

Amid an evolving business landscape, this report aims to provide a concise view of how the Group continues to create long-term value. Our disclosures have also been further enhanced to provide greater insight into how we manage sustainability and climate-related risks and opportunities.

Demonstrating CLP's commitment to transparency, the report complies with the Listing Rules of The Stock Exchange of Hong Kong Limited, including the ESG Reporting Code. Our climate-related disclosures have been prepared in compliance with the requirements of Hong Kong Financial Reporting Standard (HKFRS) S2, while sustainability-related financial information has been developed in accordance with HKFRS S1 requirements.



[2025 Sustainability Report](#)



[2025 Materiality Assessment Report](#)



[Climate Vision 2050: Powering an orderly transition](#)

# A Snapshot of CLP in 2025

## About the CLP Group

The CLP Group is one of the largest investor-owned power businesses in Asia Pacific with diversified investments across Hong Kong, the Chinese Mainland, Australia, India, Taiwan Region and Southeast Asia. Our operations span every major segment of the electricity value chain – from power generation, transmission and distribution to retail and smart energy services. We are harnessing new opportunities and expanding our reach to meet the evolving needs of energy users in an increasingly decarbonised and digital world.



### Operations and Technologies

- Wind
- Solar
- Hydro
- Waste-to-energy
- Nuclear
- Gas
- Coal
- Energy Storage
- Transmission and Distribution
- Retail
- Smart Meters
- LNG Terminal
- Others (e.g. oil, energy services)

### Generation and Energy Storage Capacity<sup>2,3</sup>

> **23,300MW**

#### Non-carbon Generation<sup>2,3</sup>

**7,688MW 33%**

Wind	2,800MW	12%
Solar	1,650MW	7%
Hydro	489MW	2%
Nuclear	2,750MW	12%

Gas	6,118MW	26%
Coal	8,140MW	35%
Others	1,421MW	6%

e.g. waste-to-energy, oil, energy storage

### Transmission and Distribution Lines<sup>2,4</sup>

> **17,600 km**

### Smart Meters

> **3.7 million**  
connected for Hong Kong and Australia customers

**2.5 million**  
installed in India

### Customer Accounts

**5.2 million**

**2.9 million**  
in Hong Kong

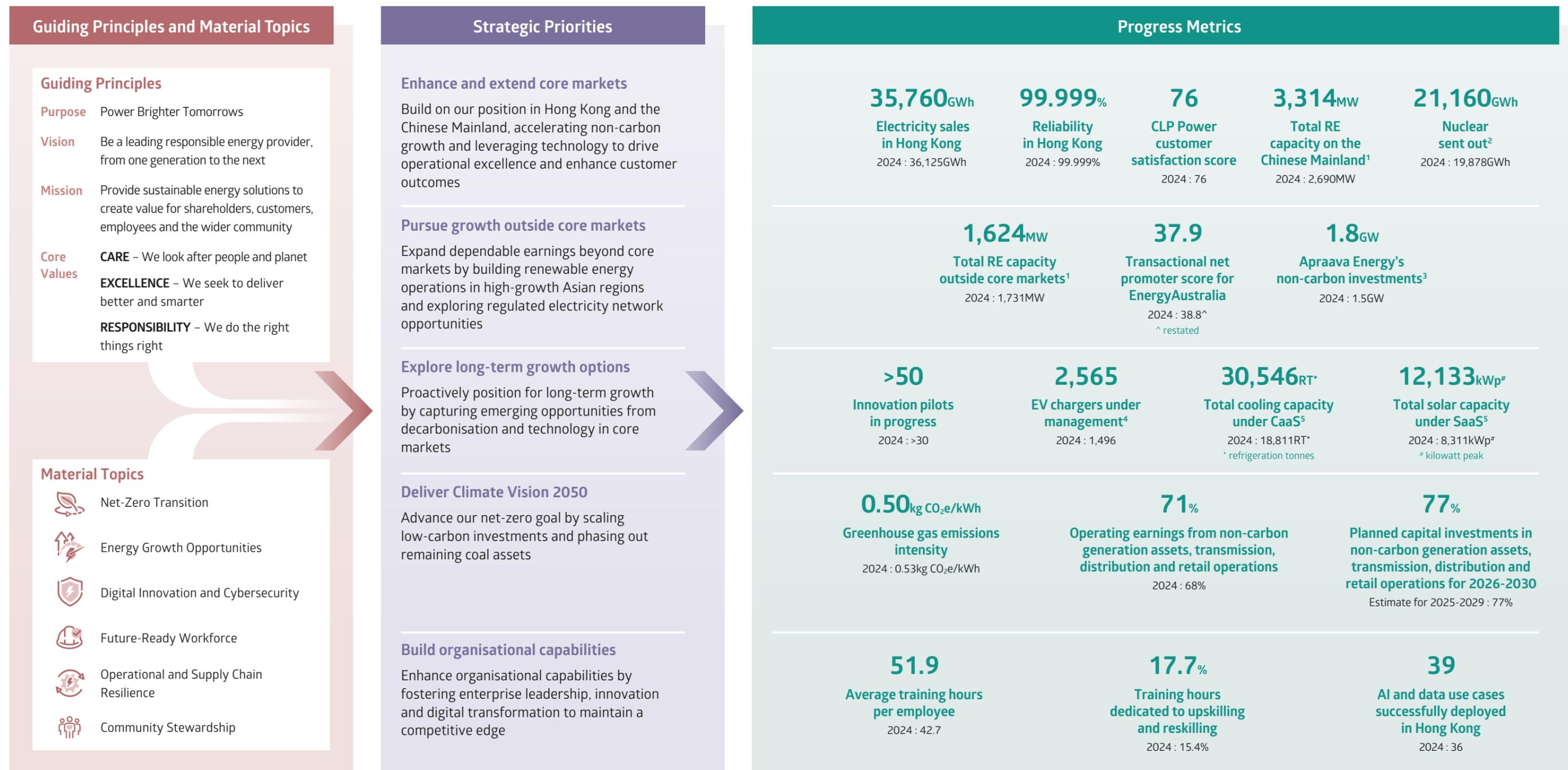
**2.3 million**  
in Australia

Notes:

- 1 Transmission assets only.
- 2 On an equity plus long-term capacity and energy purchase basis.
- 3 In operation and under construction. Minor discrepancies may result from rounding.
- 4 In operation only.

## Strategic Framework

Guided by our purpose, vision and mission, and inspired by our core values, our strategy leverages CLP's heritage to navigate the megatrends and material topics shaping the energy industry. We remain steadfast in strengthening our businesses to drive sustainable growth through investing in capabilities and opportunities that enable the energy transition for the customers and communities we serve.



Notes:

- 1 See Our Portfolio on page 262 for more information.
- 2 On an equity plus long-term capacity and energy purchase basis.
- 3 Includes gross installed capacity of solar and wind projects as well as GW-equivalent capacity of transmission projects in operation.
- 4 Includes public chargers managed by CLP Power and CLPe.
- 5 Includes capacity in operation only.

## Financial Highlights

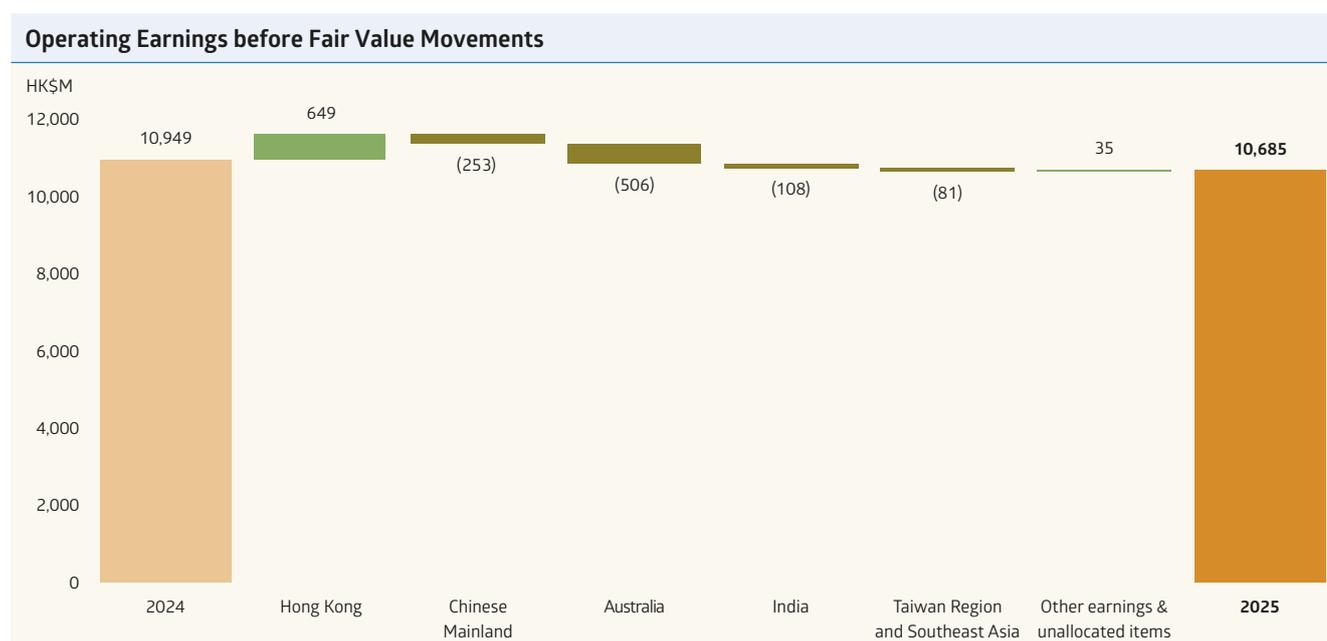
<p><b>Operating earnings before fair value movements</b></p> <p><b>HK\$10,685 million</b> (2024: HK\$10,949 million)</p> <p>↓ <b>2.4%</b></p>	<p><b>Total earnings</b></p> <p><b>HK\$10,468 million</b> (2024: HK\$11,742 million)</p> <p>↓ <b>10.8%</b></p>	<p><b>Dividend per share</b></p> <p><b>HK\$3.20</b> (2024: HK\$3.15)</p> <p>↑ <b>1.6%</b></p>
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## Key financial information

	2025	2024	Increase / (Decrease) %
<b>For the year (in HK\$ million)</b>			
<b>Earnings</b>			
Hong Kong energy business <sup>1</sup>	9,312	8,694	7.1
Hong Kong energy business related <sup>2</sup>	232	201	
Chinese Mainland <sup>1</sup>	1,598	1,851	(13.7)
Australia	85	591	(85.6)
India	221	329	(32.8)
Taiwan Region and Southeast Asia	179	260	(31.2)
Other earnings in Hong Kong	(76)	(58)	
Unallocated net finance income	44	45	
Unallocated Group expenses	(910)	(964)	
<b>Operating earnings before fair value movements</b>	<b>10,685</b>	<b>10,949</b>	<b>(2.4)</b>
Fair value movements	224	699	
<b>Operating earnings</b>	<b>10,909</b>	<b>11,648</b>	<b>(6.3)</b>
Items affecting comparability	(441)	94	
<b>Total earnings</b>	<b>10,468</b>	<b>11,742</b>	<b>(10.8)</b>
<b>Per share (in HK\$)</b>			
Earnings per share	4.14	4.65	(10.8)
Dividend per share	3.20	3.15	1.6

Notes:

- 1 Including CLPe business in Hong Kong and on the Chinese Mainland respectively
- 2 Hong Kong energy business related includes PSDC and Hong Kong Branch Line supporting SoC business



## Generating Shared Value

As a leading energy company in the Asia-Pacific region, we deliver positive impacts and create value for our stakeholders. We do this by advancing environmental sustainability, supporting our customers, empowering our people, building strong partnerships and fostering thriving communities.

 <p><b>Respecting Nature</b></p>	<ul style="list-style-type: none"> <li>◆ Achieved all 2025 environmental targets, demonstrating continued commitment to sustainability</li> <li>◆ Refined and strengthened nature-related commitments for applicable new investment projects</li> <li>◆ The certified butterfly garden at CLP Power's System Control Centre in Hong Kong helps promote local biodiversity and raise awareness of environmental protection and conservation</li> <li>◆ Continued to implement CLP's Circular Economy Strategy, such as adopting an agriculture-fishery-photovoltaic integrated approach at Yixing Solar Farm on the Chinese Mainland</li> </ul>
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>◆ CLP Power maintained world-class power supply reliability of 99.999% in Hong Kong</li> <li>◆ Connected over 3.7 million smart meters for customers in Hong Kong and Australia; installed 2.5 million smart meters in India</li> <li>◆ Hong Kong's first chiller system project using zero-carbon electricity at Nina Tower, delivered by CLPe, received a Merit Award at the Green Building Award 2025</li> <li>◆ More than 5,000 EV charging points were connected to CLP Power's eMobility Grid Management Platform (eGMP)</li> </ul>
 <p><b>Our People</b></p>	<ul style="list-style-type: none"> <li>◆ 31.6% of leadership roles were held by women; 18.8% of women with Science, Technology, Engineering and Mathematics (STEM) qualifications</li> <li>◆ Refreshed Group Inclusion and Diversity Strategy to holistically address CLP's evolving needs and be more market-aligned</li> <li>◆ Over 17% of training hours dedicated to upskilling and reskilling</li> <li>◆ One recordable fatality occurred during the period. The lost-time injury rates fell to a record low of 0.04. The total recordable injury rate declined to 0.16, the same as its historic low</li> </ul>
 <p><b>Partners</b></p>	<ul style="list-style-type: none"> <li>◆ Pledged full support for the Hong Kong Government's Climate Action Plan 2050</li> <li>◆ Worked with the Government to ensure smooth running of the National Games<sup>1</sup> events held in Hong Kong, with highly reliable power supply</li> <li>◆ CLP Power conducted preliminary power assessment and identified approximately 8,000 potential locations across its supply areas for installing fast chargers</li> <li>◆ Made progress in the second year of the Sustainable Procurement Roadmap by embedding ESG principles into CLP's core procurement processes</li> </ul>
 <p><b>Community</b></p>	<ul style="list-style-type: none"> <li>◆ Donated HK\$10.5 million to support residents affected by the Tai Po fire and the family of the deceased firefighter; applied power expertise to provide immediate and practical support</li> <li>◆ Daya Bay Nuclear Power Station on the Chinese Mainland was honoured with the Legacy Award (Industrial) and Grand Award (Industrial, 1990s) by The Hong Kong Institution of Engineers</li> <li>◆ CLP Power signed a Memorandum of Understanding with both the College of Professional and Continuing Education of the Hong Kong Polytechnic University and the Vocational Training Council to cultivate engineering talent</li> <li>◆ CLP Power allocated HK\$240 million under the CLP Community Energy Saving Fund for a series of community support programmes</li> </ul>

Note:

1 The 15<sup>th</sup> National Games, 12<sup>th</sup> National Games for Persons with Disabilities and 9<sup>th</sup> National Special Olympic Games.

See [2025 Sustainability Report](#) for more information



“With the dedication of our people and the trust of our stakeholders, CLP will continue to deliver resilient growth and sustainable energy solutions for generations to come.”

**The Honourable Sir Michael Kadoorie**  
Chairman

*Dear Shareholders,*

In the context of an unpredictable and challenging world, CLP has remained steadfast in its purpose. In our core market of Hong Kong, we upheld our commitment to the provision of reliable, sustainable and affordable energy services for our community. At the same time, we advanced our energy transition, commissioning over 380 megawatts (MW) of renewable energy projects in the Asia-Pacific region and progressing further towards our long-term decarbonisation goals.

Against this backdrop, the Group delivered a resilient financial performance in 2025. Operating earnings before fair value movements decreased 2.4% to HK\$10,685 million, compared with HK\$10,949 million in 2024, while total earnings reached HK\$10,468 million, down 10.8% from HK\$11,742 million a year ago. The Board has declared a fourth interim dividend of HK\$1.31 per share, bringing total dividends for the year to HK\$3.20 per share, an increase of 1.6%. These results reflect the disciplined execution of our updated strategy.

### **Focusing on our Core Market, Hong Kong**

Hong Kong is a core contributor to the Group's financial strength, and we remain committed to driving Hong Kong's long-term development, as we have for the past 125 years. The resilience of CLP's infrastructure is of paramount importance, and with the increasing frequency of extreme weather events we have strengthened our networks and emergency response capabilities to ensure the continuing provision of safe and reliable power. In his 2025 Policy

Address the Chief Executive set out plans to accelerate the development of the Northern Metropolis as a new engine of growth. CLP is aligning itself with this vision, ensuring that our power systems are ready to meet the energy needs of this new area. Through such efforts we continue to ensure that Hong Kong has the reliable energy backbone to underpin its future growth and competitiveness.

### **Deepening Ties with the Chinese Mainland**

In October I chaired CLP Holdings Board Meeting in Shandong province, one of CLP China's most established regions with the largest renewable energy operational footprint. The Meeting provided the Board with a first-hand view of the scale and momentum of some of our key renewable and energy storage projects, including the 100MW/200 megawatt hour (MWh) Guanxian battery energy storage system commissioned in 2025 and the 231MW Guanxian Wind Farm under development. These assets will play an important role in the Chinese Mainland's decarbonisation journey and position CLP for growth as demand for low-carbon energy continues to rise.

CLP has been investing on the Chinese Mainland for more than four decades. Today, we are one of the largest external investors in its energy sector, with a strong focus on low-carbon energy development. The projects we visited in Shandong exemplify this commitment and the disciplined execution required to deliver sustainable outcomes.



Chairman Sir Michael Kadoorie (middle), CEO T.K. Chiang (first from right), and Non-executive Director Philip Kadoorie (second from left) visit CLP's new energy projects in Shandong province and meet with local graduate trainees on site.

## Strengthening Leadership

Last year marked an important transition on our Board as Sir Rod Eddington retired as an Independent Non-executive Director after many years of distinguished service. His insights, integrity and international perspective have been invaluable, and on behalf of the Board, I extend my sincere thanks for his exceptional contribution.

I am pleased to welcome Mr Carlo Wolters, who succeeded the retiring Mr Derek Parkin as Chief Operating Officer, and Mr Vian Davys, who has rejoined CLP as Managing Director – Growth Markets. Their experience and leadership will be instrumental as we expand our renewable presence across the region, develop low-carbon and digital capabilities, and build organisational resilience in key growth markets. I would also like to take this opportunity to thank Mr Parkin for his dedicated service in the last decade.

Delivering CLP's strategy over the coming years will require sustained focus and effective leadership. The Board is therefore pleased to have reached a mutual agreement with Mr T.K. Chiang to extend his tenure as Chief Executive Officer as he approaches normal retirement age, ensuring continuity as we position ourselves for long-term growth.

Our people remain central to our success. Investing in talent development, fostering an inclusive workforce and nurturing a culture of innovation will continue to be a priority as we equip our people to respond to changing market demands.

Regrettably, the past year saw several tragic fatal incidents. In Hong Kong there were two motor vehicle incidents, one involving a member of the public and another a contractor worker at a CLP worksite. A fatality also occurred at a minority investment entity of CLP China, and Apraava Energy reported a fatal incident at its Sidhpur Wind Farm. These deeply saddening incidents are a reminder that our commitment to safety must be relentless. We will enhance further our oversight, culture and systems to protect everyone who works with us and the communities we serve.

## Committed to Hong Kong

The tragic Tai Po fire at the end of last year brought profound sorrow to Hong Kong, and our sympathies are with the families who lost loved ones and all those affected. The courage of first responders and the compassion shown by the community are powerful reminders of the solidarity that binds our society. The support from my CLP colleagues has also been deeply moving and reflects the strength of CLP's caring culture. My family has long called Hong Kong home and we remain committed to standing with the city and contributing to its long-term development.

As we enter our 125<sup>th</sup> year, we reflect on the enduring bond between our company, our people and the communities we are privileged to serve. For a century and a quarter CLP has been an integral part of Hong Kong's social fabric, and we look ahead with the same resolve to embrace innovation and new possibilities. The opening last year of our new headquarters building in Kai Tak, with an international award for its design and sustainability, heralded an exciting new chapter in CLP's journey. Guided by a clear strategy and our purpose to Power Brighter Tomorrows, we remain committed to delivering reliable, sustainable energy to our customers in Hong Kong and beyond.

## Powering the Next Chapter

In this world of increasing uncertainty, I remain confident in CLP's ability to navigate a changing energy landscape. Our strong financial foundation, disciplined strategy and proven capability will guide us forward as we continue to adapt and grow responsibly. I am particularly encouraged by the opportunities in our core market, and with the dedication of our people and the trust of our stakeholders, CLP will continue to deliver resilient growth and sustainable energy solutions for generations to come.



**The Honourable Sir Michael Kadoorie**  
Hong Kong, 26 February 2026



CLP employees celebrate the opening of the new headquarters in Kai Tak.



“Disciplined execution of our refreshed strategy not only enabled CLP to deliver a resilient performance in a challenging environment, but also positioned us for dependable growth.”

**T.K. Chiang**

Chief Executive Officer

In 2025, CLP navigated an increasingly complex energy landscape with a disciplined focus on sustainable growth, decarbonisation and operational excellence. Across our operations, the Group delivered resilient performance while investing in growth, reliability, safety and service quality for the communities and customers we serve.

The performance is guided by our strategy, which we refreshed in 2024 to position CLP for dependable growth over the coming decade. The strategy is anchored on five priorities: ensuring our core markets operate from a position of strength, pursuing opportunities beyond our core markets, capitalising on long-term opportunities presented by decarbonisation and technology developments, delivering on our Climate Vision 2050, and building organisational capabilities. Together, they provide a clear framework for investment and decision-making.

**Delivering on our Strategic Priorities**

**Enhancing and extending core markets**

In 2025, CLP continued to advance in our home markets of Hong Kong and the Chinese Mainland through a range of actions to strengthen reliability, enhance customer service and support the transition to a low-carbon energy system.

In Hong Kong, CLP Power Hong Kong Limited (CLP Power) maintained world-class supply reliability of 99.999%, underpinned by our sustained investment to strengthen the system.

When Super Typhoon Ragasa, one of 2025's most powerful tropical cyclones, struck in September, our generation and power systems in Hong Kong remained intact and generally operated normally. Operations at all sites in southern China, including those directly hit by Ragasa, were also safe and stable. The resilience to extreme weather events underscores the importance of continued investment to further enhance our asset management, network reliability and operational efficiency. During the year, we stepped up these efforts, highlighted by the completion of the Distribution Network Operation Optimisation project, consolidating multiple legacy systems into a single platform which provides enhanced visibility and control across the power distribution network through advanced smart grid management system. We also completed a multi-year programme to install smart meters for residential and small and medium-sized enterprise customers in Hong Kong. Smart meters are a cornerstone of enhanced customer service and smart grid development, enabling real-time insights that improve grid visibility and deepen customer engagement.

As part of the 2024-2028 Development Plan, CLP Power invested strategically to support Hong Kong's future growth and priorities. Although overall electricity sales were slightly lower, demand from data centres and the electric transport sector continued to grow and customers benefitted from lower average net tariffs, reflecting declining international fuel prices.

On the Chinese Mainland, a government policy that calls for a more market-based approach to pricing new renewable energy projects has been introduced. While the new policy is still evolving and adds complexity to investment decisions, CLP China remains committed to growing its renewable energy portfolio through a disciplined investment approach, focusing on targeted regions with strong power demand, favourable resources and lower curtailment risk. We will also explore opportunities to expand existing projects.

During the year, the business commissioned over 300MW of additional wind and solar capacity and progressed more than 900MW of projects under construction. These projects reinforce CLP China's strategy to expand its zero-carbon energy footprint, optimise asset performance and contribute to the country's dual-carbon goals.

## Pursuing growth outside core markets

We continued to pursue growth beyond our core markets, strengthening our low-carbon capacity and partnerships across Australia and India along with Taiwan Region and Southeast Asia.

In Australia, EnergyAustralia focused on building flexibility and resilience in its operations as it positions itself for long-term success in a market undergoing rapid transformation. We progressed battery and pumped hydro energy storage projects to support secure, affordable and reliable supply of electricity which will be increasingly important to the system as renewables grow and coal generation retires. The generation business delivered strong performance supported by available generation capacity during periods of high market demand and elevated wholesale power prices. Retail operations, however, faced intense competition and lower margins. To enhance retail performance, EnergyAustralia is moving ahead with a customer transformation programme and began an initiative to modernise its back-end systems to enhance operational efficiency and customer experience.

In India, Apraava Energy strengthened its position as a key contributor to the country's clean energy transition. It fully commissioned its largest operating renewable energy asset – the 251MW Sidhpur Wind Farm – and moved ahead with a pipeline of solar, wind and transmission projects. Substantial progress was also made on advanced metering infrastructure (AMI) contracts. Through these investments, Apraava Energy continued its long-term commitment to enabling India's energy transition and enhancing the reliability of the country's energy systems.



CLP Power's System Control Centre, which marked its 40<sup>th</sup> anniversary in 2025, has been operating round the clock to monitor the power system, ensuring a stable and secure electricity supply.

In line with our strategy, we formed a Growth Markets team to explore new opportunities in Taiwan Region and Southeast Asia, reflecting our ambition to capture emerging low-carbon growth in the region.

### Exploring long-term growth options

CLP actively pursues long-term growth opportunities driven by decarbonisation and technological innovation. In 2025, we advanced efforts to explore the use of hydrogen as a low-carbon fuel for power generation. A pilot project assessing the feasibility of using hydrogen-blended natural gas at Black Point Power Station in Hong Kong is currently underway. The project will provide valuable insights into the scalability, efficiency and commercial viability of hydrogen. In addition, we further strengthened our access to the best emerging technologies including green hydrogen and innovative energy storage solutions through our investments into several China-focused venture capital funds.

Decarbonisation is reshaping energy demand, with users prioritising efficiency and low-emission infrastructure. This trend is accelerating demand for EV charging and lower-emissions maritime fuel bunkering. In 2025, we launched targeted initiatives to capture this growth while supporting Hong Kong Government policies. CLP Power continued to work closely with EV charge point operators and the Government to accelerate the deployment of fast chargers, optimising our power supply to meet the rapidly-growing needs of EVs. CLPe Holdings Limited (CLPe) also opened eight EV charging stations across Hong Kong in 2025, including one supporting cross-border travel under the Government's "Southbound Travel for Guangdong Vehicles" arrangement. Meanwhile, CLPe and its partner CNOOC Guangdong Water Transport Clean Energy Company Limited completed Hong Kong's first liquefied natural gas bunkering with simultaneous cargo operations in June, marking a key step towards supporting the city's plan in establishing itself as a high-quality green marine fuel bunkering centre.

### Delivering Climate Vision 2050

CLP's [Climate Vision 2050](#) sets out our long-term ambition to transition to a low-carbon portfolio while continuing to deliver reliable and affordable energy. In 2025, we further reduced the Group's greenhouse gas emissions intensity to 0.50 kilogramme carbon dioxide-equivalent per kilowatt hour as we lowered coal consumption by over 10% and further expanded our non-carbon portfolio. We also moved closer to our 2040 target of phasing out coal-fired power generation following Apraava Energy's announcement of the sale of Jhajjar Power Station. At the same time, we remain focused on growing the supply of non-carbon energy including renewables and nuclear energy to support our energy transition.

The Group has a pledge to review its Climate Vision 2050 targets at least every three years, taking into consideration the latest climate science, policy drivers, technological advancement, industry trends and community expectations. To ensure our investment decisions remain consistent with the overall intent of the plan, we will commence the next review in 2026, following the most recent update published in 2024.

### Building organisational capabilities

Building organisational capabilities is essential to our long-term success, driven by the skills, agility and innovation of our people. This focus enables us to operate efficiently today while preparing for future growth.

In the first half of 2025, we completed the first phase of our Enterprise Resource Planning (ERP) transformation in Hong Kong, improving efficiency, transparency and decision-making across finance, human resources, supply chain and procurement. The next phase will deepen integration across the Group including asset management and customers, strengthen data consistency, and further enhance our ability to respond quickly to emerging business pathways and changing market conditions.

We also rolled out our 2025-2028 Digital Strategy to enhance agility, strengthen capabilities and drive sustainable growth. By integrating AI and data analytics into daily operations, colleagues are making more informed decisions, improving efficiency and delivering better service to customers. Responsible AI deployment is as vital as its capabilities. Our approach centres on robust governance, with policies grounded in ethics, accountability and purposeful use. We equip our people to apply AI effectively and responsibly, underpinned by our AI Policy that embeds comprehensive governance and risk management in a clear framework.

We invest in our people through structured talent development programmes as we firmly believe that with the right support and opportunities, every individual can fulfil their potential. It is with this belief that we relaunched the CLP Executive Programme to provide experienced colleagues with leadership mentoring, cross-unit rotations and exposure to strategic projects.

Taken together, these efforts demonstrate disciplined execution of the refreshed strategy, which guided our investments and decisions throughout 2025. This approach not only enabled CLP to deliver a resilient performance in a challenging environment, but also positioned us for dependable growth in the decade ahead.

CLP celebrates its 125<sup>th</sup> anniversary in 2026, reflecting on its heritage while looking ahead to the future.



CEO T.K. Chiang takes part in the torch relay for the 15<sup>th</sup> National Games.

## Marking 125 Years of Service and Beyond

In November, I had the privilege of joining the torch relay for the 15<sup>th</sup> National Games. For the first time in history, the 15<sup>th</sup> National Games, the 12<sup>th</sup> National Games for Persons with Disabilities and the 9<sup>th</sup> National Special Olympic Games were jointly hosted by Guangdong and the two special administrative regions of Hong Kong and Macao. The success of these events is a compelling testament to the vitality of the “One Country, Two Systems” policy and regional cooperation. CLP was proud to contribute by providing highly reliable electricity supply and enabling the use of zero-carbon electricity across all key venues in Hong Kong.

As CLP marks its 125<sup>th</sup> anniversary, we honour a legacy of service to Hong Kong and the region while looking ahead with confidence. Our diversified portfolio, strong operational foundations and continued investment in low-carbon and digital initiatives position the Group to benefit from evolving market dynamics.

Above all, our people remain a defining source of strength. Their commitment – evident in maintaining dependable service during extreme weather and helping the community in times of need – reflects a culture built on trust, integrity and a customer-oriented mindset. I extend my heartfelt thanks to my colleagues for their professionalism and dedication, which are central to CLP’s success. This shared commitment positions us to create long-term value and reinforce the trust our stakeholders place in us.

**T. K. Chiang**  
Hong Kong, 26 February 2026

# Financial Review



CLP Group's Financial Results and Position at a Glance

Last Year's Statement of Financial Position	
	2024
<b>Working capital</b>	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)
<b>Non-current assets</b>	
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
<b>Debts and other non-current liabilities</b>	
Bank loans and other borrowings*	(65,154)
Others	(29,486)
	(94,640)
<b>Net assets</b>	110,118
<b>Equity</b>	
Shareholders' funds	
Share capital and other reserves	25,696
Retained profits	88,242
Translation reserve	(9,883)
	104,055
Non-controlling interests (NCI)	6,063
	110,118

\* Including current and non-current portions, and perpetual capital securities (PCS) of HK\$3,883 million

Statement of Profit or Loss		
	2024	2025
	HK\$M	HK\$M
Revenue	90,964	88,018
Operating expenses	(67,789)	(64,809)
Other gain	-	460
EBITDAF of the Group	23,175	23,669
Share of results of joint ventures and associates, net of tax	2,655	1,595
Consolidated EBITDAF	25,830	25,264
Depreciation and amortisation	(9,276)	(9,718)
Fair value movements	1,004	321
Net finance costs	(2,019)	(1,666)
Income tax expense	(2,821)	(2,655)
Profit for the year	12,718	11,546
Attributable to NCI and PCS holders	(976)	(1,078)
<b>Earnings attributable to shareholders</b>	11,742	10,468
Excluding: Items affecting comparability	(94)	441
<b>Operating earnings</b>	11,648	10,909
Excluding: Fair value movements (after tax and NCI)	(699)	(224)
<b>Operating earnings before fair value movements</b>	10,949	10,685

Statement of Changes in Equity		
	Attributable to	
	Shareholders	NCI and PCS holders
	HK\$M	HK\$M
Balance at 1 January 2025	104,055	6,063
Profit for the year	10,468	1,078
Exchange differences on translation	2,146	-
Cash flow hedges and costs of hedging	(1,082)	(24)
Other comprehensive income and other movements	(19)	-
Issue of PCS	-	3,872
Dividends and distributions paid	(7,958)	(1,174)
<b>Balance at 31 December 2025</b>	<b>107,610</b>	<b>9,815</b>

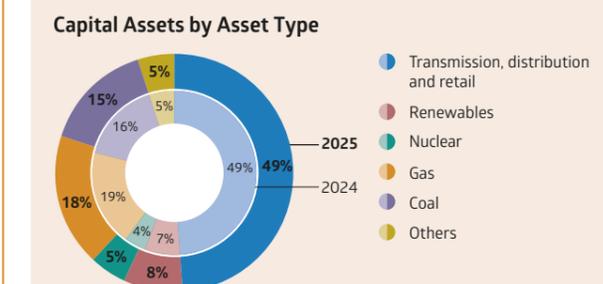
Statement of Cash Flows	
	2025
	HK\$M
EBITDAF of the Group	23,669
SoC items	1,440
Working capital movements	787
Non-cash items	362
Net cash inflow from operations	26,258
Interest received	197
Tax paid	(2,077)
<b>Net cash inflow from operating activities</b>	<b>24,378</b>
Capital investments	
Capital expenditure	(15,539)
Additions of other intangible assets	(756)
Investments in and loans to joint ventures	(123)
	(16,418)
Dividends received and others	2,090
<b>Net cash outflow from investing activities</b>	<b>(14,328)</b>
Net proceeds from borrowings	68
Redemption of PCS	(3,933)
Issue of PCS	3,872
Interest and other finance costs paid^	(1,937)
Dividends paid to shareholders	(7,958)
Dividends to NCI and others	(1,333)
<b>Net cash outflow from financing activities</b>	<b>(11,221)</b>
Net decrease in cash and cash equivalents	(1,171)
Cash and cash equivalents at 1 January	4,976
Effect of exchange rate changes	100
<b>Cash and cash equivalents at 31 December</b>	<b>3,905</b>
<b>Free Cash Flow</b>	
Net cash inflow from operations	26,258
Less: tax paid	(2,077)
Less: net finance costs paid^	(2,199)
Less: maintenance capital expenditure (capex)	(1,822)
Add: dividends from joint ventures and associates	2,391
	22,551
<b>Capital Investments</b>	
SoC capex	11,187
Growth capex	3,194
Maintenance capex	1,822
Other capex	215
	16,418

^ Including distributions paid to PCS holders

This Year's Statement of Financial Position	
	2025
	HK\$M
<b>Working capital</b>	
Trade and other receivables	12,856
Trade payables and other liabilities	(18,598)
Cash and cash equivalents	3,905
Others	(4,066)
	(5,903)
<b>Non-current assets</b>	
Capital assets	
Fixed assets, right-of-use assets and investment property	176,882
Goodwill and other intangible assets	12,685
Interests in joint ventures and associates	21,633
	211,200
Others	4,606
	215,806
<b>Debts and other non-current liabilities</b>	
Bank loans and other borrowings*	(61,829)
Others	(30,649)
	(92,478)
<b>Net assets</b>	117,425
<b>Equity</b>	
Shareholders' funds	
Share capital and other reserves	24,057
Retained profits	91,290
Translation reserve	(7,737)
	107,610
NCI and PCS	9,815
	117,425

\* Including current and non-current portions

	2024	2025	Change
<b>Closing exchange rate</b>			
RMB / HK\$	1.0588	1.1155	↑ 5.4%
A\$ / HK\$	4.8084	5.1930	↑ 8.0%
<b>Average exchange rate</b>			
RMB / HK\$	1.0827	1.0872	↑ 0.4%
A\$ / HK\$	5.1372	5.0338	↓ 2.0%



## Analysis on Financial Results

Revenue (2025: HK\$88,018 million; 2024: HK\$90,964 million; ↓ 3.2%)

	2025 HK\$M	2024 HK\$M	Increase / (Decrease) HK\$M	%
Hong Kong	<b>51,940</b>	52,048	(108)	(0.2)
Australia	<b>34,191</b>	37,097	(2,906)	(7.8)
Chinese Mainland and others	<b>1,887</b>	1,819	68	3.7
	<b>88,018</b>	90,964	(2,946)	(3.2)

◆ Hong Kong: Lower revenue from the electricity business mainly because of a higher base in 2024, when power consumption was boosted by higher average temperatures and an extra leap year day, together with lower Average Net Tariff charged in 2025 reflecting easing international fuel prices; higher revenue from the sale of Argyle Street properties (+HK\$1,030 million) with more units sold in 2025

◆ Chinese Mainland and others: Revenue from Chinese Mainland increased slightly driven by contributions from the newly commissioned Bobai Wind, Yixing I and II Solar and Huai'an Nanzha Solar, together with better resources at Jiangbian and Dali Yang\_er Hydro during the year, partially offset by historically low wind resources, together with higher grid curtailment reducing wind and solar energy generation

### ◆ Australia

Excluding the exchange rate impact of HK\$0.7 billion resulting from a lower average exchange rate of Australian dollar, revenue decreased by HK\$2.2 billion:

- Energy: Decreased by HK\$1.7 billion predominantly driven by lower generation from both Yallourn Power Station (unplanned outages) and Mount Piper Power Station (planned outages) in 2025 and lower average wholesale spot prices, partially offset by higher generation at gas-fired power stations to support customer demand in New South Wales

	2025	2024
<b>Generation (GWh)</b>		
Yallourn	<b>7,087</b>	7,598
Mount Piper	<b>6,314</b>	7,010
<b>Average pool price (A\$/MWh) *</b>		
Victoria	<b>78.1</b>	82.1
New South Wales	<b>103.5</b>	130.9

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

- Customer: Reduced by HK\$0.5 billion mainly due to lower electricity and gas demands from Commercial and Industrial customers and mass market customers amid sustained retail market competition and cost of living pressure

	2025	2024
<b>Electricity sales (TWh)</b>		
Mass Market	<b>8.5</b>	8.9
Commercial and Industrial	<b>4.4</b>	4.9
<b>Gas sales (PJ)</b>		
Mass Market	<b>27.5</b>	28.6
Commercial and Industrial	<b>0.6</b>	1.6

**Consolidated EBITDAF\* (2025: HK\$25,747 million; 2024: HK\$25,725 million; ↑ 0.1%)**

	2025 HK\$M	2024 HK\$M	Increase / (Decrease) HK\$M	%
Hong Kong	19,497	18,864	633	3.4
Chinese Mainland	3,229	3,396	(167)	(4.9)
Australia	3,475	3,774	(299)	(7.9)
India	232	343	(111)	(32.4)
Taiwan Region and Southeast Asia	181	261	(80)	(30.7)
Corporate	(867)	(913)	46	5.0
	<b>25,747</b>	<b>25,725</b>	<b>22</b>	<b>0.1</b>

\* Excluding items affecting comparability

◆ Hong Kong: Higher EBITDAF mainly reflected higher average **SoC** net fixed assets from capital investments

◆ Chinese Mainland: Lower **nuclear** earnings reflecting a higher proportion of market sales at reduced average tariff at Yangjiang Power Station due to increased competition. Generation and earnings at Daya Bay Power Station increased as operations have been enhanced by a comprehensive maintenance programme completed in the prior years; reduced earnings from **renewable** energy assets mainly attributable to historically low wind resources and increased grid curtailment, partly compensated by contributions from the newly commissioned Yixing I and II Solar and Huai'an Nanzha Solar; one-off realisation of translation gains (HK\$68 million) upon early termination of a joint venture agreement in 2024

◆ Australia: Unfavourable performance in **Customer** business predominantly driven by competitive retail dynamics and cost of living pressures leading to lower customer margins, reduction in accounts and higher bad and doubtful debts; higher contribution from **Energy** business from strong performance of Mount Piper Power Station and gas fleet captured optimal pricing outcomes in less volatile price environment, offsetting lower output and higher coal costs; increased corporate expenditure on organisational transformation

◆ India: Lower Apraava Energy's earnings resulted from a non-cash impairment charge recognised for a **transmission** project after the reassessment of debt sizing and discount rate reducing the valuation of the asset; partly compensated by higher contribution from **renewable** energy assets with improved wind resources, as well as higher income relating to delayed payment charges on disputed and long outstanding trade receivables of solar and wind portfolio; stable contribution from **Jhajjar**

◆ Taiwan Region and Southeast Asia: Lower share of profit of **Ho-Ping** Power Station from lower fuel costs recoveries; operations of **Lopburi** Solar remained stable

Items Affecting Comparability

	2025		2024	
	Before Tax	After Tax & NCI	Before Tax	After Tax & NCI
	HK\$M	HK\$M	HK\$M	HK\$M
Hong Kong	158	122	-	(11)
Chinese Mainland	(608)	(608)	-	-
Australia	(33)	45	-	-
India	-	-	105	105
	<b>(483)</b>	<b>(441)</b>	105	94

- ◆ Hong Kong: Higher gain on sale of Argyle Street properties with more units sold in 2025; revaluation loss of retail portion of Laguna Mall in line with the property market trend
- ◆ Chinese Mainland: Due to lower demand and intense competition with new renewable energy capacity impacting the performance of certain minority-owned coal-fired assets, their carrying values were reassessed and an impairment provision of HK\$608 million was recognised in 2025

◆ Australia:

- In June 2025, EnergyAustralia introduced a 50% joint venture partner to its wholly-owned subsidiaries, which engaged in the development of an energy storage system, and the associated subsidiaries became a joint venture. The transaction resulted in a net gain of HK\$460 million (after tax of HK\$390 million)
- Constructive obligation for the planned closure of Yallourn Power Station in 2028 existed and provision for the associated closure cost totalling HK\$493 million (after tax of HK\$345 million) was recognised in 2025

- ◆ India (Jhajjar): One-off income recognition in 2024 to recover compensation for additional costs incurred in prior years towards operating the flue gas desulfurisation unit not repeated

Favourable Fair Value Movements (2025: HK\$321 million; 2024: HK\$1,004 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 in 2025 due to softening forward prices favourably impacting the net sold position of contracts. For 2024, it also benefitted from the roll-off of out-of-the-money contracts in a rising forward price environment.

Net Finance Costs, Taxation, and Depreciation & Amortisation (2025: HK\$14,039 million; 2024: HK\$14,116 million; ↓ 0.5%)

	2025	2024	Increase / (Decrease)	
	HK\$M	HK\$M	HK\$M	%
Hong Kong	9,235	9,263	(28)	(0.3)
Chinese Mainland	1,391	1,334	57	4.3
Australia	3,401	3,498	(97)	(2.8)
Others	12	21	(9)	(42.9)
	<b>14,039</b>	<b>14,116</b>	<b>(77)</b>	<b>(0.5)</b>

- ◆ Hong Kong: Lower interest expenses driven by lower interest rates and positive refinancing outcomes; partly offset by higher depreciation mainly due to commissioning of transmission and distribution assets

- ◆ Chinese Mainland: Higher depreciation driven by the commissioning of solar and wind assets during the year
- ◆ Australia: Higher depreciation attributable to the capitalisation of outage costs for Yallourn Power Station in mid-2024 and early 2025; lower interest expenses driven by favourable interest rates and lower average debt levels; reduced tax charge as a result of lower fair value gains on forward energy contracts, partly offset by the change in laws in Australia that limits tax deductibility of interest expenses

**Total Earnings (2025: HK\$10,468 million; 2024: HK\$11,742 million; ↓ 10.8%)**

**Operating Earnings before Fair Value Movements (2025: HK\$10,685 million; 2024: HK\$10,949 million; ↓ 2.4%)**



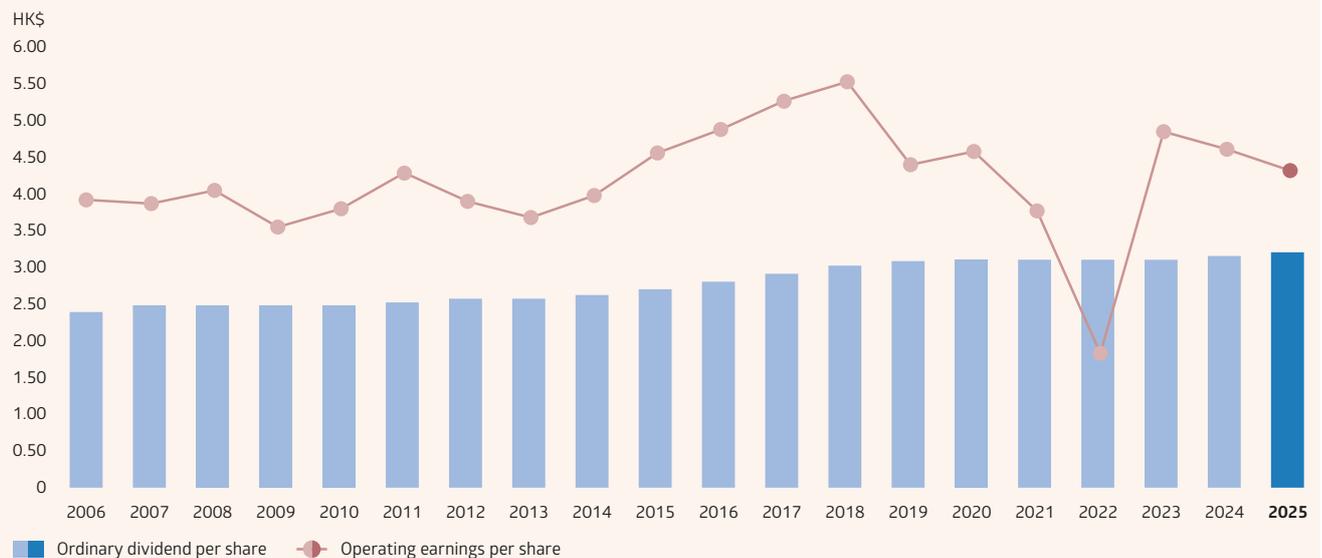
### Earnings and Dividends

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 resilient financial performance in 2025 together with our robust financial position and healthy liquidity levels resulted in an increase in total dividends per share for 2025 to HK\$3.20.

More analysis on the value we created for our shareholders can be found on page 27.

### Operating Earnings and Dividend per Share



## Analysis on Financial Position

**Fixed Assets, Right-of-Use Assets and Investment Property (2025: HK\$176,882 million; 2024: HK\$169,532 million; ↑ 4.3%)**  
**Goodwill and Other Intangible Assets (2025: HK\$12,685 million; 2024: HK\$12,445 million; ↑ 1.9%)**

	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	Non-SoC Assets HK\$M
Balance at 1 January 2025	169,532	12,445	181,977	140,993	40,984
Additions	16,044	756	16,800	10,460	6,340
Deconsolidation of subsidiaries	(840)	-	(840)	-	(840)
Depreciation and amortisation	(8,958)	(760)	(9,718)	(5,762)	(3,956)
Translation differences and others <sup>^</sup>	1,104	244	1,348	(454)	1,802
<b>Balance at 31 December 2025</b>	<b>176,882</b>	<b>12,685</b>	<b>189,567</b>	<b>145,237</b>	<b>44,330</b>

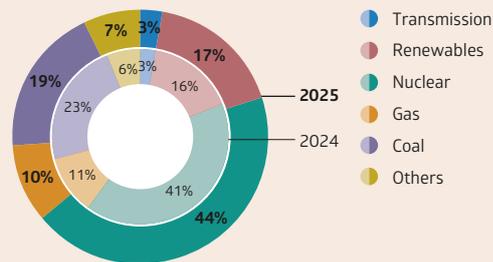
<sup>^</sup> Mainly appreciation of Australian dollar and Renminbi, and disposal of fixed assets

- ◆ SoC: Invested HK\$8.0 billion for development / enhancement of the transmission and distribution network, establishment of substations, continued upgrade of Clean Energy Transmission System (CETS), and completed installation of smart meters; and HK\$2.5 billion for the improvement works of the existing generation plants
- ◆ Chinese Mainland: Capital additions of HK\$3.6 billion mainly for the construction and development of new renewable energy projects including Yixing II Solar (commissioned in 2025), Juancheng I Wind, Guanxian Wind, Xundian III Wind and Sandu II Wind
- ◆ Australia: Excluding the HK\$1.1 billion exchange rate impact from a stronger Australian dollar at 2025 year end, HK\$2.6 billion additions mainly related to the capital works for the generation plants (mainly Mount Piper Power Station and Yallourn Power Station) and an energy storage system before deconsolidation in June

### Interests in Joint Ventures and Associates (2025: HK\$21,633 million; 2024: HK\$20,674 million; ↑ 4.6%)

- ◆ Chinese Mainland: Increase in interests mainly driven by the share of results and translation gains from Renminbi (+HK\$632 million), partly offset by impairment provision of HK\$608 million recognised for certain minority-owned coal-fired assets and dividend declared by nuclear assets
- ◆ Australia: Wooreen group became a joint venture at fair value of HK\$179 million and formation of a joint venture for the Lake Lyell Pumped Hydro Energy Storage project (HK\$49 million) in 2025
- ◆ India: Decrease mainly due to translation losses from Indian Rupee (-HK\$161 million) and dividend declared, partly offset by share of results
- ◆ Taiwan Region and Southeast Asia: Share of results of Ho-Ping and translation gains from New Taiwan dollar (+HK\$87 million), partly offset by dividend declared

#### Interests in Joint Ventures and Associates by Asset Type



### Derivative Financial Instruments

Assets (2025: HK\$958 million; 2024: HK\$2,034 million; ↓ 52.9%)

Liabilities (2025: HK\$2,491 million; 2024: HK\$2,573 million; ↓ 3.2%)

Derivative financial instruments are primarily used to hedge foreign exchange, interest rate and energy price risks. At 31 December 2025, the fair value of these derivative instruments was a net deficit of HK\$1,533 million, representing the net amount payable if these contracts were closed out at year end.

- ❖ Hong Kong: Decrease in derivative liabilities related to cross currency interest rate swaps (CCIRS) was primarily driven by the depreciation of Hong Kong dollar against major foreign currencies, partly offset by the fair value loss in US dollar receiving CCIRS because of the widened interest rate differential between US Dollar and Hong Kong dollar in 2025
- ❖ Australia: Change from net derivative assets to liabilities for forward energy contracts mainly attributable to lower forward prices as compared with last year end, resulting in fair value loss of EnergyAustralia's bought energy contracts under cash flow hedges, together with the settlement of in-the-money energy contracts during the year

	Notional Amount		Derivative Assets / (Liabilities)	
	2025 HK\$M	2024 HK\$M	2025 HK\$M	2024 HK\$M
Forward foreign exchange contracts	18,389	27,723	29	(1)
Interest rate swaps and cross currency interest rate swaps	41,844	35,314	(1,320)	(1,674)
Energy contracts #				
Cash flow hedges			(157)	1,016
Not qualified for hedge accounting			(85)	120
			<b>(1,533)</b>	<b>(539)</b>

# The aggregate notional volumes of the outstanding energy derivatives at 31 December 2025 were 98,119GWh (2024: 140,495GWh) and 4.2 million barrels (2024: 8.3 million barrels) and 9,667TJ (2024: 4,571TJ) for electricity, oil and gas respectively.

### Trade and Other Receivables (2025: HK\$12,856 million; 2024: HK\$14,114 million; ↓ 8.9%)

### Trade Payables and Other Liabilities (2025: HK\$18,598 million; 2024: HK\$19,788 million; ↓ 6.0%)

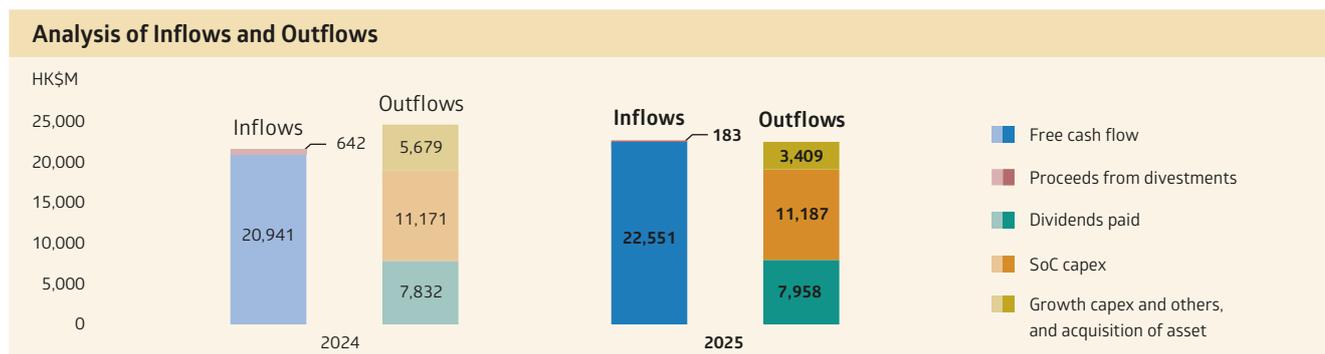
- ❖ Hong Kong: Receivable remained at similar level in line with stable operations; decrease in payables (-HK\$0.4 billion) attributable to the settlement of capex liabilities during the year; lower deferred revenue balance upon recognition of units sold of Argyle Street properties (-HK\$1.2 billion)
- ❖ Chinese Mainland: Lower accrued renewable national subsidies attributable to better collection of subsidy payments during the year, decrease in dividend receivable (-HK\$0.8 billion) from a nuclear associate and lower other receivables upon transfer of down payment for renewable energy projects to assets under construction; higher capex liabilities under a robust pipeline of new renewable energy projects
- ❖ Australia: Excluding the exchange rate impact from a stronger Australian dollar at 2025 year end, lower 2025 wholesale spot prices leading to the decreases in both accrued generation revenue for Energy business and payables for electricity purchases in Customer business; lower receivables were partly offset by higher receivables from retail customers; lower payables also driven by the settlement of capex liabilities during the year

### Bank Loans and Other Borrowings (2025: HK\$61,829 million; 2024: HK\$61,271<sup>#</sup> million; ↑ 0.9%)

- ❖ Major new financing activities in the year:
  - Hong Kong: Completed a three-year private bond placements totalling HK\$2.4 billion-equivalent by CLP Power; completed three-year private bond placements totalling HK\$2.0 billion-equivalent under the Climate Action Finance Framework by CAPCO
  - Chinese Mainland: Executed a total of RMB2.6 billion (HK\$2.9 billion) project loan facilities for renewable energy projects at competitive interest rates
- ❖ Net debt to total capital ratio remained at 33.0% compared to last year. Higher net debt for funding of renewable energy projects on the Chinese Mainland, while increased capital from retained earnings

# Excluding perpetual capital securities of HK\$3,883 million at 31 December 2024

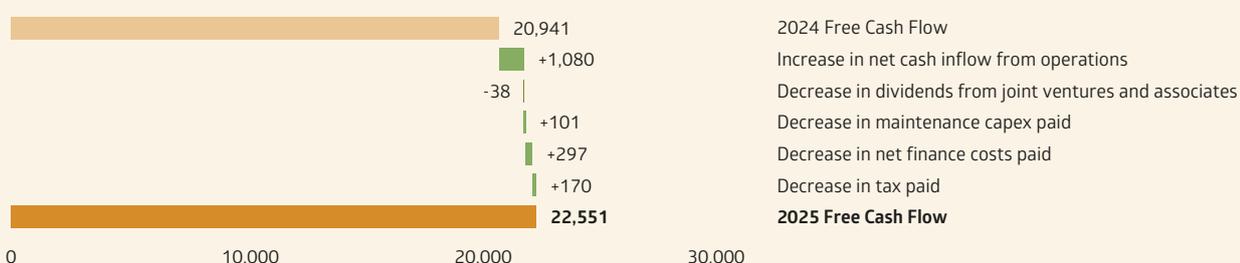
## Analysis of Cash Flow



### Free Cash Flow (2025: HK\$22,551 million; 2024: HK\$20,941 million; ↑ 7.7%)

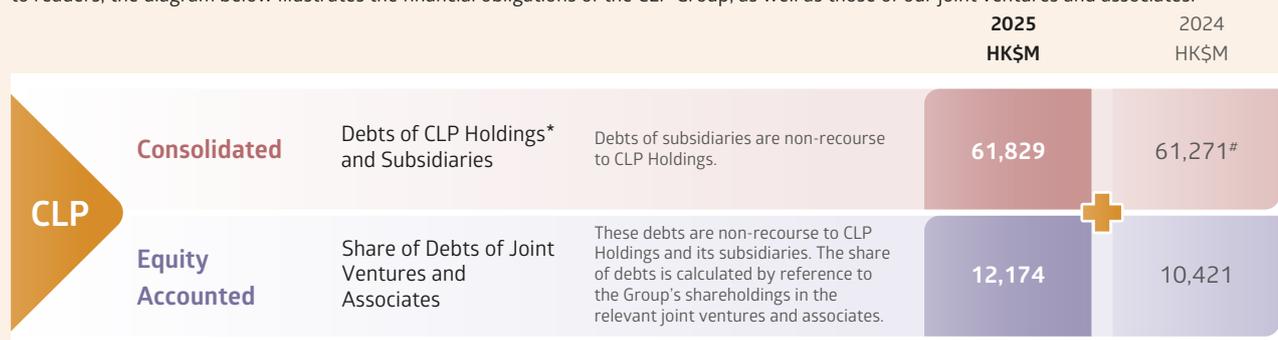
- Free cash flow increased by HK\$1.6 billion attributable to:
  - Hong Kong: Higher cash inflow from SoC operations (+HK\$1.6 billion) primarily due to higher EBITDAF contributions and fuel cost recovery from declining fuel prices
  - Chinese Mainland: Higher collection of national subsidy payments
  - Australia: Decrease in cash flow from operations (-HK\$0.8 billion) attributable to the unfavourable performance in Customer business and transformation costs
- Capital investments include:
  - HK\$11.2 billion of SoC capex mainly related to capital works for the generation fleet, enhancement/development of the transmission and distribution network, establishment of substations, continued upgrade of CETS and completed installation of smart meters
  - HK\$3.2 billion of growth capex related to the construction of renewable energy projects on the Chinese Mainland and an energy storage system before deconsolidation in June; HK\$3.0 billion paid for the new headquarters in 2024 not repeated

### Movements in Free Cash Flow (HK\$M)



## 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.



\* No external borrowing on CLP Holdings level at 31 December 2025 and 2024

# Excluding perpetual capital securities of HK\$3,883 million at 31 December 2024

## Broader Perspective

	2025	2024	2023	2022	2021
<b>Performance Indicators</b>					
Consolidated EBITDAF <sup>1</sup> (HK\$M)	<b>25,264</b>	25,830	18,066	16,586	22,880
Operating earnings before fair value movements (HK\$M)	<b>10,685</b>	10,949	10,127	7,602	9,867
Operating earnings (HK\$M)	<b>10,909</b>	11,648	12,252	4,623	9,517
Total earnings (HK\$M)	<b>10,468</b>	11,742	6,655	924	8,491
Return on equity <sup>2</sup> (%)	<b>9.9</b>	11.4	6.4	0.8	7.5
Operating return on equity <sup>3</sup> (%)	<b>10.3</b>	11.3	11.8	4.2	8.5
<b>Financial Health Indicators</b>					
Undrawn facilities (HK\$M)	<b>25,507</b>	30,982	30,881	31,633	28,076
Total borrowings (HK\$M)	<b>61,829</b>	61,271*	57,515	59,217	58,215
Fixed rate borrowings to total borrowings (%)	<b>52</b>	51*	57	52	61
Net debt to total capital <sup>4</sup> (%)	<b>33.0</b>	33.0*	31.6	32.0	28.1
Debt / Capitalisation <sup>5</sup> (%)	<b>35.2</b>	37.1*	35.3	41.2	29.3
<b>Shareholders' Return Indicators</b>					
Dividend per share (HK\$)	<b>3.20</b>	3.15	3.10	3.10	3.10
Dividend yield <sup>6</sup> (%)	<b>4.6</b>	4.8	4.8	5.4	3.9
Dividend payout <sup>7</sup> (%)	<b>74.1</b>	68.3	63.9	169.4	82.3
Total return to shareholders <sup>8</sup> (%)	<b>4.9</b>	3.9	4.7	2.6	5.8
Price / Earnings <sup>9</sup> (times)	<b>17</b>	14	25	154	23
Price / Operating earnings <sup>10</sup> (times)	<b>16</b>	14	13	31	21
<b>Cash Flows and Capital Investments</b>					
Net cash inflow from operations (HK\$M)	<b>26,258</b>	25,178	25,597	13,555	20,223
Free cash flow <sup>11</sup> (HK\$M)	<b>22,551</b>	20,941	21,866	11,080	16,793
Capital investments (HK\$M)	<b>16,418</b>	18,773	12,844	16,009	14,163
Capital expenditure	<b>15,539</b>	15,076	11,776	14,553	12,431
Investments in joint ventures and associates, and additions to intangible assets	<b>879</b>	674	1,068	1,118	731
Acquisitions of businesses / assets	<b>-</b>	3,023	-	338	1,001

\* Excluded perpetual capital securities of HK\$3,883 million at 31 December 2024 on a consistent basis across the years

### Notes:

- 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
- Return on equity = Total earnings / Average shareholders' funds
- Operating return on equity = Operating earnings / Average shareholders' funds
- 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
- Capitalisation = Closing share price on the last trading day of the year × number of issued shares at the end of the year
- Dividend yield = Dividend per share / Closing share price on the last trading day of the year
- Dividend payout = Dividend per share / Operating earnings per share
- Total return to shareholders representing the 10-year annualised rate of return from the combination of share price appreciation and dividend payments
- Price / Earnings = Closing share price on the last trading day of the year / Earnings per share
- Price / Operating earnings = Closing share price on the last trading day of the year / Operating earnings per share
- Free cash flow = Net cash inflow from operations - income tax paid + interest received - interest and other finance costs paid - maintenance capital expenditure paid + dividends received from joint ventures and associates



**Managing  
What Matters to  
Our Business**

# Overview

To inform the sustainability-related disclosure of its annual suite of reports, CLP adopts the concept of double materiality to identify sustainability-related impacts, risks and opportunities (IROs). This approach means that CLP's Annual Report addresses financially material topics that could reasonably be expected to affect the Group's prospects, while the Sustainability Report focuses on topics that have a material impact on people, the environment and the economy. The assessment complements CLP's established risk management process, further detailed in the Risk Management Report on page 103.

The double materiality assessment operates on a three-year cycle. 2025 was Year 2, centred on reviewing and refreshing results from Year 1 (2024) based on the Group's latest strategic priorities, business risks and insights gathered from external stakeholders including investors, customers and industry experts. There has been no change in CLP's processes for identifying, assessing, prioritising and monitoring sustainability-related and climate-related risks and opportunities from the previous reporting period.

The 2025 assessment identified 93 IROs, of which 57 were rated as high or extreme in magnitude/severity and likelihood. Of these, 35 are sustainability-related financial risks and opportunities, and 22 are stakeholder impacts across the short (0-1 year), medium (1-5 years) and long term (over 5 years). CLP defines the time horizons based on when the IROs could reasonably be expected to occur, aligning with the time horizons used for business planning.

As part of CLP's assessment approach, scenario analysis is not used in the identification of sustainability-related risks. Scenario analysis is applied specifically to climate-related risks and opportunities, reflecting the Group's strategic focus on decarbonisation in line with [Climate Vision 2050](#).

CLP's double materiality assessment is informed by HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information for financial materiality, and the Global Reporting Initiative for impact materiality. The process and outcomes were reviewed internally by the management-level Sustainability Executive Committee and the Board-level Sustainability Committee, and have also undergone external assurance.

This section presents CLP's Group-level responses to the financially material risks and opportunities, organised under the five material topics. Market-specific responses can be found in the Business Performance and Outlook chapter on page 50.

Further details of the following topics are provided in CLP's [2025 Materiality Assessment Report](#):

- ❖ The current and anticipated effects of sustainability-related risks and opportunities on the Group's business model and value chain;
- ❖ Where these sustainability-related risks and opportunities are concentrated within the business model and value chain; and
- ❖ How the Group has responded, and plans to respond, to sustainability-related risks and opportunities through its strategy and decision-making processes.

Information on the stakeholder impacts is available in the [2025 Sustainability Report](#).



\* This material topic is not discussed in the Annual Report as no high or extreme sustainability-related financial risks and opportunities were identified. Details of the associated impacts and CLP's responses are provided in the 2025 Sustainability Report.

# Net-Zero Transition

CLP is decarbonising its business and ensuring the energy transition is delivered reliably and affordably in line with Climate Vision 2050 and requirements in its markets. This section addresses the following eight risks and three opportunities deemed financially material to the Group's net-zero transition in the annual materiality assessment. Some of the risks and opportunities are climate-related, which are indicated by the following symbols:



Climate-related physical risk



Climate-related transition risk



Climate-related transition opportunity

## Risks

### Short-term

- ❖ CLP's energy infrastructure assets face extreme weather risks, including extreme heat, storms, heavy rainfall, landslides and water stress, which can damage assets and disrupt services, potentially impacting financial performance. 
- ❖ CLP's operations are dependent on stable natural resources including consistent wind patterns and reliable access to water for cooling. Shifts in these climate variables may potentially affect asset performance and increase costs over time. 

### Medium-term

- ❖ Failure 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 financing costs and reduced access to funding. 
- ❖ Misaligned capital allocation with market-specific energy needs and decarbonisation pathways could hinder CLP's transition from fossil fuels to non-carbon energy assets, potentially resulting in stranded assets, diminished asset value and erosion of investor trust. 
- ❖ Ageing and insufficient grid infrastructure may pose constraints on the distribution of energy from CLP invested assets, including renewable energy and batteries, resulting in revenue loss, potentially affecting reliability and slowing the energy transition. 
- ❖ Exposure to carbon pricing mechanisms may increase CLP's costs and affect financial performance if carbon prices rise significantly. 
- ❖ Regulatory penalties and public health concerns may result from inadequate control of air emissions, wastewater discharges and hazardous waste.

### Long-term

- ❖ Investors are placing increasing expectations on nature- and biodiversity-related management. Failure to keep abreast of the evolving requirements may affect CLP's access to finance and cost of capital.

## Opportunities

### Medium-term

- ❖ Investments in low-carbon energy technologies will strengthen CLP's credentials on decarbonisation and increase trust from customers and investors. 
- ❖ CLP's expanding battery storage portfolio enhances energy supply reliability and supports more flexible energy dispatch in response to demand fluctuations. 
- ❖ New business opportunities can be generated by deploying virtual power plants (VPP) to improve grid flexibility, optimise renewable energy and reduce reliance on fossil fuel generated electricity.

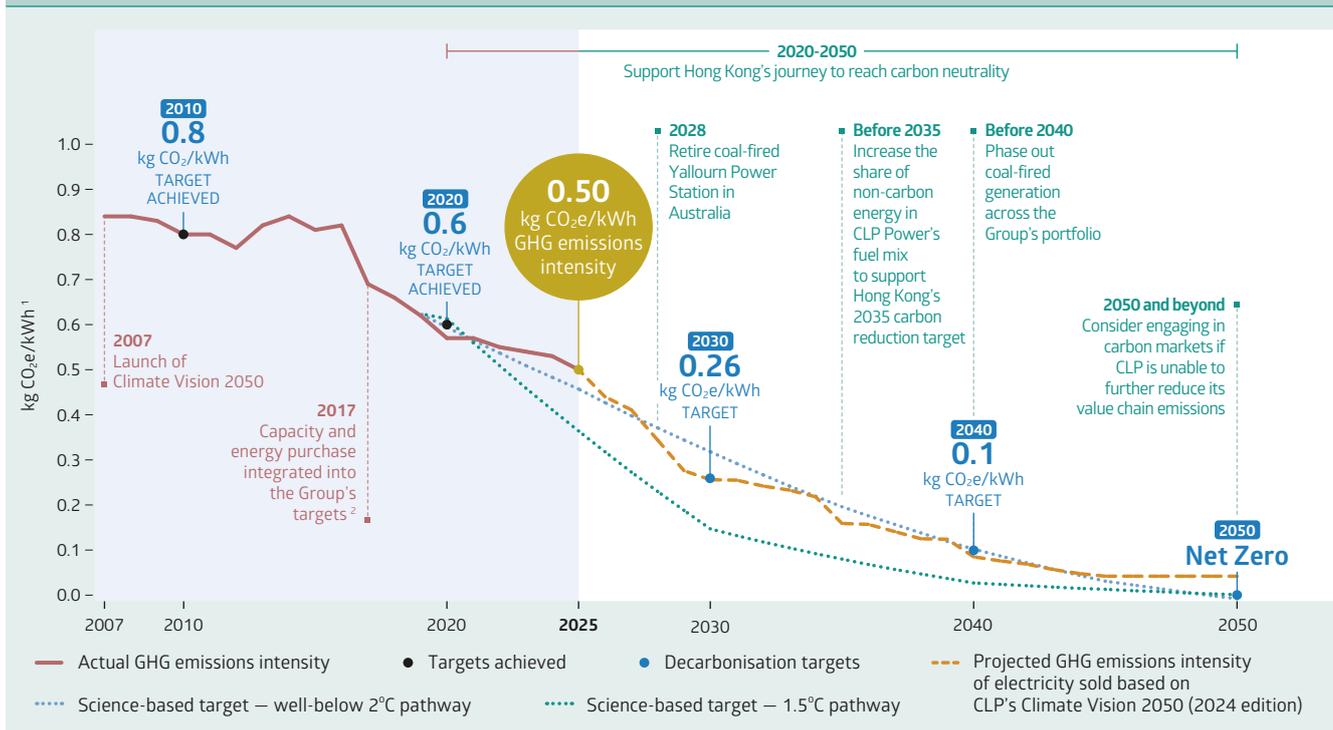
Other climate-related risks and opportunities are covered in Energy Growth Opportunities on page 40 and Operational and Supply Chain Resilience on page 49.

## Reducing GHG emissions

Climate Vision 2050 is CLP's decarbonisation roadmap supporting the Group's transition to a net-zero greenhouse gas (GHG) emissions business by mid-century. In 2025, the Group's total GHG emissions declined by 9.7% year-on-year to 45,783 kilotonnes of carbon dioxide equivalent (CO<sub>2</sub>e) on an equity basis. The GHG emissions intensity of electricity sold was 0.50 kilogrammes (kg) CO<sub>2</sub>e per kilowatt hour (kWh), down from 0.53kg CO<sub>2</sub>e per kWh a year earlier.

On an equity plus long-term capacity and energy purchase basis, the Group's energy sent out and GHG emissions from coal assets decreased by 13.2% and 12.2% year-on-year respectively. Energy sent out from non-carbon energy assets increased 5.3%. Together, these factors contributed to a reduction in the Group's overall GHG emissions intensity.

Chart 1: CLP's Past and Projected GHG Emissions Intensity



Notes:

- CLP's trajectory from 2007 to 2020 was based on the Group's carbon emissions intensity (kg CO<sub>2</sub>/kWh). Since 2021, in line with global best practices, CLP has reported its GHG emissions intensity based on kg CO<sub>2</sub>e/kWh.
- CLP's trajectory from 2017 to 2050 is on an equity plus capacity and energy purchase basis.

## Managing climate-related transition risks and opportunities

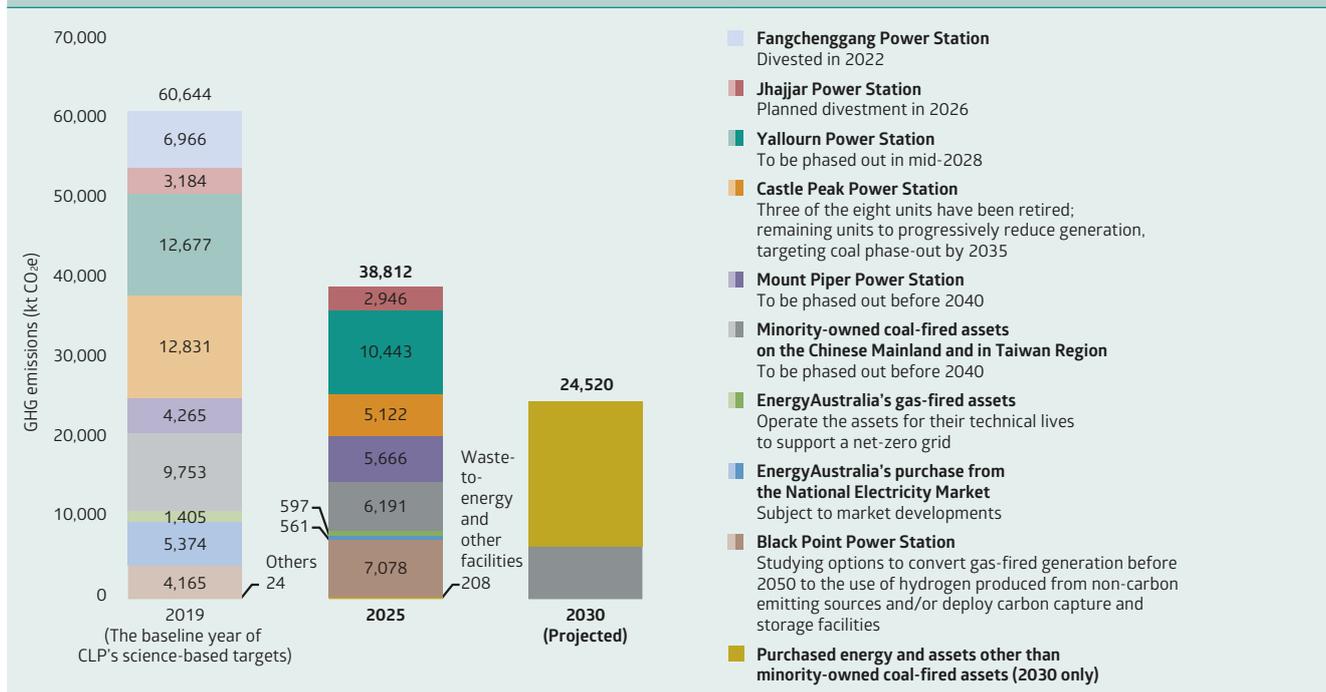
To manage climate-related risks and opportunities, the Group focuses on six key levers to decarbonise its business under Climate Vision 2050:

- Phase out coal-fired power plants
- Enable a fuel switch for power generation – transitioning from coal to gas/hydrogen
- Grow non-carbon energy – expanding nuclear and renewables

- Build infrastructure to support non-carbon energy delivery and renewable energy growth
- Enable greater electrification
- Increase energy efficiency

*See [CLP's Climate Vision 2050: Powering an orderly transition](#), published in March 2024, for more information on the Group's climate strategy, including the abovementioned levers, climate-related targets, scenario analysis, the identification and descriptions of climate-related risks and opportunities, as well as the planned use of carbon credits.*

**Chart 2: CLP's Past and Projected Absolute GHG 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.

The current and anticipated financial effects of climate-related transition risks are summarised in Table 1. Based on Climate Vision 2050, transition risks are assessed against a high-emissions scenario, used as the baseline business-as-usual case reflecting existing climate policies. Risk levels are then determined by comparing this baseline with two transition scenarios: the deferred transition scenario, which assumes a slower initial decarbonisation followed by a steeper decline aligned with global efforts to limit warming to less than 2°C above pre-industrial levels; and the low-emissions scenario, which reflects a rapid transition aligned with a 1.5°C pathway.

**Table 1: Financial effects of climate-related transition risks <sup>1</sup>**

Transition risks	Relevance to CLP	Financial effects in 2025	Anticipated financial effects (2026-2030)
Domestic decarbonisation policies	All CLP markets	<p>Total capital investment in non-carbon generation assets, transmission, distribution and retail operations:</p> <p><b>HK\$11,459 million</b></p> <p>Also see Chart 3 on page 35.</p> <p>For EnergyAustralia, a HK\$345 million (after tax) provision was recognised in 2025 associated with the planned retirement of Yallourn Power Station in 2028. <sup>2</sup> The provision was not related to any recent changes in Australia's decarbonisation policies.</p>	<p>Percentage of total planned capital investment in non-carbon generation assets, transmission, distribution and retail operations:</p> <p><b>77%</b></p> <p>Also see Chart 4 on page 35.</p>
		<p>CLP regularly reviews its Climate Vision 2050 to ensure alignment with relevant policies in its operating markets.</p> <p>Capital investments in non-carbon assets for 2025 and the next five years represent resources allocated to decarbonise CLP's portfolio in line with its business plan and Climate Vision 2050 objectives.</p>	

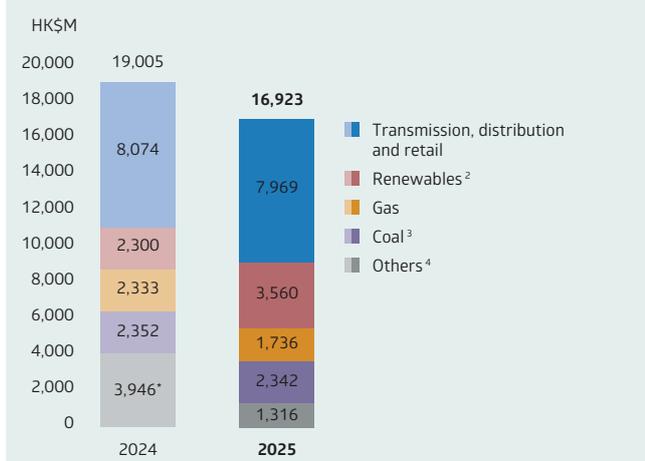
Transition risks	Relevance to CLP	Financial effects in 2025	Anticipated financial effects (2026-2030)
Stranded asset risks	As of 31 December 2025, coal-fired assets comprised 35% of CLP's equity generation and energy storage capacity.	A related impairment provision of HK\$608 million in respect of minority-owned coal-fired assets was recognised in 2025. <sup>3</sup>	Financial effects assessments involve significant uncertainty and the resulting quantitative information would offer limited utility for informed decision-making. <sup>4</sup>
Carbon pricing	As of 31 December 2025, 5% of CLP's equity generation and energy storage capacity was subject to carbon pricing.	CLP's minority-owned coal-fired assets on the Chinese Mainland are subject to carbon pricing exposure under China's national Emissions Trading Scheme. The risk from carbon pricing primarily affects the share of results of joint ventures if compliance costs arise.  EnergyAustralia's assets are currently not considered exposed to carbon pricing risk. At present, total Australian energy sector emissions remain well below the Safeguard Mechanism baseline. EnergyAustralia will continue to monitor developments including the Australian Government's scheduled 2026 review of the mechanism.  Scenario analysis indicates that carbon prices across CLP's markets could range from US\$53 to US\$250 per tonne in 2050. However, financial effects assessments involve significant uncertainty and the resulting quantitative information would offer limited utility for informed decision-making. <sup>4</sup>	
Potential exposure to litigation	All CLP markets	Financial costs, including those associated with legal claims over climate-related issues involve significant uncertainty, particularly as any legal action may incur substantial financial losses and costs in defending unsubstantiated claims, as well as reputational harm.  Consequently, any quantitative estimate of such costs offers limited utility for informed decision-making. <sup>4</sup>	
Stigmatisation of the carbon intensive sectors	All CLP markets	Reputational damage due to fossil fuel operations may result in potential financial impact including higher operating costs related to compliance and stakeholder engagement. In addition, these risks could affect future revenue streams and asset valuations. However, financial effects assessments involve significant uncertainty and the resulting quantitative information would offer limited utility for informed decision-making. <sup>4</sup>	

Notes:

- 1 At this time, in regard to the climate-related transition risks, no significant risk of a material adjustment to the carrying amounts of assets and liabilities in 2026 has been identified.
- 2 Further information is provided in Items Affecting Comparability on page 22.
- 3 Further information is provided in Items Affecting Comparability on page 22 and Note 14 to the Financial Statements on page 208.
- 4 The financial effects relief under The Stock Exchange of Hong Kong Limited's ESG Reporting Code has been applied.

To meet the rising demand for low-carbon energy, the Group's capital investment in renewable energy reached HK\$3,560 million in 2025, representing a 55% year-on-year increase. During the year, more wind and solar projects were commissioned on the Chinese Mainland, lifting the Group's renewable energy capacity to 4,953MW at the end of December, a year-on-year increase of 12%. This represents 21% of CLP's generation and energy storage portfolio. Energy storage is expected to account for a higher proportion of CLP's asset portfolio as new battery energy storage system (BESS) and pumped hydro projects are planned across Hong Kong, the Chinese Mainland and Australia. The Group also provides a growing range of energy services and solutions to enhance energy efficiency for customers, and supports the electrification of transport and other sectors of the economy.

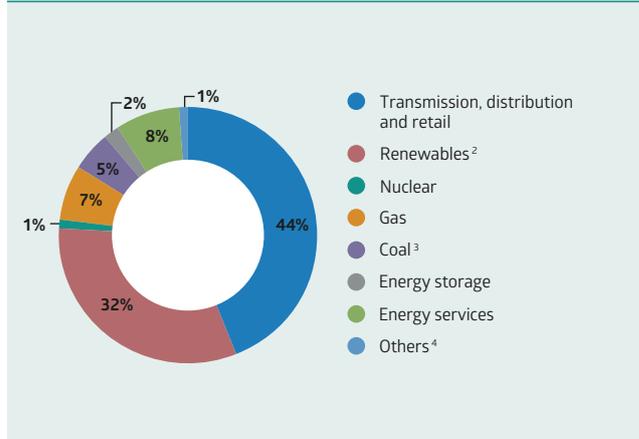
**Chart 3: Capital Investment Incurred by Asset Type<sup>1</sup>**



Notes:

- \* Includes acquisition of CLP Headquarters in Kai Tak.
- 1 On an accrual basis and includes: i) capital expenditure in fixed assets, right-of-use assets, investment property and intangible assets; ii) changes in investments and advances to joint ventures and associates; and iii) acquisitions of assets and / or businesses.
- 2 Renewables include wind, solar, hydro and waste-to-energy. In 2025, the capital investments allocated to these renewable segments were HK\$3,066 million for wind, HK\$385 million for solar, HK\$39 million for hydro, and HK\$70 million for waste-to-energy.
- 3 The capital investment in coal assets is for maintenance, upgrades and efficiency improvements only and not for the development of new coal-fired power plants.
- 4 Includes oil, energy storage, energy services, other businesses outside of power generation, transmission, distribution and retail, as well as corporate or enterprise items.

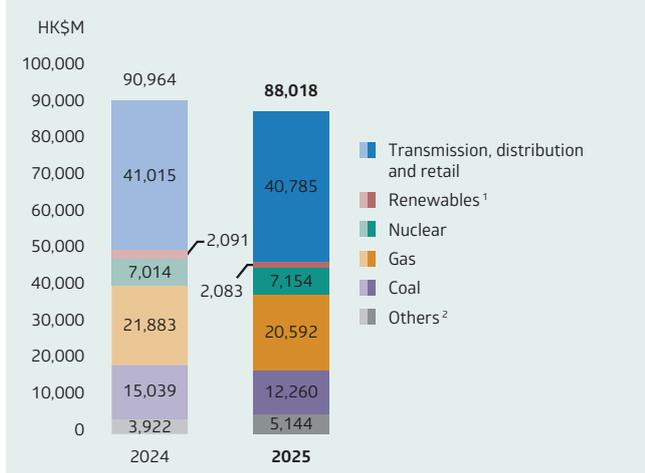
**Chart 4: Total Planned Capital Investment for 2026-2030 by Asset Type<sup>1</sup>**



Notes:

- 1 Capital investment includes: i) capital expenditure in fixed assets, right-of-use assets, investment property and intangible assets; ii) changes in investments and advances to joint ventures and associates; and iii) acquisitions of assets and / or businesses. Any minor discrepancy in total is due to rounding of percentages.
- 2 Renewables include wind, solar, hydro and waste-to-energy. Over the five-year period, the percentages of total planned capital investment allocated to these renewable segments are 18.1% for wind, 13.4% for solar, 0.1% for hydro, and 0.1% for waste-to-energy.
- 3 The planned capital investment in coal assets is for maintenance, upgrades and efficiency improvements only and will not be used for the development of new coal-fired power plants.
- 4 Includes oil, other businesses outside of power generation, transmission, distribution and retail, as well as corporate or enterprise items.

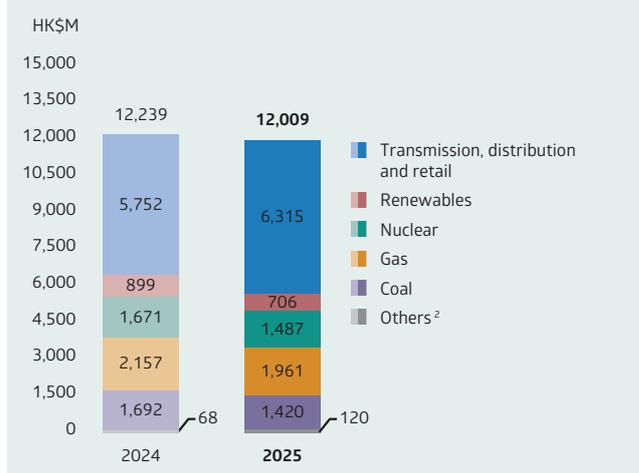
**Chart 5: Revenue by Asset Type**



Notes:

- 1 Renewables include wind, solar, hydro and waste-to-energy. In 2025, the revenue from these renewable segments was HK\$938 million for wind, HK\$606 million for solar, HK\$499 million for hydro, and HK\$40 million for waste-to-energy.
- 2 Includes oil, energy storage, energy services, other businesses outside of power generation, transmission, distribution and retail, as well as corporate or enterprise items.

**Chart 6: Operating Earnings by Asset Type<sup>1</sup>**



Notes:

- 1 Before fair value movements and unallocated expenses.
- 2 Includes oil, energy storage, energy services, other businesses outside of power generation, transmission, distribution and retail, as well as corporate or enterprise items.

## Net-Zero Transition

When evaluating the viability of investment projects that may result in additional GHG emissions, CLP applies a shadow carbon price to assess the potential cost exposure should carbon pricing become applicable to the project. The internal carbon-price range used is aligned with relevant international and local carbon-pricing benchmarks.

The current and anticipated financial effects of climate-related transition opportunities are summarised in Table 2. Climate-related scenario analysis has informed CLP's identification of these opportunities.

**Table 2: Financial effects of climate-related transition opportunities<sup>1</sup>**

Transition opportunities	Relevance to CLP	Financial effects		
		Financial effects in 2025	Anticipated financial effects (2026-2030)	Details
Increased demand in low-carbon electricity	All CLP markets	Revenue from non-carbon generation assets, transmission, distribution and retail operations: <b>HK\$49,982 million</b> Also see Chart 5 on page 35.	Percentage of total planned capital investment in non-carbon generation assets, transmission, distribution and retail operations: <b>77%</b> Also see Chart 4 on page 35.	Revenue generated by assets and services related to the respective transition opportunities contributes to the associated financial effects.  Other financial effects may include changes in capital expenditure and operating expenses.
Demand for energy storage	All CLP markets	Revenue from energy storage, energy services, oil, other businesses outside of power generation, transmission, distribution and retail, as well as corporate or enterprise items:	Percentage of total planned capital investment in energy storage: <b>2%</b>	Due to commercial sensitivity, only the percentages of total planned capital investment over the next five years, rather than absolute figures, are disclosed. <sup>2</sup>
Demand for electrification of the transportation and industrial sectors	Hong Kong and Australia		Percentage of total planned capital investment in energy services: <b>8%</b>	
Energy services and energy efficiency offerings	All CLP markets	<b>HK\$5,144 million</b>		

Notes:

- At this time, in regard to the climate-related transition opportunities, no significant risk of a material adjustment to the carrying amounts of assets and liabilities in 2026 has been identified.
- The commercial sensitivity relief under the ESG Reporting Code has been applied.

## Managing climate-related physical risks

To address increasing climate-related physical risks, CLP is implementing comprehensive adaptation measures including flood protection for power stations and substations to maintain reliable operations. In addition, businesses across the Group conduct regular assessments on their exposure to extreme weather risks, enabling them to review and update the adaptation measures in their operations.

To assess the financial impact of climate-related physical risks, CLP uses the high-emissions scenario outlined in [Climate Vision 2050](#). Under this scenario, physical risks are significant, with average global temperatures projected to rise by over 4°C above pre-industrial levels by 2100.

The assessment methodology has been aligned across all hazard categories. Both current and anticipated financial effects include operating expenses and capital expenditure for climate adaptation measures relating to financially material generation and energy storage assets that are assessed as having a “high” or above physical risk exposure. Current effects also capture any financial impacts from physical hazards that occurred during the reporting year and have been recognised in the financial statements. Anticipated financial effects are mainly based on the latest business plan for 2026-2030 and do not include estimates of potential losses from climate-related risks. Further details are provided in Table 3.

**Table 3: Financial effects of climate-related physical risks<sup>1</sup>**

Physical hazards	Percentage of assets with risk exposure level “high” or above <sup>2</sup>	Percentage of financially material assets with risk exposure level “high” or above <sup>2,3</sup>	Financial effects in 2025	Anticipated financial effects (2026-2030)
Extreme wind and storms	35%	33%	<b>HK\$85 million<sup>4</sup></b> CLP incurs capital expenditure and operating expenses for measures including reinforcing energy infrastructure and managing vegetation near overhead power lines.	<b>HK\$284 million<sup>5</sup></b>
Flooding	27%	22%	In 2025, CLP incurred capital expenditure and operating expenses totalling HK\$11 million <sup>4</sup> to implement a range of measures to strengthen flood prevention, including enhancements to facilities inspection practices, drainage system cleaning, and the completion of a programme to install over 200 flood gates or protective devices at higher-risk substations in Hong Kong.	Flooding enhancement measures are part of operational and maintenance activities and the anticipated financial effects are not separately identifiable. <sup>5,6</sup>
Water stress and drought	32%	7%	Lack of cooling water may reduce CLP’s generation output, which could affect its revenue.  For EnergyAustralia, secure water access is critical to the Yallourn Mine Rehabilitation Plan. In relation to the anticipated financial effects, land remediation provisions may increase depending on several factors, including possible drought conditions, competing local water demands, the time required to fill the mine void, and the cost of purchasing water. Due to the significant uncertainty associated with these considerations, the financial effect has not been quantified. <sup>6</sup> For further information, please refer to the <a href="#">EnergyAustralia Sustainability Report 2025</a> .	

Physical hazards	Percentage of assets with risk exposure level "high" or above <sup>2</sup>	Percentage of financially material assets with risk exposure level "high" or above <sup>2,3</sup>	Financial effects in 2025	Anticipated financial effects (2026-2030)
Changes in wind speed	10%	0%	The Group's assessment to date cannot statistically or reliably attribute recorded changes in wind speed at its wind farms to climate change rather than natural variability, and no material financial effects have been identified. The Group will continue to monitor the performance of its portfolios and conduct periodic studies to strengthen its understanding of any changes in wind resource and their possible connection to climate-related factors.	Quantitative information on the anticipated financial effects is not provided due to the high level of uncertainties in assessing impacts across different geographic locations, as well as the inherent complexity in understanding the relationship between changes in wind speed and climate change.  Nevertheless, this risk could still have a potential impact on CLP's earnings over time. <sup>6</sup>
Wildfires	6%	0%	Given CLP's limited exposure to this risk, no material financial effects have been identified.	
Extreme heat	0%	0%	<b>HK\$3 million <sup>4</sup></b>	<b>HK\$35 million <sup>5</sup></b>
			As of the end of 2025, no CLP's generation and energy storage asset was assessed as being exposed to high risk of extreme heat. However, as climate patterns change, CLP's exposure to such risk is estimated to rise significantly over the long term.  To manage this risk, CLP incurs costs for measures including regular inspection, maintenance and upgrades of cooling systems in generation assets, as well as procurement of additional backup equipment to enhance emergency response capabilities.	
Rainfall-induced landslide	0%	0%	Given CLP's limited exposure to this risk, no material financial effects have been identified.	

Notes:

- At this time, in regard to the climate-related physical risks, no significant risk of a material adjustment to the carrying amounts of assets and liabilities in 2026 has been identified.
- Assets as a proportion of CLP's equity generation and energy storage capacity in MW as of the end of 2025.
- CLP defines financially material assets based on their existing physical risk exposure combined with operating earnings. These assets are then shortlisted as the most critical ones requiring detailed assessment for each climate hazard.
- Current financial effects include operating expenses and capital expenditure on climate adaptation measures for financially material generation and energy storage assets with a risk exposure level of "high" or above, incurred during the reporting year. They also include any financial impacts from physical hazards that have been recorded in the financial statements.
- Anticipated financial effects include aggregated operating expenses and capital expenditure for climate adaptation measures planned for 2026-2030.
- The financial effects relief under the ESG Reporting Code has been applied.

## Enhancing environmental performance

In addition to decarbonisation, CLP has been strengthening efforts to cut air emissions and improve water and waste management. The Group reduced emissions of nitrogen oxides (NOx), sulphur dioxide (SO<sub>2</sub>) and particulate matter (PM) in 2025 by 12%, 0.2% and 14% respectively from 2024 due to diversification of fuel mix and improved air emissions controls for its generation assets across Hong Kong, the Chinese Mainland and Australia. CLP achieved its 2025 air emissions reduction targets and will focus on further performance improvements to meet the Group's more stringent 2030 targets.

CLP also fulfilled its 2025 target for cutting freshwater consumption, which dropped 8% from a year earlier as a result of more efficient water use and lower utilisation of coal-fired power plants. Waste products generated decreased 17% year-on-year, as coal-fired plant utilisation dropped and the Group implemented measures based on circular economy principles, such as extending the lifespan of wind farm equipment on the Chinese Mainland. CLP's key environmental performance and targets are summarised in Table 4.

In 2025, the Group recorded six environmental-related regulatory non-compliance incidents. None of the cases resulted in fines or prosecutions.

**Table 4: Environmental performance and targets**

	2025 performance (year-on-year change)	2025 performance versus target		2030 target*
		Reduction vs 2021*	2025 target*	
NOx emission	-12%	-35%	-20% to -30%	-50%
SO <sub>2</sub> emission	-0.2%	-19%	-15% to -20%	-55%
PM emission	-14%	-28%	-10% to -15%	-90%
Freshwater consumption	-8%	-55%	-45% to -55%	-85%
Waste products generated	-17%	-74%	-65%	-70%

\* Compared with levels in 2021

**i** The Business Performance and Outlook chapter on page 50 provides more information on the following:

1. CLP's investments in renewable energy, BESS and other non-carbon energy infrastructure
2. Energy efficiency solutions, VPPs and other low-carbon energy services provided by CLP's businesses
3. Apraava Energy's agreement to sell coal-fired power station
4. Climate adaptation measures and planning by CLP's businesses
5. New air emission requirements in Hong Kong

Further information and metrics related to nature- and biodiversity-related management, including policies on emissions and use of resources, may be found in the [2025 Sustainability Report](#). Key data is also available in Five-year Summary: CLP Group Economic and Financial Data on page 254 and in Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data on page 256 of the 2025 Annual Report.

# Energy Growth Opportunities

With electrification and digitalisation accelerating demand for reliable, sustainable and affordable electricity, the Group is well-positioned to capture growth opportunities by investing in lower-carbon energy infrastructure and delivering decarbonisation solutions to customers. This section covers the following eight risks and five opportunities deemed financially material in the annual materiality assessment as CLP pursues energy growth opportunities. Some of the risks and opportunities are climate-related, and they are indicated by the following symbols:



Climate-related  
transition risk



Climate-related  
transition opportunity

## Risks

### Short-term

- ❖ Evolving regulatory frameworks such as electricity system operations and tariff structures could affect CLP's competitiveness and investment planning across its key markets.
- ❖ With energy affordability being a growing focus for Hong Kong customers and the Government, CLP is expected to continue delivering reliable, sustainable energy at a reasonable cost.
- ❖ Unsubstantiated claims on sustainability or failure to meet sustainability commitments may result in potential fines, lawsuits and reputational damage.
- ❖ Consumer energy resource and distributed energy resource technologies including solar, batteries and smart appliances may not be interoperable across CLP's markets, potentially reducing synergies for the Group's businesses.

### Medium-term

- ❖ Potential new players entering the energy sector with strong financial resources and low-carbon energy technologies may reduce CLP's market share and competitiveness in markets outside Hong Kong.
- ❖ Changes in Australian energy and decarbonisation policies could affect the financial performance of EnergyAustralia. 
- ❖ Potential changes in requirements on GHG and other air emissions may increase compliance costs. 

### Long-term

- ❖ Climate policy developments may require CLP to accelerate its coal-fired power plant closures, resulting in higher transition costs ahead of schedule. 

## Opportunities

### Short-term

- ◆ Economic affluence in Asia and digital transformation to continue driving demand for low-carbon energy from consumers and industrial sectors such as data centres and electric transport. This creates opportunities for providers of end-to-end solutions including rooftop solar, home batteries and EV charging.

### Medium-term

- ◆ Access to low-cost equipment from Chinese suppliers may give CLP an advantage, especially when expanding in Asian markets as some US companies reduce their exposure in the region due to trade policy uncertainty.
- ◆ Electrification needs to quadruple by 2050 globally, which offers CLP opportunities to expand into new business lines and establish joint ventures in adjacent sectors, such as Energy-as-a-Service and transport, reducing emissions. 🔄
- ◆ Growing electrification and the development of a complete EV ecosystem can drive EV adoption and generate potential business opportunities. In particular, CLP can benefit from its access to competitive EV technologies from Chinese partners. 🔄

### Long-term

- ◆ Demographic change, urbanisation, the rapid electrification of transport and data centres create opportunities for CLP to expand its customer base and capture new sources of demand across core and emerging markets.

Other climate-related risks and opportunities are covered in Net-Zero Transition on page 31 and Operational and Supply Chain Resilience on page 49.

## Maintaining agility in dynamic policy environment

The 30<sup>th</sup> United Nations Climate Change Conference (COP30) in Brazil concluded without further commitments to phase out fossil fuels, underscoring ongoing uncertainty on global climate policies. By contrast, China continued to strengthen its climate actions with the Central Government unveiling new commitments for further carbon reduction.

At the same time, policymakers in China and Australia introduced major energy market reforms designed to promote competition. In response to the dynamic policy and competitive landscape, CLP China and EnergyAustralia focused on enhancing operational efficiencies and pursuing investment opportunities with good returns. The Group remains positive about the long-term growth prospects in both markets.

## Meeting energy demand in Asia Pacific

Asia Pacific is home to some of the world's fastest-growing electricity markets including China, India and countries in Southeast Asia. The strong pace of growth is expected

to be sustained by data centre and electric transport developments, and CLP is enhancing its capabilities to meet demand for low-carbon energy in the region. In 2025, CLP increased its investments in growth projects including renewable energy and BESS. Growth capital expenditure, intended for the Group's business expansion and excluding investments under the Scheme of Control Agreement in Hong Kong, increased 32.6% year-on-year to HK\$3.19 billion.

In addition to its established markets, the Group is exploring potential low-carbon investments in the Taiwan Region and Southeast Asian markets including Vietnam and Laos. CLP is well-positioned to capture these opportunities as its longstanding supply chain partnerships in the renewable energy sectors on the Chinese Mainland are expected to help lower development costs.

To expand current operations and enter potential new markets, CLP's regional businesses could also leverage collaboration and knowledge sharing to strengthen capabilities, particularly in renewable energy, grid operations and energy storage.

Table 1 provides key metrics tracking CLP's energy services and operations in its current markets.

**Table 1: Key metrics on energy services and operations <sup>1</sup>**

	2025	2024
<b>Number of customer accounts</b> (CLP Power, thousands)	<b>2,895</b>	2,830
– Residential	<b>2,528</b>	2,474
– Commercial	<b>228</b>	218
– Infrastructure and Public Services	<b>122</b>	121
– Manufacturing	<b>17</b>	17
<b>Number of customer accounts</b> (EnergyAustralia, thousands)	<b>2,300</b>	2,382
– Mass Market	<b>2,296</b>	2,378
– Commercial & Industrial	<b>4</b>	4
<b>Total electricity delivered</b> (CLP Power, GWh)	<b>35,760</b>	36,125
– Residential	<b>9,966</b>	10,204
– Commercial	<b>13,824</b>	13,882
– Infrastructure and Public Services	<b>10,430</b>	10,466
– Manufacturing	<b>1,540</b>	1,573
<b>Total electricity sales volume</b> (EnergyAustralia, TWh)	<b>12.9</b>	13.7
– Mass Market	<b>8.5</b>	8.9
– Commercial & Industrial	<b>4.4</b>	4.9
<b>Total gas sales volume</b> (EnergyAustralia, PJ)	<b>28.1</b>	30.2
– Mass Market	<b>27.5</b>	28.6
– Commercial & Industrial	<b>0.6</b>	1.6
<b>Length of transmission and distribution lines</b> (km)		
– CLP Power	<b>17,358</b>	17,123
– Apraava Energy	<b>494</b>	494
<b>Number of customers connected to smart meters since 2018</b> (CLP Power, millions)	<b>2.88</b>	2.68
<b>Energy sent out <sup>2</sup></b> (CLP Group, GWh)	<b>77,268</b>	79,760
– Coal	<b>27,993</b>	32,234
– Gas	<b>20,092</b>	19,847
– Nuclear	<b>21,160</b>	19,878
– Wind	<b>4,495</b>	4,482
– Hydro	<b>1,862</b>	1,776
– Solar	<b>1,573</b>	1,491
– Waste-to-energy	<b>60</b>	44
– Energy storage	<b>33</b>	8
– Others	<b>1</b>	1

Notes:

1 Minor discrepancies may result from rounding.

2 On equity plus long-term capacity and energy purchase basis.

## Strengthening EV charging ecosystem

Capitalising on opportunities from rising EV charging demand from private and commercial vehicles, the Group deepened partnerships across the value chain from policymakers and vehicle manufacturers to battery providers and EV charge point operators. The development of a strong industry ecosystem is key to supporting further EV adoption. In particular, availability of fast-charging facilities is crucial for more commercial vehicle users to switch to electric.

While there is potential for increased knowledge sharing between CLP's businesses in Hong Kong and Australia on electric transport, synergies are currently limited given the two markets are at different stages of maturity in EV charging development.

## Supporting investments with strong financial foundations

CLP's investment activities continued to be underpinned by the Group's strong and resilient financial position. The Group maintained a robust liquidity position, with undrawn bank facilities of HK\$25.5 billion and bank balances of HK\$3.9 billion as at the end of 2025. The strong liquidity is expected to be sustained in 2026.

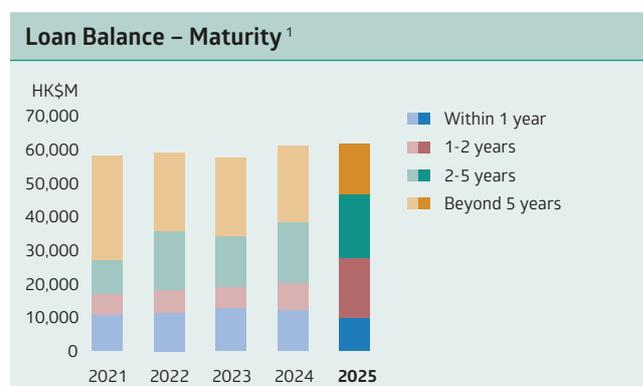
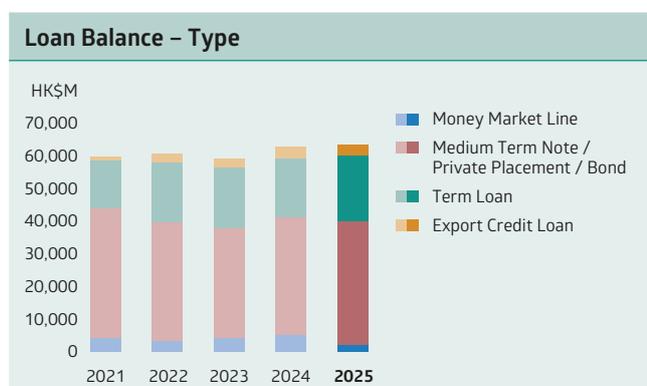
Amid ongoing market volatility, CLP's businesses capitalised on windows of more favourable market conditions to secure cost-effective financing and refinance higher-cost facilities. This disciplined approach, supported by efforts to preserve strong investment-grade credit ratings and diversify funding sources, enabled the Group to achieve an overall reduction of 17.5% in net finance costs in 2025, despite interest rates remaining elevated for longer than anticipated.

CLP maintains a disciplined and proactive approach to managing financial risks. The Group conducts ongoing monitoring and assessment of its liquidity profile, ensuring timely replenishment of funding resources and the preservation of a robust capital structure. Under CLP's well-established treasury risk management framework, approved derivative instruments are employed to hedge interest rate and foreign exchange exposures, thereby mitigating market-related risks. To ensure strong control over counterparty credit risk, all derivative transactions and deposits are executed exclusively with financial institutions that meet CLP's investment-grade credit standards.

Debt Profile as of 31 December 2025					CLP Group
	CLP Holdings	CLP Power <sup>1</sup>	CAPCO	Other	HK\$M
	HK\$M	HK\$M	HK\$M	Subsidiaries	HK\$M
				HK\$M	
Available Facility <sup>2</sup>	3,950	33,797	24,949	24,640	87,336
Bank Loans and Other Borrowings	-	26,646	23,511	11,672	61,829
Undrawn Facility	3,950	7,151	1,438	12,968	25,507

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 2025 were included in the total amount of Available Facility. The Available Facility for EnergyAustralia excluded a facility set aside for guarantees.



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.

## Energy Growth Opportunities

In May, Standard & Poor's (S&P's) affirmed the credit ratings of CLP Holdings, CLP Power and CAPCO at A, A+ and AA-, respectively, all with stable outlooks. In August, Moody's affirmed the A2 credit rating of CLP Holdings, and the A1 ratings for both CLP Power and CAPCO, all with stable outlooks. Moody's also assigned a positive outlook on the Baa2 credit rating of EnergyAustralia. At the time of the report's publication, the credit ratings of the Group's major businesses were as follows:

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



More information on [credit ratings](#) can be found on the Group's website.



More information about major financing activities in 2025 and debt profile can be found on pages 34 and 35 of the [2025 Annual Results Presentation of CLP Holdings](#).



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

CLP's Climate Action Finance Framework (CAFF) continued to enable a growing volume of financing activities in support of the Group's decarbonisation effort. CLP will maintain close collaboration with financial market stakeholders on promoting the development of sustainable financial instruments, while continuing to align CAFF with latest advancements in relevant taxonomies. CLP Holdings has an NZ-2 score from Moody's Net Zero Assessment, representing the second-highest rating on the scale.



Information about [CLP Climate Action Finance Framework](#) can be found on the Group's website.

**i** More information on the following topics is available in Business Performance and Outlook on page 50:

1. Climate and energy policy developments in China and Australia
2. CLP's investments in energy supply and infrastructure
3. Energy savings for CLP Power customers
4. Growth in energy demand from data centres and electric transport
5. CLP's latest initiatives on smart grid, electric transport and demand-side decarbonisation
6. Electricity tariffs in Hong Kong
7. Carbon credit litigation in Australia
8. Pilot project to blend hydrogen into natural gas for power generation in Hong Kong
9. New funding through CAFF and other financing channels in 2025

Further information, metrics and targets related to power supply reliability and energy efficiency are available in the [2025 Sustainability Report](#). Key metrics are also provided in Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data on page 256 of the 2025 Annual Report.

# Digital Innovation and Cybersecurity

**Building digital capabilities in AI, data analytics and cybersecurity is key to driving efficiency, enhancing customer experience and strengthening resilience across CLP's businesses. This section covers the following three risks and two opportunities deemed financially material to the Group's digital transformation as identified in the annual materiality assessment.**

## Risks

### Short-term

- ◆ Increasing vulnerability of smart grid and digital technologies to cyberattacks on critical infrastructure heightens CLP's exposure to operational disruptions, regulatory penalties, and reputational damage. A major cybersecurity incident or data breach could materially affect the Group's financial position and market confidence.
- ◆ Failure to implement effective governance will compromise the security and resilience of digital infrastructure and regulatory compliance.
- ◆ CLP's competitiveness may be affected if its digitalisation projects are not successfully implemented and do not deliver the targeted benefits.

## Opportunities

### Short-term

- ◆ AI and digital technologies enable CLP to enhance asset management and operational maintenance, improving the reliability and stability of power supply while realising cost efficiencies.
- ◆ Insights from electricity usage and operational data help CLP create innovative energy services for customers that support greater energy efficiency and emissions reduction.

## Accelerating digital transformation

Digitalisation continued to deliver further operational efficiencies for CLP and enable more reliable and innovative energy services in 2025. This was underscored by initiatives across the Group including distribution network optimisation in Hong Kong, centralised management of renewable energy operations on the Chinese Mainland and the growth of VPP services in Australia.

During the year, the initial phase of CLP's enterprise resource planning (ERP) system upgrade was completed. This optimised end-to-end business processes across the Group and enabled automation of work procedures. The second phase of the upgrade, to be completed in 2026, will further enhance customer services, strengthen power network asset management and support CLP's sustainability objectives.

In addition, the use of AI was accelerated with the Group deploying 24 new AI applications in 2025. They include tools and chatbots that support knowledge search, communication and training for customer service staff and analyse power station drawings to streamline engineering work. Many of these applications are enabled by a unified AI and data

platform that integrates key data across operations including power generation, transmission and distribution, and customer services in Hong Kong. As data volumes continue to increase, the platform helps improve cost efficiencies and drive faster development of new AI and data analytics applications to optimise CLP's operations.

## Supporting business priorities

The ongoing focus on AI and data analytics is a key part of CLP's 2025-2028 Digital Strategy, which aims to enhance technology capabilities in support of the Group's strategic priorities. Another focus area of the Strategy is developing a more digitalised workplace environment to enable CLP employees to integrate technologies and data to work better and smarter. In 2025, CLP rolled out a secured platform for employees in Hong Kong to access proven generative AI tools. New self-service chatbots powered by AI have also assisted employees on tasks including knowledge management and troubleshooting technology-related queries. As new technologies and upgrades continue to be implemented, the Strategy also aims to enhance the resilience of the Group's digital infrastructure against potential risks including cyber incidents and supply chain disruptions.

## Digital Innovation and Cybersecurity

As applications of AI increased, CLP also strengthened the governance of AI use. A set of AI Principles and an AI Policy were released for employees to adopt AI technologies in their work effectively and ethically, integrating appropriate human oversight to help minimise business risks.

### Enhancing energy services with digitalisation

Data-driven insights enabled CLP Power and EnergyAustralia to offer more flexible electricity tariffs for EV charging. Electricity customers with smart meters in Hong Kong can benefit from personalised energy-saving advice tailored to their consumption patterns. AI technologies are also supporting commercial and industrial customers in improving their energy management and reducing emissions from cooling systems.

To develop innovative energy solutions and services, the Group continued to partner with technology companies from around the world. Through the Free Electrons innovation programme, CLP's businesses worked with technology providers from Asia Pacific, the Americas and Europe in 2025 to pilot a range of applications including power network planning and asset condition monitoring. CLP also partnered with Chinese Mainland energy innovators on EV charging and renewable energy forecasting technologies through the Phoenix technology scouting programme.

### Strengthening cybersecurity protection

Cybersecurity is critical to CLP's business as an essential service provider. In 2025, the Group adopted more automated systems for cyber incident detection and response to further strengthen resilience as potential online threats continue to grow. CLP also introduced a new approach to integrate cybersecurity measures in the planning of new business processes and projects, positioning security as everyone's responsibility within a project team. To raise cybersecurity awareness and enable more effective response, employees are provided with regular training and opportunities to participate in phishing simulations.

In 2025, the Group did not have any notifiable non-compliance related to relevant physical or cybersecurity standards or regulations.

 More information on the following topics is available in CEO's Strategic Review on page 12 and Business Performance and Outlook on page 50:

1. The Group's 2025-2028 Digital Strategy
2. Distribution Network Operation Optimisation project
3. Grid-V system enhancing CLP Power's asset management and power reliability
4. Regional centralised control centres for renewable energy operations
5. AI applications for enhancing power system operations
6. Off-peak EV charging, VPP and other innovative energy services
7. New cybersecurity legislation in Hong Kong

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Further information and metrics related to digital innovation and cybersecurity, including policies on customer privacy, are available in the [2025 Sustainability Report](#).

# Future-Ready Workforce

CLP remains steadfast in its commitment to build a future-ready workforce as decarbonisation, electrification and digitalisation continue to reshape the energy industry. In addition to ongoing people investments to uplift capabilities and drive performance and growth, fostering an agile and inclusive culture is a key focus for the Group to drive competitiveness and enable everyone who works at CLP to thrive in change. These efforts help mitigate the following three financially material risks identified in the annual materiality assessment.

## Risks

### Short-term

- ◆ Failure to attract and develop talent into CLP's workforce will hinder its ability to execute decarbonisation and digitalisation goals, and the realisation of non-SoC opportunities in Hong Kong and other markets.

### Medium-term

- ◆ CLP's culture of operational excellence and process compliance drives reliability, however may reduce organisational agility and responsiveness to industry megatrends and market dynamics. This may potentially affect the Group's competitiveness and capacity to capture emerging opportunities.
- ◆ To successfully implement new technologies, employees need to adapt to digitalised ways of working.

## Attracting and retaining talent

To meet evolving business needs and opportunities, CLP continued to focus on attracting and retaining talented people in 2025. A steady pace of hiring was maintained and the Group recruited over 600 people across Hong Kong and the Chinese Mainland in 2025 to strengthen capabilities in commercial functions, engineering, digital technologies and customer service. Voluntary turnover moderated despite intense competition for talent.

At the end of 2025, CLP had 8,539 full-time and part-time employees serving its Hong Kong, Chinese Mainland and Australia businesses, compared with 8,415 a year earlier. This included 6,272 employees in CLP's core markets of Hong Kong and Chinese Mainland, compared with 6,160 at the end of 2024. Total remuneration for the year ended 31 December 2025 was HK\$7,761 million, compared with HK\$7,081 million in 2024, including retirement benefit costs of HK\$736 million, compared with HK\$696 million the previous year.

In addition to experienced professionals, CLP continued to recruit students across different educational levels. Over 30 engineering graduates from Hong Kong, Mainland and overseas universities joined the Group's flagship Graduate Trainee Programme in 2025 to gain experience across CLP's Hong Kong and Chinese Mainland businesses. The programme's curriculum is regularly updated to reflect advancements in low-carbon technologies and digitalisation, and a Digital stream was launched in 2025. The launch of the Engineering Cadet Programme in July provided over 20 cadets with structured training and job rotations in electricity operations, while the Technician Trainee

Programme was expanded to offer enhanced on-the-job learning for more participants. A strategic cooperation agreement on engineering internships established CLP as Tsinghua University's first Undergraduate Practice Training Base in Hong Kong, strengthening efforts to nurture talent for the energy sector.

To nurture the next generation of leaders, the updated CLP Executive Programme was launched to accelerate the growth of high-potential managers and professionals, and prepare participants for future senior leadership roles.

CLP continued to encourage internal mobility for colleagues and develop their understanding of the core Hong Kong and Chinese Mainland markets through internal transfer opportunities.

## Investing in training and development to upskill and reskill our workforce

CLP continued to invest in employee training and development to uplift organisational capabilities, and support improved work performance and growth. Colleagues received approximately 52 hours of internal and external training and development each on average in 2025. This included trainings related to implementation of CLP's updated ERP system. Time spent on upskilling (enhancing existing skills) and reskilling (training to enable transition to different roles) made up over 17% of training for employees in 2025, compared to 15% a year earlier.

Training programmes in technical, business, digital technology and leadership skills were enhanced. To encourage colleagues to take charge of their growth, CLP launched an e-learning

## Future-Ready Workforce

platform for training on a wide-range of topics including technology, management and leadership, with over 2,000 employees participating. Building AI skills was a key focus. In Hong Kong, over 500 colleagues completed CLP's AI Challenge upskilling programme, applying practical AI use cases to their work.

Ongoing partnerships with leading educational institutions including Tsinghua School of Economics and Management in Beijing and Canada's Ivey Business School provided training on national affairs, business leadership and management for high-potential employees.

### Employee Training

	Average Training Hours per Employee	% Trained
<b>By Region</b>		
Hong Kong	63.3	99.5
Chinese Mainland	76.3	100
Australia	16.2	97.3
Group Total	51.9	99.0
<b>By Gender</b>		
Male	61.1	99.2
Female	26.5	98.3
<b>By Professional Category</b>		
Managerial	22.7	97.1
Professional	36.1	98.9
General and Technical	74.0	99.3

## Building an agile and inclusive organisation and culture

To remain agile in the face of dynamic changes in the energy sector, the Group's businesses continued to evolve their operating models to align with market needs and capture new opportunities. Investment governance and reporting processes were streamlined further to support faster decision-making and innovation.

Workshops were conducted for managers in Hong Kong and the Chinese Mainland to integrate the Group's core values of Care, Excellence and Responsibility in their teams. Employee recognition in Hong Kong was strengthened with a digitally enabled peer-to-peer recognition programme, "GiveMeFive".

Results from an internal survey conducted across the Group in 2025 indicated uplifts in employee engagement and an increase in workforce perceptions of empowerment and organisation agility.

CLP recognises that good business outcomes are facilitated by an inclusive, diverse workplace in which all colleagues feel welcomed and respected. To promote increased awareness, the Group's refreshed policy on inclusion and diversity "Stronger Together" was launched in June 2025. Workshops and activities were held in October, generating strong interest with more than 3,000 attendances recorded at the events.

To drive cost competitiveness, CLP continued to promote more digitalised ways of working through a combination of technology adoption, process transformation and cultural change. More details can be found in Digital Innovation and Cybersecurity on page 45.

 More information on organisational capability development and workplace digitalisation is available in CEO's Strategic Review on page 12.

Further information on major human resources and pay issues is available in the Human Resources & Remuneration Committee Report on page 128.

More information and metrics on workforce development, including CLP's Value Framework and Group Labour Standards, are provided in the [2025 Sustainability Report](#). Key metrics are also available in Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data on page 256 of the 2025 Annual Report.

# Operational and Supply Chain Resilience

Maintaining resilient operations and supply chains is crucial to CLP's ability to deliver reliable energy and technology innovation. This section covers the following three financially material risks identified in CLP's annual materiality assessment, including a climate-related transition risk (indicated by  below) that could arise without effective operations and supply chain management.

## Risks

### Short-term

- ◆ Global geopolitical volatility may affect fossil fuel supply, and result in potentially higher energy costs for customers.
- ◆ While CLP is a regional business, its strong presence in the Hong Kong and Chinese Mainland markets may create complications for its operations in other markets amid geopolitical tension.

### Medium-term

- ◆ Geopolitical developments may disrupt the global supply of critical minerals for low-carbon energy (e.g. cobalt, lithium, nickel) and advanced energy and digital technologies. Any major disruption could potentially affect BESS and renewable energy developers. 

Other climate-related risks and opportunities are covered in Net-Zero Transition on page 31 and Energy Growth Opportunities on page 40.

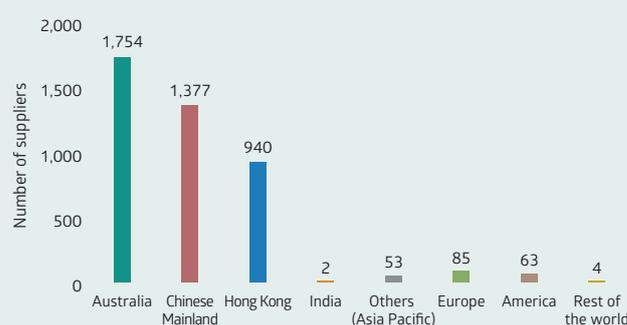
## Strengthening supply chain resilience

To ensure reliable and cost-effective access to fuels, materials and technologies amid a volatile global trade and geopolitical environment, CLP continued to strengthen supply chain management during 2025. Key measures included:

- ◆ Reduced over-concentration risks for key products and technologies by exploring alternative sources of high-quality products and services from new suppliers.
- ◆ Prioritised sourcing opportunities from nearby suppliers to mitigate potential geopolitical risks on long-haul transportation of goods.
- ◆ Explored the use of standardised product specifications to broaden potential supplier base.
- ◆ Incorporated sustainability risk assessment into supplier evaluation process, with reference to CLP's Supplier Code of Conduct.
- ◆ Reviewed contracts with suppliers and negotiated favourable commercial terms to optimise cost.
- ◆ As part of the Group's ERP system upgrade, the efficiency and transparency of procurement processes including supplier registration, contracting and payments were enhanced. More information on the ERP platform is available in Digital Innovation and Cybersecurity on page 45.

The measures further enhanced CLP's supply chain resilience and helped mitigate risks of potential disruption to CLP's operations and investments due to global uncertainties.

## Distribution of CLP's Suppliers by Region



 More information on the following topics is available in CEO's Strategic Review on page 12 and Business Performance and Outlook on page 50:

1. Power supply reliability in Hong Kong
2. Construction and delivery of low-carbon energy projects across Hong Kong, the Chinese Mainland, Australia and India
3. CLP's fuel costs in Hong Kong
4. Apraava Energy's view on improving relations between India and China

Further information and metrics related to operational and supply chain resilience, including policies on supply chain management, are available in the [2025 Sustainability Report](#). Key metrics are also provided in Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data on page 256 of the 2025 Annual Report.

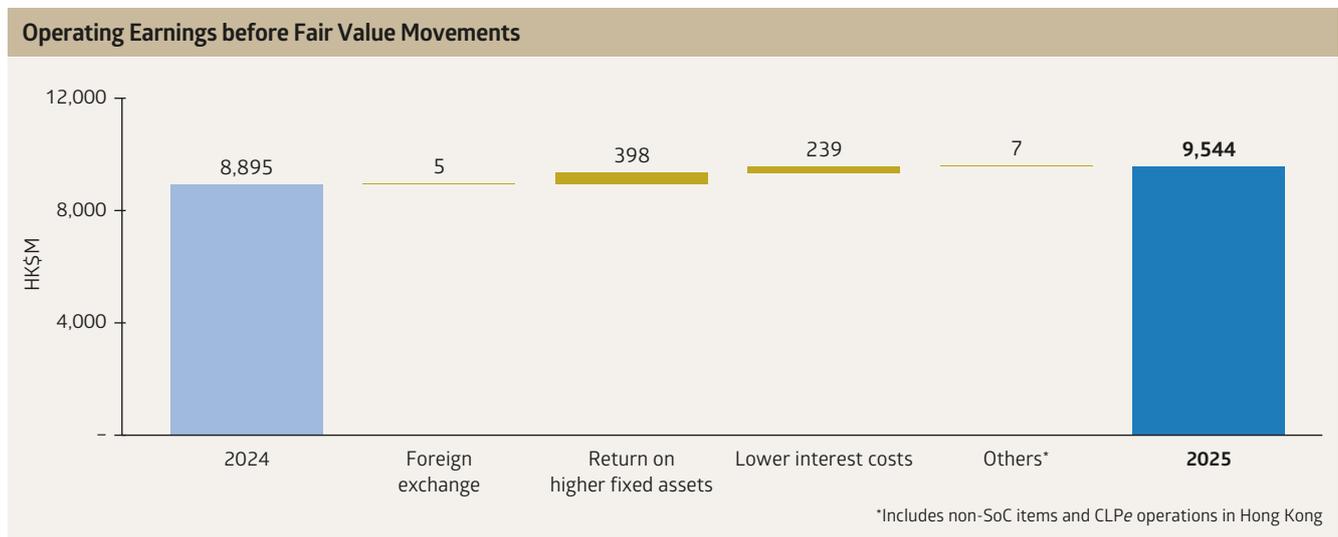
# Business Performance and Outlook





Hong Kong’s electricity sector is regulated by the Scheme of Control Agreements and operated by two vertically integrated utilities with generation, transmission, distribution and retail operations. CLP Power Hong Kong Limited (CLP Power), the larger of the two companies and a wholly owned subsidiary of the Group, serves about 80% of the city’s population in Kowloon, the New Territories and most outlying islands. Outside the regulated business, another wholly owned subsidiary of the Group CLPe Holdings Limited (CLPe) provides sustainable energy services and solutions including solar energy, cooling systems, EV charging and battery energy storage systems to commercial customers.

## 2025 Business Performance



Operating earnings for the Hong Kong energy business and related activities before fair value movements were HK\$9,544 million, 7.3% higher than a year earlier, driven by returns on increased electricity investments and lower interest costs.

## Delivering reliable, reasonably priced and sustainable energy

Electricity sales by CLP Power dropped 1.0% year-on-year to 35,760 gigawatt hours (GWh) mainly because of a higher base in 2024, when power consumption was boosted by higher average temperatures and an extra leap year day. Meanwhile, electricity sales for data centres grew 7.5% on the back of rising demand for AI and digital services, while consumption related to transport electrification also increased 32.4%.

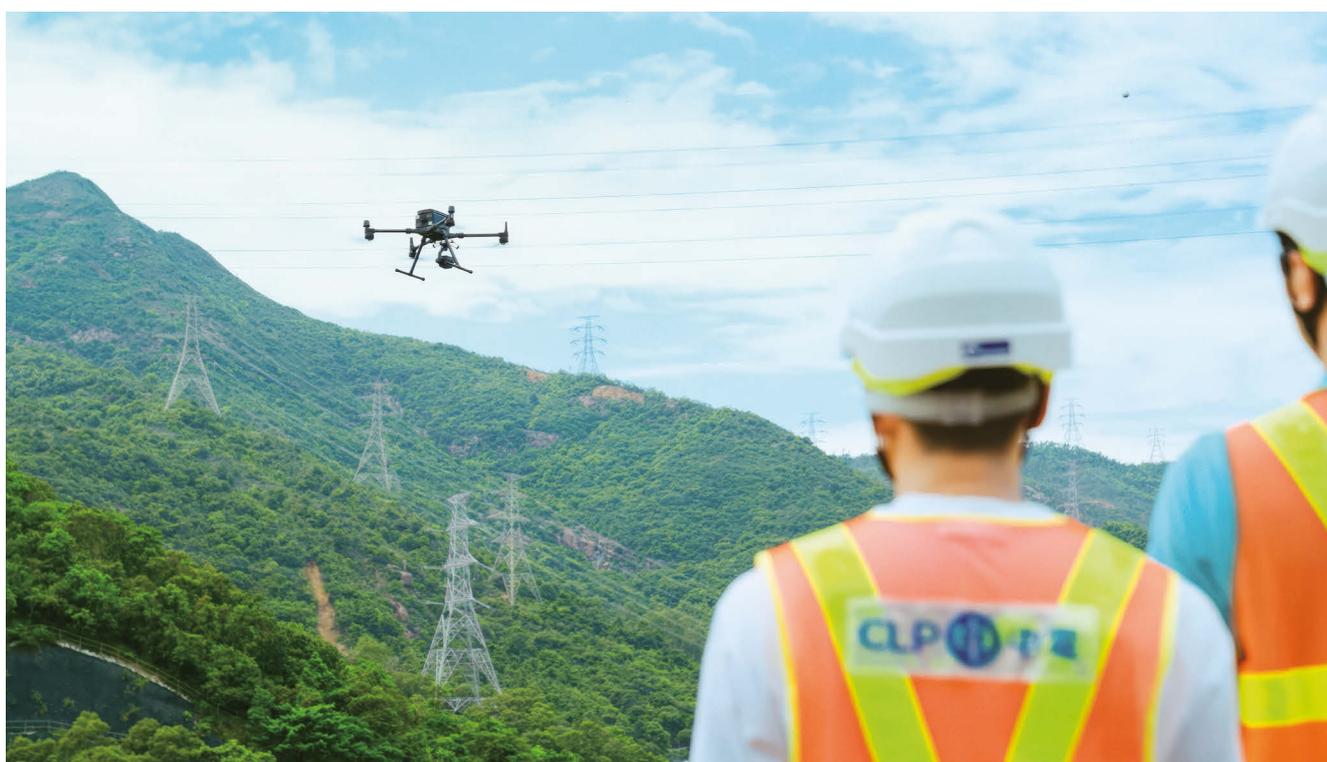
	Sales by Sector (GWh)	Change	% of Total Sales
Residential	9,966	(2.3%)	28%
Commercial	13,824	(0.4%)	39%
Infrastructure and Public Services	10,430	(0.3%)	29%
Manufacturing	1,540	(2.1%)	4%

CLP Power's supply operations again demonstrated world-class reliability in 2025, staying resilient through a series of extreme weather events in the summer. The highest Black Rainstorm alert was issued a record five times in three weeks, with 14 typhoons impacting Hong Kong during the year, also a record. To safeguard power supply, CLP Power undertook comprehensive preparations ahead of the typhoon season by implementing contingency mechanisms and precautionary

measures such as the inspection of critical facilities and the deployment of flood protection measures. Although some overhead lines and power equipment were affected by fallen trees during some of the events, effective power system monitoring and round-the-clock repair work enabled timely power supply restoration. CLP Power was able to maintain a high level of electricity supply reliability to customers despite such challenging extreme weather circumstances.

Reflecting easing international fuel prices, the Average Net Tariff for CLP Power customers was reduced by 2.6% year-on-year effective from January 2026, easing household expenses and lowering business costs. Throughout the year, CLP Power maintained prudent cost control and diversified energy sources to ensure a reasonable cost of electricity. CLP Power also worked to optimise fuel costs, and made use of the offshore liquefied natural gas (LNG) terminal to access competitively priced natural gas from global markets.

In 2025, CLP Power reinforced its support to underprivileged customers and the wider Hong Kong community amid a volatile global environment. Backed by HK\$240 million from the CLP Community Energy Saving Fund (CESF), a comprehensive package of measures including electricity subsidies, retail and catering coupons, and energy-saving initiatives was introduced, with the expected number of beneficiaries reaching over 900,000 people. Funding from the CESF for 2026 has been increased to HK\$270 million to further strengthen these efforts.



CLP Power adopts advanced technologies such as Beyond Visual Line of Sight drone operations to enhance the efficiency of power facility inspections.

## Hong Kong

### Supporting Hong Kong's decarbonisation

Under the 2024-2028 Development Plan, CLP Power continues to invest strategically in electricity supply systems to support Hong Kong's growth and government policy priorities. The investments will address increasing energy needs from infrastructure developments including new housing, rail networks and the growth of the Northern Metropolis. Another key focus is meeting rising demand from data centres. In 2025, three new 132 kilovolt (kV) substations to power data centres were completed, bringing the total delivered since 2024 to six. This compared with three data centre substations completed in the previous Development Plan from 2018 to 2023. These facilities strengthen Hong Kong's role as an international innovation and technology hub.

To accelerate the energy transition, CLP Power is completing its upgrade of the Clean Energy Transmission System (CETS) linking Hong Kong and the Chinese Mainland. This cross-border system will provide more options and flexibility for the import of more non-carbon energy, playing a vital role in Hong Kong's future decarbonisation.

Development of the 100 megawatt hour (MWh) battery energy storage system (BESS) at Castle Peak Power Station began in 2025, with procurement processes underway. Once completed, the utility-scale facility will help meet capacity requirements and integrate more non-carbon energy with the grid.

The Feed-in Tariff Scheme continued to encourage more customers to install their own renewable energy systems. By the end of December, applications for about 450 megawatts (MW) of capacity have been approved, equal to the annual energy consumption of more than 100,000 households.

CLP Power also completed the construction of 132kV submarine cables to enable electricity transmission for the Government's first Integrated Waste Management Facilities located on Shek Kwu Chau Island, paving the way for waste-to-energy generation in 2026. Surplus electricity generated from the waste treatment process will be exported to the grid, contributing to local renewable generation.

### Accelerating digital transformation

In late 2025, CLP Power successfully completed a seven-year programme to install smart meters for customers as scheduled. The programme provides customers with greater insights to manage their energy consumption, and also enables CLP Power to enhance efficiencies and deliver better services.

CLP Power continued to increase the use of digital platforms including the revamped CLP app and its website to provide services to customers. The app was further enhanced during the year to enable customers to manage their electricity accounts and make payments online more easily and securely.



In support of Hong Kong's long-term growth, CLP Power has commissioned three substations in the Northern Metropolis, including the Ho To West substation pictured here, to meet the region's electricity demand.

In addition, CLP Power completed a programme to modernise the management and control systems of its power distribution network in 2025. Known as the Distribution Network Operation Optimisation project, it deploys advanced digital technologies to enhance real-time grid monitoring and control by integrating multiple systems for modelling, planning and management of distribution networks.

AI continues to play a key role in system monitoring. The Grid-V system supported more reliable supply operations by enabling real-time and round-the-clock monitoring of potential hazards such as fire and flying objects near substations and transmission overhead lines. CLP Power is also developing AI applications to enhance monitoring of power system equipment conditions by predicting potential faults more accurately. In addition, AI helps analyse smart meter data to identify potential supply outages for customers, enabling more timely incident response especially during adverse weather. Another example of advanced technology is the Beyond Visual Line of Sight drone operations to improve the efficiency of power facility inspections. The initiative was selected in March 2025 as a pilot project under the Hong Kong Government's Low-altitude Economy Regulatory Sandbox.

### Enabling demand-side decarbonisation

Smart meters empower residential customers to manage energy consumption and join the Summer Savers Rebate (SSR) programme, which rewards energy usage reductions during peak demand periods. Around 1.4 million households were invited to participate in an SSR event in July on one of the hottest days of 2025. Nearly 80% of participating households successfully lowered their power consumption during the two-hour event and achieved about 500,000kWh of energy savings, equivalent to 190 tonnes of carbon reduction. The SSR programme has been internationally recognised for its sustainability benefits. Meanwhile, CLP Power's Community Watch & Care Service Pilot Programme helps social service organisations monitor the conditions of elderly people living at home by analysing their energy consumption data from smart meters and notifying caregivers when unusual patterns are detected.

Commercial and industrial customers continued to sign up for decarbonisation services and solutions including Renewable Energy Certificates (RECs), energy audits, training and subsidies for installing energy-efficient appliances. Sales of RECs, which enable customers to use locally generated renewable energy to reduce their carbon footprint, increased 6.8% to around 363GWh in 2025. Another 96GWh of energy savings were enabled by energy audits and CLP Power's Eco Building Fund in 2025. Smart Energy Online (SEO) is

another key tool for business customers to monitor and analyse their energy usage. The user base for SEO increased 12% year-on-year to more than 2,800 at the end of 2025.

To foster broader collaboration, CLP Power signed a Memorandum of Understanding (MoU) with the Vocational Training Council (VTC) in July to promote energy efficiency through energy-saving projects and the training of energy management professionals. VTC will leverage the SEO platform at some sites to monitor and manage energy use more effectively.

An MoU was signed with Hang Seng Bank in August. The collaboration enables corporate clients under Hang Seng Bank's Sustainability Power Up Fund to further explore CLP Power's services including energy audits and the SEO platform. Hang Seng Bank complements this by providing sustainable financing solutions to support the clients' transition to low-carbon operations.

CLPe also deepened partnerships to extend low-carbon solutions. The Cooling-as-a-Service (CaaS) contracts signed with Henderson Land will decarbonise the property developer's office building and shopping malls. Through implementing advanced technologies including AI-powered solutions and chillers that can operate at variable speed, the projects will enhance the energy efficiency of Manulife Financial Centre in East Kowloon, Metro City Plaza in Tseung Kwan O and MOSTown in Ma On Shan by about 30-60%. A similar contract was signed in May with LAWSGROUP to upgrade the cooling system at its headquarters, Laws Commercial Plaza, located in West Kowloon.

Another MoU was signed with Kai Shing Management Services Limited (Kai Shing) to improve the energy efficiency of its managed buildings. Innovative solutions including AI-powered energy management technologies and control systems will be piloted at the International Commerce Centre (ICC), Hong Kong's tallest skyscraper, for possible deployment at other Kai Shing-managed buildings. In addition, CLPe will conduct comprehensive electrical evaluations at buildings aged over 20 years in Kai Shing's portfolio to enhance their climate resilience.

### Decarbonising road and marine transport

Electrification is transforming transport in Hong Kong and CLP Power continued to step up service innovation and strengthen partnerships in the EV charging value chain. To encourage off-peak charging and optimise grid utilisation, CLP Power introduced the EV Residential Time of Use Tariff in May 2025 with discounted energy charge during off-peak hours. More than 5,000 applications were received by year-end and customer response has continued to strengthen in recent months.

## Hong Kong

CLP Power continued to leverage its power expertise to facilitate the implementation of the Government's EV-charging at Home Subsidy Scheme (EHSS) to meet increasing demand. Comprehensive technical support and services from CLP Power including power supply capacity assessments, advice on electricity meter installations and technical seminars for EHSS consultants and contractors have enabled more private residential estates in Hong Kong to install EV charging facilities.

Following the launch of the Government's Fast Charger Incentive Scheme which aims to install 3,000 fast chargers across the city by 2028, CLP Power has identified around 8,000 potential locations to facilitate interested charge-point operators to accelerate their installation of fast chargers. Also as part of the scheme, CLP Power is working closely with bus operator The Kowloon Motor Bus Co. (1933) Ltd. to upgrade power supply to facilitate the installation of over 170 additional EV charging guns at bus depots.

CLP Power also provided technical advice and power supply solutions to enable EV charge point operators to set up new fast charging hubs, and support the retrofit of petrol filling stations into EV fast charging facilities. CLP Power introduced an upgraded advisory service to support commercial fleet operators in their transition to EVs. In addition, CLP Power is working with EV battery swapping companies to establish battery swapping stations for eTaxis.

CLP Power continued to expand its eMobility Grid Management Platform (eGMP), a data analytics system that monitors EV charger activities to optimise power system planning. By the end of 2025, eGMP's coverage increased to over 5,000 EV chargers across more than 400 sites in Hong Kong.

To meet rising demand from commercial EVs, CLPe tripled the size of its EV charging network during the year to over 300 charging bays citywide at the end of December. CLPe is collaborating with Hysan Development Company Limited and Chinachem Group for the development of more than 600 charging points at a centrally located site in Causeway Bay, one of Hong Kong's busiest districts. The project is scheduled to be completed in the second half of 2026.

In June, CLPe collaborated with CNOOC Guangdong Water Transport Clean Energy Company Limited to complete Hong Kong's first LNG bunkering with simultaneous cargo operation in June. Around 10,000 cubic metres of LNG, equal to the volume of four Olympic-sized swimming pools, was delivered within 24 hours to an ultra-large international container vessel operated by shipping group Hapag Lloyd while it carried out cargo operations. LNG is a lower-carbon alternative to conventional fuels such as fuel oil and marine gas oil.



CLPe supports the Government's Southbound Travel for Guangdong Vehicles Initiative with a new EV charging station on Lantau Island.

## Securing diversified financing sources

Financing costs in Hong Kong decreased as the Group continued to secure a diversified mix of competitively priced funding during favourable market conditions.

In January 2025, CLP Power successfully issued US\$500 million (HK\$3.9 billion) of 5.45% non-call 5.25-year perpetual capital securities for redemption of the outstanding US\$500 million perpetual capital securities issued on 6 November 2019. The issuance was more than seven times over-subscribed, reflecting strong investor confidence. The securities were classified as equity in CLP's financial statements and received 50% equity credit from Standard & Poor's (S&P's) and Moody's Ratings (for 5.25 years from issuance in the case of S&P's), strengthening the Group's capital structure.

CLP Power also arranged HK\$5.5 billion of one- to three-year revolving bank facilities to support refinancing at more competitive interest costs. In addition, financing costs were further reduced through the completion of three-year private bond placements totalling HK\$2.4 billion-equivalent, denominated in Hong Kong and US dollars, broadening CLP Power's debt investor base and extending its debt maturity profile.

Castle Peak Power Company Limited (CAPCO) arranged HK\$2.4 billion in one- and two-year energy transition loan facilities under the Group's Climate Action Finance Framework (CAFF) to refinance at competitive margins to support decarbonisation initiatives. CAPCO also completed three-year private bond placements totalling HK\$2.0 billion-equivalent under CAFF at favourable interest rates. In addition, CAPCO arranged HK\$3.2 billion in emission reduction-linked bank loans for refinancing purposes.

CLP Power and CAPCO maintain Medium Term Note programmes with issuance limits of up to US\$4.5 billion and US\$2.0 billion, respectively. As of 31 December 2025, CLP Power had issued notes with aggregate nominal value of approximately US\$3.3 billion (HK\$26.0 billion equivalent), while CAPCO had issued approximately US\$1.5 billion (HK\$11.6 billion equivalent).

## Outlook

CLP Power remains focused on maintaining reliable, world-class electricity supply to support Hong Kong's growth and low-carbon transition. It is well-prepared to meet rising energy demand from data centres and other fast-growing industries as well as major infrastructure projects including the Northern Metropolis, which are key to the future of Hong Kong.

The upgrade to the CETS is due to complete in early 2026, providing CLP Power with flexibility and optionality to import additional non-carbon energy. CLP Power will also continue to progress other decarbonisation projects including the BESS at Castle Peak Power Station and a pilot project to blend hydrogen into natural gas for power generation at Black Point Power Station.

As part of the Hong Kong Government's ongoing efforts to improve air quality, CLP Power's emission allowances for 2030 and thereafter under the Tenth Technical Memorandum of Air Pollution Control Ordinance will be reduced by 3% for sulphur dioxide, 22% for nitrogen oxides and 9% for respirable suspended particulates from the 2026-2029 emission allowances. CLP Power is committed to meeting the more stringent requirements.

CLP Power will continue to invest in technology innovation including AI to deliver better energy services and achieve further cost efficiencies. In addition, CLP Power will complete an updated climate change study on extreme weather risks, further strengthening power supply resilience.

CLPe will explore further opportunities to support businesses and organisations with advanced energy management technologies to reduce their carbon footprint, focused on LNG bunkering, EV charging, CaaS and BESS projects.

CLPe's growing CaaS expertise makes the business well-positioned to support innovation and technology development in the Northern Metropolis, where there is growing demand for energy-efficient district cooling technologies. The flexibility and performance of BESS make this low-carbon technology an increasingly viable replacement for traditional diesel generators in buildings, opening a further growth avenue for CLPe, which has supplied BESS to more than 100 construction sites across Hong Kong.

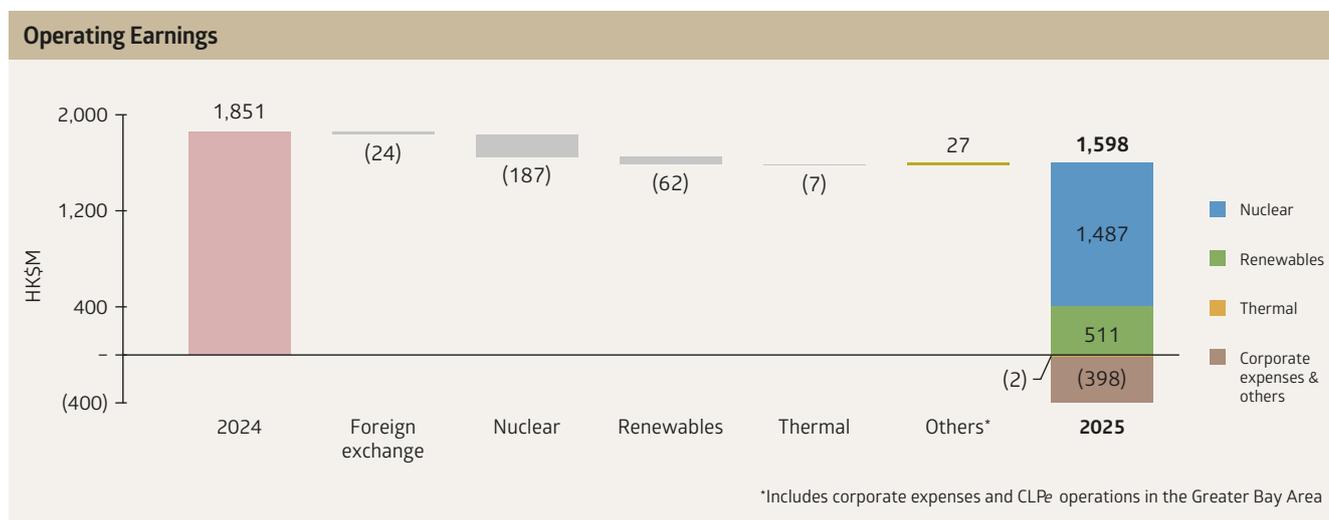
The Protection of Critical Infrastructures Computer Systems Law became effective in Hong Kong on 1 January 2026. As a critical infrastructure operator, the Group has completed thorough preparations and established comprehensive risk management measures and governance frameworks to ensure compliance.



# Chinese Mainland

The electricity industry on the Chinese Mainland 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 and is currently one of the largest external investors in the sector with over 50 power projects in 14 provinces, municipalities and autonomous regions. Non-carbon energy including nuclear power and renewable energy account for around 75% of the installed capacity of CLP China, a wholly owned subsidiary of the Group which also provides sustainable energy solutions directly to corporate customers as the energy market continues to open up.

## 2025 Business Performance



Operating earnings from the Chinese Mainland decreased 13.7% to HK\$1,598 million as fluctuations in overall power market conditions and increased competition affected the financial performance of CLP China's generation assets.

### Maintaining stable power generation

Financial contributions from CLP's nuclear energy investments in Guangdong province were reduced by lower earnings from Yangjiang Nuclear Power Station, reflecting a higher proportion of market sales at reduced average tariff due to increased competition. Yangjiang continued to deliver safe and reliable generation, and maintained resilient operations when the plant was directly impacted by Super Typhoon Ragasa in September. Generation and earnings at Daya Bay Nuclear Power Station increased as operations have been enhanced by a comprehensive maintenance programme completed in the prior years.

Earnings from renewable energy fell slightly, partially due to historically low wind resources, particularly in northeast China. Financial performance was further affected by increased grid curtailment, which reduced wind and solar energy generation earlier in the year before the curtailment situation improved since June. Despite the challenges, with contributions from new wind and solar projects and moderately higher hydro generation, CLP China recorded a slight increase in full-year renewable energy output compared to 2024.

CLP China opened a regional centralised control centre in Shandong province to enhance the operational management of its growing renewable energy asset fleet in the province.

The new centre and a similar facility in Jiangsu province deploy advanced digital technologies for real-time operational control and monitoring of CLP China's wind and solar plants in the two provinces, and potentially adjacent provinces in the long-term, to optimise asset performance, operating costs and regional coordination.

Earnings from CLP China's minority coal-fired power investments were affected by heightened market competition which led to lower electricity dispatch. As a result, an impairment provision of HK\$608 million was recognised in 2025.

### Commissioning new energy capacity

In 2025, CLP China commissioned four renewable energy projects with combined generation capacity of 386MW: Bobai wind plant in Guangxi Zhuang autonomous region (150MW), and three solar farms in Jiangsu province – Huai'an Nanzha (96MW), Yixing I (90MW) and Yixing II (50MW). Operations of the Guanxian BESS station in Shandong (100MW/200MWh) also started. The Guanxian BESS, together with another 24MW of BESS assets integrated with the three new solar farms in Jiangsu, is designed to store surplus electricity during low-demand periods and discharge it quickly during peak demand times. This supports CLP China in participating more effectively in market sales while preparing to explore additional revenue models for BESS going forward.



Commissioned in 2025, the Guanxian Battery Energy Storage System in Shandong province is CLP China's first independent BESS project.

Another five wind and solar projects with capacity totalling more than 900MW are in construction. They include the soon-to-be commissioned Sandu II Wind Farm in Guizhou (100MW), Hepu Solar Farm in Guangxi (300MW), Xundian III Wind Farm in Yunnan province (50MW) and two wind projects in Shandong – Guanxian (231MW) and Juancheng I (300MW). Guanxian and Juancheng I are some of the largest wind projects in CLP China's portfolio. To maximise energy output and operational efficiency, their wind turbine towers measure around 170 metres in height and are being constructed in a hybrid design that combines concrete sections for the base and body with steel segments for the top part.

In 2025, CLP China obtained a total of RMB2.6 billion (HK\$2.9 billion) of onshore non-recourse project loan facilities for its renewable energy businesses at competitive interest rates.

CLP China is focused on the development of renewable energy projects without government subsidies. Outstanding national subsidy payments owed to CLP China's renewable energy subsidiaries for legacy projects were reduced to HK\$2,517 million at the end of December, compared with HK\$2,716 million a year earlier, after record payments were received in 2025.

### Strengthening climate resilience

In mid-June, heavy rainfall resulted in a record level of flooding at Huaiji in Guangdong. While most of Huaiji Hydro Power Stations' 12 plants resumed service immediately after the flooding period, one plant was forced to suspend operations until November due to damage to an external water intake channel. The financial impact of the incident was limited due to insurance coverage.

CLP China conducts regular reviews on the extreme weather resilience of its assets. According to the latest review completed in October, most wind and solar plants were considered low risk. However, some hydro assets including Huaiji were evaluated as subject to higher flooding and landslide risks, and CLP China is strengthening mitigation measures for those plants.

## Outlook

Proposals for the 15<sup>th</sup> Five-Year Plan from 2026 to 2030 underscore China's commitment to a low-carbon development model by setting out further steps to decarbonise the economy in the coming years. The Chinese Government is committed to a 7% to 10% reduction in greenhouse gas emissions by 2035 from the anticipated peak before 2030, as part of the nation's updated Nationally Determined Contributions to the Paris Agreement to limit global climate change. CLP China will continue to focus on enhancing the operations of its non-carbon assets and delivering new renewable energy projects to meet rising demand for low-carbon energy, with a number of projects scheduled for commissioning in the first half of 2026.

Under a new policy from the Central Government, renewable energy projects commissioned after 1 June 2025 are required to fully participate in market transactions. This marks a further shift to market-based energy transactions. To mitigate the risks of price volatility under the new policy, CLP China will focus on securing more offtake contracts and increasing direct sales to corporate users. It is also prioritising projects and regions which offer better returns. In addition, CLP China will continue to pursue opportunities to expand its existing strong presence in provinces such as Shandong, Yunnan and Guizhou to drive further economies of scale and maximise operational synergies.

To capture new growth opportunities and improve investment returns, CLP China will continue to explore cost-effective funding options including the potential issuance of Panda bonds in the domestic market. The Group is also considering establishing a clean energy fund to facilitate capital recycling and further investment in renewable energy assets.

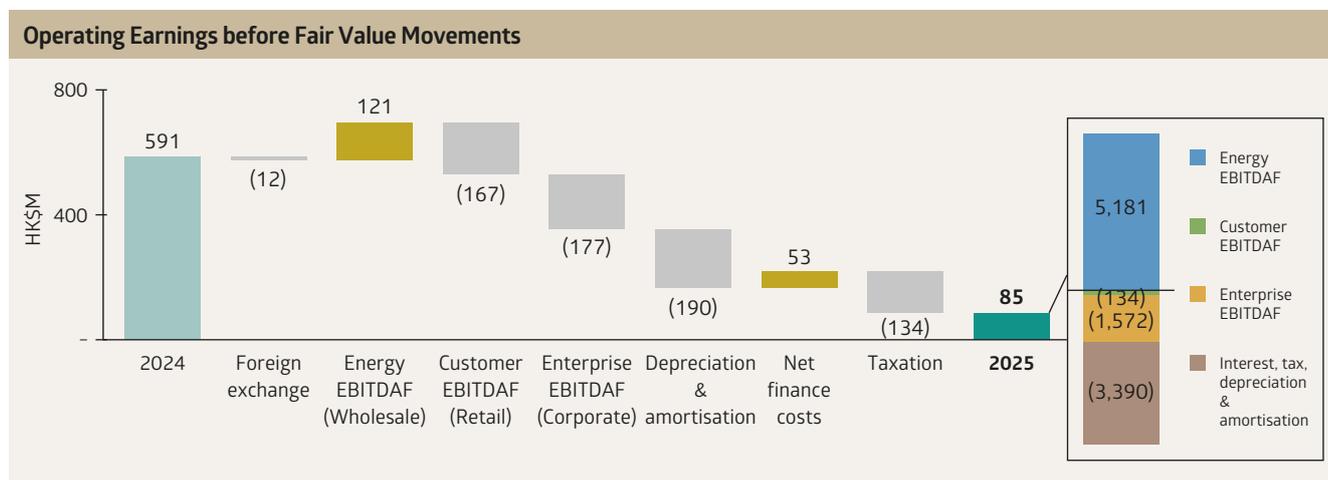


# Australia

Rendered Image

Australia's electricity retail market is partially regulated while the transmission and distribution segments remain substantially regulated. Generation and wholesale trading are largely competitive and occur primarily in the National Electricity Market (NEM) spanning eastern and southern states. EnergyAustralia, a wholly owned subsidiary of the Group, is one of the country's largest integrated energy companies, actively participating in the NEM as both a generator and retailer. Its diversified portfolio of assets includes renewables, gas and coal assets, supporting customers in New South Wales, Queensland, South Australia, Victoria and the Australian Capital Territory.

## 2025 Business Performance



EnergyAustralia's operating earnings before fair value movements dropped 85.6% to HK\$85 million from a year earlier due to reduced contributions from the Customer business in a competitive retail energy market, as well as increased enterprise transformation costs and depreciation. Improved earnings from wholesale electricity operations partially mitigated the decline.

## Australia

### Stronger power station operations

The financial performance of the Energy business strengthened as EnergyAustralia managed its generation portfolio so that capacity was available during times of high wholesale market demand. This mitigated the impact of lower generation volumes due to power station outages, in addition to the cessation of temporary government payments to relieve fuel costs.

Operations of Mount Piper Power Station in New South Wales benefitted from a major planned outage completed in May which has enabled both generation units to operate more flexibly and reliably. EnergyAustralia will upgrade the plant's generation capacity by 30MW in 2026 as part of a major planned outage on unit 2.

At Yallourn Power Station in Victoria, a multi-year maintenance programme covering all four generation units was completed to strengthen the plant's operations until its scheduled retirement in 2028. However, the ageing facility still suffered two major unplanned outages during the year. Operations of all units have resumed normal. The financial impact of Yallourn's outages was largely mitigated by EnergyAustralia's flexible deployment of its gas-fired generation assets, which maintained high reliability and availability during times of peak electricity market demand. In 2025, an additional HK\$345 million closure cost provision was recognised associated with the planned closure of Yallourn Power Station in 2028.

In March 2025, the Victorian County Court imposed a penalty on EnergyAustralia Yallourn Pty Ltd (EAY) of A\$170,000 for a safety related offence in relation to a 2021 fire that occurred during repair works at Yallourn Power Station. No one was injured in the incident. The Court found that EAY should have used thermal imaging equipment to minimise the risk of fire, which was a process that EAY had already adopted after the incident. EnergyAustralia is committed to strengthening workplace safety, and reported its lowest injury rate on record in 2025.

### Ongoing efforts to strengthen retail performance

Intense competition and cost of living pressures in the residential sector continued to affect the financial performance of the Customer business. The number of customer accounts dropped 83,000 to 2.3 million while customer churn increased in line with market trends.

In the face of declining retail performance, EnergyAustralia progressed cost efficiency initiatives within the Customer business while evolving its marketing approach to enhance customer engagement and retention. EnergyAustralia is in advanced planning on a multi-year transformation programme to modernise its technology infrastructure and streamline its operating model. This investment is expected to deliver significant operational efficiencies, and enable more

flexible, tailored energy solutions for customers, positioning EnergyAustralia for sustainable growth in a dynamic energy market.

Customer-focused initiatives in storage and electrification were expanded during the year. EnergyAustralia's virtual power plant (VPP) programme has grown by over 30% in capacity in 2025 with an increased number of home battery and water heating systems being connected. Participating customers are rewarded for sending their surplus energy to the VPP, which re-distributes it to the grid at times of high demand. EnergyAustralia also continued to expand its Community Battery Ease programme by partnering with power distributors that are installing battery storage systems in local communities. The programme enables customers to benefit from lower-cost energy without having to install batteries in their own premises.



EnergyAustralia's EV Night Boost plan offers EV owners low overnight charging rates.

EVs now comprise around 12% of new vehicle registrations in Australia. To meet rising charging demand, EnergyAustralia launched its EV Night Boost programme for residential customers in New South Wales to incentivise off-peak charging.

In May, EnergyAustralia settled a suit filed by advocacy group Parents for Climate Action related to the marketing of EnergyAustralia's Go Neutral carbon offset products. EnergyAustralia no longer offers Go Neutral products and is focused on reducing emissions through direct actions.

In October, EnergyAustralia provided A\$1.2 million of compensation to customers in Victoria who did not receive information from the company on payment assistance entitlements between December 2019 and August 2024 and entered into an Enforceable Undertaking with the Essential Services Commission to ensure remediations are completed and embedded.

In November, EnergyAustralia was fined approximately A\$1 million by the Commission for failing to communicate the best available prices to customers between March 2022 and August 2024. EnergyAustralia has implemented changes to address the root causes involved.

### Expanding flexible capacity

EnergyAustralia continued to progress the development of flexible energy capacity projects, working with partners to support the energy transition.

In February, construction began for the 350MW/1,400MWh Wooreen Energy Storage System in Victoria, which will be able to power 230,000 homes for four hours during periods of peak demand. EnergyAustralia arranged a A\$667 million (HK\$3.3 billion) five-year syndicated loan facility in March to finance the development of the utility-scale BESS and formed a 50:50 joint venture with Banpu Energy Australia in June to co-develop it. A HK\$390 million gain was recorded in 2025 from the realisation of Wooreen, post introduction of the joint venture partner.

Also in June, EnergyAustralia and EDF power solutions Australia formed a joint venture with 25% and 75% equity interests respectively for the Lake Lyell Pumped Hydro Energy Storage project in New South Wales. The project will be capable of producing 385MW of renewable energy for up to eight hours during periods of peak demand. An Environmental Impact Assessment was submitted to the State Government in February 2026.

In addition, EnergyAustralia won support from the Federal Government's Capacity Investment Scheme for the development of the Mount Piper Stage 1 BESS in New South Wales in September. When completed, the 250MW/1,000MWh BESS will have the capability to power up to 320,000 homes and small businesses for up to four hours.

### Evolving policy environment

Australia has set a new target to reduce emissions by 62-70% by 2035, compared with 2005 levels. The strengthened policy aligns with EnergyAustralia's decarbonisation pathway under its Climate Transition Action Plan, which commits the business to net-zero Scope 1 and Scope 2 emissions by 2050, with an ambition to extend the undertaking to Scope 3 emissions.

In November, the Federal Government announced plans requiring energy retailers to offer free electricity services daily to eligible customers in certain states during a three-hour window around midday. EnergyAustralia is continuing to engage regulators on the implementation of the policy with a focus on ensuring all costs are recovered while maintaining benefits for customers.

## Outlook

EnergyAustralia is actively supporting the energy transition through targeted investments to enable secure, affordable and reliable electricity for customers. Two contracted flexible capacity projects – the 200MW Orana BESS project in New South Wales and the 250MW/2,000MWh Kidston pumped hydro project in Queensland – are scheduled to commence operations in 2026 and 2027, respectively. Construction of the 50MW Hallett BESS in South Australia is expected to start in 2026, while final investment decisions for the Lake Lyell pumped hydro project and Mount Piper BESS are anticipated later in the year. The Wooreen project is on track to start operations in 2027.

EnergyAustralia remains committed to retiring Yallourn Power Station in 2028, aligning with CLP's target of phasing out coal-fired generation before 2040. A Declared Mine Rehabilitation Plan has been submitted to the Victorian Government following public consultations. The plan proposes creating a lake at the coal mine site to provide recreational spaces and alternative employment. EnergyAustralia is also progressing plans for the development of new flexible energy capacity opportunities including gas-fired and solar energy generation with long-duration battery energy storage at the Yallourn site following the plant's closure to support future power demand from data centres and other major electricity users.

The Australian Energy Market Commission will implement reforms to electricity market rules in stages throughout 2026. Energy retailers are required to provide information to customers to help them evaluate the best market offers and put caps on retail prices for energy services. The reforms are expected to further increase competitive pressures for retailers.

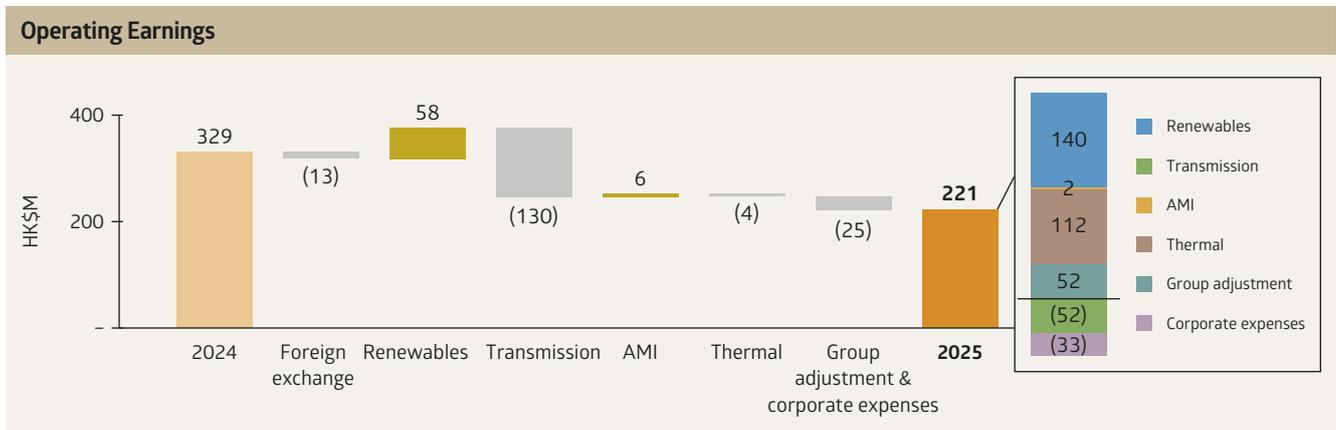
EnergyAustralia has entered a strategic partnership with Tata Consultancy Services to accelerate operational transformation across key functions including finance, technology, and procurement. This partnership is designed to deliver material improvements in efficiency, scalability and cost management, while enabling EnergyAustralia to focus on its core business and strategic growth priorities.



# India

While much of the electricity industry in India has traditionally been owned and controlled by the Federal and State Governments, private companies have been investing in the generation and increasingly transmission and distribution segments. CLP entered the Indian market in 2002 and currently operates as Apraava Energy, a 50:50 joint venture with Canada's La Caisse (formerly CDPQ). Apraava Energy has a diversified portfolio comprising renewable energy generation, transmission and smart meter assets.

## 2025 Business Performance



Operating earnings in India dropped 32.8% to HK\$221 million as Apraava Energy recognised an impairment charge on a transmission asset, offsetting increased contributions from renewable energy generation.

### Delivering solid energy operations

Output from the renewable energy fleet increased due to improved wind resources and the full commissioning in early 2025 of the 251MW Sidhpur Wind Farm in Gujarat state, the biggest in Apraava Energy's portfolio. Solar energy operations remained stable while generation was slightly lower due to reduced irradiance. However, Apraava Energy's overall output was down marginally as generation in Jhajjar Power Station in Haryana state dropped due to lower demand, though not impacting profitability.

In October, Apraava Energy agreed to sell its entire interests in Jhajjar to Jindal Jhajjar Power Limited. The planned divestment is in line with Apraava Energy's strategy to focus on non-carbon businesses.

Apraava Energy's Satpura Transco Private Ltd. maintained high availability of its 240-kilometre (km) transmission line in the state of Madhya Pradesh. Kohima-Mariani Transmission Ltd., operator of a 254 km interstate transmission line across three northeastern states, also performed well. However, its

financial performance was affected by a non-cash impairment charge following a reassessment of debt sizing and discount rates.

### Progressing new project development

Apraava Energy continued to progress the construction of two solar energy projects in Rajasthan state – the 250MW NHPC Bhanipura I and the 300MW NTPC Bhanipura II. However, the commissioning schedules for both projects have been affected by delays in the delivery of external transmission infrastructure for connecting the solar farms to the grid.

The Fatehgarh IV transmission project in Rajasthan, comprising a 21 km transmission line and a 2,500 megavolt-ampere (MVA) substation, was commissioned in January 2026. The asset will connect to Apraava Energy's Fatehgarh III project, a 230 km transmission line currently under construction. Together they form part of a transmission system that will connect 20GW of renewable energy to the federal grid.



Gale Solar Farm continues to serve the state of Maharashtra with its reliable operation.

## India

Apraava Energy continued to advance construction of two other transmission projects: the Rajasthan IV A project in Rajasthan, comprising around 200 km of transmission lines and a 6,000MVA substation; and the Karera transmission project in Madhya Pradesh, with 43 km of power lines and a 3,000MVA substation.

Apraava Energy expanded its advanced metering infrastructure (AMI) business after signing contracts this year for the installation of more than 2.8 million additional smart meters in the states of Himachal Pradesh and Madhya Pradesh, as well as the Union Territory of Puducherry. These projects took Apraava Energy's AMI portfolio to 9.7 million smart meters across nine projects in India. More than 2.5 million smart meters had been installed by the end of 2025.

### Outlook

Apraava Energy will focus on delivering its portfolio of new renewable energy, transmission and AMI projects. When completed, the projects will add 2.1GW-equivalent of non-carbon energy capacity to expand Apraava Energy's capabilities to serve the low-carbon energy needs of India, one of the world's fastest-growing economies. Apraava Energy views the improved relations between the Indian and Chinese governments as mutually beneficial for both countries in the long term.

The NHPC Bhanipura I and the NTPC Bhanipura II solar projects in Rajasthan are scheduled to start operations in early 2027, subject to the readiness of onward transmission infrastructure. Apraava Energy is also seeking a power purchase agreement to start construction of a new 50MW solar project in the state. Meanwhile, work is scheduled to start at Apraava Energy's 300MW wind farm in Karnataka state in the first quarter of 2026.

Commissioning of the two transmission projects in Rajasthan - Fatehgarh III and Rajasthan IV A - is targeted for the second half of 2026. Operations of the Karera transmission project in Madhya Pradesh are also expected to start during the period.

The agreed divestment of Jhajjar Power Station is scheduled for completion in the first quarter of 2026.

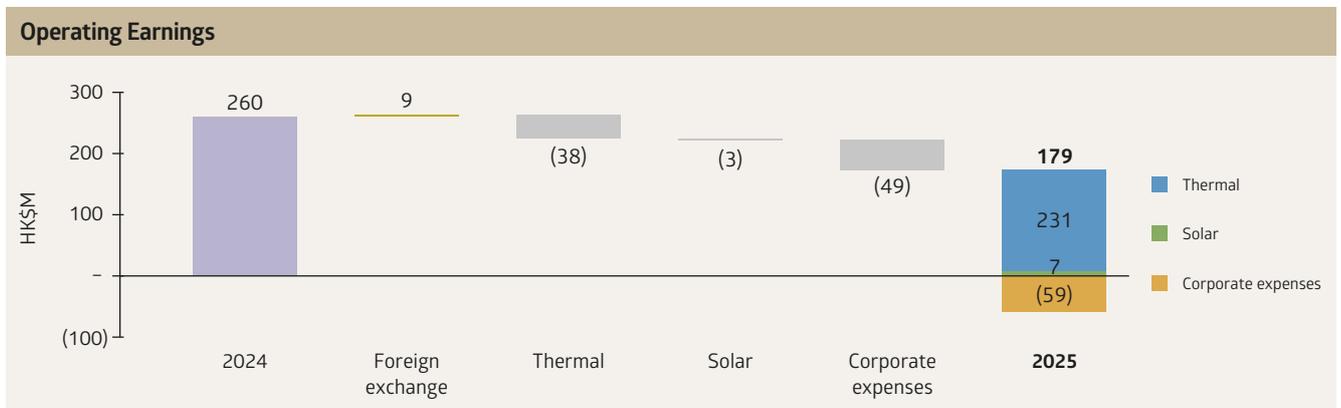
Apraava Energy will continue to compete for opportunities to develop new non-carbon energy projects through auctions, though competition is expected to remain intense. In addition, Apraava Energy will also explore potential acquisitions if government approval processes for transactions are simplified.



# Taiwan Region and Southeast Asia

To support future growth, CLP is exploring new low-carbon opportunities in other parts of Asia, where the Group currently has minority interests in a coal-based generation plant in Taiwan Region and a solar project in Thailand. In Taiwan Region, independent power producers sell electricity to government-owned Taipower under long-term contracts and demand for renewables is growing rapidly underpinned by the fast-expanding semiconductor industry. In Thailand, private investment is mainly in generation, while transmission and distribution remain state-controlled.

## 2025 Business Performance



Operating earnings from the Group's investments in Taiwan Region and Southeast Asia decreased 31.2% to HK\$179 million due to lower fuel cost recoveries at Ho-Ping Power Station in Taiwan Region.

Ho-Ping's operations were disrupted by an equipment malfunction in late May at one of the plant's two generation units, leading to an unplanned outage. The power station has maintained reliable operations since the unit returned to service in June, and full-year generation increased.

In Thailand, generation at Lopburi Solar Farm was slightly lower due to reduced irradiance and outages of external transmission lines. Financial performance was also affected by lower tariffs.

## Outlook

CLP is focused on capturing growth opportunities from low-carbon energy outside its core markets, particularly in the Asia Pacific region where demand for low-carbon energy is accelerating. CLP will continue to explore potential acquisitions and other opportunities including greenfield renewable energy developments, corporate power purchase agreements and transmission.

With its key role in supporting the Taiwan Region's energy security, Ho-Ping aims to continue providing reliable power generation beyond 2027 subject to an extension of its power purchase agreement, which is due to expire that year.

# Governance

CLP 中電

中電控股有限公司 CLP Holdings Limited

2025 股東周年大會  
Annual General Meeting



# Board of Directors

## Non-executive Directors



### The Honourable Sir Michael Kadoorie ◆ Chairman N

Aged 84 ◆ Appointed on 19 January 1967\* (59 years) ◆ Last re-elected^ on 9 May 2025

◆ Father of Philip Lawrence Kadoorie ◆ Father-in-law of Diego Alejandro Gonzalez Morales

#### Skills and Expertise

- Board / Board committees leadership / Other listed roles
- CLP market experience
- Related industry / Global experience
- Strategy & Governance
- 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)

E (Deputy Chair) H S

Aged 69 ◆ Appointed on 6 May 2000 (25 years) ◆ Last re-elected^ on 9 May 2025

#### Skills and Expertise

- Board / Board committees leadership / Other listed roles
- CLP market experience
- Executive leadership
- Related industry / Global experience
- Strategy & Governance
- 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

#### Public Service

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

#### Major Positions Held with the Group

EnergyAustralia Holdings Ltd. (Director)

#### 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.

#### 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)



These Directors will stand for re-election at the 2026 Annual General Meeting (AGM)

A Audit & Risk Committee

E ERP Panel

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 F S

Aged 34 ◆ Appointed on 7 August 2018 (7 years) ◆ Last re-elected<sup>^</sup> on 9 May 2025

◆ Son of The Honourable Sir Michael Kadoorie ◆ Brother-in-law of Diego Alejandro Gonzalez Morales

### Skills and Expertise

- Board / Board committees leadership / Other listed roles
- CLP market experience
- Strategy & Governance
- 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.<sup>#</sup> (Non-executive Deputy Chairman and member of Executive Committee)  
Sir Elly Kadoorie & Sons Ltd.<sup>▲</sup> (Director)  
Heliservices (Hong Kong) Ltd. (Director)  
Metrojet Ltd. (Chairman)  
CK Hutchison Holdings Ltd.<sup>#</sup> (Independent Non-executive Director)

### Past Experience

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



## Yuen So Siu Mai Betty E (Chair) F

Aged 68 ◆ Appointed on 1 January 2023 (3 years) ◆ Last elected<sup>^</sup> on 5 May 2023

### Skills and Expertise

- Board / Board committees leadership / Other listed roles
- CLP market experience
- Executive leadership
- Related industry / Global experience
- Strategy & Governance
- 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.<sup>▲</sup> (Special Advisor)

### Public Service

HKSAR Election Committee (Member)  
Hong Kong General Chamber of Commerce  
(Past Chairman & Chamber Council 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 on the Chinese Mainland.

<sup>^</sup> 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.

<sup>#</sup> The securities of these companies are currently listed on the Hong Kong Stock Exchange.

<sup>▲</sup> 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



#### Diego Alejandro Gonzalez Morales F

Aged 42 ♦ Appointed on 1 April 2024 (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
- Strategy & Governance
- 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.<sup>#</sup> (Non-executive Director  
and member of Finance Committee)  
Sir Elly Kadoorie & Sons Ltd.<sup>▲</sup> (Director)

##### Past Experience

Mr Gonzalez 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



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

Aged 70 ♦ Appointed on 12 May 2009 (16 years) ♦ Last re-elected^ on 9 May 2025

##### Skills and Expertise

- Board / Board committees leadership / Other listed roles
- CLP market experience
- Strategy & Governance
- Sustainability
- Digital / AI / Cybersecurity

##### 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.<sup>#</sup> (Independent Non-executive  
Director, Chairman of Audit Committee, member of Nomination and  
Governance Committee, Remuneration Committee and Risk Committee)  
The London Metal Exchange (Non-executive Director, Chairman of Audit  
Committee and member of Remuneration Committee)  
LME Clear Ltd. (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.



## May Siew Boi Tan (Chairperson) (Deputy Chair)

Aged 70  Appointed on 7 August 2018 (7 years)  Last re-elected^ on 3 May 2024

### Skills and Expertise

- Board / Board committees leadership / Other listed roles
- CLP market experience
- Executive leadership
- Strategy & Governance
- 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<sup>#</sup> (Independent Director,  
 Chair of Corporate Governance and Nominating Committee and  
 member of Audit Committee)  
 Hang Lung Group Ltd.<sup>#</sup> (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 Ltd. (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

Aged 53  Appointed on 20 October 2020 (5 years)  Last re-elected^ on 3 May 2024

### Skills and Expertise

- Board / Board committees leadership / Other listed roles
- CLP market experience
- Executive leadership
- Strategy & Governance
- 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.<sup>#</sup> (Executive Director)  
 JD Logistics, Inc.<sup>#</sup> (Independent Non-executive Director and  
 member of Audit Committee)  
 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.

## Independent Non-executive Directors



### Chunyuan Gu S (Chairman)

Aged 67  Appointed on 20 October 2020 (5 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
- Strategy & Governance
- Sustainability
- Digital / AI / Cybersecurity

#### 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)  
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 S

Aged 61  Appointed on 18 October 2022 (3 years)  Last elected^ on 5 May 2023

#### Skills and Expertise

- Board / Board committees leadership / Other listed roles
- CLP market experience
- Executive leadership
- Strategy & Governance
- Sustainability
- Geopolitics / Government relations / Public policy

#### 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)  
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 (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).



## Wang Xiaojun Heather A H

Aged 62 ♦ Appointed on 16 May 2023 (2 years) ♦ 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
- Strategy & Governance
- Sustainability
- Geopolitics / Government relations / Public policy
- Digital / AI / Cybersecurity

### 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 Nomination Committee)

### Past Experience

After almost 30 years of amazing GE (also known as General Electric Company) career, Ms Wang retired as the Vice-President of GE 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 within GE Lighting, GE Capital, GE International and GE Corporate, and has worked and lived in US, Europe and Asia including Hong Kong. Since 2009, she has been a GE Company Officer, an appointment made by the GE Board. Prior to joining GE, she worked with China International Trust and Investment Corporation (CITIC) and AT&T Beijing Fiber Optic Cable Co on business and human resources management roles.



## Kung Yeung Yun Chi Ann A F

Aged 63 ♦ Appointed on 22 October 2024 (1 year) ♦ Last elected^ on 9 May 2025

### Skills and Expertise

- Board / Board committees leadership / Other listed roles
- CLP market experience
- Executive leadership
- Strategy & Governance
- Sustainability
- Geopolitics / Government relations / Public policy

### 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, the Nomination 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 F

Aged 59 ♦ Appointed on 1 October 2023 (2 years) ♦ Last elected on 3 May 2024

#### Skills and Expertise

- CLP market experience
- Executive leadership
- Related industry / Global experience
- Strategy & Governance
- Sustainability
- Geopolitics / Government relations / Public policy

#### 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)  
The Hong Kong Management Association School Ltd.  
(Executive Committee Member)  
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 Immediate Past  
President of Executive Committee)  
H.K.U. Engineering Alumni Association Education Foundation Ltd.  
(Director and President)

Buildings Energy Efficiency Disciplinary Board Panel (Member)  
Our Hong Kong Foundation (Advisor)  
Vocational Training Council (Council Member)  
Outstanding PolyU Alumni Association (Director)  
The Chinese University of Hong Kong  
(Member of the Advisory Board of the MBA Programmes)  
The Hong Kong Polytechnic University  
(Chairman of Departmental Advisory Committee of  
the Department of Electrical and Electronic Engineering)

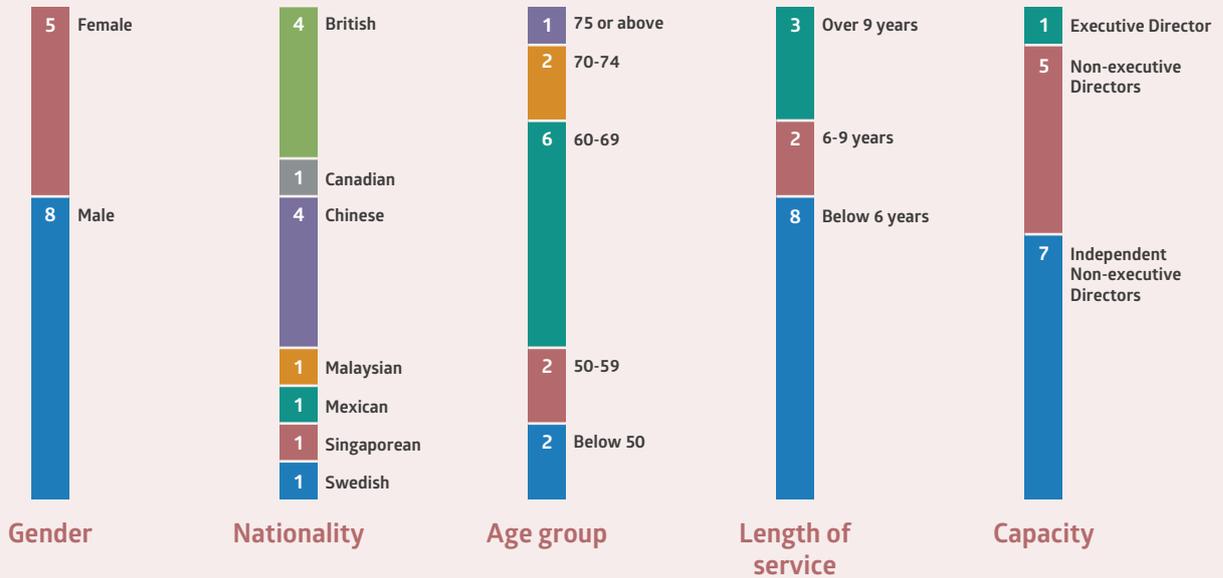
#### Past Experience

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.

## Board Composition & Diversity

### Key highlights:

Female Representation of **38%** / Independent Non-executive Directors Representation of **54%**



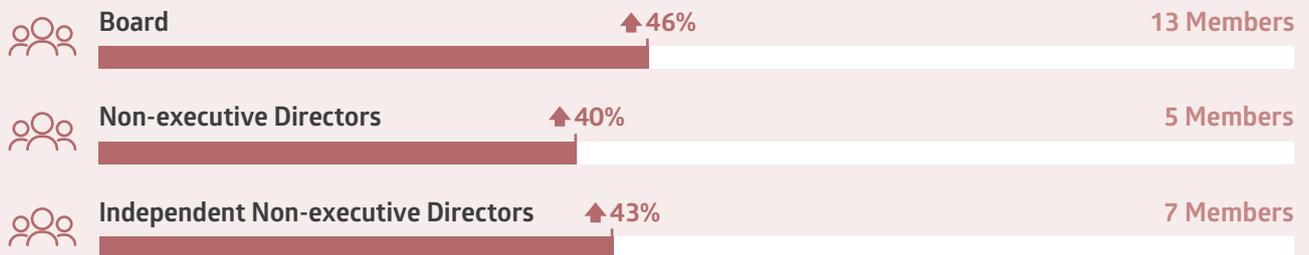
## How the Board has been refreshed

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

In 2025, one of our long-serving Independent Non-executive Director stepped down in accordance with the Board's retirement age guideline after nearly two decades of service. No new appointment was made in 2025. Mr Peter Wilhelm Hubert Brien was appointed as an Independent Non-executive Director effective 27 February 2026. The diagram below shows how the Board has been refreshed over the past five years.

### Over the period from January 2021 to December 2025

#### Percentage of New Members



## Diversity for our Group Executive Committee

We are committed to promoting inclusion and diversity at all levels of the organisation. As at the date of this Report, the Group Executive Committee, which includes Senior Management members, comprised **2 females (15%)** and **11 males (85%)**. Further details on the Company's approach and ongoing initiatives to enhance gender diversity within Senior Management and the workforce are set out in the Human Resources & Remuneration Committee Report on page 128.

# Group Executive Committee



Paul David Tomlinson    Andre Urban Blumberg    Chong Wai Yan Quince    Ng Wing Ho Ringo    David John Simmonds    Chen Tao Roger    Carlo Franciscus Christina Mathias Maria Wolters    Chiang Tung Keung *(Biography of CEO\* is on page 76)*

Alexandre Jean Keisser    Law Ka Chun Joseph    Mark Richard Collette    Rajiv Ranjan Mishra    Vian Robert Davys    Eileen Burnett-Kant    Chan Kin Ming Eric

- ◆ **Paul David Tomlinson**  
**Chief Transformation Officer – CLP Power<sup>#</sup>, aged 61**  
**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 Transformation Officer of CLP Power in July 2025 and is responsible for leading the ERP (Enterprise Resource Planning) project and driving enterprise-wide process optimisation to realise the full value of CLP's new ERP solution for CLP Power. Mr Tomlinson also works closely with the ERP team and our vendor partners to provide clear direction and leadership for the project.
- ◆ **Andre Urban Blumberg**  
**Chief Digital Officer, aged 56**  
**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.
- ◆ **Chong Wai Yan Quince**  
**Chief Corporate Development Officer, aged 62**  
**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.
- ◆ **Ng Wing Ho Ringo**  
**Managing Director – CLPe, aged 57**  
**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 CLPe, 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 on the Chinese Mainland. Mr Ng joined CLPe in March 2022 as Deputy Managing Director and was appointed as Managing Director in July 2023.
- ◆ **David John Simmonds**  
**Chief Strategy, Sustainability and Governance Officer\*, aged 55**  
**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 Group's property development activities. In addition, Mr Simmonds is the Group General Counsel of CLP Holdings, responsible for the provision of legal and corporate governance services across the Group.
- ◆ **Chen Tao Roger**  
**Managing Director – China\*, aged 56**  
**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.
- ◆ **Carlo Franciscus Christina Mathias Maria Wolters**  
**Chief Operating Officer\*, aged 57**  
**Titles, Qualifications and Education**  
 Master Degree of Chemical Engineering, University of Twente in Netherlands  
**Major Responsibilities Held with the Group**  
 Mr Wolters is appointed as the Group Chief Operating Officer effective 1 January 2026. He joined CLP on 1 August 2025 as the Group Chief Operating Officer – Designate until 31 December 2025. Mr Wolters 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.
- ◆ **Alexandre Jean Keisser**  
**Chief Financial Officer (CFO)\*, aged 55**  
**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, M&A, risk management and investor relations.
- ◆ **Law Ka Chun Joseph**  
**Managing Director – CLP Power\*, aged 54**  
**Titles, Qualifications and Education**  
 Chartered Financial Analyst  
 Certified Public Accountant  
 Fellow of the Energy Institute  
 Adjunct Fellow of Hong Kong Institution of Engineers  
 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.
- ◆ **Mark Richard Collette**  
**Managing Director – EnergyAustralia\*, aged 48**  
**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.
- ◆ **Rajiv Ranjan Mishra**  
**Managing Director – Apraava Energy, aged 60**  
**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 nearly 30 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.
- ◆ **Vian Robert Davys**  
**Managing Director – Growth Markets, aged 57**  
**Titles, Qualifications and Education**  
 Chartered Engineer  
 Member of the Institution of Engineering and Technology  
 Master in Engineering, Aston University, UK  
 Master in Strategic Management, University of Derby, UK  
 Diploma in Engineering Business Management, University of Warwick, UK  
**Major Responsibilities Held with the Group**  
 Mr Davys is appointed as the Managing Director – Growth Markets effective 1 October 2025. He is responsible for overseeing the development of new renewable energy businesses in Taiwan Region and Southeast Asia, as well as managing CLP's existing investments in Ho-Ping Power Station in Taiwan Region and Lopburi Solar Farm in Thailand.
- ◆ **Eileen Burnett-Kant**  
**Chief Human Resources Officer, aged 57**  
**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<sup>#</sup>, aged 52**  
**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.

\* 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



We are pleased to report on CLP's corporate governance for 2025.

It has been a busy year for our Board with a number of key corporate governance initiatives as highlighted in the "2025 At a Glance".

In our reporting, we are mindful to balance the new disclosure requirements, which will involve additional information, with the objective of presenting a Corporate Governance Report that is "user / reader" friendly and accessible. With that objective in mind, you will see that some areas in the Report have been streamlined in an approach consistent with that taken for the full Annual Report.

This year, as we reflect and report on our corporate governance initiatives for 2025, the main focus has been ensuring our corporate governance practices continue to be fit for purpose and forward looking.

**David Simmonds**  
Chief Governance Officer

"Governance at CLP...

... Fit for Purpose and  
Forward Looking."

## 2025 At a Glance

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### Corporate Governance Regulatory Developments

- ◆ In this Report, we highlighted some of the corporate governance Listing Rules changes that took effect in 2025:
  - ◆ additional disclosures on mandatory directors training;
  - ◆ Board Progression Development;
  - ◆ a revised board skills matrix; and
  - ◆ a newly launched refreshed Inclusion and Diversity Strategy.
- ◆ The Board did not appoint a lead independent non-executive director (a Recommended Best Practice provision) as it was regarded that the existing communication channels for Directors and shareholders with the Chairman and management are adequate; such channels include our Chairman only sessions with Directors; shareholders' meetings with management and Directors through the annual Shareholders' Visit Programme and investors meetings.

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### Board Refresh and Succession

- ◆ At the 2025 Annual General Meeting (AGM):
  - ◆ Sir Rod Eddington retired as an Independent Non-executive Director after almost 20 years of service on the Board; and
  - ◆ Mrs Ann Kung who was appointed by the Board in October 2024, was elected.
- ◆ The Board appointed Mr Peter Wilhelm Hubert Brien as an Independent Non-executive Director effective 27 February 2026. The appointment is part of the Board's plan to gradually refresh its composition.

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### Board Offsite Meeting

- ◆ The Board held one of its meetings in Jinan, Chinese Mainland. As part of a two and a half day programme, Directors visited the CLP China business unit assets under construction in the Shandong region and a newly established joint control centre for the region's renewables projects.
- ◆ At the offsite Board meeting, the Board considered and assessed execution of the Group strategy; the recent power market and policy developments; and CLP China business unit strategy and organisational capabilities.

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### Board Progression Development

- ◆ As part of our commitment to undertake an external board review process once every three years, in 2025, we commenced and conducted our "Board Progression Development". There is added significance in the title of this process, as the emphasis is on the forward looking nature of the exercise.
- ◆ For this Board Progression Development, we undertook an extensive selection process and a new external consultant, Lintstock, was engaged to provide a fresh perspective to this exercise.

## Corporate Governance – Culture, Purpose & Strategy



## Corporate Governance – Regulatory Matters

### The CLP Code

The Company has its own [CLP Code on Corporate Governance](#) (CLP Code) built on CLP’s own standards and experience. The CLP Code is on CLP website and available on request.

The CLP Code 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 Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange) (Listing Rules).

The Hong Kong Stock Exchange introduced a new set of corporate governance requirements effective 1 July 2025. Throughout the financial year ended 31 December 2025, the Company had complied with the code provisions as well as applied all the principles in the Corporate Governance Code. CLP deviates from only two recommended best practices in the Corporate Governance Code – that (i) an issuer should announce and publish quarterly financial results, and (ii) the appointment of a lead independent non-executive director.

## Deviation regarding Issuing Quarterly Financial Results and Appointing a Lead Independent Non-executive Director

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.

In respect of not having appointed a lead independent non-executive director, the Nomination Committee has considered the relevant requirements under the Corporate Governance Code and is of the view that the existing communication and engagement channels available to other Directors and shareholders to the Chairman and management are adequate. These established channels include Chairman-only sessions with the Directors as well as structured and regular engagement opportunities such as Shareholders' Visit Programme and investors meetings for shareholders to communicate with management and Directors. Given the effectiveness of these mechanisms, the Board considers that good communication can continue to be achieved without designating a lead independent non-executive director.

## 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 147).
- ❖ Sustainability governance has been institutionalised in our corporate governance structure throughout the Group. Set out below is CLP's Sustainability Governance Structure.



### 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 2025 Annual Report and Sustainability Report. The table below provides an overview of how each of the reporting principles\* – **materiality, balance, quantitative, and consistency** – is followed and reflected in our reporting:

	Annual Report <i>(Regulatory Disclosures under the ESG Reporting Code)</i>	Sustainability Report
<b>Materiality / Balance*</b> Double materiality assessment approach ♦ Assesses sustainability topics for both financial and impact materiality, identifying where topics fall into one or both dimensions	♦ Financially material sustainability topics (including related risks and opportunities)	♦ Sustainability topics where CLP has a material impact on people, the environment and the economy (including related positive and negative impacts)
<b>Quantitative*</b>	♦ Key ESG metrics disclosed in sections including “Strategic Framework” and the “Managing What Matters to Our Business” chapter  ♦ KPIs in the “Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data”	♦ The greenhouse gas accounting methodology and reported ESG metrics available in the “ESG Data Hub” and “ESG Databook”
<b>Consistency*</b>	♦ HKFRS S1 / HKFRS S2 disclosures on sustainability-related / climate-related disclosures, with cross-reference to CLP’s <a href="#">Climate Vision 2050</a>	♦ ESG metric disclosures have been streamlined. For further details, please refer to the “Reporting scope and data verification” section of the <a href="#">2025 Sustainability Report</a>
<b>Assurance</b>	♦ KPMG conducted limited assurance on selected sustainability-related metrics as well as the materiality assessment process  ♦ The assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information  ♦ For greenhouse gas emissions, the engagement followed ISAE 3410, Assurance Engagements on Greenhouse Gas Statements  ♦ Both standards were issued by the International Auditing and Assurance Standards Board (IAASB)  ♦ The reported ESG metrics are located in the sections referenced in the “Quantitative” part of this table	
<b>Reporting scope</b>	♦ The reports cover the CLP Group’s sustainability performance for the calendar year ending 31 December 2025  ♦ Any assets that were operating under the Group (including those subsequently sold) during the year have been included in the reporting scope  ♦ For further details, please refer to “Reporting scope and data verification” section of the <a href="#">2025 Sustainability Report</a>	

### Sustainability-related and Climate-related Disclosures in the 2025 Annual Report and 2025 Sustainability Report

- ❖ Details on how CLP reports on the environmental and social aspects it considers financially or impact material, in accordance with the ESG Reporting Code’s “comply or explain” requirements, are set out below.
- ❖ Based on the Group’s 2025 materiality assessment, the following aspects under Part C of the ESG Reporting Code are considered **financially material**: A1 Emissions, A2 Use of Resources, B1 Employment, B3 Development and Training, B5 Supply Chain Management and B6 Product Responsibility. These topics are addressed in the **Annual Report**. Related policies are primarily disclosed in the [Sustainability Report](#), with further information available in the Annual Report.
- ❖ For A1 Emissions, B1 Employment and B3 Development and Training, only the general disclosures are considered financially material. For A2 Use of Resources, B5 Supply Chain Management and B6 Product Responsibility, both the general disclosures and certain key performance indicators (KPIs) are considered financially material. These KPIs are listed in the table below, with further information provided in the corresponding sections of this Annual Report.
- ❖ Aspects A3 The Environment and Natural Resources, B2 Health and Safety, B4 Labour Standards, B7 Anti-corruption and B8 Community Investment are regarded as **impact material**. These topics are discussed primarily in the [Sustainability Report](#) and are also covered in the ESG Databook.
- ❖ CLP’s climate-related disclosures for 2025 have been prepared in compliance with HKFRS S2. For complete content indices showing CLP’s disclosures under Part A – C of the ESG Reporting Code as well as HKFRS S1 and S2, please refer to the [Sustainability Report website](#).

### Financially Material Key Performance Indicators (KPIs)

Environmental	
A2. Use of Resources (KPI A2.1 and KPI A2.3)	<ul style="list-style-type: none"> <li>❖ Managing What Matters to Our Business – Energy Growth Opportunities (page 40)</li> <li>❖ Business Performance and Outlook – Hong Kong (page 52)</li> <li>❖ Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 256)</li> </ul>
Social	
B5. Supply Chain Management (KPI B5.2, KPI B5.3 and KPI B5.4)	<ul style="list-style-type: none"> <li>❖ Managing What Matters to Our Business – Operational and Supply Chain Resilience (page 49)</li> </ul>
B6. Product Responsibility (KPI B6.5)	<ul style="list-style-type: none"> <li>❖ CEO’s Strategic Review (page 12)</li> <li>❖ Managing What Matters to Our Business – Digital Innovation and Cybersecurity (page 45)</li> <li>❖ Business Performance and Outlook – Hong Kong (page 52)</li> <li>❖ Risk Management Report (page 103)</li> </ul>

### Legal Compliance

- ❖ In respect of the specific aspects of the ESG Reporting Code set out below and on page 86, CLP has not had any non-compliance with the relevant laws and regulations that would have a significant impact on CLP, in regard to:
  - 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;
  - B4 Labour Standards:** preventing child and forced labour; and
  - B7 Anti-corruption:** bribery, extortion, fraud and money laundering.

## Corporate Governance Report

- ❖ The following non-compliance cases for EnergyAustralia have been disclosed in our [Sustainability Report](#):
  - B2 Health and Safety:** providing a safe working environment and protecting employees from occupational hazards – a safety-related offence in relation to a 2021 fire; and
  - B6 Product Responsibility:** health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress – (i) availability of payment assistance entitlements information for customers between 2019 and 2024, and (ii) failing to communicate best available prices to customers between 2022 and 2024.
- ❖ For further information, please refer to Business Performance and Outlook on page 50 and the “Legal compliance” section of the [2025 Sustainability Report](#).

## 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 2025 and for 2026 up to the date of this Report) (the Period):

Strategy	
Direction and outlook	<p>The Board travelled to Jinan, China for a full day off-site Board meeting. The main agenda was on the update to the Group Strategy with a particular focus on the Chinese Mainland market. This also covered the recent developments in the Chinese Mainland power market, CLP China’s organisational capabilities and business development strategies.</p> <p>For our core home market, the Board analysed the Hong Kong regulated business and the recent key initiatives for the business.</p> <p>The Board also assessed and reviewed the strategy updates for Australia, India and Taiwan Region and Southeast Asia and including possible transaction opportunities for these markets.</p>
Governance and Risk	
Approval of the increase in transaction threshold delegations	To empower the business units to undertake investment in new projects, the Board approved an increased investment authority delegated to the Finance & General Committee, CEO and business unit leaders, whilst ensuring the necessary checks and balance arrangements are in place.
Regulatory Compliance	The Board exercised oversight of the management of the regulatory compliance cases for EnergyAustralia’s retail business.
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.

Leadership and People	
Leadership and organisational effectiveness	<p>The Board reviewed the initiatives to enhance the executive remuneration framework aimed at deepening alignment between performance, accountability and long-term value creation.</p> <p>The Board also reviewed organisational capabilities of the CLP China business unit and how the team is structured in China and in the different regions.</p>
Board composition and succession	<p>The Board approved the succession of the EnergyAustralia board chair. In addition, the Board also oversaw the transition of the Chief Operations Officer role.</p> <p>As part of the Board and Board Committees refresh, the Board oversaw a number of changes to the composition of the Board and Board Committees including the appointment of a new Independent Non-executive Director.</p>
Chairman's session	<p>The Chairman held an annual meeting with the Independent Non-executive Directors only, which provided an open agenda for the Independent Non-executive Directors to raise any matters of interest to the Group with the Chairman. A separate session with the Non-executive Directors was also held.</p>
Performance Monitoring and Planning	
Results and dividends	<p>The Board approved the following: 2024 and 2025 Annual Reports; 2025 Interim Report; the quarterly statements; and the dividends for the financial years ended 31 December 2024 and 2025; as well as the business plan and budget.</p> <p>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.</p>
Regular updates to the Board	<p>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.</p> <p>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.</p>
Stakeholders Engagement	
Investors feedback and shareholders analysis	<p>The Board was briefed on the investor feedback from the 2024 annual results roadshow and 2025 interim results roadshow.</p>
Key stakeholders for business units	<p>The Board also considered the increasing importance of the need to deepen the engagement efforts with key stakeholders for the core business.</p>
Outside of the Boardroom	
Matters considered by the Board via circulation of Board Papers	<p>Outside the scheduled Board meetings, the Board received timely updates on, and considered, the following matters:</p> <ul style="list-style-type: none"> <li>❖ investment for specific projects in EnergyAustralia and Taiwan Region and Southeast Asia; and</li> <li>❖ operational incidents updates for Apraava Energy, Nuclear business and CLP Power.</li> </ul>

## Corporate Governance Report

### 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 this page.

### Board and Board Committees meetings held during the Period

2025												2026	
Board													
				✓ +									
	B			B			B		B		I B		B
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
A	A F H S	F H E	F	A	A F H E	A F	S	F H E	F N S	A F	H N S E	A	A F H S
Board Committees													
<b>Board</b>	B Board		I Chairman with Independent Non-executive Directors		+ Chairman with all Non-executive Directors and Independent Non-executive Directors		✓ AGM						
<b>Board Committees</b>	A Audit & Risk Committee		F Finance & General Committee		H Human Resources & Remuneration Committee		N Nomination Committee		E ERP Panel (operates similarly to a Board Committee but as a non-permanent and project specific basis)		S Sustainability Committee		

In addition, nine 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 well received 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.

<b>Audit &amp; Risk Committee</b> (see full report on page 114)	<ul style="list-style-type: none"> <li>Corporate governance, compliance and code of conduct*</li> <li>The governance and reporting on permissible audit related and non-audit services to the Group by external auditor, independence of external auditor, and details of the Group Internal Audit (GIA) function are set out in the Committee report</li> </ul>
<b>Sustainability Committee</b> (see full report on page 121)	<ul style="list-style-type: none"> <li>Governance of sustainability matters*</li> </ul>
<b>Nomination Committee</b> (see full report on page 125)	<ul style="list-style-type: none"> <li>Governance of Board-level matters, including board refresh and professional development of Directors*</li> </ul>
<b>Human Resources &amp; Remuneration Committee</b> (see full report on page 128)	<ul style="list-style-type: none"> <li>Professional development of management*</li> </ul>
<b>Finance &amp; General Committee</b>	<ul style="list-style-type: none"> <li>See page 89 for responsibilities and work done during the Period</li> </ul>

**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 ERP Panel is expected to meet four times a year. 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. The ERP Panel has primary Board level governance oversight of the ERP project. Certain specific aspects of the ERP project that concern financial reporting and control are brought and presented to the Audit & Risk Committee.

### Membership of Finance & General Committee

Mr Andrew Brandler (Chairman), Mr Nicholas C. Allen, Ms May Siew Boi Tan, Mr Chunyuan Gu, Mrs Ann Kung, Mrs Betty Yuen, Mr Diego Gonzalez Morales, Mr Philip Kadoorie and Mr T.K. Chiang.

#### Responsibilities and Work Done

The Committee's key roles and responsibilities are:

- ◆ reviewing 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;
- ◆ reviewing major acquisitions or investments and their funding requirements;
- ◆ reviewing the implementation of the Company's strategy; and
- ◆ identifying 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 2024 and 2025;
- ◆ the CLP Group Business Plan and Budget 2026-2030 including the dividends profile for those years;
- ◆ 2026 tariff strategy for the Hong Kong business;
- ◆ the proposed amendments to transaction thresholds delegation;
- ◆ investment for specific projects in Hong Kong, Chinese Mainland, Australia, India and Taiwan Region and Southeast Asia;
- ◆ the ERP project update briefing;
- ◆ 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

The composition of the Board Committees was changed during the Period. Mr Philip Kadoorie was appointed as a Member of the Finance & General Committee with effect from 1 January 2025; and Sir Rod Eddington retired as a Member of the Finance & General Committee following his retirement as the Independent Non-executive Director at the conclusion of the 2025 AGM.

Looking ahead, the Board approved the following changes:

- ◆ Audit & Risk Committee, Finance & General Committee and Sustainability Committee – Mr Peter Brien has become a Member of these Committees effective 27 February 2026;
- ◆ Nomination Committee – Mr Bernard Chan has become a Member of this Committee effective 27 February 2026; and
- ◆ Human Resources & Remuneration Committee – at the completion of 2026 meetings for this Committee, Ms Heather Wang will succeed Mr Nicholas C. Allen as Chair of this Committee and Mr Allen will continue as a Member of this Committee.

Directors' Attendance

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 2025, seven Board meetings were held and the overall attendance rate of Directors at Board meetings was 96.55% (2024: 97.78%). Details of Directors' attendance at the AGM and Board and Board Committee meetings (**attendance / held**) in the year 2025 are set out in the table below.

Nine 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 these sessions have been well attended by the Directors.

	Board <sup>1</sup>	Audit & Risk Committee <sup>2</sup>	Finance & General Committee	Human Resources & Remuneration Committee	Nomination Committee	Sustainability Committee	ERP Panel <sup>3</sup>	AGM <sup>2,4</sup>
<b>Non-executive Directors</b>								
The Hon Sir Michael Kadoorie	6/7 <sup>(C)</sup>				2/2			✓
Mr Andrew Brandler	7/7 <sup>(VC)</sup>		12/12 <sup>(C)</sup>	4/5		4/4	3/4 <sup>(DC)</sup>	✓
Mr Philip Kadoorie	5/6		9/12			3/4		✓
Mrs Betty Yuen	6/6		11/12				4/4 <sup>(C)</sup>	✓
Mr Diego Gonzalez Morales	6/6		11/12					✓
<b>Independent Non-executive Directors</b>								
Sir Rod Eddington <sup>5</sup>	1/1		5/5					✓
Mr Nicholas C. Allen	6/7	6/6	10/12	5/5 <sup>(C)</sup>	2/2 <sup>(C)</sup>	2/4	4/4	-
Ms May Siew Boi Tan	7/7	6/6 <sup>(C)</sup>	12/12	5/5	2/2	4/4	4/4 <sup>(DC)</sup>	✓
Ms Christina Gaw	7/7					4/4		✓
Mr Chunyuan Gu	7/7	6/6	11/12	4/5		4/4 <sup>(C)</sup>	4/4	✓
Mr Bernard Chan	7/7					4/4		✓
Ms Wang Xiaojun Heather	7/7	6/6		5/5				✓
Mrs Ann Kung	7/7	5/6	8/12					✓
<b>Executive Director</b>								
Mr T.K. Chiang	5/5		12/12				3/4	✓

Notes:

- 1 Included (a) an annual meeting where the Chairman met Independent and other Non-executive Directors in the absence of the Executive Director 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 ERP Panel operates similarly to a Board Committee but as a non-permanent and project specific basis.
- 4 Independent Non-executive Directors were available to take shareholders' questions specifically addressed to them during the AGM (of which there were none).
- 5 Sir Rod Eddington retired as an Independent non-executive Director and a Member of the Finance & General Committee at the conclusion of the 2025 AGM held on 9 May 2025.
- 6 Chairmen of the Board, Board Committees and ERP Panel are indicated by (C). Vice Chairman of the Board and Deputy Chairs of the ERP Panel are indicated by (VC) and (DC) respectively.

## Directors' Continuous Professional Development

All Directors participate in continuous professional development and training, with appropriate emphasis to develop and refresh their knowledge and skills on the topics that fall within the scope as specified in the Listing Rules. Our Directors' Continuous Professional Development Programme includes:

- ◆ reading materials;
- ◆ external and / or internal meetings with local management and stakeholders, and visiting CLP's facilities and special projects with CLP's involvement;
- ◆ attending expert briefings / seminars / conferences relevant to the business or director's duties; and
- ◆ having 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.

The table below illustrates the training details for each Director.

	Topics						Total number of training hours
	I	II	III	IV	V	VI	
	Roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness	Issuers' obligations and directors' duties under Hong Kong laws and the Listing Rules, and key legal and regulatory developments	Corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities)	Risk management and internal controls	Updates on industry-specific developments, business trends and strategies	Miscellaneous	
	CLP / Others	CLP / Others	CLP / Others	CLP / Others	CLP / Others	CLP / Others	CLP / Others
<b>Non-executive Directors</b>							
The Hon Sir Michael Kadoorie	2/3	10/3	1.8/3.5	4/4.5	11/1.5	2/-	30.8/15.5
Mr Andrew Brandler	2/3	10/3	2.3/3.5	4/4.5	15.5/1.5	3/-	36.8/15.5
Mr Philip Kadoorie	2/3.6	10/5.7	2.3/7	2.5/6.3	17/1.5	4/-	37.8/24.1
Mrs Betty Yuen	2/-	10/-	5.3/-	4/-	29/-	7/-	57.3/-
Mr Diego Gonzalez Morales	2/3	10/3	1.8/3.5	4/4.5	15/1.5	2/-	34.8/15.5
<b>Independent Non-executive Directors</b>							
Mr Nicholas C. Allen	2/-	10/18.5	15.8/20.3	2.5/9	11.5/50.3	2/14.8	43.8/112.9
Ms May Siew Boi Tan	2/-	10/-	2.3/-	4/-	11.5/-	2/-	31.8/-
Ms Christina Gaw	2/-	10/-	2.3/-	2.5/-	11/-	3/-	30.8/-
Mr Chunyuan Gu	2/-	10/-	2.3/-	4/-	11.5/-	-/-	29.8/-
Mr Bernard Chan	2/-	10/-	2.3/-	2.5/-	11/-	3/-	30.8/-
Ms Wang Xiaojun Heather	2/-	10/-	27.3/-	2.5/-	11/-	-/-	52.8/-
Mrs Ann Kung	2/-	10/1	2.3/0.5	2.5/7	11/-	4/1.8	31.8/10.3
<b>Executive Director</b>							
Mr T.K. Chiang	2/-	10/-	9.8/-	4/-	52.5/-	9/-	87.3/-

Notes:

- 1 The number of training hours include the hours spent by Directors on programme provided by other listed companies ("Others") (i.e. out of CLP).
- 2 Of the training hours under CLP continuous professional development programme, some of which were provided by external providers on the following Topics:
  - ◆ 2 hours on Topic I;
  - ◆ 10 hours on Topic II;
  - ◆ 14.5 hours on Topic III;
  - ◆ 1.5 hours on Topic IV; and
  - ◆ 2 hours on Topic V.

## Corporate Governance Report

### *Onboarding for new Director*

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 members of the Group Executive Committee 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.

### **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 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 five public companies listed on the Hong Kong Stock Exchange (including the Company) as at 31 December 2025.

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 and re-election at the 2026 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 70 of this Annual Report and on CLP website.

### **Directors' Shareholding Interests**

Directors' interests in CLP's securities as at 31 December 2025 are disclosed in the Directors' Report on page 146. All Directors have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2025 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.

## Board Progression Development

In 2025, we conducted an external board review with one-on-one Director interviews, a process called “Board Progression Development”. This approach provides both backward- and forward-looking insights, accessing how the Board has performed and how well it is positioned to support the Group’s future strategic direction. The Board Progression Development was led by a new external consultant, Lintstock, bringing a fresh perspective to the process. Lintstock was selected after a procurement search exercise which invited a number of consultants to present. Lintstock was selected for their diverse international exposure and the independence of service. In advance of the Directors’ one-on-one interview, an online survey was also conducted to provide background for the interview. The full report will be provided to the Board in the first half of 2026.

## Nomination and Appointment of Directors

For the appointment of new Directors, CLP follows a formal and transparent procedure and is guided by CLP’s Nomination Policy.

### *Process for appointing a new Director*

CLP’s approach to appointing Directors begins with identifying potential candidates based on the strategic needs of the Company and the Board, including an outlook to the Board’s composition and the necessary skills; and how it would be refreshed over time. For new Independent Non-executive Directors, the search has been aided by a search consultant. The Nomination Committee then evaluates candidates on merit, taking into account their experience, skills, expertise and the overall board diversity, culture fit and Board dynamics; before making recommendations to the Board. The Board considers the recommended candidate and has the power and authority to appoint a new Director. A newly appointed Director must stand for election by shareholders at the first general meeting following the appointment, where each Director’s election is proposed as an individual resolution.

### *Recent example: Appointment of Mr Peter Brien*

**Skills mapping and considerations** – The Nomination Committee spent considerable time in ascertaining what skills would be needed on the Board in the coming years; specific regard was given to the time in which it would require for an incoming Director to onboard oneself to know the business and the organisation well enough to be able to provide considered advice to the Board and management and to provide the necessary constructive challenge.

**Key attributes** – The Nomination Committee identified the following key attributes: the skills and experience in the areas of corporate and sustainability strategy, governance oversight and board committee leadership; and the capacity (preferably based in Hong Kong) to play an active and leading role as an Independent Non-executive Director and as a member of various Board Committees.

**Search Process** – Consultants were engaged to conduct a search for candidates with the defined attributes and as part of the process, the long-list and short-list of candidates were updated to ensure that the short listed candidates captured all relevant and available candidates.

For existing Directors, they are required to retire by rotation at least once every three years, with one-third of Board members retiring at each AGM and being eligible, can stand 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. During the Period, our Board size slightly reduced from 14 to 13 due to the retirement of one Director only.

**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 Inclusion and Diversity 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**

### Board Skills and 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 and on page 95 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.

Expertise	Relevance to CLP
<b>Board / Board committees leadership / Other listed roles</b>	<ul style="list-style-type: none"> <li>Board and governance leadership experience are regarded as a strategic asset to the Board and Board Committees</li> <li>Other listed board roles bring in good practices as a board and / or board committee member of listed companies</li> </ul>
<b>CLP market experience</b> (Hong Kong / Chinese Mainland (including Greater Bay Area) / Australia / India / Taiwan Region and Southeast Asia)	<ul style="list-style-type: none"> <li>Facilitates the review of CLP's business and financial operations and investments in the respective region</li> </ul>
<b>Executive leadership</b>	<ul style="list-style-type: none"> <li>Provides insights into executive leadership and the management of CLP's business and operations</li> </ul>
<b>Related industry / Global experience</b> (Power sector)	<ul style="list-style-type: none"> <li>Facilitates the review of CLP's business operations and investment opportunities in the related industries</li> <li>Provides insights into the global economic trends and opportunities that CLP can explore</li> </ul>
<b>Strategy &amp; Governance</b> (including legal / regulatory / HR / finance / risk and accounting)	<ul style="list-style-type: none"> <li>Brings in oversight, advisory and operational experience in the respective field of profession</li> </ul>

Expertise	Relevance to CLP
<b>Sustainability</b> (including climate-related)	<ul style="list-style-type: none"> <li>Sustainability is core to our business both from the operational and strategic perspectives</li> </ul>
<b>Geopolitics / Government relations / Public policy</b>	<ul style="list-style-type: none"> <li>Brings in experience in the areas of regulatory and stakeholder engagement</li> </ul>

	Board / Board committees leadership / Other listed roles	CLP market experience (Hong Kong / Chinese Mainland (including Greater Bay Area) / Australia / India / Taiwan Region and Southeast Asia)	Executive leadership	Related industry / Global experience (Power sector)	Strategy & Governance (including legal / regulatory / HR / finance / risk and accounting)	Sustainability (including climate-related)	Geopolitics / Government relations / Public policy
<b>Non-executive Directors</b>							
The Hon Sir Michael Kadoorie	✓	✓		✓	✓	✓	
Mr Andrew Brandler	✓	✓	✓	✓	✓	✓	
Mr Philip Kadoorie	✓	✓			✓	✓	
Mrs Betty Yuen	✓	✓	✓	✓	✓	✓	
Mr Diego Gonzalez Morales	✓	✓	✓	✓	✓	✓	
<b>Independent Non-executive Directors</b>							
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	✓	✓	✓		✓	✓	✓
<b>Executive Director</b>							
Mr T.K. Chiang		✓	✓	✓	✓	✓	✓
<b>Coverage (% of entire Board)</b>	<b>92%</b>	<b>100%</b>	<b>77%</b>	<b>54%</b>	<b>100%</b>	<b>100%</b>	<b>31%</b>
<b>No. of Directors (Full Board of 13)</b>	<b>12</b>	<b>13</b>	<b>10</b>	<b>7</b>	<b>13</b>	<b>13</b>	<b>4</b>

In terms of skills and experience that we may consider for future Directors appointments, these may include energy experience, specifically in the area of decarbonisation or expanding into new markets and / or along the energy value chain.

In relation to the areas of expertise on "Digital / AI / Cybersecurity", although these would be regarded as important in the context of the Group's business, however, the Board's skills and knowledge in these areas would be better addressed through other channels such as consultants and experts' briefings, instead of recruiting individual Directors with these specific skills and experience.

### 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 2025, 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 32 to the Financial Statements.

#### *Independence*

For the year ended 31 December 2025, 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 Progression Development conducted by external consultant once every three years on a one-on-one interview format and supported by questionnaires;
- ❖ Independent Non-executive Director as Chairs of various Board Committees (other than Finance & General Committee) – Committee Chairs can update the Board Chairman as necessary;
- ❖ offsite Board meeting facilitates communication between Independent Non-executive Directors and local management team;
- ❖ other informal meetings outside the boardroom; and
- ❖ through the Company Secretaries on a solicited and unsolicited bases.

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 70 to 76 and on our website.

## Role of Management and Staff in Promoting Good Corporate Governance Practices

### CEO and Senior Management

- ◆ leads execution of strategy
- ◆ promotes good corporate governance practices

#### responsible delegation to our staff through



- ◆ Company Management Authority Manual
- ◆ Subsidiary Board Governance
  - ◆ mid-management as operating entities directors
  - ◆ lead on culture and organisational responsibilities

### Management and Staff

guided by an ecosystem of guidelines, policies, codes and ongoing training and some of these are:

- ◆ Value Framework
  - ◆ CLP's purpose, vision, mission, values, commitments, policies and codes
- ◆ Group Inclusion and Diversity Policy
- ◆ Code of Conduct
  - ◆ Guiding principles for employees (amongst others): to do what is right, behave with integrity and honesty, obey all laws and anti-corruption practices and communicate openly
  - ◆ 2024 & 2025: no convicted case of corruption at CLP
  - ◆ 2025: 40 breaches of Code of Conduct (2024: 31)
  - ◆ Cases are reported to the Audit & Risk Committee
- ◆ Whistleblowing Policy
  - ◆ Applies to CLP Group (EnergyAustralia have their own policies)
  - ◆ Employees and third parties may report suspected misconduct, malpractice or irregularity in confidence
  - ◆ 2025: 26 reported cases (2024: 20)
- ◆ Ongoing Training (electronic based)
  - ◆ Fraud Risk Awareness
  - ◆ Corporate Governance Framework and Internal Controls

### Securities Dealing

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 Senior Management have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2025 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 Senior Management had interests in CLP Holdings' securities as at 31 December 2025.

### 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.

During 2025, **Mr David Simmonds, the Chief Strategy, Sustainability and Governance Officer, also the Joint Company Secretary**, served as the President, the Chairman of the 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. **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.

### Shareholders Engagement

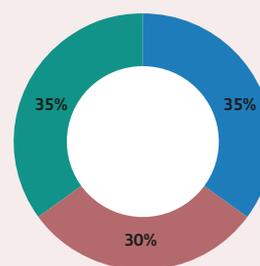
#### Shareholding as at 31 December 2025

Size of Registered Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
500 or below	2,378	14.23	718,734	0.03
501 – 1,000	3,195	19.12	2,560,019	0.10
1,001 – 10,000	7,564	45.27	31,929,094	1.26
10,001 – 100,000	3,163	18.93	90,441,042	3.58
100,001 – 500,000	345	2.06	69,220,238	2.74
Above 500,000	65 <sup>1</sup>	0.39	2,331,581,443	92.29
<b>Total</b>	<b>16,710<sup>2</sup></b>	<b>100</b>	<b>2,526,450,570<sup>3</sup></b>	<b>100</b>

#### Notes:

- Information on the [10 largest registered shareholders](#) in the Company is set out on our website.
- Actual number of investors is much greater as many shares are held through intermediaries including Central Clearing and Settlement System of Hong Kong (CCASS).
- 56.83% of all our issued shares were held through CCASS.
- The Listing Rules required 25% public float was maintained throughout the year and up to 26 February 2026.

#### Shareholding by Category<sup>4</sup>



- 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

As at 31 December 2025, the market capitalisation of CLP Holdings was at HK\$176 billion.

#### *CLP's Dividends Policy (adopted in 2019, available on CLP website)*

*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. In line with our established practice, our ordinary dividends are paid four times a year in each of the quarters.*

The Company's performance- and dividend-related dates for 2026 are set out in Information for Our Investors on page 270. The dividend decisions made by the Board for 2025 were in accordance with CLP's Dividends Policy.

## 2025 Hybrid AGM

The 2025 AGM was held in a hybrid format on 9 May 2025. Shareholders had the option of attending the AGM at the Principal Meeting Place or participating online.

The 2025 AGM was chaired by The Hon Sir Michael Kadoorie; most of our Directors, Senior Management and our independent auditor attended the physical meeting.

### Highlights of the 2025 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. A Q&A box available on the online platform was also used to address procedural questions from shareholders.
- ❖ “call in” function on the online platform was available allowing shareholders joining online to ask questions verbally.
- ❖ An attendance of around 799 shareholders, 72% of which participated physically and 28% participated online.
- ❖ A high level of votes approving the following major items:
  - ❖ the adoption of the new [Articles of Association](#) (above 93%) (to implement new arrangements regarding treasury shares and dissemination of corporate communications through our website); and
  - ❖ the revised levels of remuneration payable to all Non-executive Directors (over 99%).
- ❖ 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 – allow us to receive feedback from our shareholders and investment community*

Channels	2025 Highlights
<b>Hybrid AGM</b>	<ul style="list-style-type: none"> <li>❖ Shareholders can join the AGM online or in person and vote</li> <li>❖ The <a href="#">right to convene general meetings and to put forward proposals</a> – details of which can be found in our explanatory notes to the Notice of AGM and on our website or on request.</li> </ul>
<b>Investor Meetings</b> (Led by CEO, CFO and Investor Relations Department)	<ul style="list-style-type: none"> <li>❖ Conducted over 130 investor meetings</li> <li>❖ Non-deal roadshows with investors in Hong Kong, Chinese Mainland, Japan, Singapore, Australia, UK and North America</li> </ul>
<b>Analyst Briefings</b> (Led by CEO, CFO and Director – Investor Relations and attended by investment community)	<ul style="list-style-type: none"> <li>❖ Covering the Company’s interim and annual results</li> </ul>
<b>Shareholders’ Visit Programme</b>	<ul style="list-style-type: none"> <li>❖ 70 tours were held and over 1,800 shareholders participated in the visits in 2024 / 25 season; including dialogue sessions with CLP representatives</li> </ul>
<b>Investor Engagement Programme</b>	<ul style="list-style-type: none"> <li>❖ Site Visit to Black Point Power Station – for institutional investors</li> </ul>
<b>Reports and Announcements</b>	<ul style="list-style-type: none"> <li>❖ Analysts presentation materials disseminated as regulatory announcement</li> </ul>
<b>CLP Group Website</b>	<ul style="list-style-type: none"> <li>❖ Information on AGM including meeting proceedings and minutes</li> <li>❖ Investor Relations materials including results presentations, latest financial information and investor events</li> <li>❖ Analyst briefings materials</li> </ul>
	
<b>CLP Group Investor Relations app</b>	<ul style="list-style-type: none"> <li>❖ Access to key financial and share price information and CLP updates</li> </ul>

### 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. The most recent review was undertaken in November 2025 and the implementation and effectiveness of the Policy were confirmed.

### Risk Management and Internal Control Systems

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 namely **risk management philosophy**, **risk appetite**, **risk governance structure** and **risk management process**.

The way we manage risk is set out in the Risk Management Report on page 103.

#### Internal Control Framework

CLP's internal control is based on the internationally recognised COSO (Committee of Sponsoring Organisations of the Treadway Commission) 2013 integrated framework.

#### 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 2025, the Board considered the risk management and internal control systems of the Group to be appropriate and effective. No significant areas of concern that might affect shareholders were identified.

## 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	Reporting	Compliance
<b>CEO AND GROUP EXECUTIVE COMMITTEE</b>				
Regular management briefings to the Board	<ul style="list-style-type: none"> <li>Update on the Group's risks and opportunities, operational and financial performance.</li> </ul>	✓	✓	
Management Attestation – General Representation Letter	<ul style="list-style-type: none"> <li>Attestation of compliance with our major policies and procedures; risk management and internal controls; fraud assessment.</li> </ul>	✓	✓	✓
<b>GROUP INTERNAL AUDIT</b>				
Internal Audit Reports	<ul style="list-style-type: none"> <li>Audit reports: independent appraisal on compliance with policies and procedures, and evaluation of the effectiveness of the overall controls.</li> <li>Special review reports: focus on new business areas, emerging risks and thematic issues.</li> </ul>	✓	✓	✓
<b>GROUP FUNCTION(S)</b>				
Risk Management Report	<ul style="list-style-type: none"> <li>Reviewed and approved by the Group Executive Committee.</li> </ul>	✓	✓	✓
Internal Control Review Process	<ul style="list-style-type: none"> <li>Follows the substance of the requirements under the Sarbanes-Oxley Act on internal controls over financial statements.</li> <li>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.</li> <li>Key controls are also tested by the independent auditor where relied on for the audit.</li> </ul>	✓	✓	
Follow-up on outstanding audit issues	<ul style="list-style-type: none"> <li>Internal audit issues identified and associated remedial actions are followed up and the progress is reported periodically.</li> </ul>	✓	✓	✓
Legal and Regulatory Compliance Report	<ul style="list-style-type: none"> <li>Covers key regulatory compliance issues and legal cases.</li> </ul>		✓	✓

Management Assurance

Board / Audit & Risk Committee (ARC)

## Corporate Governance Report

### Inside Information

We have our own Continuous Disclosure Obligation Procedures which set out the procedures and controls for handling and dissemination of inside information. Our Continuous Disclosure Committee 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.

### Engagement and Contacts

In conclusion, we always welcome the opportunity to engage with our shareholders and should this be of interest to you, we can be contacted on [cosec@clp.com.hk](mailto:cosec@clp.com.hk).

By Order of the Board

A handwritten signature in black ink, appearing to read 'Simmonds', with a large, stylized initial 'S'.

**David Simmonds**

Chief Governance Officer

Hong Kong, 26 February 2026

# Risk Management Report

CLP cultivates a strong culture with enduring purpose and values, driving the ambition to provide sustainable energy and create long-term value for shareholders, customers, employees and the wider community. These principles shape CLP's strategy – focusing on enhancing the core business and pursuing sustainable growth to enable the energy transition. Risk management, as the cornerstone of this journey, provides a systematic approach to anticipate and address uncertainties, safeguard strategic objectives and embed resilience into every level of the Group's operations. By integrating risk considerations into strategic planning and daily decisions, CLP further builds upon its ability to deliver on its purpose with confidence and agility in a rapidly evolving environment.

## CLP's Risk Management Framework

An effective risk management framework is essential for any organisation seeking sustainable growth and long-term value creation for its shareholders, customers, employees and the broader community. CLP defines risk as the effect of uncertainty on the achievement of its business objectives. The effect can be positive, negative or both, and may give rise to opportunities as well as threats. By identifying risks proactively, it ensures uncertainties are well understood and managed, enabling threats to be effectively mitigated and opportunities to be appropriately captured in support of value creation.

Risk management is embedded in CLP's ways of working. Recognising that risk management is the responsibility of everyone in the organisation, CLP continues to cultivate and embed risk awareness into its overarching culture. Supported by clear accountability across the organisation, CLP maintains a structured, Group-wide framework where risk management is integrated into all key business and decision-making processes.

CLP's risk management framework consists of four interdependent elements:

### ◆ Risk Management Objectives

Establishing clear, Group-wide objectives that guide how risks are identified, assessed and managed to support the Group's strategic priorities.

### ◆ Risk Appetite

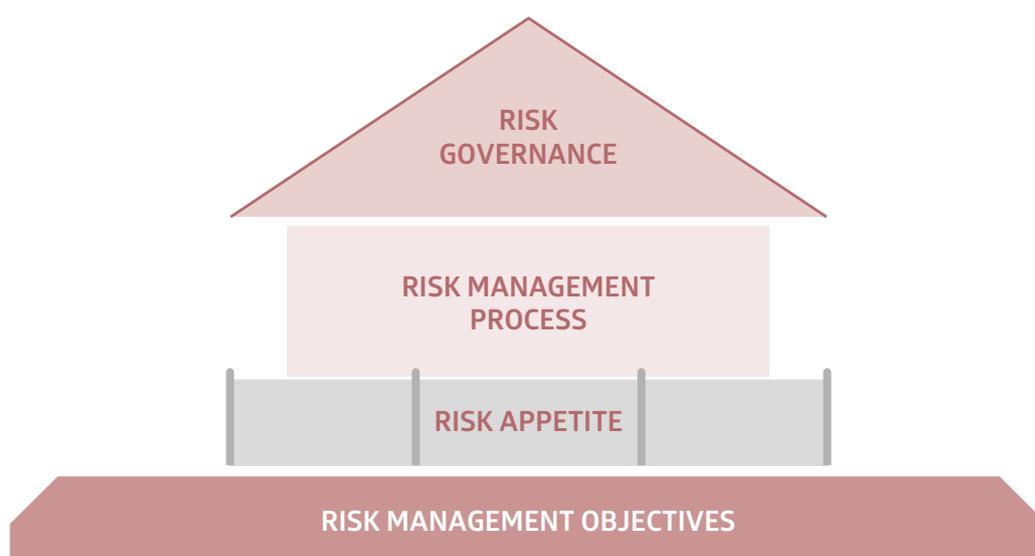
Articulating the level and types of risk the Group is willing to accept in pursuit of its goals, ensuring balanced decision-making and effective resource allocation.

### ◆ Risk Management Process

Applying a structured approach to identifying, evaluating, responding to, monitoring and reporting risks across all levels of the organisation.

### ◆ Risk Governance

Ensuring strong oversight, accountability and transparency through well-defined governance structures as well as roles and responsibilities, enabling consistent and effective risk management practices.



### CLP's Risk Management Objectives

Clear risk management objectives articulate the purpose and expected outcomes of risk activities at both strategic and operational levels. They create coherence by defining consistent expectations for how risks are identified and addressed, aligning all business units toward common goals and forming a strong foundation for an effective risk management framework.

- ❖ At a **strategic level**, CLP focuses on the identification and management of material risks inherent in the pursuit of the Group's strategic and business objectives. In seeking growth and transformation opportunities, CLP aims to optimise risk and return through diligent and independent evaluation, ensuring that strategic decisions are made with a clear understanding of potential risks and rewards.
- ❖ At an **operational level**, CLP seeks to identify, analyse, evaluate and mitigate operational hazards and threats while capturing opportunities for operational improvement where appropriate. This supports the maintenance of a safe, healthy, efficient and environmentally responsible workplace for employees and contractors; safeguards public safety and health; minimises environmental impact; and ensures asset integrity and appropriate insurance coverage.

#### Integrating Risk Management and Strategy

The Group's strategic direction guides risk identification and prioritisation, while insights from risk management refine strategic responses and are integrated into business and decision-making processes. Central to this approach, [Climate Vision 2050](#) and [the assessments of megatrends and material topics](#) inform CLP's strategy and investment decisions. This iterative approach ensures risk management remains current, relevant and effective, providing a holistic view of risks and opportunities to support optimal decision-making that balances risk and reward.

### CLP's Risk Appetite

CLP's risk appetite defines the nature and extent of the risks the Group is willing to accept in pursuit of its strategic and business objectives. It reflects CLP's Value Framework and the expectations of stakeholders, as well as the Group's commitment to well-considered risk-taking. The Group undertakes only reasonable risks that are aligned with its strategy and capability, are diligently evaluated and managed through robust risk management and governance processes, and do not compromise the Group's long-term sustainability, resilience, or reputation. Consistent with this approach, CLP does not accept risks that could expose the Group to the following:

- ❖ 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;
- ❖ Operational interruptions or loss of service continuity that could lead to significant impact on customers or the community;  
or
- ❖ Severe environmental incidents.

CLP has established risk profiling criteria in the form of a matrix comprising a spectrum of consequences and likelihood that align with its risk appetite. This facilitates the assessment of both consequences and likelihood for each identified risk. A risk rating is then derived by combining these two factors, enabling risk prioritisation and informed decision-making. Non-financial consequence categories as outlined above are considered alongside financial consequences.

## CLP's Risk Management Process

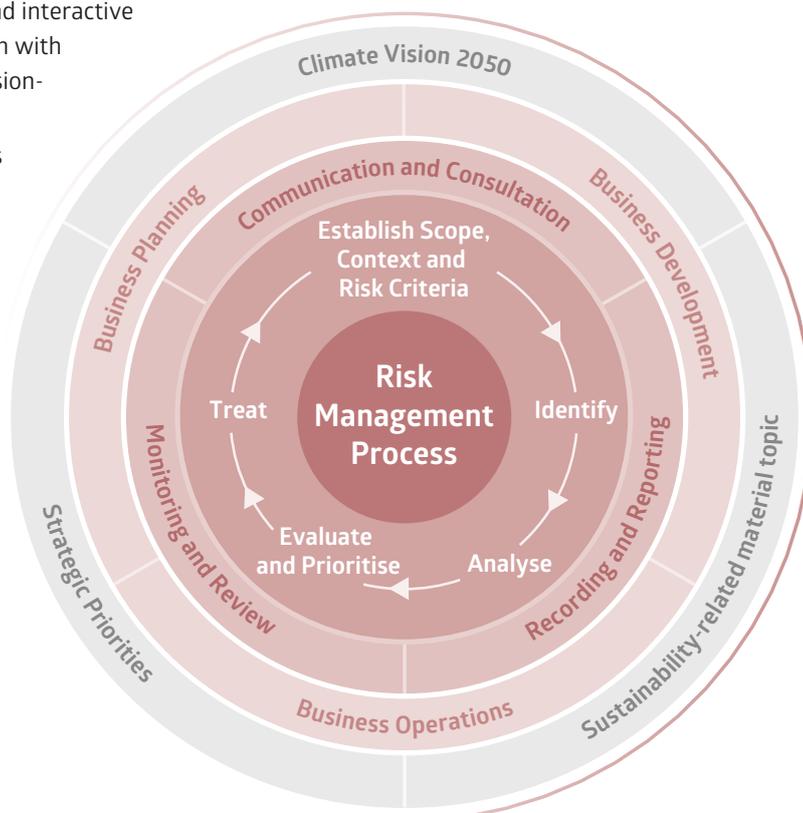
Risk management objectives and risk appetite form the strategic foundation of the end-to-end risk management process. They clarify the purpose, direction and limits within which risk activities are carried out across the organisation.

The end-to-end risk management process involves:

- ❖ **Establishing the scope, context and risk criteria** to define what will be assessed, clarify the internal and external environment and influences, and set standardised and systematic evaluation rules, to enable focused and consistent analysis.
- ❖ **Identifying risks** to recognise the uncertainties affecting the objectives within the defined scope.
- ❖ **Analysing risks** to explore the nature of risk and understand how and why it occurs and its potential impact. Key considerations include the risk sources, events, scenarios, assessment of the consequences and likelihood, existing controls and their effectiveness.
- ❖ **Evaluating and prioritising risks** to compare analysed risks against the established risk criteria and appetite, determining if a risk is acceptable (or should be avoided) or requires treatment. Risks are then prioritised to ensure significant risks are treated promptly, and resources are optimised by focusing on high-impact exposures.
- ❖ **Treating risks** by formulating and selecting response options, implementing controls (if considered inadequate), and assessing their effectiveness.

An effective risk management process relies on supportive activities that operate continuously against the backdrop of all process stages. By keeping information clear, current and well understood, these practices help ensure the process remains consistent, transparent and dependable. They strengthen organisational alignment and enable timely adjustments as conditions and risks evolve. The following steps are taken in the risk management process:

- ❖ **Communication and consultation:** A continuous and interactive process, involving communication and consultation with stakeholders that contributes to transparent decision-making.
- ❖ **Recording and reporting:** Processes and outcomes are documented and reported clearly to facilitate consistent communication and provide information for decision-making across the organisation.
- ❖ **Monitoring and review:** Monitor residual risks and treatment effectiveness, identify risk-impacting changes, and continually strengthen the risk management process.



### CLP's Risk Governance

CLP's risk governance structure enables systematic and well-informed decision-making in pursuit of the Group's strategic and operational objectives. It is designed to anticipate and manage uncertainty, enhance organisational resilience, and provide reasonable, though not absolute, assurance that material risks are identified, understood and managed within the Group's risk appetite. Clear governance, defined accountability and transparency are embedded across the organisation to support consistent and effective risk management.

#### Board oversight

The Board of Directors, supported by the Audit & Risk Committee, has overall accountability for oversight of the Group's risk management framework. The Committee regularly reviews the Group's risk profile and significant risk exposures, with particular focus on changes in the internal and external operating environment, emerging risks and management plans to manage and mitigate material risks. This process enables constructive dialogue and challenges at Board level on risk-related matters that may impact strategy, performance and long-term value creation.

#### Executive responsibility

The Chief Executive Officer and the Group Executive Committee are responsible for the effective operation of risk management across the Group. A strong risk awareness culture is promoted by actively identifying, assessing and managing material risks, with risk considerations embedded in various business processes. Regular and transparent risk reporting supports timely escalation and effective Board oversight.

#### Three lines in practice

CLP applies a clearly defined three-line structure throughout the organisation to strengthen accountability and support effective risk management, comprising:

##### ❖ First line – Management and Operations

Business units are the risk owners responsible for identifying, assessing and managing risks within their areas of responsibility. Risk management is embedded into day-to-day operations, decision-making and business activities.

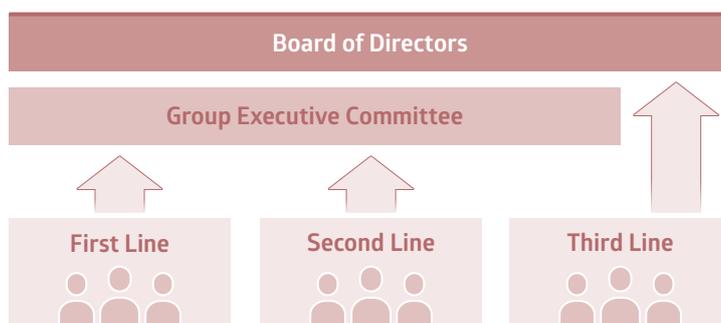
##### ❖ Second line – Risk and Oversight Functions

Group Functions, including Risk Management and Internal Control, Finance, Tax, Operations, Digital, Legal, Human Resources and Sustainability, provide specialist expertise, establish Group-wide risk management policies and standards, monitor material and emerging risks, and provide guidance to support consistent risk management practices.

##### ❖ Third line – Independent Assurance

Group Internal Audit provides independent, objective assurance to the Board on the effectiveness of the Group's risk management framework, governance structures, and key risk management processes.

Together, these elements support a coordinated approach to managing risk, reinforce accountability at all levels of the organisation, and strengthen confidence in CLP's ability to navigate uncertainties while delivering sustainable long-term value.



## Implementing the Framework through a Top-down and Bottom-up Approach

The following section demonstrates how CLP's risk management framework operates in practice through our quarterly risk review process, which integrates top-down strategic oversight with bottom-up operational input across our governance structure.

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 Approach

- ❖ At Group Risk Management quarterly meetings, members of the Group Executive Committee examine top-tier risks and other material risks relevant to the business. This dialogue enables management to identify and respond to evolving risks early.
- ❖ Furthermore, emerging risks are identified by observing changes in organisational contexts, supported by internal and external sources. These risks typically surface as new circumstances or conditions not previously recognised, or as changes in the profiles of established risks.
- ❖ Group Risk Management facilitates the sharing of material risk insights and emerging risk findings with relevant business units and Group functions for further assessment and monitoring.

### Bottom-up Approach

- ❖ 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 selects focused topics for discussion at the Group Risk Management Meeting. The final report is submitted to the Audit & Risk Committee on a quarterly basis.
- ❖ Deep-dive presentations on selected risks are provided to the Committee for in-depth review.



### 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 that are considered material to the Group and the steps taken to mitigate them:

#### Power sector reforms in China

In February 2025, China's National Development and Reform Commission (NDRC) issued a new policy that accelerated the transition of wind and solar projects to market-based trading. To provide revenue stability during this shift, the policy introduced a pricing mechanism under which the portion of electricity generation entered into the mechanism is settled with reference to a benchmark price determined through provincial auctions, while the remaining output is sold directly into the spot market or corporate off-takers.

The market reform is implemented through province-specific frameworks, requiring market participants to adapt to different local arrangements. As levelised generation costs continue to evolve, bidding dynamics have become increasingly competitive, contributing to pressure on tariffs. Seasonal fluctuations in renewable resource availability may also affect dispatch levels. These evolving market conditions create a wider range of possible revenue outcomes and greater uncertainty for projects.

The Group's risk management strategy focuses on maintaining stable and sustainable returns by balancing revenue certainty, through prudent participation in mechanism-based tariff bidding, with the potential upside available from corporate sales agreements. For new developments, CLP assesses site suitability in relation to tariff structures and dispatch patterns, pursues selective expansion of existing projects and prioritises opportunities in regions with strong and consistent power demand. In parallel, the Group continues to enhance its market intelligence and regulatory monitoring capabilities to stay abreast of provincial practices, policy developments and pricing trends, supporting timely and well-informed portfolio and investment decisions as the market evolves.

#### Increasing adoption of artificial intelligence solutions

During the year, CLP continued investing in organisational capability to support the responsible adoption of artificial intelligence (AI). This included AI literacy programmes, promotion of approved tools and workforce collaboration to facilitate AI use case identification across the business. Recognising the inherent challenges of data privacy, algorithmic bias and transparency risks, CLP further strengthened its governance control. In August 2025, CLP launched the Group AI Policy to establish clear principles for responsible deployment aligned with international standards. Task forces have been set up to review risk assessments of AI solutions and oversee the AI portfolio with periodic reporting in line with the Group's risk management process. The Group remains vigilant that use cases with foreseeable risks that would violate the AI Principles will not be implemented.

### 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.

CLP recognises that sustainability-related and climate-related risks and opportunities are deeply intertwined with its material risks. They are treated as both standalone risks and drivers for other material risks. As standalone risks, they provide specific context for CLP to identify, assess and monitor risk exposure, and to prioritise alongside other material risks through the same management process. Notably, the significance of climate factors to the company's business strategy necessitates designated standalone risks to enable focused management of climate-related transition and physical risk exposure. When considered as drivers, sustainability and climate factors are integrated into the broader evaluation of other material risks. In turn, CLP evaluates how these material risks could influence the company's energy transition, establishing comprehensive sustainability and climate integration across the risk framework. This approach ensures that CLP's risk profile remains aligned with its strategic priorities and the sustainability topics most likely to impact the business and its stakeholders.

Following the latest [materiality 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

## Operational Risk

CLP's operations are inherently exposed to a variety of operational risks relating to Health, Safety and Environment (HSE) incidents and compliance, physical security, plant performance, data privacy and cybersecurity on operational technology (OT) and information technology (IT) systems, project delivery and extreme weather events resulting from climate change.

Following several power supply incidents in 2024, an independent consultant was engaged to re-examine the incidents and conducted a comprehensive review of CLP's power system in Hong Kong in 2025, providing recommendations to enhance its stability and reliability.

CLP began proactively implementing the enhancements recommended during the review exercise. While acknowledging that the majority of the power supply incidents were attributed to external factors, CLP continued strengthening its grid resilience and prioritising measures for high-risk and critical assets against extreme weather and external factors. Measures include deploying an AI-powered grid monitoring system, strengthening flood prevention at substations and installing lightning protection equipment.

### CLP manages operational risks by:

- a) Executing targeted Group-wide initiatives to minimise the risk of serious injuries and fatalities (SIF);
- b) Reinforcing operations and systems to maintain high operational and environmental performance;
- c) Enhancing emergency responsiveness and stepping up drills with government departments and other stakeholders in handling power incidents;
- d) Using a range of climate scenarios to formulate strengthened plans and site-specific adaptation measures to cope with the heightened risks of extreme weather events;
- e) Enforcing a Group-wide Project Management Governance System to facilitate high standards in project delivery;
- f) Implementing Group-wide cybersecurity policies and standards with appropriate controls, technologies and practices at all levels, while cultivating a resilient cybersecurity culture across the Group; and
- g) Establishing a Group-wide AI Policy, governance framework and risk assessment processes for the development and deployment of AI solutions.

Group Top-Tier Risks – Operational	Climate Interconnectivity	Change in 2025	Primary Material Topics
1. Major HSE incidents <b>Strategic Priorities:</b> Enhance and extend core markets References: p.39, 57, 62, 256-259	Physical – Increasing frequency and severity of extreme weather events heighten the risk of onsite safety incidents.	◀ ▶	
2. Cybersecurity – OT systems <b>Strategic Priorities:</b> Enhance and extend core markets References: p.46		◀ ▶	
3. Cybersecurity – IT systems <b>Strategic Priorities:</b> Enhance and extend core markets References: p.46		◀ ▶	
4. Asset performance and major failures <b>Strategic Priorities:</b> Enhance and extend core markets References: p.53-55, 59, 62	Physical – Extreme weather events can directly affect the assets' integrity and reliability, while chronic shifts in natural resources patterns introduce uncertainty, particularly for the performance of renewable energy plants.	◀ ▶	
5. Climate-related physical risk <b>Strategic Priorities:</b> Enhance and extend core markets References: p.31, 37-38, 53, 60	Physical – Extreme weather events and chronic climate shifts such as water stress and rising ambient temperature serve as the primary determinant of operational resilience, directly testing the adequacy of asset adaptation measures.	◀ ▶	
6. Major projects delay/cost overrun <b>Strategic Priorities:</b> Enhance and extend core markets References: p.57	Transition – CLP's new investments are aligned with <a href="#">Climate Vision 2050</a> , and their timely delivery is crucial for the Group to meet its climate commitments.	◀ ▶	
7. Adoption of AI Solutions <b>Strategic Priorities:</b> Build organisational capabilities References: p.45-46, 108		◀ ▶	

**Market and Commercial Risk**

Market and 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.

Coal supply reliability for Mount Piper Power Station faces ongoing geological challenges at the mines. EnergyAustralia mitigates this exposure through diversified and strengthened supply arrangements as well as exploring operational flexibility options that enable effective coal management.

Collection progress of the national subsidy for CLP's renewable energy assets on the Chinese Mainland has improved significantly year-on-year, reducing the likelihood of further risk escalation.

**CLP manages market and commercial risks by:**

- a) Regularly reviewing business operations including to plant reliability and efficiency, hedging strategies, business planning approaches and company capital structures;
- b) Assessing pricing strategy continuously to manage customer churn in the Australian market;
- c) Implementing strategies to manage wholesale and retail positions;
- d) Complying with the Energy Risk Policy and ensuring energy market transactions are subject to continuous oversight;
- e) Establishing sufficient fuel stockpiles and contingency plans for potential supply disruptions; and
- f) Diversifying fuel sources and fuel procurement strategies to secure a stable supply of fuel at competitive prices.

Group Top-Tier Risks – Market and Commercial	Climate Interconnectivity	Change in 2025	Primary Material Topics
8. Coal supply reliability – Australia <b>Strategic Priorities:</b> Enhance and extend core markets Reference: p.62	Transition – The accelerating global phase-out of coal is discouraging long-term investment in coal mining and transport, increasing supply chain uncertainty for Mount Piper Power Station.	◀ ▶	
9. Market price volatility – Australia <b>Strategic Priorities:</b> Explore long-term growth options Reference: p.62, 240	Transition – Rapid customer adoption of distributed energy technologies is a key driver of shifts in supply and demand profiles, fundamentally increasing market volatility.	◀ ▶	
10. Tariff adjustment challenge – Hong Kong <b>Strategic Priorities:</b> Enhance and extend core markets Reference: p.53	Transition – Evolving transition policies may become an emerging driver of future fuel cost structures, potentially placing indirect pressure on base tariff adjustments over the longer-term.	◀ ▶	
11. Delayed national renewable energy subsidies – Chinese Mainland <b>Strategic Priorities:</b> Enhance and extend core markets Reference: p.60		◀ ▶	
12. Gas supply security – Hong Kong <b>Strategic Priorities:</b> Enhance and extend core markets Reference: p.53	Physical – Extreme weather events can disrupt stable gas supplies.  Transition – A competitively priced and sustainable gas supply is essential for CLP to support the Hong Kong Government’s fuel mix strategy and decarbonisation targets.	◀ ▶	 

## Regulatory Risk

As CLP progresses its strategy to address climate change, the pace of implementation could be affected by external and internal factors, potentially derailing the decarbonisation pathway.

Regulatory changes in the Hong Kong Scheme of Control business remain an ongoing exposure for CLP. As one of the major critical infrastructure operators in Hong Kong, the company has been proactively engaging with the authorities and established systems to ensure its compliance with the Protection of Critical Infrastructures (Computer Systems) Ordinance coming into effect in January 2026.

On the Chinese Mainland, a new policy released in February 2025 accelerated the transition towards a more market-based trading structure for renewable energy projects and introduced variations in provincial implementation approaches (refer to Emerging Risks to the Group on page 108 for more details).

The Group's Australian business continued to face regulatory challenges which may restrict margin recovery and increase the complexity and cost of market operations. Increased scrutiny from key regulators presents significant regulatory compliance challenges.

### CLP manages regulatory risks 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, Chinese Mainland, Australia and India markets;
- 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 low-carbon energy;
- h) Upgrading CLP Power's Clean Energy Transmission System (CETS) to allow for the import of more non-carbon energy;
- i) Continuously evaluating the procurement strategy to maintain sustainability compliance and liaising with suppliers to mitigate sanction risk exposure; and
- j) Conducting supply chain reviews for imported asset equipment and spares, while exploring alternative sources and localisation opportunities.

Group Top-Tier Risks – Regulatory	Climate Interconnectivity	Change in 2025	Primary Material Topics
13. Regulatory changes – Hong Kong <b>Strategic Priorities:</b> Enhance and extend core markets Reference: p.54-55	Transition – CLP's decarbonisation strategy supports the Hong Kong Government's plan to promote zero-carbon energy and electrification, while strengthening CLP's reputation as a trusted partner.	◀ ▶	 
14. Regulatory changes – Chinese Mainland <b>Strategic Priorities:</b> Enhance and extend core markets Reference: p.41, 59-60, 108	Transition – Ongoing market reforms driven by the Chinese Mainland's energy and climate policies require the Group to adapt strategically.	◀ ▶	
15. Regulatory changes – Australia <b>Strategic Priorities:</b> Explore long-term growth options Reference: p.41, 63	Transition – The speed and orderliness of energy transition policies create uncertainty around new investment returns and alter existing assets' risk profile, necessitating regular strategic reviews of the portfolio.	◀ ▶	
16. Regulatory compliance – Australia <b>Strategic Priorities:</b> Build organisational capabilities Reference: p.62-63		◀ ▶	
17. Climate-related transition risk <b>Strategic Priorities:</b> Deliver Climate Vision Reference: p.31-36, 41, 54-56, 62-63, 66	Transition – The pace of market change, combined with the Group's commitment to its decarbonisation targets, are fundamental drivers that directly challenging the execution of its energy transition strategy.	◀ ▶	 
18. Geopolitical and sanctions risk <b>Strategic Priorities:</b> Pursue growth outside core markets Reference: p.49		◀ ▶	

## 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 leading to foreign exchange and equity market volatility. Group-level earnings may also be impacted by mark-to-market fair value movements.

In August 2025, Moody's Investors Service raised its outlook on EnergyAustralia's Baa2 issuer rating from stable to positive, which supports the strategy for self-funded investments.

### CLP manages financial risks by:

- a) Timely review and replenishment 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 the 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	Climate Interconnectivity	Change in 2025	Primary Material Topics
19. Availability of competitive funding <b>Strategic Priorities:</b> Enhance and extend core markets Reference: p.43-44, 55, 57, 60, 241-243	Transition – CLP's credible transition plan and its ability to deliver on its decarbonisation targets strengthen its reputation, enabling the company to access sustainable financing.	◀ ▶	
20. Financial market volatility <b>Strategic Priorities:</b> Enhance and extend core markets Reference: p.43, 238-241, 244-246		◀ ▶	
21. Default of Group's financial counterparties <b>Strategic Priorities:</b> Enhance and extend core markets Reference: p.43, 241		◀ ▶	

## 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 has completed Phase I of the Enterprise Resource Planning system, and continued to improve customer engagement and experience, cost-effectiveness, system flexibility and reliability, while strengthening its organisational capabilities.

### CLP manages transformation risks by:

- a) Strengthening 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) Embedding CLP's Value Framework into daily practices through a series of employee engagement activities.

Group Top-Tier Risks – Transformation	Climate Interconnectivity	Change in 2025	Primary Material Topics
22. Digital transformation <b>Strategic Priorities:</b> Build capabilities Reference: p.45	Transition – Smart meters and advanced data technologies enable CLP to derive insights from operational and customers' electricity usage data, supporting greater energy efficiency and reduced emissions.	◀ ▶	
23. Organisation capability development <b>Strategic Priorities:</b> Build capabilities Reference: p.47-48		◀ ▶	

## Effectiveness Review of Risk Management and Internal Control Systems

The approach adopted by CLP aims to coordinate and optimise its risk and assurance efforts as described on page 106 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 100 and the Audit & Risk Committee Report on pages 117 to 118.



**Alexandre Jean Keisser**  
 Chief Financial Officer  
 Hong Kong, 26 February 2026

# 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. During the reported period (full-year 2025 and for 2026 up to the date of this Report) (the Period), the Committee Members were:

## Members

**Ms May Siew Boi Tan**  
(Chairperson)

**Mr Nicholas C. Allen**

**Mr Chunyuan Gu**

**Ms Wang Xiaojun Heather**

**Mrs Kung Yeung Yun Chi Ann**

[Biographies](#) of the Members are set out in the "Board of Directors" section on page 70 and on our website.

The role and responsibilities of the Committee are set out in the Committee's [terms of reference](#) (available on CLP website). The key responsibilities of the Committee include:

- ◆ satisfying itself that good risk management, internal controls and ethical practices are applied;
- ◆ assuring appropriate accounting principles and reporting practices are applied;
- ◆ performing the oversight duties on matters of corporate governance;
- ◆ satisfying itself that the scope and direction of external and internal auditing are adequate; and
- ◆ reviewing the assurance process of sustainability data for reporting purposes.

The Committee works closely with the auditors and management-level Group function(s) 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;
- ◆ Chief Strategy, Sustainability and Governance Officer – Mr David Simmonds;
- ◆ Senior Director – Group Internal Audit (GIA) – Mr Eric Chan;
- ◆ Senior Director & Group Controller – Mr Pablo Arellano;
- ◆ Senior Director – Group Legal Affairs – Ms Corinne Katz;
- ◆ 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; attendance as observers at Committee meetings are subject to strict confidentiality obligations and the permission from the Committee Chair.

## Group Internal Audit

CLP's 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 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.

## Meetings and Attendance

During the Period, the Committee held six meetings in 2025 and another two meetings in 2026. 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 2025 meetings is set out in the Corporate Governance Report on page 90.

## 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.

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 four EnergyAustralia ARC meetings which included the meetings held in July and December 2025 for the consideration of key accounting judgements in relation to the half-year and full-year financial statements of EnergyAustralia. For the interim period from 1 January 2026 to 28 February 2026, CLP's CFO was the Chairman of EnergyAustralia ARC as the former ARC Chairman took up the role of Chairman of EnergyAustralia board and before a new EnergyAustralia independent non-executive director joined the EnergyAustralia board and was appointed as ARC Chair. The former Chairman of EnergyAustralia ARC participated in two meetings of this Committee.

## Apraava Energy

Apraava Energy is 50% owned each by CLP and La Caisse formerly known as CDPO. Apraava Energy's board of directors comprises three representatives from each of CLP and La Caisse and is chaired by CLP's CFO. Apraava Energy has an audit committee that comprises two representatives from each of CLP and La Caisse 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:

	2025						2026	
	Jan	Feb	May	Jun	Jul	Nov	Jan	Feb
<b>Risk Management, Internal Control and Compliance</b>								
Quarterly risk management report		◆	◆		◆	◆		◆
In depth briefing on heightened risk or risk related topics								
◆ Cybersecurity					◆		◆	
◆ CLP Power's insurance regime							◆	
◆ EnergyAustralia regulatory compliance update			◆			◆		
◆ Security review of Hong Kong based business			◆			◆	◆	
◆ CLP Power's operational resilience framework			◆		◆	◆		
◆ CLP China renewables subsidies update	◆							
Internal control review update		◆		◆		◆		◆
Management's general representation letter		◆			◆			◆
Outstanding internal audit issues		◆	◆	◆	◆			◆
Legal and regulatory compliance		◆			◆			◆
<b>Annual and Interim Financial Reports</b>								
Annual and Interim financial statements and reports / climate-related financial information		◆			◆		◆	◆
Assessment of critical accounting judgements	◆	◆		◆	◆		◆	◆
ESG data and materiality assessment assurance		◆				◆		◆
<b>Internal and External Auditing</b>								
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		◆						◆
GIA strategic plan and internal audit plan			◆			◆		
<b>Corporate Governance</b>								
Corporate governance trends, developments and related policies	◆					◆	◆	
Code of Conduct and whistleblowing cases		◆	◆	◆	◆	◆		◆
Continuing connected transactions		◆						◆
Evaluation of effectiveness		◆						

## 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	<p>The Committee received and reviewed management's periodic internal control reports and the Group's quarterly risk management reports. As part of management's assurance in support of the review of the half-year and full-year financial statements, the Committee examined and received the <b>General Representation Letters</b> from the CEO and CFO.</p> <p>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.</p> <p>During the Period, no internal control issue that would be material to the integrity of the financial statements was identified.</p> <p><b>The Committee analysed and was satisfied that the Group's risk management and internal control systems were appropriate and effective for the Period.</b></p>
Deep dive briefings	<p>Having regard to the nature of the risks and the potential exposure for the Group, management presented deep dive briefings on the following topics:</p> <ul style="list-style-type: none"> <li>❖ <b>Cybersecurity</b> – The Committee was updated on the Group's cybersecurity position including the heightened regional threat environment and the increasing prevalence of ransomware attacks. The Committee also reviewed the findings of the Ernst &amp; Young maturity assessment and the progress on Hong Kong's critical infrastructure legislation requirements.</li> <li>❖ <b>CLP Power's insurance regime</b> – The Committee was updated on CLP Power's insurance portfolio and this was reviewed in light of the increase in frequency of extreme weather events.</li> <li>❖ <b>EnergyAustralia regulatory compliance update</b> – The Committee and management discussed the importance and progress of EnergyAustralia's Regulatory Compliance Uplift Program for the retail business, noting improvements delivered to date as well as the challenges.</li> <li>❖ <b>Security review of the Hong Kong business</b> – The Committee was briefed on the overall security status for the business including the materials management system.</li> <li>❖ <b>CLP Power's operational resilience framework</b> – The Committee provided guidance in the formulation of the proposed framework for CLP Power's critical infrastructure operational resilience.</li> <li>❖ <b>CLP China renewables subsidies update</b> – The Committee was briefed on the status of CLP China renewables national subsidies receivables. The Committee and management discussed the status of the outstanding subsidies, the ongoing recoverability and the associated accounting treatment.</li> </ul>

Areas of Focus	
<b>Risk Management, Internal Control and Compliance</b>	
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. This included the review of the regulatory cases for EnergyAustralia's retail business which was also covered in the deep dive session on regulatory compliance update.
<b>Annual and Interim Financial Reports</b>	
Annual Reports and Interim Report	The Committee reviewed the 2024 and 2025 Annual Reports and the 2025 Interim Report and on the recommendations from the Committee, these were approved by the Board.
2025 Financial Statements – accounting judgements	<p>Management and PwC presented to the Committee the key judgements with material accounting impact. These included the review of the carrying values of certain minority-owned coal-fired assets and the national subsidies receivables for the renewable projects on the Chinese Mainland.</p> <p>The Committee critically assessed these and found the judgements put forward to be acceptable for the issues presented.</p>
ESG data and materiality assessment assurance	The Committee considered and acknowledged the independent practitioner's report on the ESG data assurance in respect of the 2024 and 2025 identified ESG metrics disclosed in the Annual Report and <a href="#">Sustainability Report</a> . 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 separately briefed on the 2024 and 2025 materiality assessments, as well as the respective results of the assurance engagements. The Committee was also briefed by an external expert on current practices in aligning financial valuations with sustainability-related risks and opportunities.
<b>Internal and External Auditing</b>	
Internal audit	<p>The Committee received and considered two types of reports from the Senior Director – GIA and they are:</p> <ul style="list-style-type: none"> <li>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</li> <li>b) special review reports which focus on new business areas, emerging risks and thematic issues, where control advisory is provided.</li> </ul> <p>For the year 2025, a total of 16 audits and 10 special reviews were completed. Two audit reports carried a not satisfactory audit opinion.</p> <p>None of the control weaknesses identified had a material impact on the financial statements.</p>
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 2024 and 2025 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.

## Areas of Focus

### Internal and External Auditing

#### Fees to independent auditor and its re-appointment

The Committee reviewed the following fees payable to PwC:

- ❖ audit fees for 2024 and 2025 for approval by the Board; and
- ❖ permissible audit related and non-audit services provided by PwC for 2024 and 2025.

The Committee also reviewed and approved the fees relating to the PwC's specific non-audit service engagement, and reviewed the proposed permissible audit related and non-audit services to be provided by PwC in the coming year.

During the year, PwC provided the following audit and permissible audit related and non-audit services to the Group:

	2025 HK\$M	2024 HK\$M
<b>Audit</b>	<b>48</b>	47
<b>Permissible audit related and non-audit services</b>		
Audit related services (including Continuing Connected Transactions limited assurance, limited assurance over regulatory reviews and reporting, EnergyAustralia's Sustainability Report limited assurance, agreed upon procedures related to debt offerings, audits of CLP's provident funds and auditor's attestation)	<b>8</b>	5
Non-audit services (including other advisory services)	-	3
<b>Total</b>	<b>56</b>	55

(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 5 to the Financial Statements.

For the year ended 31 December 2025, the fees for permissible audit related and non-audit services accounted for 14% and 0% of the total fees respectively.

Having considered PwC's performance and independence as CLP's independent auditor (see below on the factors considered), the Committee recommended to the Board that PwC be re-appointed as independent auditor for 2026 and this will be considered by shareholders at the forthcoming AGM. PwC also issued a letter of independence to the Committee.

Factors taken into account regarding 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; and
- ❖ PwC is required to give an annual confirmation on their independence.

Areas of Focus	
Corporate Governance	
Corporate governance practices	<p>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.</p> <p>The Committee also endorsed for the Board's approval of its updated terms of reference with the main changes regarding the Committee's purview of the assurance process on sustainability reporting.</p>
Continuing connected transactions	<p>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.</p>
Culture-related	<p>The Committee received and considered the periodic updates on the breaches of the Code of Conduct. None of the 40 breaches in 2025 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.</p> <p>The Committee analysed the findings of the 2024 and 2025 ethics and controls commitment surveys for the employees and took note that the results for both years were positive.</p>

### Audit & Risk Committee Effectiveness

The Company Secretary evaluated the performance and effectiveness of the Committee during 2025 and 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 review on the work and focus of the Committee by the external auditor, GIA and Senior Director & Group Controller. The CLP Holdings Board also endorsed the Company Secretary's evaluation.

### Looking Ahead

The outlook of the operating environment and geo-politics will only become more challenging and complex. The Committee will continue to have a dedicated focus on the risks the Group is faced with, whilst ensuring we maintain the high standards and discipline over our financial reporting, risk management and internal control and in corporate governance.



**May Siew Boi Tan**

Chairperson, Audit & Risk Committee

Hong Kong, 26 February 2026

# 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. During the reported period (full-year 2025 and for 2026 up to the date of this Report) (the Period), the Committee Members were:

## 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 70 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 function(s) and business units (please refer to page 83 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 and its [terms of reference](#) are available on CLP website.

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 includes 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 78 to 79 and on our website). The Group Sustainability Department 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); attendance as observers at Committee meetings are subject to strict confidentiality obligations and the permission from the Committee Chair.

## 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

The following table provides an overview of how the Committee spent its time during the Period:

	2025				2026
	Feb	Aug	Oct	Dec	Feb
Climate-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

The table below explains the work carried out by the Committee.

Areas of Focus	
Climate-related Matters	
Climate-related developments and risks	The Committee was briefed on how the climate landscape has evolved and its implications for CLP. The review covered international decarbonisation progress, updates to national climate action plans across CLP's key markets and related technology and infrastructure constraints. The Committee also discussed how changing investor expectations and updates to voluntary target-setting guidance may influence CLP's transition planning and its strategy for the use of carbon market instruments.
Voluntary carbon markets	The Committee and management analysed the evolving landscape of international carbon markets, discussed Hong Kong's ambition to develop a leading global carbon marketplace and considered how CLP could support the development of carbon markets. The use of Green Electricity Certificates from the Chinese Mainland for Hong Kong was also discussed.

## Areas of Focus

### Other Sustainability Matters – risks, opportunities and emerging issues

Sustainable Procurement Programme	The Committee reviewed the progress of the three-year Sustainable Procurement Programme and noted that the risk-based supplier profiling and due diligence process had been implemented in phases, providing enhanced visibility of suppliers' adherence to CLP's Supplier Code of Conduct. The Committee was supportive of management's efforts to pursue broader adoption of the programme across CLP's different markets.
Materiality assessment	The Committee considered and endorsed the 2025 materiality assessment results and the proposed approach to annual reporting and sustainability-related disclosures, as well as producing a standalone materiality assessment report. The Committee took note that there were minor changes with some new sub-topics defined for 2025 and that KPMG would provide an assurance report on CLP's materiality assessment process.

### Sustainability Reporting / Indices Performance

Sustainability-related disclosures and reporting process	<p>The Committee was briefed by an external expert on current practices in aligning financial valuations with sustainability-related risks and opportunities. They also received a presentation from management on the proposed approach to CLP's climate-related financial disclosures, including the identification and quantification of climate-related risks and opportunities. They also reviewed the approach for disclosing the financial effects of transition risks, transition opportunities and physical risks.</p> <p>The Committee further considered and endorsed management's approach to streamlining sustainability-related disclosures and the overall reporting process.</p> <p>The Committee also endorsed the sustainability-related disclosures of the 2025 Annual Report, which will be prepared in accordance with HKFRS S1, comply with HKFRS S2, and meet the requirements of the Hong Kong Stock Exchange's ESG Reporting Code.</p> <p>The Committee also reviewed and endorsed the contents of the <a href="#">2025 Sustainability Report</a> and the <a href="#">2025 Materiality Assessment Report</a>.</p>
Performance on external sustainability indices	<p>As a standing item, the Committee was briefed on, and monitored, CLP's performance across various sustainability indices.</p> <p>The Committee analysed CLP's performance ratings under key sustainability indices, acknowledged the evolving assessment and benchmarking initiatives and requirements, and reviewed their relevance and potential implications for CLP.</p>

### Sustainability Governance

Annual review of resources for sustainability	The Committee undertook its annual review of the resources allocated to ESG and sustainability functions. The Committee was satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget to support ESG performance and reporting.
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### Areas of Focus

#### Health, Safety, Security and Environment

##### HSE Target Statement

The Committee considered management's proposal and endorsed the updated CLP Group HSE Target Statement:

"Build capability of our people who interact between our systems and high-risk activities, preventing high-consequence injuries, environmental harm, and lowering the risk of process safety events."

The Committee also supported the HSE Target Statement as being part of the Group HSE strategy.

The Committee also received management's update on Group HSE, covering areas including governance, digital platforms, the assurance programme, capability building, Group programmes and key risks. The Committee also received an update on CLP's HSE performance for 2025.

#### Community, Charitable and Environmental Partnerships and Initiatives

##### Community initiatives

The Committee reviewed management's report on the community initiatives undertaken by CLP in 2025 and expressed its support for the programme highlights proposed for 2026.

## Looking Ahead

Under CLP's [Climate Vision 2050](#), we have set a series of climate-related targets and are committed to reviewing these targets every three years. In 2026, we will commence this review, which will be a key area of focus and an important workstream for this Committee.



### Chunyuan Gu

Chairman, Sustainability Committee  
Hong Kong, 26 February 2026

# 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. During the reported period (full-year 2025 and for 2026 up to the date of this Report) (the Period), the Committee Members were:

## 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 70 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 twice 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 appointing an external consultant for conducting Board Progression Development, succession of EnergyAustralia board chair and appointing an Independent Non-executive Director of EnergyAustralia.

### Areas of Focus

#### Board and Board Committees refresh

At the conclusion of the 2025 AGM, Sir Rod Eddington retired as an Independent Non-executive Director. During the year, the Committee initiated an independent search process for potential Director candidate(s).

The Committee endorsed the appointment of Mr Peter Wilhelm Hubert Brien as an Independent Non-executive Director with effect from 27 February 2026. The Committee considered his specific profile namely the ability and capacity to play a leading role in the area of corporate and sustainability strategy, governance oversight and Board Committee leadership. Full details are set out in the related announcement on his appointment and also in the Notice of AGM.

The Committee reviewed the Board Committees composition and no other change was proposed and made in 2025, except for the appointment of Mr Philip Kadoorie as a Member of the Finance & General Committee with effect from 1 January 2025 and Sir Rod Eddington stepped off the Finance & General Committee as he retired from the Board.

Details of the Board Committees composition are set out in the Corporate Governance Report on page 90.

Areas of Focus	
Succession Planning	<p>The Committee assessed the leadership of each of the Board Committees and the succession pathways for the Audit &amp; Risk Committee, the Human Resources &amp; Remuneration Committee and the Nomination Committee; these were taken into account in setting the desired profile for the search of a new Independent Non-executive Director, in particular, with the skills and capacity to lead on strategy and governance. The Committee endorsed the proposed changes to the Board Committees that will take effect in 2026; full details of which are set out in the Corporate Governance Report on page 80.</p>
Board Diversity Policy, diversity aspects of the Board and independence mechanism	<p>The Committee continued to undertake an annual review of the Board Diversity 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 2025.</p> <p>The Committee also considered management's findings on the annual review of the existing diversity aspects of the Board for 2025. The Committee reaffirmed the commitment to the continuous Board refresh exercise with the view of enhancing the Board's diversity. Full analysis of the diversity aspects of the Board can be found in the "Board of Directors" section on page 77 and in the Corporate Governance Report on pages 94 and 95.</p> <p>The Committee endorsed the annual review of the implementation and effectiveness of the independence mechanism and its disclosure.</p>
Regulatory-related	<p>The Committee undertook the review and assessment of the following regulatory-related matters:</p> <ul style="list-style-type: none"> <li>❖ the nomination of Directors for re-election at the 2026 AGM, with assessment on the tenure, 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;</li> <li>❖ the independence of Independent Non-executive Directors;</li> <li>❖ the training and continuous professional development of Directors; and</li> <li>❖ Directors' time commitment and contribution to the Board to discharge their responsibilities, with assessment on the skills and expertise of each individual director as well as their professional qualification and work experience.</li> </ul>

### 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.

Full [terms of reference](#) are available on CLP website.

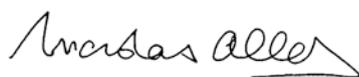
## Nomination Policy

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

Succession planning and the gradual refresh of the CLP Board will continue to be the key focus for the coming year. The Committee will be actively involved in this, not just during the Committee meetings but in between the formal Committee meetings.



**Nicholas C. Allen**

Chairman, Nomination Committee  
Hong Kong, 26 February 2026

# 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 reporting period (full-year 2025 and for 2026 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)

There is no Executive Director on the HR&RC.

[Biographies](#) of the Members are set out in "Board of Directors" section on page 70 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 five meetings in 2025 and one meeting in 2026.

## 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 Director 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. [Terms of reference](#) of the HR&RC are available on CLP website.

Important areas of work for the Committee this year were development of the strategic review of CLP's Remuneration Framework to enable strategy delivery, and review of plans and progress to develop new ways of working.

The following table provides an overview of how the Committee spent its time during the Period:

	2025					2026
	Feb	Mar	Jun	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	<p>The Committee scrutinised and approved:</p> <ul style="list-style-type: none"> <li>◆ Group performance for 2024 and 2025 and targets for 2025 and 2026;</li> <li>◆ 2024 and 2025 performance for CLP's Business Units in Hong Kong, on the Chinese Mainland and in the Taiwan Region and Southeast Asia, and targets for 2025 and 2026;</li> <li>◆ 2025 Group Function performance and targets for 2026;</li> <li>◆ base pay for 2025 and 2026 for staff under Hong Kong payroll and the Chinese Mainland;</li> <li>◆ CEO's remuneration; and</li> <li>◆ remuneration of direct reports to the CEO, including annual incentive payments for 2024 and 2025 and pay review for 2025 and 2026.</li> </ul>
Performance management and remuneration policy	<p>The Committee reviewed and approved changes to align CLP's Senior Management Remuneration Policy and Framework for businesses in Hong Kong and on the Chinese Mainland with delivery of CLP's strategy. In line with the review's outcomes, the Committee approved adjustments to Senior Management remuneration to take effect from 1 January 2026.</p>

Areas of Focus	
<b>Succession Planning and Talent Development</b>	
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.
Inclusion and diversity	The Committee 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.
<b>People Strategy and Organisation Development</b>	
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.
<b>Staff Policies and Benefits</b>	
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.
<b>Governance</b>	
Training and professional development of Senior Management	The Committee considered the activities undertaken in 2024 and 2025 and the planned activities for 2025 and 2026 in respect of the training and continuous professional development of Senior Management.
Executive remuneration governance and disclosure	The Committee reviewed and approved the 2024 and 2025 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.

### Group Inclusion & Diversity Strategy

CLP launched its refreshed Inclusion & Diversity (I&D) strategy, "Stronger Together", in June 2025. Key changes include an increased focus on welcoming workplaces, alongside a broader approach to diversity encompassing gender diversity, diversity of thought within teams, and a deeper understanding of the communities in which we operate – all underpinned by fairness and meritocracy in appointments and development. Metrics and targets aim for continuous improvement in gender representation in leadership and STEM. As at end 2025, the percentage of Women in Leadership roles increased (2025: 31.6% vs 2024: 30.0%), while Women in STEM is 18.8%. Across all roles, Group gender diversity was consistent with the prior year.

Looking ahead, the Group remains committed to advancing inclusion and diversity as a core enabler of long-term value creation. Building on the refreshed "Stronger Together" strategy, we will continue to foster welcoming and inclusive workplaces, strengthen talent pipelines, and drive continuous improvement.

## Remuneration

The underlying principles of CLP's remuneration policies for Non-executive Directors, Executive Director 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 Director, and Senior Management. This Report covers the Period and has been reviewed and approved by the HR&RC.

As stated in Note 32(D) to the Financial Statements on page 234, 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 2025";**
- ❖ **"Change of Remuneration – Executive Director and Senior Management in 2025";**
- ❖ **"Executive Director – Remuneration in 2025";**
- ❖ **"Total Directors' Remuneration in 2025";**
- ❖ **"Senior Management – Remuneration in 2025"; and**
- ❖ **"The Five Highest Paid Individuals in 2025".**

## Non-executive Director Remuneration

### Non-executive Director Remuneration Policy

CLP's Non-executive Director Remuneration is designed to recognise that Directors are not employees, and to be sufficiently competitive to attract and retain high-calibre candidates, while not excessive.

#### *Fee structure*

Non-executive Directors receive a base fee. The Chair and Vice / Deputy Chair receive higher base fees in recognition of their added responsibilities and time commitment. Committee members receive Committee fees to recognise the additional workload, and chairing a Committee attracts a higher fee.

#### *Fee review*

Fees are reviewed no less than every three years, and the latest independent review was undertaken in 2025. The fees for the respective periods for (i) 10 May 2025 to 9 May 2026; (ii) 10 May 2026 to 9 May 2027; and (iii) 10 May 2027 until the date of the AGM in 2028, were approved by shareholders at the 2025 AGM held on 9 May 2025 and full details are set out in the Notice of 2025 AGM.

► Non-executive Directors – Remuneration in 2025 (Audited)

The fees paid to each of our Non-executive Directors in 2025 for their service on the CLP Holdings' Board and, where applicable, on its Board Committees including a Board level Panel are set out below. Higher level of fees was paid to Chairmen of the Board and Board Committees including a Board level Panel, the Vice Chairman of the Board and the Deputy Chair of a Board level Panel as indicated by (C), (VC) and (DC) respectively. Executive Director and management serving on the Board and Board Committees including a Board level Panel are not entitled to any Directors' fees.

There was a moderate increase in total Directors' fees compared to 2024, primarily due to an increase in the level of Non-executive Directors' fees which took effect from 10 May 2025 and the remuneration paid to the concerned Directors who sit on the ERP Panel.

In HK\$	Board	Audit & Risk Committee	Finance & General Committee	HR&RC	Sustainability Committee	Nomination Committee	ERP Panel <sup>1</sup>	Total 2025	Total 2024
<b>Non-executive Directors</b>									
The Hon Sir Michael Kadoorie	926,637 <sup>(C)</sup>	-	-	-	-	31,382	-	958,019	919,584
Mr Andrew Brandler	728,119 <sup>(VC)</sup>	-	449,900 <sup>(C)</sup>	110,766	115,742	-	85,348 <sup>(DC)</sup>	1,489,875	1,360,939
Mr Philip Kadoorie <sup>2</sup>	661,968	-	319,400	-	115,742	-	-	1,097,110	743,759
Mrs Betty Yuen <sup>3</sup>	661,968	-	319,400	-	-	-	108,625 <sup>(C)</sup>	1,089,993	954,461
Mr Diego Gonzalez Morales	661,968	-	319,400	-	-	-	-	981,368	717,214
Mr J.A.H. Leigh <sup>4</sup>	-	-	-	-	-	-	-	-	157,833
<b>Independent Non-executive Directors</b>									
Mr Nicholas C. Allen	661,968	530,505	319,400	154,746 <sup>(C)</sup>	115,742	43,876 <sup>(C)</sup>	77,589	1,903,826	1,760,609
Ms May Siew Boi Tan	661,968	743,165 <sup>(C)</sup>	319,400	110,766	115,742	31,382	85,348 <sup>(DC)</sup>	2,067,771	1,911,513
Ms Christina Gaw	661,968	-	-	-	115,742	-	-	777,710	793,502
Mr Chunyuan Gu	661,968	530,505	319,400	110,766	162,505 <sup>(C)</sup>	-	77,589	1,862,733	1,720,566
Mr Bernard Chan	661,968	-	-	-	115,742	-	-	777,710	743,759
Ms Wang Xiaojun Heather	661,968	530,505	-	110,766	-	-	-	1,303,239	1,248,593
Mrs Kung Yeung Yun Chi Ann	661,968	530,505	319,400	-	-	-	-	1,511,873	284,795
Sir Rod Eddington <sup>5</sup>	224,495	-	112,884	-	-	-	-	337,379	954,461
Mrs Zia Mody <sup>6</sup>	-	-	-	-	-	-	-	-	249,897
							<b>Total</b>	<b>16,158,606</b>	<b>14,521,485</b>

Notes:

- The ERP Panel was established on 23 April 2024 as a non-permanent basis to provide specific oversight of the ERP project 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 fees indicated on the table are from the date immediately following the 2025 AGM.
- Mr Philip Kadoorie was appointed as a Member of the Finance & General Committee with effect from 1 January 2025.
- In addition, Mrs Betty Yuen received HK\$300,000 as fees for her service on the board of CLP Power for each of 2024 and 2025.
- The fees paid to Mr J.A.H. Leigh (a former Director) was made in respect of his service up to 31 March 2024, and it is included in the table solely for the purpose of comparing the total fees paid to Non-executive Directors in 2024 with those in 2025.
- Sir Rod Eddington retired as an Independent Non-executive Director and a Member of the Finance & General Committee with effect from the conclusion of the 2025 AGM held on 9 May 2025. The fees paid to Sir Rod Eddington in respect of his service were made on a pro-rata basis up to 9 May 2025.
- The fees paid to Mrs Zia Mody (a former Director) was made in respect of her service up to 3 May 2024, and it is included in the table solely for the purpose of comparing the total fees paid to Non-executive Directors in 2024 with those in 2025.

## Senior Management Remuneration

For the purposes of this section, Senior Management means the managers, including Executive Director, whose details are set out on pages 76, 78 and 79.

### 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.

In 2025, the HR&RC broadly maintained its Remuneration Policy and framework in line with prior years, however with adjustments 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 incentive outcomes.

### Senior Management Remuneration Strategy and Framework

*for Executive Director and Senior Management (excluding Managing Director – EnergyAustralia)*

#### Our Remuneration Strategy

Attract, retain, and motivate a diverse, high-performing executive team to deliver CLP's strategy and create long-term value for stakeholders

#### Remuneration Principles

Sustainable	Aligned with shareholders	Market competitive	Fair and equitable	Simple
Structured to avoid excessive risk-taking. Considers a broad range of indicators including both <b>what</b> was achieved and <b>how</b> it was achieved.	Drive short- and long-term performance and encourage appropriate behaviour, while discouraging inappropriate behaviour.	Appropriate to role and competitive locally and internationally.	Fairly recognise responsibilities and capabilities; balance external competitiveness with internal equity; align outcomes with the broader workforce.	Simple, clear, and consistent to enable effective stakeholder scrutiny.

## Human Resources & Remuneration Committee Report

### Our Framework

Pay Element	Fixed Pay	Annual Incentive Plan (AIP)	Long-Term Incentive Plan (LTIP)	Retirement Arrangements
<b>How does it align with strategy?</b>	Competitive remuneration to attract and retain people with the capabilities to lead and sustain a complex, multi-jurisdictional business, without over-paying.	Rewards performance aligned to short- and long-term value creation considering both <b>what</b> was achieved and <b>how</b> it was achieved, while avoiding excessive risk-taking.	Rewards long-term value creation, supports retention and encourages an owner's mindset.	Competitive and sustainable benefits to attract and retain executives.
<b>How is it determined?</b>	Reviewed annually with reference to local and international comparators, role scope and experience, and wider workforce considerations.	Annual performance period with outcomes based on a weighted mix of Group, Business Unit or Functional balanced scorecard performance, dependent on role. In determining scorecard outcomes, the HR&RC balances <b>WHAT</b> was achieved (short- and long-term financial, operational, customer, strategic initiatives, and people metrics) and <b>HOW</b> it was achieved (Safety, Security, Environmental and Internal Control performance, and community acceptance).		Employee and company regular contributions, with the option for Additional Voluntary Contributions which are matched by the company. Contribution arrangements are the same for all employees and also depend on years of service.
<b>How is it delivered?</b>	Base salary. Changes are usually effective from 1 April each year.	Annual cash payment, paid in March following the relevant performance year.	Phantom shares with a portion that can be allocated to notional cash deposits.	Contributions to the Group Provident Fund Scheme (Defined Contribution).
<b>Pay positioning</b>	Intent to align target Total Remuneration to between median and upper quartile of the reference market.			

### Remuneration features

Fixed Pay	
<b>Opportunity and alignment with wider workforce</b>	<ul style="list-style-type: none"> <li>❖ Executive base pay is initially set based on their skills and experience, with consideration given to external competitiveness and internal equity, with progressive increases as they gain experience in role and demonstrate performance.</li> <li>❖ Remuneration is benchmarked using two datapoints for each role (where possible) including similar international peers for business roles and a broader reference for functional roles.</li> <li>❖ Ordinarily, salary increases in percentage terms will in line with, or less than, increases awarded to the wider workforce. Increases may be made above this level for circumstances such as a significant change in responsibility or progression due to recent appointment.</li> </ul>

## Annual Incentive Plan (AIP)

<b>Maximum opportunity and alignment with wider workforce</b>	<p><b>CEO:</b> maximum annual opportunity of 100% of base salary.</p> <p><b>BU Managing Directors (MDs), CFO &amp; Other executives:</b> maximum annual opportunity of 100% of base salary.</p> <p>All employees are eligible to participate in the AIP with target percentages based on job size.</p> <p>The minimum potential outcome is zero.</p>
<b>Performance measures and weightings</b>	<p>Outcomes are based on a weighted mix of Group, Business Unit or Functional balanced scorecard performance, dependent on role.</p> <p><b>CEO:</b> 100% on performance against Group balanced scorecard.</p> <p><b>BU MDs:</b> based on Group and BU performance.</p> <p><b>CFO &amp; Other executives:</b> based on Group and Functional performance.</p> <p>Group and BU balanced scorecards contain a mix of financial, operational, sustainability, strategic and people objectives. Functional scorecards include strategic and people objectives and a feedback element reflecting support provided and governance effectiveness.</p>
<b>Performance assessment</b>	<p>“At-target” performance levels are set to be “stretching but achievable”.</p> <p>The determination of performance outcomes is not formulaic, as the HR&amp;RC believes that its overriding responsibility is to exercise judgement and responsibility, ensuring alignment between shareholders and management.</p> <p>Within the AIP, the HR&amp;RC (for Senior Management) or management (for wider workforce) can increase or decrease overall outcomes.</p> <p>The maximum opportunity may be exceeded in exceptional cases for broader contributions to business performance. Outcomes may be reduced based on <b>HOW</b> factors such as safety, conduct or leadership issues.</p>

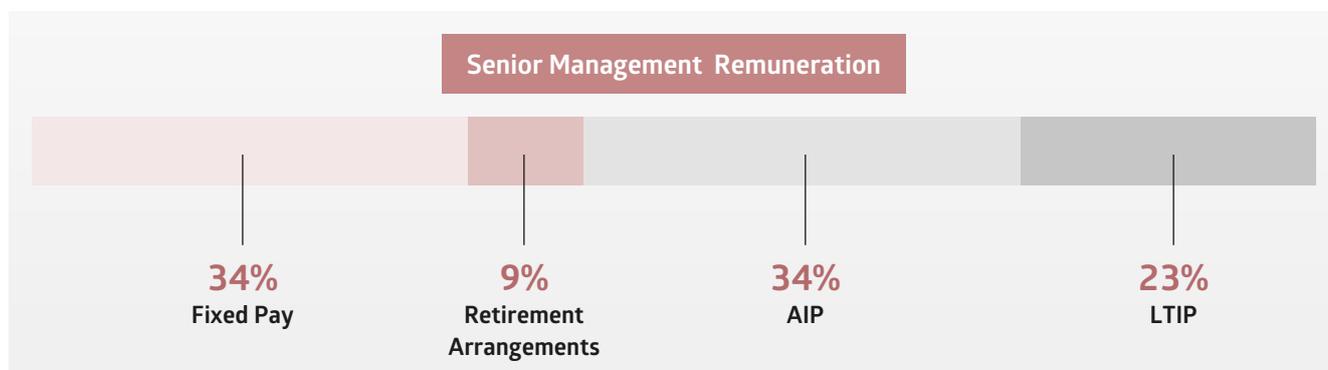
## Long-Term Incentive Plan (LTIP)

<b>Maximum opportunity and alignment with wider workforce</b>	<p><b>CEO:</b> maximum LTI opportunity of 66.6% of base salary.</p> <p><b>BU MDs, CFO &amp; Other executives:</b> maximum of 66.6% of base salary.</p> <p>Participation in LTIP applies to Senior Management and other senior roles.</p> <p>The minimum potential outcome is zero.</p>
<b>Instrument</b>	<p>A minimum of 75% of the award is delivered in phantom shares subject to the vesting period. Up to 25% can be allocated to a notional cash deposit or to phantom shares.</p>
<b>Award conditions</b>	<p>Senior Management’s LTI awards are based on the target LTI opportunity (50% of the maximum opportunity), multiplied by the Group performance score for the preceding year.</p>
<b>Vesting period</b>	<p>Three years.</p>
<b>Value upon vesting</b>	<p>The final LTI value at the vesting date is determined based on initial allocation choices made and the subsequent impact of changes in share price, dividend reinvestment, exchange rate movements and interest earned over the three-year vesting period.</p>

## Human Resources & Remuneration Committee Report

### Remuneration Mix

The remuneration mix is structured to attract, drive performance and retain executives, with a significant proportion of variable remuneration which is at-risk and based on performance. The 2025 remuneration mix **at maximum** for the CEO and Senior Management is summarised below.



### Remuneration Time Horizons

Pay element	2025	2026	2027	2028
<b>Fixed Pay</b>	Base pay and retirement benefits			
<b>AIP</b>	Cash based on 2024 performance			
<b>LTIP</b>	2022-24 Award vests, paid in cash in January 2025			
	2025-27 Award granted based on 2024 performance (Phantom shares/notional cash deposits restricted for 3 years)			

### Remuneration Strategy and Framework for the Managing Director – EnergyAustralia

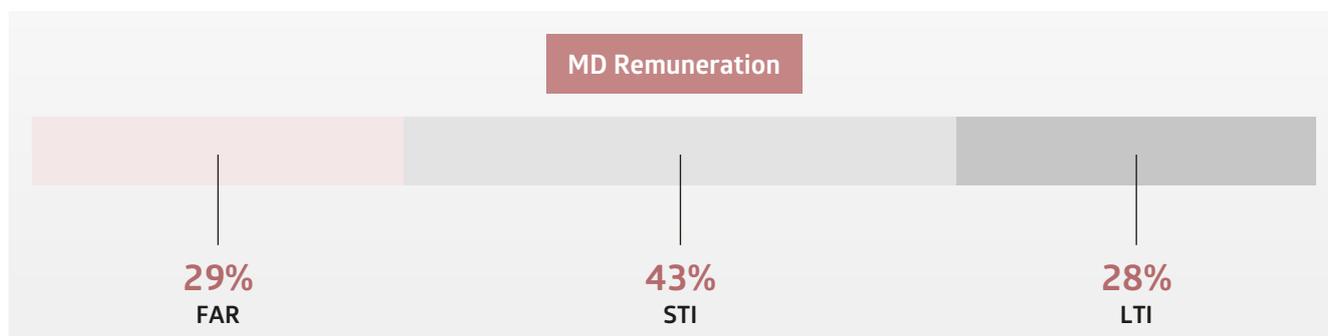
The pay structure of Managing Director – EnergyAustralia is aligned with Australian market practice. The table below summarises policy design and operation.

Pay Element	Fixed Annual Remuneration (FAR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
<b>How does it align with strategy?</b>	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 facilities clawback.	Rewards for long-term business performance aligning Senior Management incentives to key strategic objectives and to achieve long-term value creation for shareholders.
<b>How is it delivered?</b>	FAR including base salary and employer contribution to the Australian statutory superannuation scheme.	The STI award is paid in cash – 50% is paid in March following the performance year; 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 (NPRC) of EnergyAustralia is paid on the vesting date in the fourth year.
<b>How is it determined?</b>	FAR is reviewed annually taking into consideration the competitive market position compared to peer companies (listed companies with market capitalisation of 50% to 200% of EnergyAustralia's notional market capitalisation) market practice and individual performance.	Outcomes are based on a weighted mix of Corporate performance and performance against specific Managing Director objectives related to priorities set for the business over the 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.
<b>Maximum opportunity and alignment with wider workforce</b>	Ordinarily, FAR increases in percentage terms will be in line with or less than increases awarded to other EnergyAustralia employees.	Maximum annual incentive 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 selected other roles.

## Human Resources & Remuneration Committee Report

### 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 2025 remuneration mix **at maximum** for the Managing Director – EnergyAustralia is summarised below.



### Remuneration Time Horizons

Pay element	2025	2026	2027	2028
FAR	FAR*			
STI	Deferred cash based on 2023 performance (50%)	Deferred cash based on 2024 performance (50%)		
	Cash based on 2024 performance (50%)			
LTI	2022-24 Award vests, paid in cash in March 2025			
	Opportunity to participate in the 2025-27 LTIP Scheme (Cash award subject to a 3-year performance period against LTI Performance Conditions)			

\* Includes employer contribution to statutory superannuation

## 2025 Performance and Executive Remuneration Outcomes

### Senior Management (excluding the Managing Director – EnergyAustralia)

For Senior Management (excluding the Managing Director – EnergyAustralia), when determining overall 2025 remuneration outcomes, the HR&RC was cognisant to ensure they were reflective of market benchmarks; performance against a mix of financial, operational, safety, environmental, internal control objectives and other objectives reflecting strategic priorities and long-term sustainability; and shareholder experience. Furthermore, when setting 2025 targets, the HR&RC's focus was to measure and reward performance against delivery of CLP's strategy of meeting growing energy needs across its markets while actively pursuing decarbonisation opportunities.

## Base pay

Base pay was reviewed with reference to market benchmarks in peer companies and incumbents' experience, performance, and criticality in delivering strategic objectives. The HR&RC determined to increase base pay for Senior Management in line with the general pay increase awarded to staff.

## 2025 Performance and Incentives Awarded

When determining overall 2025 remuneration outcomes, the HR&RC undertook a balanced assessment of both "what" was delivered and "how" it was achieved, taking into account both positive achievements and areas requiring improvement, together with market benchmarks.

The HR&RC considered that CLP Group delivered resilient financial and operational performance in 2025. These results were supported by continued progress on digitalisation and decarbonisation goals, however recognising that some operations and developments were impacted by difficult market environments and did not achieve targets set. Taking all factors into account, the HR&RC determined to award a Group incentive outcome broadly in line with the prior year, reflecting both the strength of the Group's financial results versus target and a balanced assessment of non-financial performance.

## Managing Director – EnergyAustralia

The EnergyAustralia NPRC reviewed market benchmarks, short-term and long-term incentive against performance scorecards. The NPRC determined to award the Managing Director an increase in FAR in line with market for the role. The overall short-term incentive payment for the Managing Director was awarded at target, reflecting strong financial and customer performance; however, aspects of safety and regulatory compliance were below expectations.

## The year ahead

During the year, the HR&RC concluded a strategic review of pay arrangements for Executive Director and Senior Management (excluding the Managing Director – EnergyAustralia) to align future Remuneration Policy and framework with delivery of CLP's strategy, as it evolves over time. The Committee approved a revised Remuneration Policy and framework aimed at achieving pay that is fit for purpose, strongly aligned to CLP's strategy, operating model and shareholder returns, simple and transparent, more accountable and market competitive. Changes to the Framework will be introduced progressively from 2026. The key impacts of the revised Framework for the CEO and executives reporting to the CEO (excluding the Managing Director – EnergyAustralia) are:

- ◆ market-aligned bonus opportunities for the CEO and executives reporting to the CEO to reflect their different roles and contributions;
- ◆ increased weighting to financial metrics that directly support CLP's strategic objectives, with defined threshold-target-stretch performance targets, and formulaic assessment;
- ◆ pay that is more leveraged to Business Unit and Functional Performance, has a higher proportion of remuneration "at risk" and that is subject to formulaic outcomes; and
- ◆ increased management shareholding (starting from 2027) through eliminating the option to take a portion of the LTI as notional cash deposits and granting shares (through on-market purchase with no shareholder dilution) instead of phantom equity.

Overall, the HR&RC believes that these changes will strengthen alignment of Senior Management remuneration outcomes with company performance and Senior Management interests with shareholder interests.

### » Change of Remuneration – Executive Director and Senior Management in 2025 (Audited)

Details of the remuneration of Executive Director and Senior Management prepared in accordance with the Hong Kong Financial Reporting Standards for the 12 months ended 31 December 2025 are set out in the tables on page 141 (Executive Director) and pages 143 and 144 (Senior Management).

The amounts disclosed consist of remuneration accrued or paid for service in 2025 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 Director and Senior Management while non-recurring items relate primarily to the appointment or termination of Executive Director and Senior Management.

In the tables on pages 141, 143 and 144, the “Total Remuneration” column for 2025 includes the following recurring items:

- (i) base compensation, allowances & benefits paid;
- (ii) 2025 annual incentive accrued based on previous year’s Company performance and the 2024 annual incentive adjustment. The adjustment is the difference between the actual annual incentive paid in 2025 for 2024 performance and the annual incentive accrual for 2024;
- (iii) the 2022 long-term incentive award paid in January 2025 when the vesting conditions were satisfied (the comparative figures are the long-term incentive for 2021 paid in 2024); 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 Director – Remuneration in 2025 (Audited)

The remuneration paid to the Executive Director of the Company in 2025 was as follows:

	Recurring Remuneration Items					Non-recurring Remuneration Items	
	Base Compensation, Allowances & Benefits <sup>1</sup> HK\$M	Performance Bonus <sup>2</sup>		Provident Fund Contribution HK\$M	Total Remuneration HK\$M	Other Payments HK\$M	Total HK\$M
		Annual Incentive HK\$M	Long-term Incentive HK\$M				
<b>2025</b>							
CEO (Mr T.K. Chiang)	10.0	8.1	3.3	2.5	23.9	-	23.9
	10.0	8.1	3.3	2.5	23.9	-	23.9
<b>2024</b>							
CEO (Mr T.K. Chiang)	9.6	8.9	3.3	2.4	24.2	-	24.2
Former: Advisor to CEO (from 1 January to 30 April) (Mr Richard Lancaster) <sup>3</sup>	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

### Notes:

- 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.
- Performance Bonus consists of (a) annual incentive (2025 accrual and 2024 adjustment) and (b) long-term incentive (payment for 2022 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 2025 performance will be made in March 2026. These payments and awards are subject to the prior approval of the HR&RC after 31 December 2025. [Details](#) of these will be published on CLP website at the time that the 2025 Annual Report is published.
- Mr Richard Lancaster 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.

## Human Resources & Remuneration Committee Report

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 2025 (Audited)

The total remuneration of Non-executive and Executive Directors in 2025 was:

	2025 HK\$M	2024 HK\$M
Fees	16.2	14.5
Recurring Remuneration Items		
Base Compensation, Allowances & Benefits <sup>1</sup>	10.0	11.1
Performance Bonus <sup>2</sup>		
– Annual Incentive	8.1	10.8
– Long-term Incentive	3.3	9.2
Provident Fund Contribution	2.5	2.7
Non-recurring Remuneration Items		
Other Payments	–	20.2
	<b>40.1</b>	<b>68.5</b>

Notes:

1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 141 for Executive Director.

2 Refer to Note 2 on Performance Bonus on page 141 for Executive Director.

Of the total remuneration paid to Directors, HK\$5.4 million (2024: HK\$5.2 million) has been charged to the SoC operation.

## Senior Management – Remuneration in 2025 (Audited)

Details of the remuneration of the Senior Management are set out below (except for the Executive Director, which are set out in “Executive Director – Remuneration in 2025”).

	Recurring Remuneration Items				Non-recurring Remuneration Items		Total HK\$M
	Base Compensation, Allowances & Benefits <sup>1</sup> HK\$M	Performance Bonus <sup>2</sup>		Provident Fund Contribution HK\$M	Total Remuneration HK\$M	Other Payments HK\$M	
		Annual Incentive HK\$M	Long-term Incentive HK\$M				
<b>2025</b>							
Current:							
Chief Financial Officer (Mr Alex Keisser)	6.7	5.4	2.6	1.2	15.9	-	15.9
Chief Operating Officer (Mr Derek Parkin) <sup>3</sup>	6.4	5.2	3.0	1.4	16.0	12.2	28.2
Managing Director – CLP Power (Mr Joseph Law)	5.9	4.8	1.8	1.4	13.9	-	13.9
Managing Director – China (Mr Roger Chen)	4.5	3.5	1.2	1.1	10.3	-	10.3
Managing Director – EnergyAustralia (Mr Mark Collette) <sup>4</sup>	6.8	5.3	0.9	0.2	13.2	-	13.2
Chief Strategy, Sustainability & Governance Officer (Mr David Simmonds)	6.6	5.3	3.1	1.7	16.7	-	16.7
<b>Total</b>	<b>36.9</b>	<b>29.5</b>	<b>12.6</b>	<b>7.0</b>	<b>86.0</b>	<b>12.2</b>	<b>98.2</b>

The notes are set out on page 144.

Of the total remuneration paid to Senior Management, HK\$25.9 million (2024: HK\$26.0 million) has been charged to the SoC operation.

## ↗ Senior Management – Remuneration in 2025 (Audited) (continued)

	Recurring Remuneration Items				Non-recurring Remuneration Items		
	Base Compensation, Allowances & Benefits <sup>1</sup> HK\$M	Performance Bonus <sup>2</sup> 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 <sup>5</sup>	6.3	6.1	2.3	1.1	15.8	–	15.8
Chief Operating Officer	6.2	5.7	2.8	1.3	16.0	–	16.0
Managing Director – CLP Power	5.7	5.3	1.7	1.5	14.2	–	14.2
Managing Director – China	4.2	3.8	1.1	1.1	10.2	–	10.2
Managing Director – EnergyAustralia <sup>4</sup>	6.7	7.2	0.8	0.1	14.8	–	14.8
Chief Strategy, Sustainability & Governance Officer	6.3	5.9	3.2	1.6	17.0	–	17.0
Former:							
Advisor to CEO (Mr Nicolas Tissot) <sup>6</sup>	3.6	3.8	3.7	0.6	11.7	20.8	32.5
<b>Total</b>	<b>39.0</b>	<b>37.8</b>	<b>15.6</b>	<b>7.3</b>	<b>99.7</b>	<b>20.8</b>	<b>120.5</b>

## Notes:

- Refer to Note 1 on Base Compensation, Allowances & Benefits on page 141.
- Refer to Note 2 on Performance Bonus on page 141. 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 NPRC and Members of the HR&RC.
- Mr Derek Parkin retired as Chief Operating Officer on 31 December 2025. His remuneration covered the full year from 1 January 2025 to 31 December 2025. The annual incentive for 2025 was made for his service up to 31 December 2025. The Other Payments of HK\$12.2 million included accelerated payment of long-term incentive awards for 2023, 2024 and 2025 in accordance with the Company's policy.
- 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.
- 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. For 2024, his remuneration covered the full year from 1 January 2024 to 31 December 2024.
- 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.

## ◆ The Five Highest Paid Individuals in 2025 (Audited)

The five highest paid individuals in the Group included one Director (2024: two Directors) and four members of Senior Management (2024: 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:

	2025 HK\$M	2024 HK\$M
Recurring Remuneration Items		
Base Compensation, Allowances & Benefits <sup>1</sup>	35.6	26.5
Performance Bonus <sup>2</sup>		
– Annual Incentive	28.8	26.1
– Long-term Incentive	13.8	16.1
Provident Fund Contribution	8.2	5.9
Non-recurring Remuneration Items		
Other Payments <sup>3</sup>	12.2	53.0
	<b>98.6</b>	<b>127.6</b>

Notes:

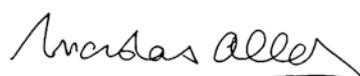
- 1 Refer to Note 1 on Base Compensation, Allowances & Benefits on page 141.
- 2 Refer to Note 2 on Performance Bonus on page 141.
- 3 One out of the five individuals (2024: three out of the five individuals) refer to executive who left CLP. The "Other Payments" includes the approved acceleration of 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	
	2025	2024
HK\$13,500,001 – HK\$14,000,000	1	–
HK\$15,500,001 – HK\$16,000,000	1	–
HK\$16,500,001 – HK\$17,000,000	1	–
HK\$17,000,001 – HK\$17,500,000	–	1
HK\$23,500,001 – HK\$24,000,000	1	–
HK\$24,000,001 – HK\$24,500,000	–	2
HK\$28,000,001 – HK\$28,500,000	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 this will also be a key focus of the Committee.



**Nicholas C. Allen**

Chairman, Human Resources & Remuneration Committee  
Hong Kong, 26 February 2026

# Directors' Report

This Directors' Report is being submitted with the audited Financial Statements for the year ended 31 December 2025.

## 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 35 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 14 and 15 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 (2024: HK\$1.89) per share totalling HK\$4,775 million (2024: HK\$4,775 million) during the year.

On 26 February 2026, the Directors declared the fourth interim dividend of HK\$1.31 (2024: HK\$1.26) per share totalling HK\$3,310 million (2024: HK\$3,183 million).

This fourth interim dividend will be paid on 24 March 2026.

## 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
<b>1</b> 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	<ul style="list-style-type: none"><li>◆ Financial Highlights (page 6)</li><li>◆ Chairman's Statement (page 8)</li><li>◆ CEO's Strategic Review (page 12)</li><li>◆ Financial Review (page 16)</li><li>◆ Managing What Matters to Our Business (page 28)</li><li>◆ Business Performance and Outlook (page 50)</li></ul>
<b>2</b> Description of the principal risks and uncertainties facing the Group	<ul style="list-style-type: none"><li>◆ Managing What Matters to Our Business (page 28)</li><li>◆ Risk Management Report (page 103)</li><li>◆ Financial Risk Management (page 238)</li></ul>
<b>3</b> Particulars of important events affecting the Group that have occurred since the end of the 2025 financial year	<ul style="list-style-type: none"><li>◆ Chairman's Statement (page 8)</li><li>◆ CEO's Strategic Review (page 12)</li><li>◆ Managing What Matters to Our Business (page 28)</li><li>◆ Business Performance and Outlook (page 50)</li></ul>
<b>4</b> Outlook of the Group's business	<ul style="list-style-type: none"><li>◆ Chairman's Statement (page 8)</li><li>◆ CEO's Strategic Review (page 12)</li><li>◆ Managing What Matters to Our Business (page 28)</li><li>◆ Business Performance and Outlook (page 50)</li></ul>
<b>5</b> An account of the Group's relationships with its key stakeholders	<ul style="list-style-type: none"><li>◆ Chairman's Statement (page 8)</li><li>◆ CEO's Strategic Review (page 12)</li><li>◆ Managing What Matters to Our Business (page 28)</li><li>◆ Business Performance and Outlook (page 50)</li></ul>
<b>6</b> 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	<ul style="list-style-type: none"><li>◆ Chairman's Statement (page 8)</li><li>◆ CEO's Strategic Review (page 12)</li><li>◆ Managing What Matters to Our Business (page 28)</li><li>◆ Business Performance and Outlook (page 50)</li><li>◆ Governance (page 68)</li><li>◆ Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 256)</li></ul>

## 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 its 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 its 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 83 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 its strategic priorities in the context of sustainability-related risks and opportunities to ensure they remain appropriate. Amid the complex interplay of geopolitical developments, shifting energy policies, technological advancements and climate imperatives, CLP remained focused in 2025 on balancing growing electricity demand with its sustainability, reliability and affordability objectives. This context underscores the importance of conducting regular materiality assessments to ensure sustainability is embedded within the broader business strategy, thereby strengthening long-term resilience and competitive advantage.

In 2025, CLP continued to uphold its transparency by meeting the disclosure requirements of the Hong Kong Stock Exchange's ESG Reporting Code and providing a detailed description of its sustainability-related impacts, risks and opportunities (IROs) based on its materiality assessment. Its climate-related disclosures have been prepared in compliance with the requirements of HKFRS S2, while sustainability-related financial information has been developed in accordance with HKFRS S1 requirements. Furthermore, the materiality assessment underpins effective risk management by highlighting areas where environmental, social, or governance factors pose risks or create value. 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 review. 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 over the short, medium or 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 2025, CLP completed Year 2 of its three-year materiality assessment cycle. This phase focused on reviewing and refreshing results from Year 1 (2024) based on the Group's latest strategic priorities, business risks and insights gathered from external stakeholders, including investors, customers and industry experts. The process and outcomes were reviewed internally by the management-level Sustainability Executive Committee and the Board-level Sustainability Committee. In addition, CLP appointed an independent non-financial auditor to perform limited assurance over the 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 and results are set out in *Managing What Matters to Our Business – Overview* on page 30, as well as in the [2025 Materiality Assessment Report](#), available on the Sustainability Report website.

For more information on the Sustainability Committee's work oversight of CLP's sustainability-related strategy, please refer to the Sustainability Committee Report on page 121.

### *CLP's Climate Vision 2050*

Delivering Climate Vision 2050 remains one of CLP's strategic priorities. The Group has committed to reviewing its plan at least every three years, taking into consideration the latest climate science, policy drivers, technological advancement, industry trends and community expectations. To ensure that investment decisions remain consistent with the overall intent of the plan, CLP will commence the next review of its [Climate Vision 2050](#) in 2026, following the most recent update published in 2024. Progress against climate-related targets and key metrics will be monitored on an ongoing basis, with annual disclosures provided in the Annual Report in compliance 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\$24,746 million as at 31 December 2025 (2024: HK\$25,139 million).

### Bank Loans and Other Borrowings

The total borrowings (including debentures) of the Group as at 31 December 2025 amounted to HK\$61,829 million (2024: HK\$65,154 million). Particulars of borrowings are set out in Note 23 to the Financial Statements and on page 43.

### 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 0.9% of the Group's total assets as at 31 December 2025.

### Equity-linked Agreements

For the year ended 31 December 2025, the Company did not enter into any equity-linked agreement.

### Donations

Donations by the Group for charitable and other purposes amounted to HK\$22,416,000 (2024: HK\$6,911,000).

### Five-year Summary

A summary of the results for the year and of the assets and liabilities of the Group as at 31 December 2025 and for the previous four financial years are on page 254. A [ten-year summary](#) is on CLP website.

### Senior Management

The biographical details of the Senior Management as at the date of this Report are set out on pages 76, 78 and 79. Details of their remuneration are set out in the Human Resources & Remuneration Committee Report on page 128.

### 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 47.17% 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:

- 13.04% 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).
- 11.14% 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.
- 11.02% 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.
- 7.22% from CNOOC China Limited (CNOOC) in which the Group has no interest. CAPCO purchases natural gas from CNOOC for its electricity generation.
- 4.75% from Ausgrid Operator Partnership (Ausgrid) in which the Group has no interest. EnergyAustralia pays the distribution charges to Ausgrid which owns and operates the electricity distribution network that provides services to customers located in Sydney, the Central Coast and Hunter regions of NSW.

As at 31 December 2025, 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, who held their office for the whole year ended 31 December 2025, together with their biographical details are set out on pages 70 to 76 of this Annual Report. Details of Directors' remuneration are set out in the Human Resources & Remuneration Committee Report on page 128.

### *Retirement of Director in 2025*

After having served on the CLP Holdings Board for almost 20 years, Sir Rod Eddington did not seek re-election at the AGM held on 9 May 2025 pursuant to the retirement age guideline of the CLP Board Diversity Policy. He retired as an Independent Non-executive Director of the Company at the conclusion of the 2025 AGM. Sir Rod Eddington confirmed that he had no disagreement with the Board and that he was not aware of any matter in relation to his retirement that should be brought to the attention of the shareholders of the Company.

### *2026 AGM Retirement, Election and Re-election*

Under the Company's Articles of Association, Mrs Yuen So Siu Mai Betty, Ms May Siew Boi Tan, Ms Christina Gaw, Mr Chunyuan Gu and Mr Bernard Chan are subject to retirement by rotation and re-election at the 2026 AGM.

Ms Christina Gaw, who will have served on the Board for two full terms by the 2026 AGM, has decided not to seek re-election as a Director at the 2026 AGM. Accordingly, at the conclusion of the 2026 AGM, she will retire from the CLP Holdings Board and the Board Committee on which she serves. Ms Gaw has confirmed that she has no disagreement with the Board and that she was not aware of any matter in relation to her retirement that needs to be brought to the attention of the shareholders of the Company.

All the other retiring Directors, being eligible, offer themselves for re-election. None of the Directors offering themselves for re-election at the 2026 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation.

The Company made an announcement on 27 February 2026 regarding the retirement of Ms Christina Gaw and the appointment of Mr Peter Wilhelm Hubert Brien. These changes were considered and approved by the Board during the period covered by this Directors' Report. Mr Peter Brien has been appointed as an Independent Non-executive Director of the Company with effect from 27 February 2026. In accordance with the Company's Articles of Association, he will retire, and being eligible, offer himself for election by shareholders at the 2026 AGM.

## Directors' Interests in Transactions, Arrangements or Contracts

During the year ended 31 December 2025, 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 2025 and for 2026 up to the date of this Report) (the Period) are available on 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 2025, this was HK\$1,645 million. The annual aggregate cap was approved by the Board of Directors in December 2024 and subsequently disclosed in the announcement dated 2 January 2025 (2025 Announcement). The project level caps of the CCTs for 2025 set out in the table on pages 150 to 165 are for reference only and were used to derive the annual aggregate cap of HK\$1,645 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 2025, unless otherwise stated, represented the actual transaction values of the relevant CCTs in the full twelve months of 2025.

	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 2025 HK\$M	
<b>1</b>	<b>CLP Power electricity sales to Chinese Mainland</b>						
1.1	<p>Energy Economy Interchange Agreement</p> <p>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.</p>	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.	<p>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.</p> <p>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.</p>	-	
	<b>Aggregated total consideration for CLP Power electricity sales to Chinese Mainland</b> (Project level cap for 2025 was HK\$280.00 million)						-
<b>2</b>	<b>Huaiji hydro project</b>						
2.1	<p>Zelian Hydro Station Power Purchase Agreement (PPA)</p> <p>Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.</p>	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.	6.25	
2.2	<p>Longzhongtan Hydro Station PPA</p> <p>Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.</p>	CLP-GHX	CSG-ZPB	As in item 2.1 above	As in item 2.1 above	2.62	
2.3	<p>Jiaoping Hydro Station PPA</p> <p>Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.</p>	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	1.49	
2.4	<p>Xiazhu Hydro Station PPA</p> <p>Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.</p>	CLP-GHX	CSG-ZPB	As in item 2.3 above	As in item 2.1 above	6.52	

	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 2025 HK\$M
2.5	Shuixia Hydro Station PPA Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.	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	9.56
2.6	Baishuihe Four Hydro Stations PPA Agreement entered into on 17 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 May 2026.	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	140.00
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 2026.	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 Agreement entered into on 28 August 2024 with automatic renewal terms. The latest renewal was for another one-year period to 22 August 2026.	CLP-GHX	CSG-ZPB	As in item 2.1 above	As in item 2.1 above	20.83
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 2026.	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.	0.01
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 2026.	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 2025 HK\$M
2.11	<p>Jiaoping Hydro Station (10kV Xiqu-I Line) High Voltage Electricity Supply Contract</p> <p>Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2026.</p>	CLP-GHX	CSG-ZHPB	As in item 2.9 above	As in item 2.9 above	0.12
2.12	<p>Xiazhu Hydro Station (35kV Liangxia Line) High Voltage Electricity Supply Contract</p> <p>Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2026.</p>	CLP-GHX	CSG-ZHPB	As in item 2.9 above	As in item 2.9 above	0.02
2.13	<p>Shuixia Hydro Station (110kV Shashui Line) High Voltage Electricity Supply Contract</p> <p>Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2026.</p>	CLP-GHW	CSG-ZHPB	CSG-ZHPB supplies electricity to CLP-GHW as an industrial user for station consumption.	As in item 2.9 above	0.32
2.14	<p>Baishuihe Four Hydro Stations (110kV Feixin Line) High Voltage Electricity Supply Contract</p> <p>Agreement entered into on 23 December 2021 with automatic renewal terms. The latest renewal was for another one-year period to 22 December 2026.</p>	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	0.06
2.15	<p>Shuixia Hydro Station (10kV Zhongxia Line) High Voltage Electricity Supply Contract</p> <p>Agreement entered into on 2 March 2023 with automatic renewal terms. The latest renewal was for another one-year period to 1 March 2026.</p>	CLP-GHW	CSG-ZHPB	As in item 2.13 above	As in item 2.9 above	0.01
2.16	<p>Shuixia Hydro Station (10kV Xiashuai Line) High Voltage Electricity Supply Contract</p> <p>Agreement entered into on 2 March 2023 with automatic renewal terms. The latest renewal was for another one-year period to 1 March 2026.</p>	CLP-GHW	CSG-ZHPB	As in item 2.13 above	As in item 2.9 above	0.01
2.17	<p>Niuqi Hydro Station (35kV Dongniu-II Line) High Voltage Electricity Supply Contract</p> <p>Agreement entered into on 13 February 2023 for a three-year period to 12 February 2026 with automatic renewals for successive one-year periods.</p>	CLP-GHX	Zhaoqing Guangning Power Bureau of CSG-GPG, a subsidiary of CSG (CSG-ZGPB)	CSG-ZGPB supplies electricity to CLP-GHX as an industrial user for station consumption.	As in item 2.9 above	0.06
2.18	<p>Changdiao Hydro Station (10kV Xinying Line) High Voltage Electricity Supply Contract</p> <p>Agreement entered into on 16 June 2023 for a three-year period to 15 June 2026 with automatic renewals for successive one-year periods.</p>	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 2025 HK\$M
2.19	Shuixia Hydro Station (10kV standby transmission line) High Voltage Electricity Supply Contract  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	0.01
<b>Aggregated total consideration for Huaiji hydro project</b> (Project level cap for 2025 was HK\$262.00 million)						187.92
<b>3 Meizhou solar project</b>						
3.1	Meizhou Solar Project PPA  New agreement entered into on 3 March 2025 for a period to 2 March 2026 with automatic renewals for successive one-year periods.	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.	51.46
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 2026.	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	0.27
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 2026.	CLP Meizhou	CSG-MPPB	As in item 3.2 above	As in item 2.9 above	0.06
<b>Aggregated total consideration for Meizhou solar project</b> (Project level cap for 2025 was HK\$58.00 million)						51.79
<b>4 Yang_er hydro project</b>						
4.1	Yang_er Hydro Project High Voltage Electricity Supply Contract (10kV, for dam)  Agreement entered into on 23 September 2022 with automatic renewal terms. The latest renewal was for another three-year period to 22 September 2028.	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 2025 HK\$M
4.2	Yang_er Hydro Project High Voltage Electricity Supply Contract (10kV, for plant)  Agreement entered into on 23 September 2022 with automatic renewals terms. The latest renewal was for another three-year period to 22 September 2028.	Dali Yang_er	CSG Yangbi	As in item 4.1 above	As in item 4.1 above	-
4.3	Yang_er Hydro Project High Voltage Electricity Supply Contract (110kV)  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 2025 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).	43.31
<b>Aggregated total consideration for Yang_er hydro project</b> (Project level cap for 2025 was HK\$38.00 million)						43.32
<b>5 Xicun solar project (Phases I and II)</b>						
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 2026.	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.	35.52
5.2	Xicun Solar Project High Voltage Electricity Supply Contract (for project site)  Agreement entered into on 25 September 2022 with automatic renewals terms. The latest renewal was for another three-year period to 24 September 2028.	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  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	0.63

	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 2025 HK\$M
5.4	Xicun Solar Project High Voltage Electricity Supply Contract (for pump station)  Agreement entered into on 25 September 2022 with automatic renewals terms. The latest renewal was for another three-year period to 24 September 2028.	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 2025 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) (together with a transaction fee charged by Kunming PEC).	72.95
<b>Aggregated total consideration for Xicun solar project (Phases I and II)</b> <i>(Project level cap for 2025 was HK\$151.00 million)</i>						109.13
<b>6 Xundian wind project (Phases I and II)</b>						
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 2026.	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.	15.89
6.2	Xundian Wind Project High Voltage Electricity Supply Contract  New agreement entered into on 18 December 2025 for a three-year period to 17 December 2028 with automatic renewals for successive one-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	0.16
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 2028.	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.	0.27
6.4	Power Exchange Sales  Transactions entered into via Kunming PEC on various dates in 2025 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	67.52
<b>Aggregated total consideration for Xundian wind project (Phases I and II)</b> <i>(Project level cap for 2025 was HK\$135.00 million)</i>						83.84

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 2025 HK\$M
<b>7 Sandu wind project (Phases I and II)</b>						
7.1	Sandu Wind Project Phase I PPA Agreement entered into on 5 February 2024 with automatic renewal terms. The latest renewal was for another two-year period to 31 December 2027.	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.	87.15
7.2	Sandu Wind Project Phase II PPA New agreement entered into on 13 February 2025 for a period to 31 December 2025 with automatic renewals for successive one-year periods.	CLP Sandu	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 Energy Bureau (Qian Energy Review [2023] No. 358) and is updated from time to time.	7.10
7.3	Sandu Wind Project High Voltage Electricity Supply Contract Agreement entered into on 19 December 2024 with automatic renewal terms. The latest renewal was for another three-year period to 18 December 2027.	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.	0.55
7.4	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 tariff 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
7.5	Power Exchange Sales Transactions entered into via Guizhou Power Exchange Center Limited (Guizhou PEC) on various dates in 2025 for electricity sales for various durations.	CLP Sandu	CSG Guizhou and Guizhou PEC which is 39% owned by CSG Guizhou	CLP Sandu sells electricity through Guizhou PEC from time to time where CSG-GZ acts as settlement agent and assumes settlement risks for these transactions as defined under the Guizhou PEC settlement rules.	Payment is based on the number of kWh sold multiplied by the tariff determined through competitive bidding processes conducted on Guizhou PEC or an arm's length tariff agreed between the parties for market sales (as applicable) (together with a transaction fee charged by Guizhou PEC).	56.56
<b>Aggregated total consideration for Sandu wind project (Phases I and II)</b> (Project level cap for 2025 was HK\$217.00 million)						151.38

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 2025 HK\$M
<b>8</b>	<b>Bobai wind project</b>					
8.1	Bobai Wind Project PPA Agreement entered into on 14 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 31 December 2025.	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.	–
8.2	Bobai Wind Project Electricity Supply Contract Agreement entered into on 26 June 2024 with automatic renewal terms. The latest renewal was for another one-year period to 25 June 2026.	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.	0.34
8.3	Bobai Wind Project High Voltage Electricity Supply Contract (10 kV) New agreement entered into on 27 February 2025 for a three-year period to 26 February 2028 with automatic renewals for successive three-year periods.	CLP Bobai	Bobai Power Bureau of Guangxi New Power Investment Group Company Limited (CSG-BPB)	CSG-BPB supplies electricity to CLP Bobai for power consumption at the project site.	As in item 8.2 above	0.02
8.4	Power Exchange Sales Transactions entered into via Guangxi Power Exchange Center Limited (Guangxi PEC) on various dates in 2025 for electricity sales for various durations.	CLP Bobai	CSG-GX and Guangxi PEC which is 37% owned by CSG-GX	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).	80.64
<b>Aggregated total consideration for Bobai wind project</b> <i>(Project level cap for 2025 was HK\$184.00 million)</i>						<b>81.00</b>
<b>Total Consideration for 2025</b>						<b>708.38</b>

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 32 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 2025, 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 167:

#### 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 2025 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 Gonzalez Morales, 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 2025.

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 2025.

## **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 2025.

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 2025, 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 169:

### 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 2025:

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 2025, 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 2025, 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 2025, 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.

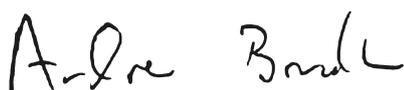
## Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on page 80 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, 26 February 2026



# Financials

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# Independent Auditor's Report



## 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 182 to 250, comprise:

- ❖ the Consolidated Statement of Financial Position as at 31 December 2025;
- ❖ 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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”) as 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”), as applicable to audits of financial statements of public interest entities. We have also 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\$3,694 million as at 31 December 2025.

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;
- ◆ Testing 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;
- ◆ Assessing the mathematical accuracy of management's unbilled revenue calculations for both CLP Power and 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

### The carrying values of EnergyAustralia's energy retail business and generation assets

Refer to notes 10 and 13 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, gross margin and the discount rate.

Management has performed an assessment and confirmed that no impairment was required for EnergyAustralia's retail business at 31 December 2025.

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.

## How our audit addressed the Key Audit Matter

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 13 to the Group Financial Statements.

### 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\$12.2 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 2025.

This is a Key Audit Matter because critical judgements exist in estimating forward electricity pool prices, volumes, gas prices and long term market assumptions.

### How our audit addressed the Key Audit Matter

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.

**Fixed asset accounting and the calculation of the Scheme of Control permitted return**

Refer to notes 10 and 11 to the Group Financial Statements

Consolidated fixed assets and right-of-use assets were HK\$176,128 million at 31 December 2025. 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 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 deficit 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 assumptions made by management in recognising SoC capital accruals for large projects by comparing to evidence from vendors;
- ❖ Assessing the estimated useful lives of SoC fixed assets against the SoC Agreement;
- ❖ Assessing depreciation charges in the year by performing recalculations;
- ❖ 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 comparing 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 were supported by the available evidence.

### Key Audit Matter

#### Recoverability of trade receivables

Refer to note 19 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 on the Chinese Mainland. 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\$6,613 million at 31 December 2025 against which provisions for expected credit losses of HK\$1,028 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 2025, the Group had total receivables of HK\$2,517 million relating to unpaid Renewable National Subsidies in its Chinese Mainland 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.

### How our audit addressed the Key Audit Matter

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 methodologies used by the Group to determine expected credit loss provision;
- ◆ 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;
- ◆ Assessing the allocation of deposits to customer balances as a part of CLP Power's expected credit loss assessment;
- ◆ Assessing the accuracy of management's judgements by comparing historical provisions against actual write-offs;
- ◆ Obtaining and reading minutes of the boards of directors' meetings relating to the recoverability of trade receivables; and
- ◆ Understanding the nature and the judgement involved in management's determination that the expected credit loss on unpaid Renewable National Subsidies is close to zero, and 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 were supported by the available evidence.

**Asset retirement obligations (AROs)**

Refer to note 26 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\$3,462 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.

All the coal-fired generation units at Castle Peak "A" Station (CPA) have reached their end of useful lives. At 31 December 2025, 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 2025.

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 Group's accounting policy against the requirements of the accounting standards;
- ◆ 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;
- ◆ 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 reasonableness 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 were supported by the available evidence.

## Independent Auditor's Report

### 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 HKFRS Accounting Standards as 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 HKSAAs 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 HKSAAs, 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 units 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 (practising certificate number: P05129).



**PricewaterhouseCoopers**

Certified Public Accountants

Hong Kong, 26 February 2026

# Consolidated Statement of Profit or Loss

for the year ended 31 December 2025

	<i>Note</i>	2025 HK\$M	2024 HK\$M
<b>Revenue</b>	3	<b>88,018</b>	90,964
Expenses			
Purchases and distributions of electricity and gas		<b>(28,950)</b>	(31,871)
Staff expenses		<b>(5,987)</b>	(5,150)
Fuel and other operating expenses		<b>(29,551)</b>	(29,764)
Depreciation and amortisation		<b>(9,718)</b>	(9,276)
		<b>(74,206)</b>	(76,061)
Other gain	4	<b>460</b>	-
Operating profit	5	<b>14,272</b>	14,903
Finance costs	6	<b>(1,860)</b>	(2,254)
Finance income	6	<b>194</b>	235
Share of results, net of income tax			
Joint ventures	14	<b>(12)</b>	845
Associates	15	<b>1,607</b>	1,810
Profit before income tax		<b>14,201</b>	15,539
Income tax expense	7	<b>(2,655)</b>	(2,821)
Profit for the year		<b>11,546</b>	12,718
<b>Earnings attributable to:</b>			
<b>Shareholders</b>		<b>10,468</b>	11,742
Perpetual capital securities holders		<b>199</b>	136
Other non-controlling interests		<b>879</b>	840
		<b>11,546</b>	12,718
<b>Earnings per share, basic and diluted</b>	9	<b>HK\$4.14</b>	HK\$4.65

The notes and disclosures on pages 188 to 250 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 2025

	2025 HK\$M	2024 HK\$M
<b>Profit for the year</b>	<b>11,546</b>	12,718
Other comprehensive income		
Items that can be reclassified to profit or loss		
Exchange differences on translation	2,146	(2,474)
Translation reserve reclassified upon early termination of a joint venture agreement	–	(68)
Cash flow hedges	(1,287)	(161)
Costs of hedging	(5)	345
Share of other comprehensive income of joint ventures	67	–
Cash flow hedge reserve reclassified upon deconsolidation of subsidiaries	112	–
Release of other reserves	–	(2)
	<b>1,033</b>	(2,360)
Items that cannot be reclassified to profit or loss		
Fair value gains on investments	–	190
Remeasurement gains/(losses) on defined benefit plans	9	(4)
	<b>9</b>	186
<b>Other comprehensive income for the year, net of tax</b>	<b>1,042</b>	(2,174)
Total comprehensive income for the year	<b>12,588</b>	10,544
<b>Total comprehensive income attributable to:</b>		
<b>Shareholders</b>	<b>11,534</b>	9,530
Perpetual capital securities holders	199	136
Other non-controlling interests	855	878
	<b>12,588</b>	10,544

The notes and disclosures on pages 188 to 250 are an integral part of these consolidated financial statements.

# Consolidated Statement of Financial Position

as at 31 December 2025

	Note	2025 HK\$M	2024 HK\$M
<b>Non-current assets</b>			
Fixed assets	10	166,094	158,532
Right-of-use assets	11	10,034	10,183
Investment property	12	754	817
Goodwill and other intangible assets	13	12,685	12,445
Interests in and loans to joint ventures	14	12,125	12,188
Interests in associates	15	9,508	8,486
Deferred tax assets	24	1,943	1,625
Derivative financial instruments	16	514	1,134
Other non-current assets	17	2,149	1,464
		<b>215,806</b>	206,874
<b>Current assets</b>			
Inventories – stores and fuel		3,717	3,513
Renewable energy certificates		1,179	1,055
Properties for sale	18	714	1,888
Trade and other receivables	19	12,856	14,114
Derivative financial instruments	16	444	900
Fuel clause account	20	–	370
Short-term deposits and restricted cash	21	23	23
Cash and cash equivalents	21	3,905	4,976
		<b>22,838</b>	26,839
<b>Current liabilities</b>			
Customers' deposits	19(a)	(7,542)	(7,207)
Fuel clause account	20	(1,043)	–
Trade payables and other liabilities	22	(18,598)	(19,788)
Income tax payable		(504)	(775)
Bank loans and other borrowings	23	(9,673)	(15,849)
Derivative financial instruments	16	(1,054)	(1,185)
		<b>(38,414)</b>	(44,804)
Net current liabilities		<b>(15,576)</b>	(17,965)
<b>Total assets less current liabilities</b>		<b>200,230</b>	188,909

	Note	2025 HK\$M	2024 HK\$M
<b>Financed by:</b>			
<b>Equity</b>			
Share capital	27	23,243	23,243
Reserves	28	84,367	80,812
Shareholders' funds		<b>107,610</b>	104,055
Perpetual capital securities	29	3,872	–
Other non-controlling interests	29	5,943	6,063
		<b>117,425</b>	110,118
<b>Non-current liabilities</b>			
Bank loans and other borrowings	23	52,156	49,305
Deferred tax liabilities	24	17,978	17,348
Derivative financial instruments	16	1,437	1,388
Scheme of Control (SoC) reserve accounts	25	2,871	3,172
Asset decommissioning liabilities and retirement obligations	26	5,063	4,696
Other non-current liabilities		3,300	2,882
		<b>82,805</b>	78,791
<b>Equity and non-current liabilities</b>		<b>200,230</b>	188,909

 The Company's statement of financial position is presented in Note 34.



**Andrew Brandler**  
Vice Chairman

Hong Kong, 26 February 2026



**Chiang Tung Keung**  
Chief Executive Officer



**Alexandre Keisser**  
Chief Financial Officer

The notes and disclosures on pages 188 to 250 are an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Attributable to Shareholders			Perpetual Capital Securities HK\$M	Other Non- controlling Interests HK\$M	Total Equity HK\$M
	Share Capital HK\$M	Reserves HK\$M	Total HK\$M			
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 29(A))	-	6	6	(3,887)	-	(3,881)
Balance at 31 December 2024	23,243	80,812	104,055	-	6,063	110,118
Balance at 1 January 2025	23,243	80,812	104,055	-	6,063	110,118
Profit for the year	-	10,468	10,468	199	879	11,546
Other comprehensive income for the year	-	1,066	1,066	-	(24)	1,042
Transfer to fixed assets	-	(21)	(21)	-	-	(21)
Dividends paid						
2024 fourth interim	-	(3,183)	(3,183)	-	-	(3,183)
2025 first to third interim	-	(4,775)	(4,775)	-	-	(4,775)
Issue of perpetual capital securities (Note 29(A))	-	-	-	3,872	-	3,872
Distributions to perpetual capital securities holders	-	-	-	(199)	-	(199)
Dividends paid to other non-controlling interests	-	-	-	-	(975)	(975)
<b>Balance at 31 December 2025</b>	<b>23,243</b>	<b>84,367</b>	<b>107,610</b>	<b>3,872</b>	<b>5,943</b>	<b>117,425</b>

The notes and disclosures on pages 188 to 250 are an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

for the year ended 31 December 2025

	Note	2025		2024	
		HK\$M	HK\$M	HK\$M	HK\$M
<b>Operating activities</b>					
Net cash inflow from operations	30(A)	26,258		25,178	
Interest received		197		209	
Income tax paid		(2,077)		(2,247)	
Net cash inflow from operating activities			24,378		23,140
<b>Investing activities</b>					
Capital expenditure		(15,539)		(15,076)	
Capitalised interest and other finance costs paid		(459)		(564)	
Proceeds from disposal of fixed assets		109		45	
Additions of other intangible assets		(756)		(663)	
Acquisition of a subsidiary		-		(3,023)	
Deconsolidation of subsidiaries		170		-	
Cash consideration	4	188		-	
Cash and cash equivalents disposed of		(18)		-	
Increase in investments at fair value through profit or loss		(130)		(14)	
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		13		161	
Increase in other financial assets		(4)		-	
Increase in investments in and loans to joint ventures		(133)		(40)	
Decrease in investments in and loans to joint ventures		10		29	
Dividends received from					
Joint ventures		629		770	
Associates		1,762		1,659	
Equity investments		-		15	
Decrease in bank deposits with maturities of more than three months		-		4	
Net cash outflow from investing activities			(14,328)		(16,216)
Net cash inflow before financing activities			10,050		6,924
<b>Financing activities</b>					
Proceeds from long-term borrowings	30(B)	12,508		9,817	
Repayment of long-term borrowings	30(B)	(10,672)		(7,131)	
Redemption of perpetual capital securities	30(B)	(3,933)		-	
Issue of perpetual capital securities		3,872		-	
(Decrease)/increase in short-term borrowings	30(B)	(1,768)		2,269	
Payment of principal portion of lease liabilities	30(B)	(233)		(346)	
Interest and other finance costs paid	30(B)	(1,418)		(1,765)	
Settlement of derivative financial instruments	30(B)	(381)		(648)	
Decrease in advances from other non-controlling interests	30(B)	(104)		(278)	
Distributions paid to perpetual capital securities holders		(159)		(139)	
Dividends paid to shareholders		(7,958)		(7,832)	
Dividends paid to other non-controlling interests		(975)		(987)	
Net cash outflow from financing activities			(11,221)		(7,040)
Net decrease in cash and cash equivalents			(1,171)		(116)
Cash and cash equivalents at beginning of year			4,976		5,182
Effect of exchange rate changes			100		(90)
<b>Cash and cash equivalents at end of year</b>	21		<b>3,905</b>		<b>4,976</b>

The notes and disclosures on pages 188 to 250 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 HKFRS Accounting Standards (HKFRSs) as issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and requirements of the Hong Kong Companies Ordinance (Cap.622). HKFRSs is a collective term which includes all applicable individual HKFRS, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the HKICPA. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of the consolidated financial statements in conformity with HKFRSs 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 2025

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how currency not being exchangeable into another currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

The Group has applied the amendments for the first time in 2025. The amendments do not have an impact on the results and financial position of the Group.

### (B) New standards and amendments to standards effective after 2025

The following new standards, amendments and improvements to standards, which may be applicable to the Group, have been issued and are effective after 2025. The Group has not elected to early adopt these pronouncements in 2025.

- ◆ 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 HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity
- ◆ 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
- ◆ Amendment to HK – Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

## 2. Changes in Material Accounting Policies (continued)

### (B) New standards and amendments to standards effective after 2025 (continued)

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.

### (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.

### 3. Consolidation and Equity Accounting (continued)

#### (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.

### 7. Foreign Currency Translation (continued)

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.

# Notes to the Financial Statements

## 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, Chinese Mainland and Australia, and investment holding of power projects on the Chinese Mainland, India, and Taiwan Region and Southeast Asia.

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 251 and 252, which are unaudited.

The consolidated financial statements were approved for issue by the Board of Directors on 26 February 2026.

## 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, Chinese Mainland, Australia, India, and Taiwan Region and Southeast Asia.

## 2. Segment Information (continued)

	Hong Kong HK\$M	Chinese Mainland HK\$M	Australia HK\$M	India HK\$M	Taiwan Region and Southeast Asia HK\$M	Unallocated Items HK\$M	Total HK\$M
<b>For the year ended 31 December 2025</b>							
Revenue from contracts with customers	51,807	1,831	33,939	-	3	-	87,580
Other revenue	133	41	252	-	-	12	438
Revenue	51,940	1,872	34,191	-	3	12	88,018
EBITDAF	19,674	1,475	3,453	(3)	(63)	(867)	23,669
Share of results, net of income tax							
Joint ventures	(19)	(461)	(11)	235	244	-	(12)
Associates	-	1,607	-	-	-	-	1,607
Consolidated EBITDAF	19,655	2,621	3,442	232	181	(867)	25,264
Depreciation and amortisation	(5,965)	(915)	(2,795)	-	-	(43)	(9,718)
Fair value movements	23	-	298	-	-	-	321
Finance costs	(1,273)	(175)	(404)	-	-	(8)	(1,860)
Finance income	99	16	24	3	-	52	194
Profit/(loss) before income tax	12,539	1,547	565	235	181	(866)	14,201
Income tax expense	(2,096)	(317)	(226)	(14)	(2)	-	(2,655)
Profit/(loss) for the year	10,443	1,230	339	221	179	(866)	11,546
Earnings attributable to							
Perpetual capital securities holders	(199)	-	-	-	-	-	(199)
Other non-controlling interests	(871)	(8)	-	-	-	-	(879)
Earnings/(loss) attributable to shareholders	9,373	1,222	339	221	179	(866)	10,468
Excluding: Items affecting comparability	(122)	608	(45)	-	-	-	441
Operating earnings	9,251	1,830	294	221	179	(866)	10,909
Other segment information:							
Capital additions	10,639	3,567	2,575	-	-	19	16,800
Impairment provisions/(reversals)							
Receivables and others	62	(4)	459	-	-	-	517
Purchases and distributions of electricity and gas	8,662	-	20,288	-	-	-	28,950
<b>At 31 December 2025</b>							
Fixed assets, right-of-use assets and investment property	149,853	14,106	12,812	-	-	111	176,882
Goodwill and other intangible assets	6,813	2,578	3,189	-	-	105	12,685
Interests in and loans to joint ventures	2,152	4,379	292	3,300	2,002	-	12,125
Interests in associates	-	9,508	-	-	-	-	9,508
Deferred tax assets	1	52	1,890	-	-	-	1,943
Other assets	7,518	5,823	10,714	156	30	1,260	25,501
Total assets	166,337	36,446	28,897	3,456	2,032	1,476	238,644
Bank loans and other borrowings	50,157	7,902	3,770	-	-	-	61,829
Current and deferred tax liabilities	17,385	1,096	-	-	1	-	18,482
Other liabilities	26,467	2,052	11,891	-	6	492	40,908
Total liabilities	94,009	11,050	15,661	-	7	492	121,219



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	Chinese Mainland HK\$M	Australia HK\$M	India HK\$M	Taiwan Region and Southeast Asia 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
Other segment information:							
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							
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



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 22.

### 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 and 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\$3,694 million at 31 December 2025 (2024: HK\$3,296 million).

The Group’s revenue primarily represents sales of electricity and gas and is disaggregated as follows:

	2025 HK\$M	2024 HK\$M
Revenue from contracts with customers		
Sales of electricity in Hong Kong	48,967	50,649
Transfer for SoC to/(from) revenue (Note 25(A))	296	(505)
SoC sales of electricity	49,263	50,144
Sales of electricity outside Hong Kong	29,883	32,718
Sales of gas in Australia	5,515	5,749
Sales of properties in Hong Kong	1,404	374
Others	1,515	1,453
	<b>87,580</b>	90,438
Other revenue	438	526
	<b>88,018</b>	90,964

### 4. Other Gain

In June 2025, the Group introduced a 50% joint venture partner to its wholly-owned subsidiaries, which engaged in the development of an energy storage system in Australia, for a consideration of HK\$188 million. As a result of the transaction, the Group’s equity interest in the energy storage system project was reduced from 100% to 50%, and the associated entities ceased to be subsidiaries of the Group and were deconsolidated. Accordingly, the Group’s 50% retained interest has been recognised as an investment in joint venture at its fair value.

## 5. Operating Profit

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

	2025 HK\$M	2024 HK\$M
<b>Charging</b>		
Retirement benefits costs <sup>(a)</sup>	570	519
Auditors' remuneration		
Audit services		
PricewaterhouseCoopers	48	47
Other auditor	-	-
Permissible audit related and non-audit services		
PricewaterhouseCoopers <sup>(b)</sup>	8	8
Other auditor	-	-
Variable lease expenses	28	29
Cost of properties sold	1,176	306
Net losses on disposal of fixed assets	319	582
Impairment of		
Inventories – stores and fuel	45	47
Trade and other receivables	472	457
Yallourn closure cost provision <sup>(c)</sup>	493	-
Revaluation loss on investment property	63	67
<b>Crediting</b>		
Rental income from investment property	(21)	(26)
Dividends from equity investments	-	(15)
Fair value gains on investments at fair value through profit or loss	(46)	(2)
Net fair value (gains)/losses on non-debt related derivative financial instruments		
Cash flow hedge		
Reclassified from cash flow hedge reserve and cost of hedging reserve to		
Purchases and distributions of electricity and gas	(390)	(1,758)
Fuel and other operating expenses	(90)	(102)
Ineffectiveness of cash flow hedge	52	(21)
Not qualified for hedge accounting	(373)	(983)
Net exchange (gains)/losses	(28)	21

Notes:

- (a) Retirement benefits costs for the year amounted to HK\$736 million (2024: HK\$696 million), of which HK\$163 million (2024: HK\$173 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, EnergyAustralia's Sustainability Report limited assurance, agreed upon procedures related to debt offerings, audits of CLP's provident funds, auditor's attestation and other advisory services.
- (c) Constructive obligation to the planned closure for Yallourn Power Station in 2028 existed and a provision for the associated closure cost totalling HK\$493 million was recognised in 2025.

## 6. 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.

	2025 HK\$M	2024 HK\$M
Finance costs		
Interest expenses on		
Bank loans and overdrafts	928	1,181
Other borrowings	1,016	1,081
Tariff Stabilisation Fund <sup>(a)</sup>	85	124
Customers' deposits and others	23	50
Lease liabilities	57	65
Net fair value losses/(gains) on debt related derivative financial instruments		
Cash flow hedge		
Reclassified from cash flow hedge reserve	3	356
Reclassified from cost of hedging reserve	(26)	(31)
Fair value hedge		
Net fair value (gains)/losses	(598)	315
Reclassified from cost of hedging reserve	15	1
Ineffectiveness of fair value hedges	(2)	(34)
Not qualified for hedge accounting	(88)	(2)
Net fair value losses/(gains) on hedged items in fair value hedges	598	(315)
Net exchange losses/(gains)	88	(277)
Finance charges	257	294
	<b>2,356</b>	<b>2,808</b>
Less: amount capitalised <sup>(b)</sup>	<b>(496)</b>	<b>(554)</b>
	<b>1,860</b>	<b>2,254</b>
Finance income		
Interest income on		
Bank deposits	92	114
Loans to joint ventures and others	102	121
	<b>194</b>	<b>235</b>

## 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 25(B)).
- (b) Finance costs of the Group's general borrowings have been capitalised at average interest rates of 2.41% – 3.20% (2024: 2.10% – 3.84%) per annum.

## 7. Income Tax Expense

Income tax in the consolidated statement of profit or loss represents the income tax of the Company and subsidiaries and is analysed below:

	2025 HK\$M	2024 HK\$M
Current income tax expense	1,805	1,963
Deferred tax expense	850	858
	<b>2,655</b>	<b>2,821</b>

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 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:

	2025 HK\$M	2024 HK\$M
Profit before income tax	14,201	15,539
Less: Share of results of joint ventures and associates, net of income tax	(1,595)	(2,655)
	<b>12,606</b>	<b>12,884</b>
Calculated at an income tax rate of 16.5% (2024: 16.5%)	2,080	2,126
Effect of different income tax rates in other countries	355	415
Income not subject to tax	(170)	(182)
Expenses not deductible for tax purposes	419	342
Revenue adjustment for SoC not subject to tax	(49)	83
Tariff rebates deductible for tax purposes	-	(3)
Under-provision in prior years	5	5
Tax losses not recognised	15	35
Income tax expense	<b>2,655</b>	<b>2,821</b>

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%.

As at 31 December 2025, Pillar Two legislation has been enacted and in effect in certain jurisdictions where the Group operates, including Hong Kong and Australia. It has been assessed that the impact of the Rules is immaterial to the Group for the year ended 31 December 2025.

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.

## 8. Dividends

	2025		2024	
	HK\$ per Share	HK\$M	HK\$ per Share	HK\$M
First to third interim dividends paid	1.89	4,775	1.89	4,775
Fourth interim dividend declared	1.31	3,310	1.26	3,183
	<b>3.20</b>	<b>8,085</b>	3.15	7,958

At the Board meeting held on 26 February 2026, the Directors declared the fourth interim dividend of HK\$1.31 per share (2024: HK\$1.26 per share). The fourth interim dividend is not reflected as a dividend payable in the financial statements.

## 9. Earnings per Share

The earnings per share are computed as follows:

	2025	2024
Earnings attributable to shareholders (HK\$M)	10,468	11,742
Weighted average number of shares in issue (thousand shares)	2,526,451	2,526,451
Earnings per share (HK\$)	4.14	4.65

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 2025 and 2024.

## 10. 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	8 – 45 years
Generating plants	25 – 50 years*	10 – 41 years
Overhead lines (33kV and above)	60 years	20 – 25 years
Overhead lines (below 33kV)	45 years	18 – 20 years
Cables	60 years	not applicable
Switchgear and transformers	50 years	15 – 25 years
Substation miscellaneous	25 years	20 – 25 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

## 10. 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 the Group's 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 the Group's generation assets during 2025.

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 cash generating unit (CGU) 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\$12.2 billion (2024: HK\$12.1 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.

## 10. Fixed Assets (continued)

**Critical Accounting Estimates and Judgements (continued)****(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.

Fixed assets included assets under construction with book value of HK\$17,647 million (2024: HK\$16,438 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 2024	298	22,824	129,664	152,786
Acquisition of a subsidiary	-	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	<u>272</u>	<u>25,201</u>	<u>133,059</u>	<u>158,532</u>
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	<u>272</u>	<u>25,201</u>	<u>133,059</u>	<u>158,532</u>
Net book value at 1 January 2025	272	25,201	133,059	158,532
Additions	-	1,292	14,513	15,805
Deconsolidation of subsidiaries	-	-	(840)	(840)
Transfers and disposals	-	(95)	(375)	(470)
Depreciation	-	(927)	(7,548)	(8,475)
Exchange differences	22	149	1,371	1,542
<b>Net book value at 31 December 2025</b>	<b><u>294</u></b>	<b><u>25,620</u></b>	<b><u>140,180</u></b>	<b><u>166,094</u></b>
Cost	370	43,649	265,236	309,255
Accumulated depreciation and impairment	(76)	(18,029)	(125,056)	(143,161)
<b>Net book value at 31 December 2025</b>	<b><u>294</u></b>	<b><u>25,620</u></b>	<b><u>140,180</u></b>	<b><u>166,094</u></b>

## 11. 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 <sup>(a)</sup> HK\$M	Buildings <sup>(b)</sup> HK\$M	Plant, Machinery and Equipment <sup>(b)</sup> HK\$M	Total HK\$M
Net book value at 1 January 2024	6,608	471	914	7,993
Acquisition of a subsidiary	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
Net book value at 1 January 2025	9,118	353	712	10,183
Additions	129	45	65	239
Modifications to lease terms	(1)	(4)	–	(5)
Depreciation	(307)	(92)	(84)	(483)
Exchange differences	23	21	56	100
<b>Net book value at 31 December 2025</b>	<b>8,962</b>	<b>323</b>	<b>749</b>	<b>10,034</b>

Notes:

- (a) Leasehold land represents lease payments, including land premium, on the lease of land with tenure of 12 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.

## 12. 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.

	2025 HK\$M	2024 HK\$M
At 1 January	817	884
Revaluation loss	(63)	(67)
At 31 December	754	817

Investment property represents the commercial interest of the retail portion and car park portion (designated for retail use) 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 2025 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% (2024: 4.15% to 4.40%). 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 2025 and 2024.

## 13. 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 retail business 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 its internal estimates.
- ◆ Electricity and gas network (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 wholesales markets is based on experience and observable market activity.

### 13. Goodwill and Other Intangible Assets (continued)

#### Critical Accounting Estimates and Judgements: Goodwill Impairment (continued)

##### Energy retail business in Australia (continued)

#### Key assumptions for value in use calculations (continued)

Other assumptions include:

- ◆ The cash flow projections are discounted using a pre-tax discount rate of 11.6% (2024: 11.6%). The discount rates reflect the current market assessments of the time value of money and are based on the estimated cost of capital.
- ◆ A terminal growth rate of 2.7% (2024: 2.8%) is applied in the terminal value calculation beyond a period of ten years of cash flows.

#### 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, also have an impact.

- ◆ A 5% decrease in long-term gross margin would decrease the recoverable amount by HK\$1,740 million (A\$335 million).
- ◆ A 1% decrease in long-term annual customer account growth rate would decrease the recoverable amount by HK\$2,088 million (A\$402 million).
- ◆ An increase in the discount rate of 0.5% would decrease the recoverable amount by HK\$956 million (A\$184 million).
- ◆ A decrease in terminal growth rate of 0.1% would decrease the recoverable amount by HK\$130 million (A\$25 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 2035.
- ◆ The cash flow projections are discounted using a pre-tax discount rate of 9.83% (2024: 9.78%), or a post-tax return of 8.00% (2024: 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.

### 13. Goodwill and Other Intangible Assets (continued)

	Goodwill <sup>(a)</sup> HK\$M	Capacity Right <sup>(b)</sup> HK\$M	Others HK\$M	Total HK\$M
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	<u>7,829</u>	<u>2,818</u>	<u>1,798</u>	<u>12,445</u>
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	<u>7,829</u>	<u>2,818</u>	<u>1,798</u>	<u>12,445</u>
Net carrying value at 1 January 2025	7,829	2,818	1,798	12,445
Additions	–	7	749	756
Amortisation	–	(284)	(476)	(760)
Exchange differences	183	–	61	244
<b>Net carrying value at 31 December 2025</b>	<b><u>8,012</u></b>	<b><u>2,541</u></b>	<b><u>2,132</u></b>	<b><u>12,685</u></b>
Cost	19,914	5,775	6,837	32,526
Accumulated amortisation and impairment	(11,902)	(3,234)	(4,705)	(19,841)
<b>Net carrying value at 31 December 2025</b>	<b><u>8,012</u></b>	<b><u>2,541</u></b>	<b><u>2,132</u></b>	<b><u>12,685</u></b>

Notes:

- (a) Goodwill mainly arose from the acquisitions of energy retail business in Australia of HK\$2,434 million (2024: HK\$2,254 million) and the acquisition of CAPCO under Hong Kong electricity business of HK\$5,545 million (2024: 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.

## 14. 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 2025:

Name	% of Ownership Interest at 31 December 2024 and 2025	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) <sup>(a)</sup>	30	Chinese Mainland	Generation of electricity
Hong Kong LNG Terminal Limited (HKLTL) <sup>(b)</sup>	49	Hong Kong	Operation, maintenance and owning of LNG terminal and provision of related services
OneEnergy Taiwan Ltd (OneEnergy Taiwan) <sup>(c)</sup>	50	British Virgin Islands / Taiwan Region	Investment holding
ShenGang Natural Gas Pipeline Company Limited (SNGPC) <sup>(d)</sup>	40	Chinese Mainland	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 262 to 265 of the Annual Report.

## 14. 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
<b>For the year ended 31 December 2025</b>							
Revenue	6,788	11,825	788	–	850	978	21,229
Depreciation and amortisation	(405)	(957)	(288)	–	(264)	(468)	(2,382)
Interest income	83	2	–	–	3	5	93
Interest expense	(494)	(71)	(256)	–	(60)	(4)	(885)
Other (expenses)/income	(5,331)	(14,615)	(244)	8	(148)	(411)	(20,741)
Share of results of joint ventures	–	–	–	462	–	(4)	458
Profit/(loss) before income tax	641	(3,816)	–	470	381	96	(2,228)
Income tax expense	(170)	–	–	–	(124)	(44)	(338)
Profit/(loss) for the year	471	(3,816)	–	470	257	52	(2,566)
Non-controlling interests	–	1,793	–	–	–	(1)	1,792
Profit/(loss) for the year attributable to shareholders	471	(2,023)	–	470	257	51	(774)
Profit/(loss) for the year	471	(3,816)	–	470	257	52	(2,566)
Other comprehensive income	(2)	–	–	–	–	136	134
Total comprehensive income	469	(3,816)	–	470	257	188	(2,432)
Group's share							
Profit/(loss) for the year	235	(607)	–	235	103	22	(12)
Other comprehensive income	(1)	–	–	–	–	68	67
Total comprehensive income	234	(607)	–	235	103	90	55
Dividends received from joint ventures	266	13	–	205	83	62	629
<b>For the year ended 31 December 2024</b>							
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

\* Due to the decrease in utilisation hours of certain coal-fired power plants under CSEC Guohua, primarily driven by lower demand and intense competition from new renewable energy capacity, an impairment assessment on CSEC Guohua's assets was performed and an impairment loss of HK\$608 million (2024: nil) was recognised and included in the share of results in 2025.

## 14. 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
<b>At 31 December 2025</b>							
Non-current assets	9,375	13,870	4,873	3,630	4,564	5,488	41,800
Current assets							
Cash and cash equivalents	1,337	731	2	17	672	849	3,608
Other current assets	5,045	1,245	225	1	50	1,393	7,959
	6,382	1,976	227	18	722	2,242	11,567
Current liabilities							
Financial liabilities <sup>(e)</sup>	(1,951)	(1,731)	(151)	-	(53)	(45)	(3,931)
Shareholders' loans	-	-	(95)	-	-	-	(95)
Other current liabilities <sup>(e)</sup>	(1,446)	(1,854)	(90)	(2)	(105)	(1,066)	(4,563)
	(3,397)	(3,585)	(336)	(2)	(158)	(1,111)	(8,589)
Non-current liabilities							
Financial liabilities <sup>(e)</sup>	(5,315)	(935)	(1,762)	-	(432)	(1,502)	(9,946)
Shareholders' loans	-	-	(3,002)	-	-	-	(3,002)
Other non-current liabilities <sup>(e)</sup>	(445)	(2,145)	-	-	(1,982)	(18)	(4,590)
	(5,760)	(3,080)	(4,764)	-	(2,414)	(1,520)	(17,538)
Non-controlling interests	-	(4,044)	-	-	-	(23)	(4,067)
Net assets	6,600	5,137	-	3,646	2,714	5,076	23,173
Group's share of net assets	3,300	1,541	-	1,823	1,085	2,242	9,991
Goodwill	-	-	-	-	-	32	32
Interests in joint ventures	3,300	1,541	-	1,823	1,085	2,274	10,023
Loans to joint ventures	-	-	2,102 <sup>(f)</sup>	-	-	-	2,102
	3,300	1,541	2,102	1,823	1,085	2,274	12,125
<b>At 31 December 2024</b>							
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 <sup>(e)</sup>	(1,411)	(1,828)	(142)	-	(50)	(52)	(3,483)
Shareholders' loans	-	-	(88)	-	-	-	(88)
Other current liabilities <sup>(e)</sup>	(1,053)	(1,914)	(198)	-	(112)	(240)	(3,517)
	(2,464)	(3,742)	(428)	-	(162)	(292)	(7,088)
Non-current liabilities							
Financial liabilities <sup>(e)</sup>	(4,683)	(1,357)	(1,913)	-	(463)	(48)	(8,464)
Shareholders' loans	-	-	(2,868)	-	-	(38)	(2,906)
Other non-current liabilities <sup>(e)</sup>	(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 <sup>(f)</sup>	-	-	10	2,018
	3,494	2,065	2,008	1,706	1,010	1,905	12,188

## 14. 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. The loans to HKLTL are unsecured, carry interest at rates which are benchmarked to market interest rates with instalment repayments, and with final maturity at the end of the related asset lives of the LNG terminal. At 31 December 2025, the current portion of the loans of HK\$67 million (2024: HK\$61 million) was included under the Group's trade and other receivables (Note 19).

The expected credit loss of loans to joint ventures is close to zero.

	2025 HK\$M	2024 HK\$M
Share of capital commitments	4,727	4,817
Share of other commitments*	1,152	1,239
Share of lease commitments	99	-
Share of contingent liabilities	-	-

\* Including the share of other commitments in relation to operation of a floating storage and regasification unit and standby vessels.

The Group's capital commitments in relation to its interests in joint ventures are disclosed in Note 31(D).

## 15. Interests in Associates Accounting Policy No. 3(B)

The table below lists the associates of the Group at 31 December 2025:

Name	% of Ownership Interest at 31 December 2024 and 2025	Place of Incorporation / Business	Principal Activity
Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) <sup>(a)</sup>	25	Chinese Mainland	Generation of electricity
Yangjiang Nuclear Power Co., Ltd. (Yangjiang Nuclear) <sup>(a)</sup>	17	Chinese Mainland	Generation of electricity



More detailed information of our associates can be found on "Our Portfolio" on page 263 of the Annual Report.

## 15. 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 <sup>(b)</sup> HK\$M	Total HK\$M
<b>For the year ended 31 December 2025</b>			
Revenue	8,599	18,266	26,865
Profit and total comprehensive income	3,863	3,773	7,636
Group's share of profit and total comprehensive income	966	641	1,607
Dividends received from associates	863	899	1,762
<b>For the year ended 31 December 2024</b>			
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
<b>At 31 December 2025</b>			
Non-current assets	4,609	81,189	85,798
Current assets	10,343	17,297	27,640
Current liabilities	(2,140)	(24,963)	(27,103)
Non-current liabilities	(5,460)	(28,406)	(33,866)
Net assets	7,352	45,117	52,469
Group's share of net assets	1,838	7,670	9,508
<b>At 31 December 2024</b>			
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 2025, the Group's share of capital commitments of its associates was HK\$342 million (2024: HK\$279 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

## 16. 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 hedging the economic 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.

## 16. 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.

	2025		2024	
	Assets HK\$M	Liabilities HK\$M	Assets HK\$M	Liabilities HK\$M
Cash flow hedges				
Forward foreign exchange contracts	43	15	119	36
Cross currency interest rate swaps	16	1,351	4	1,026
Interest rate swaps	16	–	28	4
Energy contracts	497	654	1,499	483
Fair value hedges				
Cross currency interest rate swaps	29	109	17	659
Interest rate swaps	19	18	19	53
Not qualified for hedge accounting				
Forward foreign exchange contracts	6	5	5	89
Cross currency interest rate swaps	127	–	–	–
Interest rate swaps	–	49	–	–
Energy contracts	205	290	343	223
	<b>958</b>	<b>2,491</b>	2,034	2,573
Current	444	1,054	900	1,185
Non-current	514	1,437	1,134	1,388
	<b>958</b>	<b>2,491</b>	2,034	2,573

At 31 December 2025, 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 11 years
Interest rate swaps	Up to 7 years
Energy contracts	Up to 5 years

## 17. Other Non-current Assets

### Accounting Policy

#### (A) Investments

Investments in equity instruments 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.

	2025 HK\$M	2024 HK\$M
Investments at fair value through other comprehensive income	35	35
Investments at fair value through profit or loss	630	464
Contract acquisition costs	310	274
Defined benefit asset (note)	190	191
Prepayments	538	276
Others	446	224
	<b>2,149</b>	<b>1,464</b>

Note: The most recent actuarial valuation of the defined benefit plans for the Group's Australian subsidiaries, at 31 December 2025, 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% (2024: 5.0%), expected salary increase rate of 4.00% – 4.25% (2024: 4.0%) and pension increase rate of 2.5% (2024: 2.5%); (ii) the level of funding is 151% (2024: 151%).

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 2025, the associated costs represented 0.0% (2024: 0.0%) of the Group's total retirement benefit costs.

## 18. 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 22(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 2025, cost of properties of HK\$1,176 million (2024: HK\$306 million) and deferred revenue of HK\$1,163 million (2024: HK\$303 million) were recognised to profit or loss.

## 19. 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.

## 19. 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.

	2025 HK\$M	2024 HK\$M
Trade receivables <sup>(a)</sup>	11,466	11,367
Deposits, prepayments and other receivables	1,285	1,874
Loans to a joint venture (Note 14(f))	67	61
Dividend receivables from		
Joint ventures	29	29
An associate	–	777
Current accounts with <sup>(b)</sup>		
Joint ventures	7	4
An associate	2	2
	<b>12,856</b>	<b>14,114</b>

Notes:

(a) Trade receivables

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

	2025 HK\$M	2024 HK\$M
30 days or below*	9,437	9,618
31 – 90 days	857	754
Over 90 days	1,172	995
	<b>11,466</b>	<b>11,367</b>

\* Including unbilled revenue

### Movements in provision for impairment of trade receivables

	2025 HK\$M	2024 HK\$M
Balance at 1 January	870	836
Provision for impairment	477	456
Receivables written off during the year as uncollectible	(305)	(337)
Amounts reversed	(1)	(4)
Exchange differences	70	(81)
Balance at 31 December	<b>1,111</b>	<b>870</b>

## 19. 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 2025, such cash deposits amounted to HK\$7,541 million (2024: HK\$7,207 million) and the bank guarantees stood at HK\$1,008 million (2024: HK\$952 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 commercial and 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, commercial and 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 off-takers on the Chinese Mainland, 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
<b>At 31 December 2025</b>				
Active accounts				
Provision on individual basis	100%	4	(4)	–
Provision on collective basis	0%*	2,627	(16)	2,611
Terminated accounts				
Provision on individual basis	100%	10	(10)	–
Provision on collective basis	34%	10	(4)	6
		<u>2,651</u>	<u>(34)</u>	<u>2,617</u>
<b>At 31 December 2024</b>				
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
		<u>2,605</u>	<u>(37)</u>	<u>2,568</u>

\* Expected credit loss rate 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.

## 19. 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.

	<b>Weighted Average Lifetime Expected Credit Loss Rate</b>	<b>Gross Carrying Amount HK\$M</b>	<b>Lifetime Expected Credit Loss HK\$M</b>	<b>Net Carrying Amount HK\$M</b>
<b>At 31 December 2025</b>				
Current	0%	3,697	(14)	3,683
1 – 30 days	7%	469	(31)	438
31 – 60 days	9%	389	(36)	353
61 – 90 days	16%	305	(47)	258
Over 90 days	51%	1,753	(900)	853
		<u>6,613</u>	<u>(1,028)</u>	<u>5,585</u>
<b>At 31 December 2024</b>				
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
		<u>6,194</u>	<u>(791)</u>	<u>5,403</u>

#### Chinese Mainland

At 31 December 2025, the Group had total receivables of HK\$2,517 million (2024: HK\$2,716 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. Out of the 16 projects with unpaid Renewable National Subsidies, 5 of them are in the process of applying for approval. Management does not anticipate any foreseeable obstacles that would prevent approval by the relevant government authorities. 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.

## 20. 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.

## 21. Bank Balances, Cash and Other Liquid Funds

	2025 HK\$M	2024 HK\$M
Cash and cash equivalents		
Deposits with banks with maturities of less than three months	1,484	3,224
Cash at banks and on hand	2,421	1,752
	<b>3,905</b>	4,976
Short-term deposits and restricted cash		
Bank deposits with maturities of more than three months	2	2
Restricted cash*	21	21
	<b>23</b>	23
Bank balances, cash and other liquid funds	<b>3,928</b>	4,999

\* Represents restricted bank balances held by the stakeholders of the properties held for sale (Note 18) 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:

	2025 HK\$M	2024 HK\$M
Hong Kong dollar	1,645	3,496
Renminbi	1,916	1,314
Australian dollar	170	108
US dollar	189	74
Others	8	7
	<b>3,928</b>	4,999

The balances denominated in the currencies other than the functional currencies of the corresponding Group entities amounted to HK\$353 million (2024: HK\$411 million) which were mostly denominated in Renminbi (2024: Renminbi).

## 22. 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.

	2025 HK\$M	2024 HK\$M
Trade payables <sup>(a)</sup>	6,188	6,848
Other payables and accruals	10,819	10,037
Lease liabilities <sup>(b)</sup>	163	148
Advances from non-controlling interests <sup>(c)</sup>	207	311
Current accounts with <sup>(d)</sup>		
Joint ventures	11	6
An associate	364	454
Deferred revenue <sup>(e)</sup>	846	1,984
	<b>18,598</b>	<b>19,788</b>

Notes:

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

	2025 HK\$M	2024 HK\$M
30 days or below	5,931	6,409
31 – 90 days	186	355
Over 90 days	71	84
	<b>6,188</b>	<b>6,848</b>

At 31 December 2025, trade payables denominated in currencies other than the functional currencies of the corresponding Group entities amounted to HK\$998 million (2024: HK\$930 million), of which HK\$807 million (2024: HK\$805 million) were denominated in US dollar (2024: US dollar).

## 22. Trade Payables and Other Liabilities (continued)

Notes (continued):

(b) Maturity profile of the lease liabilities at 31 December is as follows:

	2025 HK\$M	2024 HK\$M
Within one year	163	148
Between one and two years	133	123
Between two and five years	392	356
Over five years	341	356
	<b>1,029</b>	983
Less: amount due after one year included under other non-current liabilities	<b>(866)</b>	(835)
	<b>163</b>	148

(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\$0.7 billion (2024: HK\$1.9 billion) (Note 18) and payments received in advance for other services. Non-current deferred revenue of HK\$1,479 million (2024: HK\$1,539 million) was included under other non-current liabilities.

## 23. 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 the Group has a right at the end of the reporting period 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 29(A))		Total	
	2025 HK\$M	2024 HK\$M	2025 HK\$M	2024 HK\$M	2025 HK\$M	2024 HK\$M	2025 HK\$M	2024 HK\$M
Within one year	8,025	8,820	1,648	3,146	–	3,883	9,673	15,849
Between one and two years	6,744	6,632	11,160	1,646	–	–	17,904	8,278
Between two to five years	4,934	6,565	14,153	11,451	–	–	19,087	18,016
Over five years	5,110	3,869	10,055	19,142	–	–	15,165	23,011
	<b>24,813</b>	25,886	<b>37,016</b>	35,385	–	3,883	<b>61,829</b>	65,154

\* Representing Medium Term Notes



Another presentation of the Group's liquidity risk is set out on pages 241 to 243.

## 23. Bank Loans and Other Borrowings (continued)

Bank loans for subsidiaries on the Chinese Mainland of HK\$7,793 million (2024: HK\$5,256 million) are secured by the rights of receipt of tariff, fixed assets and land use rights with carrying amounts totalling HK\$11,265 million (2024: HK\$8,942 million).

At 31 December 2025 and 2024, 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 2025, the Group had undrawn bank loans and overdraft facilities of HK\$25.5 billion (2024: HK\$31.0 billion).

## 24. 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:

	2025 HK\$M	2024 HK\$M
Deferred tax assets	1,943	1,625
Deferred tax liabilities	(17,978)	(17,348)
	<b>(16,035)</b>	<b>(15,723)</b>



Deferred tax asset = income tax recoverable in the future  
Deferred tax liability = income tax payable in the future

## 24. Deferred Tax (continued)

The gross movement on the deferred tax account is as follows:

	2025 HK\$M	2024 HK\$M
Balance at 1 January	(15,723)	(14,711)
Charged to profit or loss (Note 7)	(850)	(858)
Credited to other comprehensive income	416	14
Exchange differences	122	(168)
Balance at 31 December	<b>(16,035)</b>	<b>(15,723)</b>

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 <sup>(a)</sup>		Accruals and Provisions		Derivative Financial Instruments		Others <sup>(b)</sup>		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Balance at 1 January	1,427	1,776	1,471	1,591	220	312	450	485	3,568	4,164
(Charged)/credited to profit or loss	(95)	(195)	153	33	5	(22)	(93)	(1)	(30)	(185)
Credited/(charged) to other comprehensive income	-	-	-	-	379	(44)	-	-	379	(44)
Exchange differences	107	(154)	120	(153)	24	(26)	35	(34)	286	(367)
Balance at 31 December	<b>1,439</b>	<b>1,427</b>	<b>1,744</b>	<b>1,471</b>	<b>628</b>	<b>220</b>	<b>392</b>	<b>450</b>	<b>4,203</b>	<b>3,568</b>

### Deferred tax liabilities (prior to offset)

	Accelerated Tax Depreciation		Withholding Tax		Intangibles		Derivative Financial Instruments		Others <sup>(b)</sup>		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Balance at 1 January	(17,276)	(16,901)	(429)	(451)	(569)	(613)	(379)	(276)	(638)	(634)	(19,291)	(18,875)
(Charged)/credited to profit or loss	(769)	(449)	(40)	13	71	39	45	(210)	(127)	(66)	(820)	(673)
Credited to other comprehensive income	-	-	-	-	-	-	37	58	-	-	37	58
Exchange differences	(52)	74	(12)	9	(6)	5	(37)	49	(57)	62	(164)	199
Balance at 31 December	<b>(18,097)</b>	<b>(17,276)</b>	<b>(481)</b>	<b>(429)</b>	<b>(504)</b>	<b>(569)</b>	<b>(334)</b>	<b>(379)</b>	<b>(822)</b>	<b>(638)</b>	<b>(20,238)</b>	<b>(19,291)</b>

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.

## 25. 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:

	2025 HK\$M	2024 HK\$M
Tariff Stabilisation Fund (A)	2,786	3,048
Rate Reduction Reserve (B)	85	124
	<b>2,871</b>	<b>3,172</b>

The movements in SoC reserve accounts during the year are shown as follows:

#### (A) Tariff Stabilisation Fund

	2025 HK\$M	2024 HK\$M
At 1 January	3,048	2,529
Transfer from Rate Reduction Reserve	124	114
Transfer under the SoC <sup>(a)</sup>		
– transfer for SoC (to) /from revenue (Note 3)	(296)	505
– charge for asset decommissioning <sup>(b)</sup>	(90)	(80)
Special energy saving rebate to customers <sup>(c)</sup>	–	(20)
At 31 December	<b>2,786</b>	<b>3,048</b>

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\$1,711 million (2024: HK\$1,647 million) (Note 26) 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

	2025 HK\$M	2024 HK\$M
At 1 January	124	114
Transfer to Tariff Stabilisation Fund	(124)	(114)
Interest expense charged to profit or loss (Note 6)	85	124
At 31 December	<b>85</b>	<b>124</b>

## 26. 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.

With all the coal-fired generation units at Castle Peak "A" Station (CPA units) reached their end of book lives, the removal of CPA units becomes 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 by 2035 and exploring ways to convert its gas-fired generation facilities to operate on green fuels. While it is envisaged that the 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 a liability balance to be utilised in discharging asset decommissioning costs if and when incurred. CAPCO considers that the decommissioning obligation for CPA units is covered under the SoC asset decommissioning liability balance as at 31 December 2025. While no provision for asset retirement obligations for the other generation units has been recognised, it is expected that if such an obligation be incurred, it will be met by the SoC asset decommissioning liability accrued and the cost recovery mechanism under the SoC.

Asset retirement obligations of EnergyAustralia at 31 December 2025 amounted to HK\$3,462 million (2024: HK\$3,143 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 and estimated cash flows are discounted over periods aligned to 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.

## 26. Asset Decommissioning Liabilities and Retirement Obligations (continued)

	2025 HK\$M	2024 HK\$M
Asset decommissioning liabilities (Note 25(A)(b))	1,711	1,647
Provisions for land remediation and restoration costs (note)	3,352	3,049
	<b>5,063</b>	4,696

Note: The movements of the balances, including the current portion of HK\$110 million (2024: HK\$94 million) under the Group's trade payables and other liabilities, are as follows:

	2025 HK\$M	2024 HK\$M
Balance at 1 January	3,143	3,544
Effect of changes in discount rate	(53)	(107)
Additional provisions	119	40
Amounts used	(91)	(92)
Unwinding of discount	90	95
Exchange differences	254	(337)
Balance at 31 December	<b>3,462</b>	3,143

## 27. Share Capital

	2025		2024	
	Number of Ordinary Shares	Amount HK\$M	Number of Ordinary Shares	Amount HK\$M
Issued and fully paid, at 31 December	<b>2,526,450,570</b>	<b>23,243</b>	2,526,450,570	23,243

## 28. 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 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 29(A))	-	-	-	-	6	6
Balance at 31 December 2024	(9,883)	19	343	2,091	88,242 <sup>(note)</sup>	80,812



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

## 28. 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 2025	(9,883)	19	343	2,091	88,242	80,812
Earnings attributable to shareholders	-	-	-	-	10,468	10,468
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	1,582	27	-	-	(27)	1,582
Joint ventures	181	-	-	-	-	181
Associates	383	-	-	-	-	383
Cash flow hedges						
Net fair value losses	-	(1,246)	-	-	-	(1,246)
Reclassification to profit or loss	-	(422)	-	-	-	(422)
Tax on the above items	-	405	-	-	-	405
Costs of hedging						
Net fair value gains	-	-	28	-	-	28
Reclassification to profit or loss	-	-	(34)	-	-	(34)
Tax on the above items	-	-	1	-	-	1
Remeasurement gains on defined benefit plans	-	-	-	-	9	9
Release of revaluation gains upon sale of properties	-	-	-	(797)	797	-
Share of other comprehensive income of joint ventures	-	68	-	-	(1)	67
Deconsolidation of subsidiaries	-	112	-	-	-	112
Total comprehensive income attributable to shareholders	2,146	(1,056)	(5)	(797)	11,246	11,534
Transfer to fixed assets	-	(21)	-	-	-	(21)
Appropriation of reserves	-	-	-	240	(240)	-
Dividends paid						
2024 fourth interim	-	-	-	-	(3,183)	(3,183)
2025 first to third interim	-	-	-	-	(4,775)	(4,775)
<b>Balance at 31 December 2025</b>	<b>(7,737)</b>	<b>(1,058)</b>	<b>338</b>	<b>1,534</b>	<b>91,290<sup>(note)</sup></b>	<b>84,367</b>

Note: The fourth interim dividend declared for the year ended 31 December 2025 was HK\$3,310 million (2024: HK\$3,183 million). The balance of retained profits after the fourth interim dividend of the Group was HK\$87,980 million (2024: HK\$85,059 million).

## 29. Perpetual Capital Securities and Other Non-controlling Interests

### (A) Perpetual Capital Securities

A total of US\$500 million perpetual capital securities (“Redeemed Securities”) was issued by the wholly-owned subsidiary, CLP Power HK Finance Ltd. (CLPPHKFL) in 2019. The Redeemed Securities were 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 entitled the holders to receive distributions at a distribution rate of 3.55% per annum in the first 5.25 years and, if not redeemed, at refixed rate thereafter, payable semi-annually in arrears, cumulative and compounding.

Pursuant to the terms and conditions of the Redeemed Securities, CLPPHKFL notified the holders on 23 December 2024 of its decision to redeem the securities. Following notification to the holders, the Redeemed Securities were reclassified from equity to other borrowings (Note 23) 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 (“Existing Securities”) at par to redeem the Redeemed Securities. The Existing 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 both 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.

### (B) Other Non-controlling Interests

Other non-controlling interests included CSGHK’s pro-rata share of HK\$5,115 million (2024: 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 both the perpetual capital securities (before the notice of redemption) and redeemable shareholder capital do not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32, they are classified as equity and regarded as part of non-controlling interests for accounting purpose.

### 30. Notes to the Consolidated Statement of Cash Flows

#### (A) Reconciliation of profit before income tax to net cash inflow from operations

	2025 HK\$M	2024 HK\$M
Profit before income tax	14,201	15,539
Adjustments for:		
Finance costs	1,860	2,254
Finance income	(194)	(235)
Dividends from equity investments	-	(15)
Share of results of joint ventures and associates, net of income tax	(1,595)	(2,655)
Depreciation and amortisation	9,718	9,276
Impairment charge	517	504
Net losses on disposal of fixed assets	319	582
Revaluation loss on investment property	63	67
Gain on deconsolidation of subsidiaries	(460)	-
Fair value gains on investments at fair value through profit or loss	(46)	(2)
Fair value changes of non-debt related derivative financial instruments and net exchange difference	(352)	(1,297)
Exchange gain realised upon early termination of a joint venture agreement	-	(68)
Release of other reserves	-	(2)
SoC items		
Increase in customers' deposits	334	327
Decrease/(increase) in fuel clause account	1,402	(23)
Special rebates to customers	-	(20)
Transfer for SoC	(296)	505
	1,440	789
Increase in inventories	(111)	(395)
Decrease/(increase) in trade receivables and other current assets	919	(552)
Increase in restricted cash	-	(5)
Changes in non-debt related derivative financial instruments	532	659
(Decrease)/increase in trade and other payables	(465)	396
(Decrease)/increase in current accounts due to joint ventures and an associate	(88)	338
Net cash inflow from operations	26,258	25,178

## 30. 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 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
Balance at 1 January 2025	65,154	261	983	1,725	311	68,434
Cash flows changes						
Proceeds from long-term borrowings	12,508	-	-	-	-	12,508
Repayment of long-term borrowings	(10,672)	-	-	-	-	(10,672)
Redemption of perpetual capital securities	(3,933)	-	-	-	-	(3,933)
Decrease in short-term borrowings	(1,768)	-	-	-	-	(1,768)
Payment of principal portion of lease liabilities	-	-	(233)	-	-	(233)
Interest and other finance costs paid	-	(1,418)	-	-	-	(1,418)
Settlement of derivative financial instruments	-	-	-	(381)	-	(381)
Decrease in advances from other non-controlling interests	-	-	-	-	(104)	(104)
Non-cash changes						
Deconsolidation of subsidiaries	(885)	6	-	(130)	-	(1,009)
Fair value losses of derivative financial instruments charged to equity	-	-	-	519	-	519
Additions of leases	-	-	153	-	-	153
Net exchange and translation differences	1,383	-	69	3	-	1,455
Interest and other finance costs charged to profit or loss	-	1,319	57	(415)	-	961
Other non-cash movements	42	40	-	-	-	82
<b>Balance at 31 December 2025</b>	<b>61,829</b>	<b>208</b>	<b>1,029</b>	<b>1,321</b>	<b>207</b>	<b>64,594</b>

## 31. Commitments

- (A) Capital expenditure on fixed assets, leasehold land and intangible assets contracted for but not yet incurred at 31 December 2025 amounted to HK\$11,213 million (2024: HK\$11,467 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 2027. At 31 December 2025, the expected undiscounted contractual lease payments under this agreement were approximately HK\$2.0 billion (2024: HK\$1.8 billion).
- (C) Wooreen Energy Storage System (Wooreen BESS) in Victoria is under construction and will be a four-hour utility-scale battery of 350MW capacity. The Group will retain first rights to the energy offtake for Wooreen BESS. This will be accounted for as a lease arrangement on the lease commencement date, which is expected to occur in 2027. At 31 December 2025, the expected undiscounted contractual lease payments under this arrangement were approximately HK\$3.0 billion (2024: nil).
- (D) Equity contributions to be made for joint ventures and private equity partnerships at 31 December 2025 were HK\$548 million (2024: HK\$134 million) and HK\$354 million (2024: HK\$138 million) respectively.

## 32. 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\$6,725 million (2024: HK\$6,629 million).
- (B) CAPCO entered into an arrangement with HKLTL to use the LNG terminal and related LNG storage and regasification services amounting to HK\$480 million (2024: HK\$476 million), which mainly covered the costs incurred in providing the services.
- (C) The loans to joint ventures and related interest income are disclosed under Notes 14 and 6. Other amounts due from and to the related parties at 31 December 2025 are disclosed in Notes 19 and 22 respectively. At 31 December 2025, the Group did not have any guarantees which were of a significant amount given to or received from these entities (2024: nil).

### 32. 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:

	2025 HK\$M	2024 HK\$M
Fees	16	14
Recurring remuneration items (note)		
Base compensation, allowances & benefits	47	50
Performance bonus		
Annual incentive	38	49
Long-term incentive	16	25
Provident fund contribution	9	10
Non-recurring remuneration items		
Other payments	12	41
	<b>138</b>	<b>189</b>

Note: Refer to remuneration items on page 140 of Human Resources & Remuneration Committee Report.

Remuneration of all Directors for the year totalled HK\$40 million (2024: HK\$68 million). The five highest paid individuals in the Group during the year included one Director (2024: two Directors) and four members of Senior Management (2024: two members of Senior Management and one former senior executive). The total remuneration of these five highest paid individuals amounted to HK\$99 million (2024: HK\$128 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 132 and 140 to 145. 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 (2024: 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 (2024: nil).

### 33. Non-Adjusting Event After the Reporting Period

Apraava Energy, a joint venture of the Group, expects to complete the sale of its entire equity interest in its wholly owned subsidiary, Jhajjar Power Limited which holds a coal-fired power station in India, during the first quarter of 2026. The final consideration is subject to adjustments in accordance with the mechanisms established and agreed between Apraava Energy and the buyer. The Group is currently assessing the financial impact of the sale.

### 34. Statement of Financial Position of the Company

	2025 HK\$M	2024 HK\$M
<b>Non-current assets</b>		
Fixed assets	110	134
Intangible assets	105	105
Right-of-use assets	257	302
Investments in subsidiaries	45,112	48,578
Other non-current assets	19	16
	<b>45,603</b>	49,135
<b>Current assets</b>		
Trade and other receivables	46	54
Dividend receivable	3,116	-
Cash and cash equivalents	23	11
	<b>3,185</b>	65
<b>Current liabilities</b>		
Trade payables and other liabilities	(564)	(543)
Net current assets/(liabilities)	<b>2,621</b>	(478)
<b>Total assets less current liabilities</b>	<b>48,224</b>	48,657
<b>Financed by:</b>		
<b>Equity</b>		
Share capital	23,243	23,243
Retained profits	24,746	25,139
Shareholders' funds	<b>47,989</b>	48,382
<b>Non-current liabilities</b>		
Lease and other liabilities	235	275
<b>Equity and non-current liabilities</b>	<b>48,224</b>	48,657
The movement of retained profits is as follows:		
Balance at 1 January	25,139	21,013
Profit and total comprehensive income for the year	7,565	11,958
Dividends paid		
2024/2023 fourth interim	(3,183)	(3,057)
2025/2024 first to third interim	(4,775)	(4,775)
Balance at 31 December	<b>24,746</b>	25,139

The fourth interim dividend declared for the year ended 31 December 2025 was HK\$3,310 million (2024: HK\$3,183 million). The balance of retained profits after the fourth interim dividend of the Company was HK\$21,436 million (2024: HK\$21,956 million).



**Andrew Brandler**  
Vice Chairman



**Chiang Tung Keung**  
Chief Executive Officer



**Alexandre Keisser**  
Chief Financial Officer

Hong Kong, 26 February 2026

### 35. Subsidiaries

The table below lists the principal subsidiaries of the Group at 31 December 2025:

Name	Issued Share Capital / Registered Capital	% of Ownership Interest at 31 December 2024 and 2025	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 <sup>(a)</sup>	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 <sup>(a)</sup>	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 / Chinese Mainland	Power projects investment holding
CLP Nuclear Power (Yangjiang) Limited	3,138,629,815 ordinary shares of HK\$1 each	100 <sup>(a)</sup>	Hong Kong	Power projects investment holding
CLPe 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 Chinese Mainland	Power projects investment holding
CLP Power International Limited	692,000 ordinary shares of US\$1,000 each	100 <sup>(a)</sup>	British Virgin Islands / International	Power projects investment holding
CLP Power China Limited	192,000,000 ordinary shares of US\$1 each	100 <sup>(a)</sup>	British Virgin Islands / Chinese Mainland 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 <sup>(a)(d)</sup>	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 <sup>(a)</sup>	Australia	Energy business investment holding
EnergyAustralia Yallourn Pty Ltd	A\$15 for 15 ordinary shares	100 <sup>(a)</sup>	Australia	Generation and supply of electricity
EnergyAustralia Pty Ltd	A\$3,368,686,988 for 3,368,686,988 ordinary shares	100 <sup>(a)</sup>	Australia	Retailing of electricity and gas

### 35. Subsidiaries (continued)

Name	Issued Share Capital/ Registered Capital	% of Ownership Interest at 31 December 2024 and 2025	Place of Incorporation/ Business	Principal Activity
EnergyAustralia NSW Pty Ltd	A\$2 for 2 ordinary shares	100 <sup>(a)</sup>	Australia	Generation of electricity
CLP Sichuan (Jiangbian) Power Company Limited <sup>(b)</sup>	RMB496,380,000	100 <sup>(a)</sup>	Chinese Mainland	Generation of electricity
Guangdong Huaiji Changxin Hydro-electric Power Company Limited <sup>(c)</sup>	RMB69,098,976	84.9 <sup>(a)</sup>	Chinese Mainland	Generation of electricity
Guangdong Huaiji Gaotang Hydro-electric Power Company Limited <sup>(c)</sup>	RMB249,430,049	84.9 <sup>(a)</sup>	Chinese Mainland	Generation of electricity
Guangdong Huaiji Weifa Hydro-electric Power Company Limited <sup>(c)</sup>	US\$13,266,667	84.9 <sup>(a)</sup>	Chinese Mainland	Generation of electricity
Guangdong Huaiji Xinlian Hydro-electric Power Company Limited <sup>(c)</sup>	RMB141,475,383	84.9 <sup>(a)</sup>	Chinese Mainland	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:

	2025 HK\$M	2024 HK\$M
Results for the year		
Revenue	21,550	23,447
Profit for the year	3,282	3,146
Other comprehensive income for the year	(78)	124
Total comprehensive income for the year	3,204	3,270
Dividends paid to non-controlling interests	975	973
Net assets		
Non-current assets	44,288	44,540
Current assets	6,548	7,031
Current liabilities	(9,591)	(10,974)
Non-current liabilities	(23,389)	(22,695)
	17,856	17,902
Cash flows		
Net cash inflow from operating activities	4,351	3,983
Net cash outflow from investing activities	(425)	(974)
Net cash outflow from financing activities	(3,925)	(3,009)
Net change in cash and cash equivalents	1	-

# Financial Risk Management

## 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:

	2025 HK\$M	2024 HK\$M
Increase/(decrease) in the cash flow hedge reserve		
Hong Kong dollar against US dollar		
If Hong Kong dollar weakened by 0.6% (2024: 0.6%)	79	91
If Hong Kong dollar strengthened by 0.6% (2024: 0.6%)	(79)	(91)
Hong Kong dollar against Euro		
If Hong Kong dollar weakened by 5% (2024: 3%)	4	2
If Hong Kong dollar strengthened by 5% (2024: 3%)	(4)	(2)

## 1. Financial Risk Factors (continued)

### Foreign exchange risk (continued)

#### The Group's Asia-Pacific Investments

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 2025, the Group's net investment subject to translation exposure was HK\$44,113 million (2024: HK\$43,150 million), arising mainly from our investments on the Chinese Mainland, Australia, India, and Taiwan Region and Southeast Asia. This means that, for each 1% (2024: 1%) average foreign currency movement, our translation exposure will vary by about HK\$441 million (2024: HK\$432 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:

	2025 HK\$M	2024 HK\$M
<b>US dollar</b>		
If US dollar strengthened by 5% (2024: 5%)		
Post-tax profit for the year	(2)	2
Equity – cash flow hedge reserve	8	68
If US dollar weakened by 5% (2024: 5%)		
Post-tax profit for the year	2	(2)
Equity – cash flow hedge reserve	(4)	(62)
<b>Renminbi</b>		
If Renminbi strengthened by 5% (2024: 2%)		
Post-tax profit for the year	1	1
Equity – cash flow hedge reserve	–	–
If Renminbi weakened by 5% (2024: 2%)		
Post-tax profit for the year	(1)	(1)
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:

	2025 HK\$M	2024 HK\$M
Electricity forward price		
If electricity forward prices were 15% higher (2024: 15%)		
Post-tax profit for the year	9	(118)
Equity – cash flow hedge reserve	188	67
If electricity forward prices were 15% lower (2024: 15%)		
Post-tax profit for the year	(4)	138
Equity – cash flow hedge reserve	(191)	(61)
Oil forward price		
If oil forward prices were 15% higher (2024: 15%)		
Post-tax profit for the year	12	2
Equity – cash flow hedge reserve	182	263
If oil forward prices were 15% lower (2024: 15%)		
Post-tax profit for the year	(12)	(6)
Equity – cash flow hedge reserve	(183)	(263)

### 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.

	2025 HK\$M	2024 HK\$M
<b>Hong Kong dollar</b>		
If interest rates were 1% (2024: 0.9%) higher		
Post-tax profit for the year	(189)	(187)
Equity – cash flow hedge reserve	12	14
If interest rates were 1% (2024: 0.9%) lower		
Post-tax profit for the year	189	187
Equity – cash flow hedge reserve	(12)	(14)
<b>Australian dollar</b>		
If interest rates were 1% (2024: 0.8%) higher		
Post-tax profit for the year	(11)	(8)
Equity – cash flow hedge reserve	16	13
If interest rates were 1% (2024: 0.8%) lower		
Post-tax profit for the year	11	8
Equity – cash flow hedge reserve	(16)	(13)
<b>Renminbi</b>		
If interest rates were 1% (2024: 0.2%) higher		
Post-tax profit for the year	(77)	(11)
Equity – cash flow hedge reserve	–	–
If interest rates were 1% (2024: 0.2%) lower		
Post-tax profit for the year	77	11
Equity – cash flow hedge reserve	–	–

### Credit risk

The Group's approach to managing credit risk for trade receivables is discussed in Note 19.

On the treasury side, all finance-related hedging transactions and bank deposits of the Group entities are executed 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 generated under 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
<b>At 31 December 2025</b>					
Non-derivative financial liabilities					
Bank loans	8,855	7,078	5,651	5,636	27,220
Other borrowings	2,732	12,231	15,656	10,730	41,349
Customers' deposits	7,542	-	-	-	7,542
Trade payables and other liabilities	17,744	165	439	332	18,680
SoC reserve accounts	-	-	-	2,871	2,871
Fuel clause account	1,043	-	-	-	1,043
Asset decommissioning liabilities	-	-	-	1,711	1,711
	<b>37,916</b>	<b>19,474</b>	<b>21,746</b>	<b>21,280</b>	<b>100,416</b>
Derivative financial liabilities – net settled					
Interest rate swaps	12	26	24	-	62
Energy contracts	637	103	215	-	955
	<b>649</b>	<b>129</b>	<b>239</b>	<b>-</b>	<b>1,017</b>
Derivative financial liabilities – gross settled					
Gross contractual amounts payable					
Forward foreign exchange contracts	4,076	112	6	-	4,194
Cross currency interest rate swaps	1,303	10,077	11,601	7,846	30,827
	<b>5,379</b>	<b>10,189</b>	<b>11,607</b>	<b>7,846</b>	<b>35,021</b>
Gross contractual amounts receivable					
Forward foreign exchange contracts	(4,079)	(111)	(6)	-	(4,196)
Cross currency interest rate swaps	(1,023)	(9,979)	(11,542)	(7,855)	(30,399)
	<b>(5,102)</b>	<b>(10,090)</b>	<b>(11,548)</b>	<b>(7,855)</b>	<b>(34,595)</b>
Net payable/(receivable)	<b>277</b>	<b>99</b>	<b>59</b>	<b>(9)</b>	<b>426</b>
Derivative financial assets – gross settled					
Gross contractual amounts payable					
Forward foreign exchange contracts	14,316	-	-	-	14,316
Cross currency interest rate swaps	168	689	4,253	-	5,110
	<b>14,484</b>	<b>689</b>	<b>4,253</b>	<b>-</b>	<b>19,426</b>
Gross contractual amounts receivable					
Forward foreign exchange contracts	(14,419)	-	-	-	(14,419)
Cross currency interest rate swaps	(240)	(785)	(4,422)	-	(5,447)
	<b>(14,659)</b>	<b>(785)</b>	<b>(4,422)</b>	<b>-</b>	<b>(19,866)</b>
Net receivable	<b>(175)</b>	<b>(96)</b>	<b>(169)</b>	<b>-</b>	<b>(440)</b>
Total net payable/(receivable)	<b>102</b>	<b>3</b>	<b>(110)</b>	<b>(9)</b>	<b>(14)</b>

## 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 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
	<u>42,858</u>	<u>10,024</u>	<u>21,034</u>	<u>29,379</u>	<u>103,295</u>
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
	<u>622</u>	<u>112</u>	<u>33</u>	<u>27</u>	<u>794</u>
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
	<u>23,528</u>	<u>2,609</u>	<u>11,181</u>	<u>16,778</u>	<u>54,096</u>
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)
	<u>(23,055)</u>	<u>(2,333)</u>	<u>(10,578)</u>	<u>(16,184)</u>	<u>(52,150)</u>
Net payable	<u>473</u>	<u>276</u>	<u>603</u>	<u>594</u>	<u>1,946</u>
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
	<u>7,111</u>	<u>21</u>	<u>558</u>	<u>-</u>	<u>7,690</u>
Gross contractual amounts receivable					
Forward foreign exchange contracts	(4,733)	-	-	-	(4,733)
Cross currency interest rate swaps	(2,390)	(28)	(565)	-	(2,983)
	<u>(7,123)</u>	<u>(28)</u>	<u>(565)</u>	<u>-</u>	<u>(7,716)</u>
Net receivable	<u>(12)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>	<u>(26)</u>
Total net payable	<u>461</u>	<u>269</u>	<u>596</u>	<u>594</u>	<u>1,920</u>

### 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 2025 and 2024:

Cash Flow Hedges	Notional amount of hedging instruments HK\$M	Carrying amount of hedging 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 <sup>(a)</sup> HK\$M	Amount reclassified from cash flow hedge reserve and (charged) / credited to profit or loss <sup>(a)</sup>	
			Hedging instruments HK\$M	Hedged items HK\$M			Hedged items affected HK\$M	Hedged future cash flows no longer expected to occur HK\$M
<b>At 31 December 2025</b>								
Debt related transactions								
Interest rate risk <sup>(b)</sup>	27,131	(1,319)	(506)	500	506	-	(131)	-
Non-debt related transactions								
Foreign exchange risk	18,066	28	60	(60)	(60)	-	107	-
Energy portfolio risk								
– electricity <sup>(c)</sup>	N/A	49	(461)	410	410	51	427	-
– gas <sup>(c)</sup>	N/A	(206)	(396)	395	395	1	(69)	-
<b>At 31 December 2024</b>								
Debt related transactions								
Interest rate risk <sup>(b)</sup>	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 <sup>(c)</sup>	N/A	894	974	(953)	(953)	(21)	1,562	-
– gas <sup>(c)</sup>	N/A	122	330	(330)	(330)	-	196	-
<b>Fair Value Hedges</b>								
	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 to finance costs HK\$M	
			Hedging instruments HK\$M	Hedged items HK\$M				
<b>At 31 December 2025</b>								
Debt related transactions								
Interest rate risk <sup>(b)</sup>	6,931	(6,871)			87	600	(598)	(2)
<b>At 31 December 2024</b>								
Debt related transactions								
Interest rate risk <sup>(b)</sup>	7,791	(7,634)			685	(281)	315	(34)

Notes:

- 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.
- Interest rate risk included foreign exchange risk in case of foreign currency debts.
- The aggregate notional volumes of the outstanding energy derivatives were 40,250GWh (2024: 40,944GWh) for and 3.9 million barrels (2024: 4.4 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:

	Interest Rate Risk <sup>(b)</sup> HK\$M	Foreign Exchange Risk HK\$M	Energy Portfolio Risk HK\$M	Total HK\$M
<b>Cash Flow Hedge Reserve</b>				
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)
Balance at 1 January 2025	(730)	24	563	(143)
Fair value (losses)/gains	(506)	60	(805)	(1,251)
Reclassification to profit or loss	1	(89)	(358)	(446)
Transfer to hedged assets	-	(30)	-	(30)
Related deferred tax	40	30	349	419
Deconsolidation of subsidiaries	130	(18)	-	112
Exchange difference	(2)	4	19	21
<b>Balance at 31 December 2025</b>	<b>(1,067)</b>	<b>(19)</b>	<b>(232)</b>	<b>(1,318)</b>

	Foreign Currency Basis Spread HK\$M
<b>Cost of Hedging Reserve</b>	
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
Balance at 1 January 2025	381
Changes due to transaction related hedged items	
Fair value gains	52
Reclassification to profit or loss	(33)
Changes due to time-period related hedged items	
Fair value losses	(14)
Reclassification to profit or loss	(11)
Related deferred tax	1
<b>Balance at 31 December 2025</b>	<b>376</b>

### 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
<b>At 31 December 2025</b>				
Financial assets				
Investments at fair value through other comprehensive income	-	-	35	35
Investments at fair value through profit or loss	-	-	630	630
Forward foreign exchange contracts	-	49	-	49
Cross currency interest rate swaps	-	172	-	172
Interest rate swaps	-	35	-	35
Energy contracts	-	186	516	702
	-	442	1,181	1,623
Financial liabilities				
Forward foreign exchange contracts	-	20	-	20
Cross currency interest rate swaps	-	1,460	-	1,460
Interest rate swaps	-	67	-	67
Energy contracts	193	398	353	944
	193	1,945	353	2,491
<b>At 31 December 2024</b>				
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

### 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 2025 and 2024, 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 specialist team that performs the valuations of non-property assets required for financial reporting purposes, including Level 3 fair values. This team provides reporting 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

	2025			2024		
	Investments HK\$M	Energy Contracts HK\$M	Total HK\$M	Investments HK\$M	Energy Contracts HK\$M	Total HK\$M
Opening balance	499	1,015	1,514	621	1,323	1,944
Total gains/(losses) recognised in						
Profit or loss and presented in fuel and other operating expenses (note)	39	(81)	(42)	4	342	346
Other comprehensive income	3	(752)	(749)	(5)	(101)	(106)
Purchases	137	-	137	14	-	14
Disposals	(3)	-	(3)	(135)	-	(135)
Settlements/distributions	(10)	(19)	(29)	-	(549)	(549)
Closing balance	665	163	828	499	1,015	1,514

Note: Out of which, unrealised losses recognised in profit or loss relating to the assets and liabilities held at the end of the reporting period was HK\$12 million (2024: gains of HK\$292 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:

	2025 HK\$M	2024 HK\$M
Balance of Level 3 energy contracts would increase/(decrease) if		
Electricity prices were 15% higher (2024: 15%)	441	519
Electricity prices were 15% lower (2024: 15%)	(447)	(519)

#### 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		Net amount <sup>(a)</sup> HK\$M
	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	
<b>At 31 December 2025</b>						
Financial assets						
Trade receivables	5,211	-	5,211	(1,940)	(2,587)	684
Derivative financial instruments	1,424	(523)	901	(149) <sup>(b)</sup>	-	752
	<u>6,635</u>	<u>(523)</u>	<u>6,112</u>	<u>(2,089)</u>	<u>(2,587)</u>	<u>1,436</u>
Financial liabilities						
Customers' deposits	7,541	-	7,541	(2,587)	-	4,954
Bank loans and other borrowings	7,793	-	7,793	-	(1,940)	5,853
Derivative financial instruments	2,963	(523)	2,440	(149) <sup>(b)</sup>	-	2,291
	<u>18,297</u>	<u>(523)</u>	<u>17,774</u>	<u>(2,736)</u>	<u>(1,940)</u>	<u>13,098</u>
<b>At 31 December 2024</b>						
Financial assets						
Trade receivables	5,343	-	5,343	(2,169)	(2,539)	635
Derivative financial instruments	2,467	(573)	1,894	(44) <sup>(b)</sup>	-	1,850
	<u>7,810</u>	<u>(573)</u>	<u>7,237</u>	<u>(2,213)</u>	<u>(2,539)</u>	<u>2,485</u>
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) <sup>(b)</sup>	-	2,504
	<u>15,584</u>	<u>(573)</u>	<u>15,011</u>	<u>(2,583)</u>	<u>(2,169)</u>	<u>10,259</u>

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 2025, 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 on the Chinese Mainland 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 2025 and 2024.

The Group monitors capital using "total debt to total capital" and "net debt to total capital" ratios. These ratios are as follows:

	2025 HK\$M	2024 HK\$M
Total debt <sup>(a)</sup>	<b>61,829</b>	61,271
Net debt <sup>(b)</sup>	<b>57,901</b>	56,272
Total equity <sup>(c)</sup>	<b>117,632</b>	114,312
Total capital (based on total debt) <sup>(d)</sup>	<b>179,461</b>	175,583
Total capital (based on net debt) <sup>(e)</sup>	<b>175,533</b>	170,584
Total debt to total capital (based on total debt) ratio (%)	<b>34.5</b>	34.9
Net debt to total capital (based on net debt) ratio (%)	<b>33.0</b>	33.0

Net debt to total capital remain unchanged as the impact of higher net debt to support renewable energy projects on the Chinese Mainland was offset by the increased retained earnings.

Certain entities of the Group are subject to loan covenants. For both 2025 and 2024, there is no material non-compliance with those loan covenants.

As disclosed in Note 23, 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 and excludes 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.

# Scheme of Control Statement

## 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 the Chinese Mainland; 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.

## Scheme of Control Statement

### 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	<ul style="list-style-type: none"><li>❖ a maximum of 0.315% on average net fixed assets</li><li>❖ incentive of 10% of renewable energy certificates sales revenue</li><li>❖ 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</li></ul>
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**

	2025 HK\$M	2024 HK\$M
<b>SoC revenue</b>	<b>49,121</b>	50,804
Expenses		
Operating costs	6,040	5,571
Fuel	17,674	19,713
Purchases of nuclear electricity	5,885	5,800
Provision for asset decommissioning	90	80
Depreciation	5,832	5,683
Operating interest	1,252	1,407
Taxation	2,086	2,112
	<b>38,859</b>	40,366
Profit after taxation	10,262	10,438
Interest on increase in customers' deposits	11	39
Interest on borrowed capital	1,488	1,700
Adjustment for performance incentives	(526)	(481)
Profit for SoC	11,235	11,696
Transfer from/(to) Tariff Stabilisation Fund	386	(425)
Permitted return	11,621	11,271
Deduct interest on/Adjustment for		
Increase in customers' deposits as above	11	39
Borrowed capital as above	1,488	1,700
Performance incentives as above	(526)	(481)
Tariff Stabilisation Fund to Rate Reduction Reserve	85	124
	<b>1,058</b>	1,382
<b>Net return</b>	<b>10,563</b>	9,889
CESF contribution	(242)	(238)
<b>Net return after CESF contribution</b>	<b>10,321</b>	9,651
Divisible as follows:		
CLP Power	7,081	6,536
CAPCO	3,240	3,115
	<b>10,321</b>	9,651
CLP Power's share of net return after CESF contribution		
CLP Power	7,081	6,536
Interest in CAPCO	2,268	2,180
	<b>9,349</b>	8,716

## Five-year Summary: CLP Group Economic and Financial Data

	2025	2024	2023	2022	2021
<b>Consolidated Operating Results (HK\$M)</b>					
Revenue					
Hong Kong electricity business	49,576	50,657	50,630	50,600	44,311
Energy businesses outside Hong Kong	36,066	38,901	35,039	48,873	38,941
Others	2,376	1,406	1,500	1,189	707
Total	88,018	90,964	87,169	100,662	83,959
Earnings					
Hong Kong energy business	9,312	8,694	8,536	8,445	8,157
Hong Kong energy business related	232	201	287	263	301
Chinese Mainland	1,598	1,851	2,073	2,229	1,660
Australia	85	591	(182)	(2,330)	251
India	221	329	301	193	221
Taiwan Region and Southeast Asia	179	260	307	11	173
Other earnings in Hong Kong	(76)	(58)	(112)	(65)	(18)
Unallocated net finance income/(costs)	44	45	43	(6)	(9)
Unallocated Group expenses	(910)	(964)	(1,126)	(1,138)	(869)
Operating earnings before fair value movements	10,685	10,949	10,127	7,602	9,867
Fair value movements	224	699	2,125	(2,979)	(350)
Operating earnings	10,909	11,648	12,252	4,623	9,517
Property revaluation	(63)	(67)	(25)	(57)	(34)
Profit from sale of properties	185	56	112	80	-
Gains/(losses) on sales of investments	390	-	-	(3,722)	249
Impairment provision	(608)	-	(5,983)	-	(148)
Other items affecting comparability	(345)	105	299	-	(1,093)
Total earnings	10,468	11,742	6,655	924	8,491
Dividends	8,085	7,958	7,832	7,832	7,832
Depreciation and amortisation, owned and leased assets	9,718	9,276	8,594	8,904	9,308
<b>Consolidated Statement of Financial Position (HK\$M)</b>					
Capital assets <sup>1</sup>					
SoC	145,237	140,993	136,482	130,842	124,353
Non-SoC	44,330	40,984	38,035	43,367	57,511
Interests in and loans to joint ventures	12,125	12,188	12,518	11,748	10,602
Interests in associates	9,508	8,486	9,380	9,090	8,769
Other non-current assets	4,606	4,223	5,706	6,518	4,686
Current assets	22,838	26,839	26,930	34,461	33,888
Total assets	238,644	233,713	229,051	236,026	239,809
Shareholders' funds	107,610	104,055	102,331	105,498	113,034
Perpetual capital securities	3,872	-#	3,887	3,887	3,887
Other non-controlling interests	5,943	6,063	6,164	6,309	9,788
Equity	117,425	110,118	112,382	115,694	126,709
Bank loans and other borrowings	61,829	65,154#	57,515	59,217	58,215
SoC reserve accounts	2,871	3,172	2,643	3,094	3,440
Other current liabilities	28,741	28,955	29,907	33,147	27,286
Other non-current liabilities	27,778	26,314	26,604	24,874	24,159
Total liabilities	121,219	123,595	116,669	120,332	113,100
Equity and total liabilities	238,644	233,713	229,051	236,026	239,809
<b>Consolidated Statement of Cash Flows (HK\$M)</b>					
Net cash inflow from operations	26,258	25,178	25,597	13,555	20,223
Net cash inflow from operating activities	24,378	23,140	23,567	12,734	17,806
Net cash outflow from investing activities	(14,328)	(16,216)	(9,472)	(15,382)	(11,787)
Net cash outflow from financing activities	(11,221)	(7,040)	(13,142)	(987)	(8,484)
Capital expenditure	(15,539)	(15,076)	(11,776)	(14,553)	(12,431)



	2025	2024	2023	2022	2021
<b>Per Share Data (HK\$)</b>					
Shareholders' funds per share	42.59	41.19	40.50	41.76	44.74
Earnings per share					
Total earnings	4.14	4.65	2.63	0.37	3.36
Operating earnings	4.32	4.61	4.85	1.83	3.77
Dividends per share	3.20	3.15	3.10	3.10	3.10
Closing share price					
Highest	69.80	71.50	64.45	80.35	80.90
Lowest	61.30	59.70	55.55	51.80	71.75
As at year end	69.60	65.30	64.45	56.95	78.75
<b>Ratios</b>					
Return on equity (%)	9.9	11.4	6.4	0.8	7.5
Operating return on equity (%)	10.3	11.3	11.8	4.2	8.5
Total debt to total capital (%)	34.5	34.9 <sup>#</sup>	33.7	33.7	31.3
Net debt to total capital (%)	33.0	33.0 <sup>#</sup>	31.6	32.0	28.1
Price/Earnings (times)	17	14	25	154	23
Dividend yield (%)	4.6	4.8	4.8	5.4	3.9
Dividend cover (times)					
Total earnings	1.3	1.5	0.8	0.1	1.1
Operating earnings	1.3	1.5	1.6	0.6	1.2
Dividend pay-out (%)					
Total earnings	77.2	67.8	117.7	847.6	92.2
Operating earnings	74.1	68.3	63.9	169.4	82.3
Total return to shareholders (%)	4.9	3.9	4.7	2.6	5.8
<b>Financial Information by Asset Type</b>					
Capital investment incurred by asset type <sup>2</sup> (HK\$M)					
Transmission, distribution and retail	7,969	8,074	6,936	6,379	5,957
Renewables	3,560	2,300	766	1,785	860
Nuclear	-	-	-	-	-
Gas	1,736	2,333	4,336	6,713	5,639
Coal <sup>3</sup>	2,342	2,352	2,921	2,280	2,628
Others <sup>4</sup>	1,316	3,946 <sup>*</sup>	715	692	327
	<b>16,923</b>	<b>19,005</b>	<b>15,674</b>	<b>17,849</b>	<b>15,411</b>
Operating earnings before fair value movements by asset type <sup>5</sup> (HK\$M)					
Transmission, distribution and retail	6,315	5,752	6,594	6,534	6,095
Renewables	706	899	1,001	553	640
Nuclear	1,487	1,671	1,888	1,965	1,908
Gas	1,961	2,157	2,026	1,466	1,312
Coal	1,420	1,692	55	(1,478)	763
Others <sup>4</sup>	120	68	42	116	254
	<b>12,009</b>	<b>12,239</b>	<b>11,606</b>	<b>9,156</b>	<b>10,972</b>
Revenue by asset type (HK\$M)					
Transmission, distribution and retail	40,785	41,015	40,248	39,169	N/A <sup>^</sup>
Renewables	2,083	2,091	2,224	3,498	
Nuclear	7,154	7,014	6,943	7,000	
Gas	20,592	21,883	20,075	21,657	
Coal	12,260	15,039	13,800	26,188	
Others <sup>4</sup>	5,144	3,922	3,879	3,150	
	<b>88,018</b>	<b>90,964</b>	<b>87,169</b>	<b>100,662</b>	<b>83,959</b>

<sup>#</sup> Excludes perpetual capital securities of HK\$3,883 million on a consistent basis across the years

<sup>\*</sup> Includes acquisition of CLP Headquarters in Kai Tak

<sup>^</sup> Information on revenue by asset type only available since 2022

<sup>1</sup> Includes fixed assets, right-of-use assets, investment property, goodwill and other intangible assets

<sup>2</sup> On an accrual basis and includes: i) capital expenditure in fixed assets, right-of-use assets, investment property and intangible assets; ii) changes in investments and advances to joint ventures and associates; and iii) acquisitions of assets and / or businesses

<sup>3</sup> The capital investment in coal assets is for maintenance, upgrades and efficiency improvements only and not for the development of new coal-fired power plants

<sup>4</sup> Includes oil, energy storage, energy services, other businesses outside of power generation, transmission, distribution and retail, as well as corporate or enterprise items

<sup>5</sup> Before unallocated expenses

# Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data

Performance Indicators <sup>1</sup>	Units	2025	2024	2023	2022	2021	Disclosure Standards <sup>2</sup>
<b>Greenhouse gas emissions</b>							
<b>CLP Group<sup>3</sup></b>							
<b>Total CO<sub>2</sub>e emissions – on an equity basis</b>	kt	<b>45,783</b>	50,692	52,988	60,223	65,017	
Scope 1	kt	<b>34,356</b>	38,055	38,163	44,141	47,690	GRI 305-1/HKEX D28(a)/ HKFRS S2-29(a)/ HKFRS S2/SASB IF-EU-110a.1
Percentage of emissions covered under emissions-limiting regulations <sup>4</sup>	%	<b>14</b>	N/A	N/A	N/A	N/A	HKFRS S2/SASB IF-EU-110a.1
Percentage of emissions covered under emissions-reporting regulations <sup>5</sup>	%	<b>100</b>	N/A	N/A	N/A	N/A	
Scope 2	kt	<b>302</b>	361	229	220	236	GRI 305-2/HKEX D28(b)/ HKFRS S2-29(a)
Scope 3	kt	<b>11,125</b>	12,276	14,597	15,861	17,091	GRI 305-3/HKEX D28(c), D29(d)/ HKFRS S2-29(a)
Category 1: Purchased goods and services	kt	<b>587</b>	1,040	1,056	912	901	
Category 2: Capital goods	kt	<b>630</b>	587	816	902	1,488	
Category 3: Fuel- and energy-related activities	kt	<b>8,433</b>	9,105	11,053	12,046	12,733	
Category 5: Waste generated in operations	kt	<b>43</b>	16	46	56	80	
Category 6: Business travel	kt	<b>4</b>	5	4	2	1	
Category 7: Employee commuting	kt	<b>7</b>	4	4	5	4	
Category 11: Use of sold products	kt	<b>1,422</b>	1,519	1,617	1,939	1,884	
<b>Greenhouse gas emissions intensity</b>							
<b>CLP Group – GHG emissions intensity of generation and energy storage portfolio<sup>6</sup></b>							
On an equity basis <sup>7</sup>	kg CO <sub>2</sub> e/kWh	<b>0.58</b>	0.61	0.62	0.63	0.65	GRI 305-4/ HKFRS S2-33(a)
On an equity plus long-term capacity and energy purchase basis <sup>8</sup>	kg CO <sub>2</sub> e/kWh	<b>0.50</b>	0.53	0.54	0.55	0.57	
<b>Environmental regulations and compliances</b>							
Environmental regulatory non-compliances resulting in fines or prosecutions	number	<b>0</b>	0	0	0	0	GRI 2-27/ HKEX General Disclosure A1
<b>Resource use &amp; emissions</b>							
Nitrogen oxides (NO <sub>x</sub> )	kt	<b>29.7</b>	33.7	32.3	43.5	45.7	GRI 305-7/HKEX A1.1/ SASB IF-EU-120.a.1
Sulphur dioxide (SO <sub>2</sub> )	kt	<b>42.9</b>	43.0	40.6	48.9	52.7	
Particulates	kt	<b>5.5</b>	6.4	6.7	6.8	7.6	
Sulphur hexafluoride (SF <sub>6</sub> )	kt	<b>0.003</b>	0.003	0.004	0.003	0.004	
Mercury	t	<b>0.23</b>	0.28	0.22	0.52	0.31	GRI 305-7/HKEX A1.1/ SASB IF-EU-120.a.1
Hazardous waste produced <sup>9</sup>	t (solid)/kl (liquid)	<b>1,161/877</b>	818/621	3,617/1,935	869/1,103	1,524/1,017	GRI 306-3/HKEX A1.3
Non-hazardous waste produced <sup>9</sup>	t (solid)/kl (liquid)	<b>20,130/0</b>	9,899/0	12,326/0	12,702/23	24,481/65	GRI 306-3/HKEX A1.4
Ash produced/reused or recycled or sold	kt	<b>952/214</b>	1,130/241	1,045/328	3,066/2,365	3,403/2,501	SASB IF-EU-150a.1
Gypsum produced/reused or recycled or sold	kt	<b>33/33</b>	39/36	52/61	286/280	367/365	
Total water withdrawal <sup>10</sup>	Mm <sup>3</sup>	<b>4,025.1</b>	4,254.8	4,249.0	5,339.3	5,243.7	GRI 303-3/ HKFRS S2/SASB IF-EU-140a.1
<b>Fuel use</b>							
Coal consumed (for power generation)	TJ	<b>229,475</b>	260,615	250,177	394,274	426,190	GRI 302-1/HKEX A2.1
Gas consumed (for power generation)	TJ	<b>151,027</b>	151,371	146,370	151,327	142,304	
Oil consumed (for power generation)	TJ	<b>2,069</b>	2,732	2,854	2,936	2,717	

## Notes:

- Numbers have been subject to rounding. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.
- This ESG data table references the following key disclosure standards: GRI (Global Reporting Initiative Standards); HKEX (Hong Kong Exchanges and Clearing Limited's Environmental, Social and Governance Reporting Code); HKFRS S2 (Hong Kong Financial Reporting Standard S2 Climate-related Disclosures); and SASB (Sustainability Accounting Standards Board Standards for the Electric Utilities & Power Generators industry).
- Refers to a range of businesses, including power generation and energy storage portfolio, transmission and distribution, retail and others.
- This relates to the fossil fuel generation assets on the Chinese Mainland, which fall under the mandatory national emissions trading scheme where CLP holds a minority stake.
- This relates to the Scope 1 CO<sub>2</sub>e emissions of the CLP Group, as per the mandatory disclosure requirements for CLP Holdings under the Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code.
- In accordance with the Greenhouse Gas Protocol, direct CO<sub>2</sub> 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<sub>2</sub>e emissions inventory and are reported separately. In 2025, the CO<sub>2</sub> emissions from Jhajjar Power Station's biomass combustion are 296kt, while the CO<sub>2</sub> emissions from the WE Station's landfill gas combustion are 35kt. Both assets' non-CO<sub>2</sub> GHG emissions (i.e. CH<sub>4</sub> and N<sub>2</sub>O) are included in CLP's Scope 1 CO<sub>2</sub>e emissions.
- Numbers include Scope 1 and Scope 2 emissions.
- Numbers include Scope 1, Scope 2 and Scope 3 Category 3 emissions (direct emissions from the generation of purchased electricity that is sold to CLP's customers).
- Waste is categorised in accordance with local regulations.
- Excludes water used for hydropower generation. Respective usage for each hydropower asset is provided in the respective Asset Performance Statistics.

Performance Indicators <sup>1</sup>	Units	2025	2024	2023	2022	2021	Disclosure Standards <sup>2</sup>
<b>Asset management</b>							
<b>Total generation and energy storage capacity by asset type (on an equity basis)<sup>11</sup></b>	MW (%)	<b>18,740 (100%)</b>	17,893 (100%)	18,123 (100%)	17,970 (100%)	20,018 (100%)	GRI EU1
Wind <sup>12</sup>	MW (%)	2,508 (13.4%)	2,227 (12.4%)	1,827 (10.1%)	1,680 (9.3%)	1,747 (8.7%)	
Solar <sup>12</sup>	MW (%)	1,356 (7.2%)	1,013 (5.7%)	548 (3.0%)	554 (3.1%)	499 (2.5%)	
Hydro <sup>12</sup>	MW (%)	489 (2.6%)	489 (2.7%)	489 (2.7%)	489 (2.7%)	489 (2.4%)	
Waste-to-energy <sup>12</sup>	MW (%)	10 (0.1%)	10 (0.1%)	7 (0.0%)	7 (0.0%)	7 (0.0%)	
Nuclear	MW (%)	1,621 (8.7%)	1,600 (8.9%)	1,600 (8.8%)	1,600 (8.9%)	1,600 (8.0%)	
Gas	MW (%)	4,963 (26.5%)	4,976 (27.8%)	4,938 (27.2%)	4,934 (27.5%)	4,666 (23.3%)	
Coal	MW (%)	7,222 (38.5%)	7,222 (40.4%)	8,486 (46.8%)	8,486 (47.2%)	10,795 (53.9%)	
Energy Storage	MW (%)	362 (1.9%)	147 (0.8%)	18 (0.1%)	10 (0.1%)	5 (0.0%)	
Others	MW (%)	210 (1.1%)	210 (1.2%)	210 (1.2%)	210 (1.2%)	210 (1.0%)	
<b>Total generation and energy storage capacity by asset type (on an equity plus long-term capacity and energy purchase basis)<sup>11</sup></b>	MW (%)	<b>23,366 (100%)</b>	22,582 (100%)	23,291 (100%)	23,068 (100%)	25,108 (100%)	GRI G4 EU 2/ HKFRS S2/SASB IF-EU-000.D
Wind <sup>13</sup>	MW (%)	2,800 (12.0%)	2,625 (11.6%)	2,391 (10.3%)	2,264 (9.8%)	2,331 (9.3%)	
Solar <sup>13</sup>	MW (%)	1,650 (7.1%)	1,307 (5.8%)	842 (3.6%)	848 (3.7%)	793 (3.2%)	
Hydro <sup>13</sup>	MW (%)	489 (2.1%)	489 (2.2%)	489 (2.1%)	489 (2.1%)	489 (1.9%)	
Waste-to-energy <sup>13</sup>	MW (%)	14 (0.1%)	14 (0.1%)	10 (0.0%)	10 (0.0%)	10 (0.0%)	
Nuclear	MW (%)	2,750 (11.8%)	2,685 (11.9%)	2,685 (11.5%)	2,685 (11.6%)	2,685 (10.7%)	
Gas	MW (%)	6,118 (26.2%)	6,131 (27.1%)	6,093 (26.2%)	6,089 (26.4%)	5,813 (23.2%)	
Coal	MW (%)	8,140 (34.8%)	8,140 (36.0%)	9,719 (41.7%)	9,719 (42.1%)	12,027 (47.9%)	
Energy Storage	MW (%)	1,107 (4.7%)	892 (4.0%)	763 (3.3%)	665 (2.9%)	660 (2.6%)	
Others	MW (%)	300 (1.3%)	300 (1.3%)	300 (1.3%)	300 (1.3%)	300 (1.2%)	
<b>Total energy sent out by asset type (on an equity basis)</b>	GWh (%)	<b>59,882 (100%)</b>	62,383 (100%)	62,052 (100%)	69,726 (100%)	73,113 (100%)	GRI G4 EU 2/ HKFRS S2/SASB IF-EU-000.D
Wind <sup>14</sup>	GWh (%)	3,550 (5.9%)	3,056 (4.9%)	3,164 (5.1%)	3,146 (4.5%)	2,959 (4.0%)	
Solar <sup>14</sup>	GWh (%)	1,047 (1.8%)	932 (1.5%)	920 (1.5%)	901 (1.3%)	922 (1.3%)	
Hydro <sup>14</sup>	GWh (%)	1,862 (3.1%)	1,776 (2.8%)	1,626 (2.6%)	1,835 (2.6%)	1,668 (2.3%)	
Waste-to-energy <sup>14</sup>	GWh (%)	42 (0.1%)	31 (0.0%)	32 (0.1%)	29 (0.0%)	27 (0.0%)	
Nuclear	GWh (%)	12,442 (20.8%)	12,064 (19.3%)	12,128 (19.5%)	12,346 (17.7%)	12,302 (16.8%)	
Gas	GWh (%)	14,401 (24.1%)	14,154 (22.7%)	13,817 (22.3%)	14,435 (20.7%)	13,233 (18.1%)	
Coal	GWh (%)	26,519 (44.3%)	30,372 (48.7%)	30,364 (48.9%)	37,031 (53.1%)	42,002 (57.4%)	
Energy Storage	GWh (%)	19 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	
Others	GWh (%)	0 (0.0%)	1 (0.0%)	0 (0.0%)	1 (0.0%)	0 (0.0%)	
<b>Total energy sent out by asset type (on an equity plus long-term capacity and energy purchase basis)</b>	GWh (%)	<b>77,268 (100%)</b>	79,760 (100%)	79,512 (100%)	87,360 (100%)	91,183 (100%)	GRI G4 EU 2/ HKFRS S2/SASB IF-EU-000.D
Wind <sup>15</sup>	GWh (%)	4,495 (5.8%)	4,482 (5.6%)	4,688 (5.9%)	4,709 (5.4%)	4,611 (5.1%)	
Solar <sup>15</sup>	GWh (%)	1,573 (2.0%)	1,491 (1.9%)	1,480 (1.9%)	1,472 (1.7%)	1,524 (1.7%)	
Hydro <sup>15</sup>	GWh (%)	1,862 (2.4%)	1,776 (2.2%)	1,626 (2.0%)	1,835 (2.1%)	1,668 (1.8%)	
Waste-to-energy <sup>15</sup>	GWh (%)	60 (0.1%)	44 (0.1%)	45 (0.1%)	42 (0.0%)	38 (0.0%)	
Nuclear	GWh (%)	21,160 (27.4%)	19,878 (24.9%)	20,098 (25.3%)	20,836 (23.9%)	20,962 (23.0%)	
Gas	GWh (%)	20,092 (26.0%)	19,847 (24.9%)	19,203 (24.2%)	19,507 (22.3%)	18,461 (20.2%)	
Coal	GWh (%)	27,993 (36.2%)	32,234 (40.4%)	32,418 (40.8%)	39,027 (44.7%)	43,995 (48.2%)	
Energy Storage	GWh (%)	33 (0.0%)	8 (0.0%)	-46 (-0.1%)	-69 (-0.1%)	-75 (-0.1%)	
Others	GWh (%)	1 (0.0%)	1 (0.0%)	1 (0.0%)	2 (0.0%)	1 (0.0%)	

Notes:

- 11 Generation capacity is reported based on design capacity, which represents the maximum output as defined by each asset's technical specifications.
- 12 Renewables include wind, solar, hydro and waste-to-energy. The total capacity of renewables on an equity basis is 4,363MW (23.3%) in 2025.
- 13 Renewables include wind, solar, hydro and waste-to-energy. The total capacity of renewables on an equity plus long-term capacity and energy purchase basis is 4,952MW (21.2%) in 2025.
- 14 Renewables include wind, solar, hydro and waste-to-energy. The total sent out of renewables on an equity basis is 6,501GWh (10.9%) in 2025.
- 15 Renewables include wind, solar, hydro and waste-to-energy. The total sent out of renewables on an equity plus long-term capacity and energy purchase basis is 7,990GWh (10.3%) in 2025.

## Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data

Performance Indicators <sup>1</sup>	Units	2025	2024	2023	2022	2021	Disclosure Standards <sup>2</sup>
<b>Employees</b>							
Total employee headcount	number	8,539	8,415	8,041	8,318	8,116	GRI 2-7/HKEX B1.1
By gender <sup>16</sup>							
Male	number	6,276	6,161	5,849	6,098	5,984	GRI 2-7/HKEX B1.1
Female	number	2,263	2,254	2,192	2,220	2,132	
By employment type							
Full time	number	8,376	8,249	7,882	8,154	7,930	GRI 2-7/HKEX B1.1
Part-time	number	163	166	159	164	186	
By age group							
Below 30	number	1,236	1,328	1,236	1,219	1,036	GRI 405-1/HKEX B1.1
30-39	number	2,619	2,611	2,459	2,621	2,481	
40-49	number	2,222	2,147	2,033	2,113	2,147	
50 and above	number	2,462	2,329	2,313	2,365	2,452	
By region							
Hong Kong	number	5,484	5,397	5,163	4,954	4,771	GRI 2-7/HKEX B1.1
Chinese Mainland	number	788	763	702	663	627	
Australia	number	2,267	2,255	2,176	2,251	2,281	
Voluntary staff turnover rate <sup>17, 18</sup>							
Group total	%	5.1	6.8	8.1	10.2	8.1	GRI 401-1/HKEX B1.2
By gender							
Male	%	4.6	6.1	4.9	8.6	7.3	
Female	%	6.3	8.8	3.2	14.4	10.5	
By age group							
Below 30	%	8.4	12.5	2.7	13.7	12.7	
30-39	%	5.6	8.7	5.7	13.1	10.7	
40-49	%	4.7	5.1	3.3	10.1	6.9	
50 and above	%	3.6	4.3	1.9	5.8	5.1	
By region							
Hong Kong	%	3.7	5.4	5.4	6.6	4.6	
Chinese Mainland	%	2.4	2.8	2.6	2.3	2.3	
Australia	%	8.9	11.2	15.2	18.8	16.1	
Percentage of employees trained							
Group total	%	99.0	98.5	98.5	98.5	98.5	HKEX B3.1
By gender							
Male	%	99.2	98.8	98.7	99.0	98.7	
Female	%	98.3	97.8	97.9	98.5	97.7	
By professional category							
Managerial	%	97.1	95.3	95.3	95.8	94.2	
Professional	%	98.9	98.3	98.0	98.8	98.5	
General & technical staff	%	99.3	99.2	99.5	99.3	99.0	
Average training hours per employee							
Group total	hours	51.9	42.7	44.1	46.2	51.6	GRI 404-1/HKEX B3.2
By gender							
Male	hours	61.1	50.2	51.4	53.6	58.2	
Female	hours	26.5	22.8	24.4	26.0	33.3	
By professional category							
Managerial	hours	22.7	17.5	27.2	23.0	29.5	
Professional	hours	36.1	30.4	32.5	33.5	41.2	
General & technical staff	hours	74.0	60.2	59.6	63.9	65.8	
Training hours dedicated to upskilling and reskilling	%	17.7	15.4	N/A	N/A	N/A	

### Notes:

- 16 Data of other gender identities are tracked. They are statistically insignificant and not separately disclosed.
- 17 Refers to employees leaving the organisation voluntarily and does not include dismissal, retirement, company-initiated termination or end of contract.
- 18 Includes permanent employees only, except for the Chinese Mainland where both permanent and fixed-term contract employees are included due to local employment legislation.

Performance Indicators <sup>1</sup>	Units	2025	2024	2023	2022	2021	Disclosure Standards <sup>2</sup>
<b>Safety</b> <sup>19, 20</sup>							
Fatalities - employees only <sup>21</sup>	number of personnel	0	0	0	0	0	GRI 403-9/HKEX B2.1
Fatalities - contractors only <sup>21</sup>	number of personnel	1	0	0	0	0	
Fatalities - employees and contractors combined <sup>21</sup>	number of personnel	1	0	0	0	0	
Fatality Rate - employees only <sup>22, 23</sup>	number per 200,000 work hours	0.00	0.00	0.00	0.00	0.00	GRI 403-9/HKEX B2.1/ SASB IF-EU-320a.1
Fatality Rate - contractors only <sup>22, 23</sup>	number per 200,000 work hours	0.01	0.00	0.00	0.00	0.00	
Fatality Rate - employees and contractors combined <sup>22, 23</sup>	number per 200,000 work hours	0.01	0.00	0.00	0.00	0.00	
Total Recordable Injury Rate - employees only <sup>23, 24</sup>	number per 200,000 work hours	0.22	0.28	0.13	0.17	0.14	GRI 403-9/ SASB IF-EU-320a.1
Total Recordable Injury Rate - contractors only <sup>23, 24</sup>	number per 200,000 work hours	0.10	0.21	0.22	0.31	0.29	
Total Recordable Injury Rate - employees and contractors combined <sup>23, 24</sup>	number per 200,000 work hours	0.16	0.24	0.18	0.25	0.23	
Lost Days - employees only <sup>25</sup>	number of days	344 <sup>26</sup>	471	125	176	304	GRI 403-9/HKEX B2.2
<b>Governance</b>							
Convicted cases of corruption reported to the Audit & Risk Committee	cases	0	0	0	0	0	GRI 205-3/HKEX B7.1
<b>Availability and Reliability - CLP Power</b>							
System Average Interruption Frequency Index (SAIFI) <sup>27</sup>		0.20	0.26	0.27	0.27	0.21	HKFRS S2/SASB IF-EU-550a.2
System Average Interruption Duration Index (SAIDI) <sup>27</sup>	hours	0.23	0.30	0.29	0.30	0.23	
Unplanned Customer Minutes Lost (CML) <sup>27</sup>	minutes	1.8 <sup>28</sup>	6.0	6.0	5.7	1.0	
<b>Supply Chain</b>							
Number of suppliers by geographical regions <sup>29</sup>							GRI 2-6/HKEX B5.1
Australia	number	1,754	1,800	1,853	1,894	1,942	
Chinese Mainland	number	1,377	1,101	1,090	1,257	1,216	
Hong Kong	number	940	1,043	1,030	1,058	1,025	
India	number	2	5	3	1,667	1,197	
Others (Asia Pacific)	number	53	45	63	64	67	
Europe	number	85	100	96	105	112	
America	number	63	73	78	88	98	
Rest of the world	number	4	9	2	1	2	

Notes:

- 19 The safety figures include majority owned entities by CLP or under CLP's operational control, defined as those that have full authority to implement CLP's operating policies, and under construction or in operation during the reporting year.
- 20 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.
- 21 Refers to the number of fatalities as a result of work-related injury.
- 22 Refers to the number of fatal injuries per 200,000 work hours in the year.
- 23 Rates are normalised to 200,000 work hours, which approximately equals to the number of hours worked by 100 people in one year.
- 24 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.
- 25 It is the total sum of calendar days (consecutive or otherwise) lost after the days on which the work-related injuries and work-related ill health occurred.
- 26 121 out of 344 days were carried forward from two incidents in 2024.
- 27 The numbers are derived by calculating the average of data from the most recent three years. For example, the figures under year 2025 are the 3-year averages of data from 2023 to 2025.
- 28 2023-2025 average for CLP Power was 1.8 minutes; Taking out the impact due to Major Event Day (such as Typhoon Saola in 2023, Typhoons Wipha & Ragasa in 2025), the three-year average was 1.1 minutes.
- 29 There are a few multinational companies having transactions in more than one regions through their local offices. However, these local offices of one multinational companies are treated as one supplier in our supply base.

All 2025 data in the above table have been independently verified by KPMG **except** those numbers which are shaded in dark grey.

For more detailed narrative relating to ESG data, please refer to the Managing What Matters to Our Business chapter and the Corporate Governance Report of this report.

For comprehensive disclosure of ESG data, please refer to 2025 [ESG Datahub](#) in 2025 Sustainability Report website.



# Five-year Summary: Scheme of Control Financial & Operating Statistics

CLP Power Hong Kong Limited and Castle Peak Power Company Limited

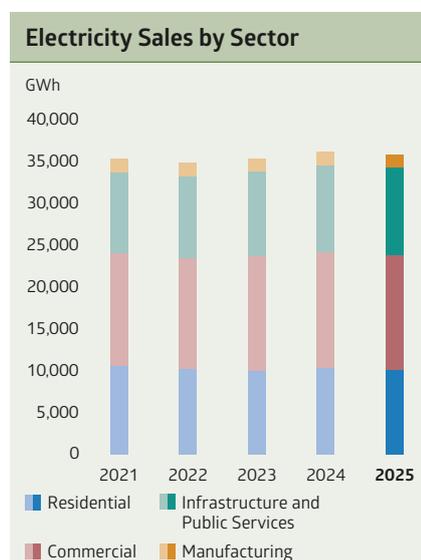
	2025	2024	2023	2022	2021
<b>SoC Financial Statistics</b>					
<b>Combined Profit &amp; Loss Statement, HK\$M</b>					
Profit for SoC	11,235	11,696	10,690	10,876	10,926
Transfer from/(to) Tariff Stabilisation Fund	386	(425)	168	(531)	(1,072)
Permitted return	11,621	11,271	10,858	10,345	9,854
Deduct interest on/Adjustment for					
Borrowed capital	1,488	1,700	1,539	1,115	1,018
Increase in customers' deposits	11	39	37	4	-
Performance incentives	(526)	(481)	(642)	(448)	(438)
Tariff Stabilisation Fund	85	124	114	40	3
Net return	10,563	9,889	9,810	9,634	9,271
<b>Combined Balance Sheet, HK\$M</b>					
Net assets employed					
Fixed assets	147,397	143,124	138,657	132,792	125,827
Non-current assets	106	36	16	74	134
Current assets	5,175	5,487	5,706	9,681	8,359
	152,678	148,647	144,379	142,547	134,320
Less: current liabilities	29,778	28,641	32,472	27,881	25,311
Net assets	122,900	120,006	111,907	114,666	109,009
Exchange fluctuation account	821	647	1,183	465	606
	123,721	120,653	113,090	115,131	109,615
Represented by					
Equity	58,405	56,036	54,364	52,528	49,934
Long-term loans and other borrowings	41,321	40,860	35,967	40,680	38,328
Deferred liabilities	21,209	20,709	20,230	18,995	18,244
Tariff Stabilisation Fund	2,786	3,048	2,529	2,928	3,109
	123,721	120,653	113,090	115,131	109,615
<b>Other SoC Information, HK\$M</b>					
Total electricity sales	48,967	50,649	50,288	50,919	45,222
Capital expenditure	10,559	10,818	11,670	12,573	11,222
Depreciation	5,832	5,683	5,380	5,313	5,434
<b>SoC Operating Statistics</b>					
<b>Customers and Sales</b>					
Number of customers (thousand)	2,895	2,830	2,790	2,752	2,711
Sales analysis, millions of kWh					
Commercial	13,824	13,882	13,673	13,233	13,423
Manufacturing	1,540	1,573	1,594	1,615	1,665
Residential	9,966	10,204	9,929	10,113	10,525
Infrastructure and Public Services	10,430	10,466	10,196	9,863	9,742
Local	35,760	36,125	35,392	34,824	35,355
Export	-	-	-	-	-
Total Electricity Sales	35,760	36,125	35,392	34,824	35,355
Annual change, %	(1.0)	2.1	1.6	(1.5)	4.1
Renewable Energy Certificate Sold, millions of kWh	363	340	172	100	15
Local consumption, kWh per person	5,622	5,687	5,595	5,680	5,704
Electricity Tariff per Tariff Review, HK¢ per kWh					
Average Basic Tariff	98.0	96.6	93.7	93.7	93.7
Fuel Cost Adjustment <sup>1</sup>	46.3	46.3	62.0	38.6	28.1
Special Rebate <sup>2</sup>	-	-	-	(2.1)	-
Rent and Rates Special Rebate <sup>3</sup>	-	-	(1.3)	(1.3)	-
Average Net Tariff	144.3	142.9	154.4	128.9	121.8
Annual change in Average Basic Tariff, %	1.4	3.1	-	-	1.6
Annual change in Average Net Tariff, %	1.0	(7.4)	19.8	5.8	-



	2025	2024	2023	2022	2021
<b>Generation (Including Affiliated Generating Companies)</b>					
Installed capacity, MW	9,258	9,202	9,648	9,648	9,623
System maximum demand					
Local, MW <sup>4</sup>	7,455	7,336	7,452	7,720	7,477
Annual change, %	1.6	(1.6)	(3.5)	3.2	2.9
System load factor, %	59.2	60.9	58.9	56.0	58.8
Generation by CAPCO stations, millions of kWh	25,066	27,034	26,102	24,828	25,330
Sent out, millions of kWh –					
From own generation	23,946	25,761	24,846	23,602	24,109
Net transfer from GNPS/GPSPS/Others	12,673	11,335	11,552	12,289	12,484
From Feed-in Tariff customers	370	316	267	199	111
Total	36,989	37,412	36,665	36,090	36,704
Fuel consumed, terajoules –					
Oil	1,492	2,061	2,161	1,875	1,928
Coal	55,622	69,394	76,699	77,172	75,307
Gas	140,126	146,100	135,670	128,453	132,609
Total	197,240	217,555	214,530	207,500	209,844
Cost of fuel, HK\$ per gigajoule – Overall	82.98	85.17	91.97	99.18	70.25
Thermal efficiency, % based on units sent out	43.6	42.6	41.6	40.9	41.3
Plant availability, %	89.1	89.1	85.8	89.1	84.4
<b>Transmission and Distribution</b>					
Network, circuit kilometres					
400kV	556	556	556	555	555
132kV	1,727	1,666	1,659	1,651	1,638
33kV	22	22	22	22	22
11kV	15,053	14,879	14,683	14,450	14,182
Transformers, MVA	72,167	70,728	69,128	68,343	67,479
Substations –					
Primary	257	250	241	240	237
Secondary	15,944	15,759	15,539	15,413	15,204
<b>Employees and Productivity</b>					
Number of SoC employees	4,411	4,317	4,101	4,012	3,900
Productivity, thousands of kWh per employee	8,194	8,583	8,725	8,803	9,111

Notes:

- 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.
- In 2023, in addition to the 9.3 cents per unit 2023 Special Energy Saving Rebate to eligible Residential Tariff (RT) and Non-Residential Tariff (NRT) bills, a one-off three-month special fuel rebate was provided to cap the Fuel Cost Adjustment from April to June at 62.8 cents per unit for all customers.
- CLP Power provided customers with a Rent and Rates Special Rebate of 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.
- 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 7,551MW in 2021, 7,858MW in 2022, 7,641MW in 2023, 7,349MW in 2024 and 7,532MW in 2025.



## Our Portfolio

As of 31 December 2025, CLP's total generation and energy storage capacity<sup>1</sup> in Hong Kong, on the Chinese Mainland, in Australia, India, Taiwan Region and Southeast Asia was 23,366MW, including 4,953MW from renewable energy.

Hong Kong Total Capacity: 7,222MW		Chinese Mainland Total Capacity: 8,098MW	
<b>In Operation</b>		<b>In Operation</b>	
Gas	3,850MW	Wind	1,209MW
Coal	3,058MW	Solar <sup>2</sup>	638MW
Waste-to-energy	14MW	Hydro	489MW
Others	300MW	Nuclear	2,750MW
		Coal	1,248MW
		Pumped Storage	600MW
		Battery Storage	142MW
		<b>Under Construction</b>	
		Wind	681MW
		Solar <sup>2</sup>	297MW
		Battery Storage	45MW
Australia Total Capacity: 5,787MW		India Total Capacity: 1,974MW	
<b>In Operation</b>		<b>In Operation</b>	
Wind	323MW	Wind	587MW
Solar <sup>2</sup>	294MW	Solar <sup>2</sup>	125MW
Gas	1,940MW	Gas	328MW
Coal	2,910MW	Coal	660MW
Battery Storage	145MW		
<b>Under Construction</b>		<b>Under Construction</b>	
Battery Storage	175MW	Solar <sup>2</sup>	275MW
Taiwan Region and Southeast Asia Total Capacity: 285MW			
<b>In Operation</b>			
Solar <sup>2</sup>	21MW		
Coal	264MW		

Hong Kong			
In Operation	Location	Gross Capacity	CLP's Capacity (Equity / Long-term Purchase)
<b>Gas</b>			
<b>Black Point Power Station</b>	Hong Kong	3,850MW	3,850MW
<b>Coal</b>			
<b>Castle Peak Power Station</b>	Hong Kong	3,058MW	3,058MW
<b>Waste-to-energy</b>			
<b>WE Station (West New Territories Landfill Gas Power Generation Project)</b>	Hong Kong	14MW	14MW
<b>Others</b>			
<b>Penny's Bay Power Station</b>	Hong Kong	300MW	300MW

Notes:

- Includes assets in operation and projects under construction on an equity basis, in addition to long-term capacity and energy purchase arrangements. Minor discrepancies may result from rounding.
- Gross / CLP Equity MW of solar power projects are expressed on an alternating current (AC) basis unless specified otherwise.

Chinese Mainland			
In Operation	Location	Gross Capacity	CLP's Capacity (Equity / Long-term Purchase)
<b>Wind</b>			
Nanao II & III Wind Farms	Guangdong	60MW	15MW
Bobai Wind Farm	Guangxi	150MW	150MW
Sandu I Wind Farm	Guizhou	99MW	99MW
Changling II Wind Farm	Jilin	50MW	22MW
Datong Wind Farm	Jilin	50MW	24MW
Qian'an I, II & III Wind Farms	Jilin	199MW	199MW
Shuangliao I & II Wind Farms	Jilin	99MW	48MW
CLP Laizhou I & II Wind Farms	Shandong	99MW	99MW
Dongying Hekou Wind Farm	Shandong	50MW	24MW
Huadian Laizhou I Wind Farm	Shandong	38MW	17MW
Laiwu I, II & III Wind Farms	Shandong	149MW	149MW
Lijin I & II Wind Farms	Shandong	99MW	49MW
Penglai I Wind Farm	Shandong	48MW	48MW
Rongcheng I, II & III Wind Farms	Shandong	148MW	72MW
Weihai I & II Wind Farms	Shandong	69MW	31MW
Zhanhua I & II Wind Farms	Shandong	99MW	49MW
Chongming Wind Farm	Shanghai	48MW	14MW
Xundian I & II Wind Farms	Yunnan	100MW	100MW
<b>Solar<sup>2</sup></b>			
Jinchang Solar Power Station	Gansu	85MW	85MW
Meizhou Solar Power Station	Guangdong	36MW	36MW
Huai'an Nanzha Solar Power Station	Jiangsu	96MW	96MW
Huai'an Solar Power Station	Jiangsu	13MW	13MW
Sihong Solar Power Station	Jiangsu	93MW	93MW
Yangzhou Gongdao Solar Power Station	Jiangsu	74MW	74MW
Yixing I & II Solar Power Stations	Jiangsu	140MW	140MW
Lingyuan Solar Power Station	Liaoning	17MW	17MW
Xicun I & II Solar Power Stations	Yunnan	84MW	84MW
<b>Hydro</b>			
Huajji Hydro Power Stations	Guangdong	129MW	110MW
Jiangbian Hydro Power Station	Sichuan	330MW	330MW
Dali Yang_er Hydro Power Station	Yunnan	50MW	50MW
<b>Nuclear</b>			
Daya Bay Nuclear Power Station	Guangdong	2,052MW	1,642MW
Yangjiang Nuclear Power Station	Guangdong	6,516MW	1,108MW
<b>Coal</b>			
Sanhe I & II Power Stations	Hebei	1,330MW	219MW
Zhungeer II & III Power Stations	Inner Mongolia	1,320MW	257MW
Suizhong I & II Power Stations	Liaoning	3,760MW	564MW
Panshan Power Station	Tianjin	1,060MW	207MW
<b>Pumped Storage</b>			
Guangzhou Pumped Storage Power Station	Guangdong	1,200MW	600MW
<b>Battery Storage</b>			
Huai'an Nanzha Solar Power Station Battery Energy Storage System	Jiangsu	10MW	10MW
Yangzhou Gongdao Solar Power Station Battery Energy Storage System	Jiangsu	8MW	8MW
Yixing I & II Solar Power Station Battery Energy Storage Systems	Jiangsu	14MW	14MW
Qian'an III Wind Farm Battery Energy Storage System	Jilin	5MW	5MW
Guanxian Battery Energy Storage System	Shandong	100MW	100MW
Xundian II Wind Farm Battery Energy Storage System	Yunnan	5MW	5MW

## Our Portfolio

Chinese Mainland (Cont'd)			
Under Construction	Location	Gross Capacity	CLP's Capacity (Equity / Long-term Purchase)
<b>Wind</b>			
Sandu II Wind Farm	Guizhou	100MW	100MW
Guanxian Wind Farm	Shandong	231MW	231MW
Juancheng Wind Farm	Shandong	300MW	300MW
Xundian III Wind Farm	Yunnan	50MW	50MW
<b>Solar<sup>2</sup></b>			
Hepu Solar Power Station	Guangxi	300MW	297MW
<b>Battery Storage</b>			
Hepu Solar Power Station Battery Energy Storage System	Guangxi	30MW	30MW
Sandu II Wind Farm Battery Energy Storage System	Guizhou	10MW	10MW
Xundian III Wind Farm Battery Energy Storage System	Yunnan	5MW	5MW

Australia			
In Operation	Location	Gross Capacity	CLP's Capacity (Equity / Long-term Purchase)
<b>Wind</b>			
Boco Rock Wind Farm	New South Wales	113MW	113MW
Bodangora Wind Farm	New South Wales	113MW	68MW
Cathedral Rocks Wind Farm	South Australia	62MW	31MW
Waterloo Wind Farm Stage 1	South Australia	111MW	111MW
<b>Solar<sup>2</sup></b>			
Coleambally Solar Farm	New South Wales	150MW	105MW
Manildra Solar System	New South Wales	46MW	46MW
Ross River Solar Farm	Queensland	116MW	93MW
Gannawarra Solar Farm	Victoria	50MW	50MW
<b>Gas</b>			
Tallawarra A & B Power Stations	New South Wales	760MW	760MW
Hallett Power Station	South Australia	235MW	235MW
Jeeralang Power Station	Victoria	445MW	445MW
Newport Power Station	Victoria	500MW	500MW
<b>Coal</b>			
Mount Piper Power Station	New South Wales	1,430MW	1,430MW
Yallourn Power Station	Victoria	1,480MW	1,480MW
<b>Battery Storage</b>			
Darlington Point Battery Energy Storage System	New South Wales	25MW	25MW
Riverina Battery Storage System 2	New South Wales	65MW	65MW
Ballarat Battery Storage System	Victoria	30MW	30MW
Gannawarra Battery Storage System	Victoria	25MW	25MW
<b>Under Construction</b>			
<b>Battery Storage</b>			
Wooreen Energy Storage System	Victoria	350MW	175MW

India			
In Operation	Location	Gross Capacity	CLP's Equity Capacity
<b>Wind</b>			
Mahidad Wind Farm	Gujarat	50MW	25MW
Samana I & II Wind Farms	Gujarat	101MW	50MW
Sidhpur Wind Farm	Gujarat	251MW	125MW
Harapanahalli Wind Farm	Karnataka	40MW	20MW
Saundatti Wind Farm	Karnataka	72MW	36MW
Chandgarh Wind Farm	Madhya Pradesh	92MW	46MW
Andhra Lake Wind Farm	Maharashtra	106MW	53MW
Jath Wind Farm	Maharashtra	60MW	30MW
Khandke Wind Farm	Maharashtra	50MW	25MW
Bhakrani Wind Farm	Rajasthan	102MW	51MW
Sipla Wind Farm	Rajasthan	50MW	25MW
Tejuva Wind Farm	Rajasthan	101MW	50MW
Theni I & II Wind Farms	Tamil Nadu	97MW	49MW
<b>Solar<sup>2</sup></b>			
Gale Solar Farm	Maharashtra	50MW	25MW
Tornado Solar Farm	Maharashtra	20MW	10MW
Nirmal Solar Farm	Telangana	50MW	25MW
Veltoor Solar Farm	Telangana	100MW	50MW
Vikarabad Solar Farm	Telangana	30MW	15MW
<b>Gas</b>			
Paguthan Power Station	Gujarat	655MW	328MW
<b>Coal</b>			
Jhajjar Power Station	Haryana	1,320MW	660MW
Under Construction	Location	Gross Capacity	CLP's Equity Capacity
<b>Solar<sup>2</sup></b>			
NHPC Bhanipura I Solar Farm	Rajasthan	250MW	125MW
NTPC Bhanipura II Solar Farm	Rajasthan	300MW	150MW

Taiwan Region and Southeast Asia			
In Operation	Location	Gross Capacity	CLP's Equity Capacity
<b>Solar<sup>2</sup></b>			
Lopburi Solar Farm	Thailand	63MW	21MW
<b>Coal</b>			
Ho-Ping Power Station	Taiwan Region	1,320MW	264MW

## 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 <sub>2</sub> ), nitrogen oxides (NO <sub>x</sub> ) 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.
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 <a href="#">Climate Vision 2050</a> is the blueprint of the Group's transition to a net-zero GHG 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.
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.
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.
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.
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.

Term	Definition
Energy-as-a-Service	A business model enabling energy companies to provide one-stop value-added services and solutions to customers over a contract period in return for regular subscription fees, minimising upfront costs. Examples include Cooling-as-a-Service (CaaS) solutions that enhance the energy efficiency of cooling systems, and Solar-as-a-Service (SaaS) offerings to help customers manage solar energy systems.
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.
Enterprise resource planning (ERP) systems	An ERP system is an integrated enterprise software platform that optimises and supports core business processes to enhance organisational efficiency.
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.
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.
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.
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 <sub>3</sub> ), the seventh mandatory gas added under the second Kyoto Protocol, was deemed immaterial to CLP's operations after evaluation. (See scopes)
Liquefied natural gas (LNG) bunkering	The process of supplying dual-fuel vessels with LNG, a lower-carbon alternative to conventional marine fuels.

## Glossary

Term	Definition
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 GHG emissions	When GHG emissions are reduced, and the residual emissions are balanced by the removal of an equivalent amount of GHG 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 cargoes 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.
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.
Renewable energy (RE)	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.

Term	Definition
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 GHG 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.
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. GHG 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: 12 March 2026

❖ CLP website: [www.clpgroup.com](http://www.clpgroup.com)  
("Investor Relations" section)

❖ Hong Kong Stock Exchange website:  
[www.hkexnews.hk](http://www.hkexnews.hk)

Shareholders are encouraged to access our Annual Report electronically.

Hard copies circulation 26 March 2026  
(together with Notice of AGM and proxy form) upon request

## Choice of Language and Means of Receipt of Corporate Communications<sup>1</sup>

You can, at any time, free of charge, ask for this Annual Report in printed form (English and / or Chinese); and change<sup>2</sup> your choice of language and / or means of receipt<sup>3</sup> 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](mailto: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.
- 3 A request to receive the Company's future corporate communications in printed form will remain valid until (i) the instruction is revoked or superseded, or (ii) the publication of the Company's next Annual Report in the coming year, whichever is earlier.

## Information for American Depository 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](http://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

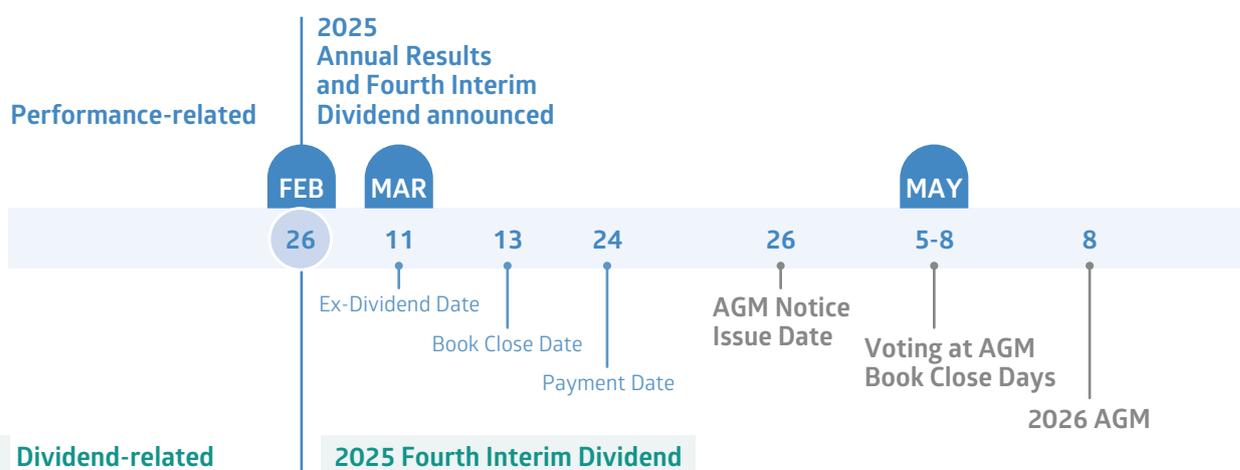
## Contact Us

**Address:** CLP Headquarters, 43 Shing Kai Road,  
Kai Tak, Kowloon, Hong Kong

**Telephone:** (852) 2678 8228 (Shareholders' hotline)

**Email:** [cosec@clp.com.hk](mailto:cosec@clp.com.hk) (Company Secretary)  
[ir@clp.com.hk](mailto: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. We value your feedback and invite you to complete the online feedback form to help us continue to improve.



*Please access the [feedback form](#) by using the QR code.*

Follow us on social media to stay up to date with our latest news.





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