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# 中 電 控 股 有 限 公 司
# CLP Holdings Limited

**(incorporated in Hong Kong with limited liability)**
(Stock Code: 00002)

# Announcement of Interim Results as from 1 January 2024 to 30 June 2024, Dividend Declaration and Closure of Books

## Financial Highlights

- Group operating earnings before fair value movements increased 22.0% to HK$5,683 million for the first half of 2024 thanks to a solid performance across the Group along with an improved earnings contribution from EnergyAustralia, more than offsetting the lower generation volumes from the two nuclear power plants in Mainland China due to planned outages.
- Total earnings for the first six months of this year increased to HK$5,951 million after taking into account the unrealised fair value gain mainly for EnergyAustralia's forward energy contracts and items affecting comparability.
- Consolidated revenue was stable with a modest increase of 1.8% to HK$44,086 million.
- Second interim dividend of HK$0.63 per share, same as 2023, was declared by the Board.

## CHAIRMAN'S STATEMENT

In the first half of 2024, the CLP team worked diligently to meet the growing energy needs across our markets, while actively pursuing our decarbonisation opportunities. Our focus on investing in low-carbon energy solutions reflects our intent to both proactively mitigate climate change as well as to capture the significant opportunities presented by a net-zero future.

During the period, the Group reported operating earnings of HK$5,855 million, 25% higher than the same period in 2023. Total earnings were HK$5,951 million, compared with HK$5,060 million a year earlier. The encouraging results were underpinned by a robust performance in Hong Kong, improvements in Australia and promising growth in India. Our business in Mainland China saw lower earnings largely due to scheduled maintenance work affecting our nuclear portfolio while growth in renewable investments remain solid.

Based on our solid performance, the Board declared a second interim dividend of HK$0.63 per share, same as the first interim dividend and unchanged from a year ago.

*Celebrating ties with Mainland China*

This is a year of significance for CLP as we celebrate two important milestones that reflect our longstanding close ties with Mainland China. First, we mark the 30th anniversary of the opening of China's first large-scale commercial nuclear power station at Daya Bay. It was an investment we made back in 1985 with great faith in the country's future, a sense of confidence that remains as strong as ever today. The Daya Bay Nuclear Power Station (Daya Bay) has been an outstanding success, supplying 80% of its electricity to Hong Kong and giving the city a stable source of zero-carbon, safe and competitively priced electricity. As we celebrate the track record of Daya Bay, we also prepare for its future. In the first half, we were pleased to see the successful conclusion of a large-scale planned outage at Daya Bay's two generation units that last for around 200 days. This complex undertaking was carefully designed to enhance safety, improve plant reliability and modernise control systems. The maintenance work ensures Daya Bay is well placed to serve Hong Kong not only for this hot summer, but many more years to come.

This year is also the 10th anniversary of collaboration between CLP Power Hong Kong Limited (CLP Power) and China Southern Power Grid Co. Ltd. (CSG) since entering a joint venture in Castle Peak Power Company Limited (CAPCO) in 2014. Since the partnership, CAPCO has delivered fruitful results, including two state-of-the-art gas-fired generating units at Black Point Power Station (Black Point) and an offshore LNG terminal, further supporting Hong Kong's decarbonisation goals. We are optimistic that our collaboration with CSG will bring further contributions to Hong Kong's sustainable development.

In May, my colleagues and I were honoured to meet with Mr Wang Weizhong, Governor of the Guangdong Province, in Guangzhou. CLP's close ties with the Mainland took root in 1979 when we began supplying electricity to Guangdong. It was heartening to receive Mr Wang's appreciation for our long-term support. CLP will continue to deepen our cooperation with Guangdong and commit our expertise, capital and technology to low-carbon energy initiatives spanning the Guangdong-Hong Kong-Macao Greater Bay Area.

This year is the 75th anniversary of the founding of the People's Republic of China, a moment to reflect on the remarkable growth and advancement that China has made – and still makes today. China is committed to playing a leading role in the global fight against climate change with its dual carbon goals. We believe this will continue to present opportunities for CLP to grow our sustainable energy business while contributing to China's ongoing prosperity.

*Seizing decarbonisation opportunities*

In our home market of Hong Kong, we are conscientiously capturing the opportunities provided by decarbonisation. Our new 600 megawatt (MW) D2 gas-fired generation unit at Black Point went into operation, further accelerating the transition of our power supply. Additionally, our offshore LNG terminal in Hong Kong waters is now fully operational, providing the city with a reliable and secure gas supply at competitive prices. During the first half, we maintained prudent cost controls and a diversified fuel strategy to ensure our customers were able to access electricity at a reasonable cost. Although Hong Kong is seeing moderate economic growth, we are aware of the energy cost burden on underprivileged groups, and have implemented a range of measures to support them.

For Hong Kong to achieve net zero by 2050, green hydrogen produced using renewable energy may have a key part to play. Recognising the importance and potential of the fuel, the Hong Kong SAR Government released a strategy paper on hydrogen development in June. We welcome the Government's direction and, in particular, firmly support efforts to accelerate the development of green hydrogen. The Government's planning in this context will be an important enabler for CLP to explore the technical feasibility of repurposing our existing natural gas-fired power generating units to run on green hydrogen in the longer term. In addition, we believe the proposed regional cooperation with the Mainland on hydrogen energy policy could pave the way for the joint planning and development of green hydrogen-related infrastructure by Hong Kong and Guangdong, enabling our city to transition to green hydrogen as soon as possible.

Elsewhere, our efforts to expand investment in low-carbon projects have been gaining momentum. In Mainland China, as we reported slightly higher output from existing renewable energy portfolio in the first half, works on 300MW of new projects also started, bringing the total capacity of wind and solar energy projects under construction in the country to 450MW.

In India, our joint venture Apraava Energy achieved positive results in seizing non-carbon opportunities and delivered a strong performance. Not only did its renewable energy portfolio perform steadily in the first half, the business also continued to win rights to develop low-carbon projects, including 350MW of renewable energy capacity, nearly 200 kilometres of transmissions lines and over 1.7 million smart meters. The 251MW Sidhpur wind farm in Gujarat state – Apraava Energy's biggest wind project to date – is now 98% operational.

EnergyAustralia continued the development of flexible capacity projects to support Australia's transition to lower-carbon energy and moved forward with two important energy storage projects in Victoria and in South Australia in the first half. The Kidston pumped hydro storage project in Queensland, owned by Genex Power, has also moved closer to supplying the contracted capacity to EnergyAustralia as construction continued. Meanwhile, Tallawarra B Power Station, the first new gas-fired power plant in New South Wales in over ten years, is now in operation, delivering flexible, fast-start capacity to support a reliable power supply during times of high electricity demand. EnergyAustralia continues to strengthen its financial and strategic position as it contributes to the country's clean energy transformation.

While we pursue new opportunities provided by the imperative to combat climate change, we recognise the need to stay vigilant about operational risks that must be managed. In Hong Kong, the first half of the year witnessed several incidents in our supply area. We are ever mindful of the society's reliance on electricity and we will continue to take all feasible measures to further enhance our reliability and minimise public impact. I wish to reassure everyone that the reliability of supply has been the cornerstone on which CLP's business has been built, and this will never change. We have a world-class supply reliability of 99.999%. It is quite a record in this industry and wouldn't have been possible without the efforts of the CLP team over many generations.

In closing, I would like to reiterate that while the world's energy industry grapples with major issues, the opportunities in pursuit of a net-zero future remain enormous. CLP is dedicated to investing in these opportunities in a manner that increases shareholder value while providing reliable and sustainable energy at a reasonable tariff to our customers and communities everywhere we do business.

**The Honourable Sir Michael Kadoorie**

## FINANCIAL PERFORMANCE

Group operating earnings before fair value movements increased 22.0% to HK$5,683 million for the first half of 2024 thanks to a solid performance across the Group along with an improved earnings contribution from EnergyAustralia, more than offsetting the lower generation volumes from the two nuclear power plants in Mainland China due to planned outages. Total earnings for the first six months of this year increased to HK$5,951 million after taking into account the unrealised fair value gain mainly for EnergyAustralia's forward energy contracts and items affecting comparability.

| | **Six months ended 30 June** | | **Increase/** |
|---|---|---|---|
| | **2024** | 2023# | **(Decrease)** |
| | **HK$M** | HK$M | **%** |
| Hong Kong energy business | **4,165** | 4,050 | 2.8 |
| Hong Kong energy business related* | **126** | 120 | |
| Mainland China | **988** | 1,372 | (28.0) |
| Australia | **611** | (590) | |
| India | **203** | 127 | 59.8 |
| Taiwan Region and Thailand | **79** | 101 | (21.8) |
| Other earnings in Hong Kong | **(8)** | (3) | |
| Unallocated net finance income | **5** | 1 | |
| Unallocated Group expenses | **(486)** | (521) | |
| **Operating earnings before fair value movements** | **5,683** | 4,657 | 22.0 |
| Fair value movements | **172** | 17 | |
| **Operating earnings** | **5,855** | 4,674 | 25.3 |
| Items affecting comparability | **96** | 386 | |
| **Total earnings** | **5,951** | 5,060 | 17.6 |

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

# India's one-off income of HK$298 million relating to delayed payment charges and additional capacity charge in 2023 has been reclassified from operating earnings to items affecting comparability to align with the 2023 annual results presentation

The financial performance of individual business segment is analysed as below:

| | |
|---|---|
| **Hong Kong** | Reflected higher permitted return on higher average SoC net fixed assets from the capital investments partially offset by higher interest expenses |

| | |
|---|---|
| **Mainland China** | Lower nuclear earnings due to planned outages at both Daya Bay and Yangjiang Power Station in the first half of 2024 affecting output; stable earnings from renewable assets with higher water resources at Huaiji and contribution from Xundian II Wind and Yangzhou Gongdao Solar commissioned in March and September 2023 respectively, offset by the lower generation from Jinchang Solar and Qian'an Wind due to the higher grid curtailment; lower contribution from coal-fired projects due to lower tariffs for Guohua projects |
| **Australia** | Higher contribution from Energy business attributable to higher realised prices and more generation from Mount Piper Power Station following improved coal deliveries; improved performance in Customer business driven by effective procurement of energy compared to last year partially offset by the higher discounts for retail customers amid the intense competitive market |
| **India** | Higher Apraava Energy's results mainly contributed by the higher Jhajjar's tariff and revised tariff for transmission project; stable contribution from the renewable projects |
| **Taiwan Region and Thailand** | Lower share of profit of Ho-Ping Power Station from reduced energy tariff, more planned outages in 2024 and generation temporarily halted during an earthquake in April; performance of Lopburi Solar remained stable |
| **Fair value movements** | Favourable fair value movements mainly driven by the roll off of out-of-the-money forward energy contracts, partially offset by the increasing forward electricity prices impacting the net sold position of forward energy contracts |
| **Items affecting comparability** | Gain on sale of Argyle Street properties of HK$23 million and one-off income recognition of HK$106 million to recover compensation for additional costs incurred in prior years towards operating the flue gas desulfurisation unit in India, partly offset by the revaluation loss of retail portion of Laguna Mall of HK$33 million in 2024 |

# BUSINESS PERFORMANCE AND OUTLOOK

**Hong Kong**

CLP Power saw electricity sales increase to 16,743 gigawatt hours (GWh) in the first half of the year, 2.6% more than during the same period in 2023. Growth in demand was driven by the gathering pace of Hong Kong's economic recovery combined with higher temperatures, which pushed up consumption in most sectors. The following table shows sales by sector for the first six months of 2024 and year-on-year changes:

| | Sales by Sector | Increase / (Decrease) | % of Total Sales |
|---|---|---|---|
| Residential | 4,375GWh | 3.8% | 26% |
| Commercial | 6,610GWh | 2.0% | 39% |
| Infrastructure and Public Services | 4,995GWh | 2.8% | 30% |
| Manufacturing | 763GWh | (0.1%) | 5% |

CLP Power is committed to supporting Hong Kong's electricity needs in line with the 2024 – 2028 Development Plan that began in January, underpinning the city's continued growth with reliable, reasonably priced and lower-carbon energy.

*Further enhancing power reliability*

As an essential service provider, CLP Power recognises that the safety and reliability of Hong Kong's electricity supply is paramount and fully understands the inconvenience that recent voltage dips and supply interruption incidents have caused to some customers. While CLP Power is able to maintain a 99.999% reliability level, it is committed to continuously improving and further enhancing the reliability of its power supply and timely communication with its customers. In the event of any incidents, CLP Power will make every effort to restore power supply as fast as possible. In addition to fully cooperating with the Government to conduct a full review on the management of the power system, a comprehensive range of short-, medium- and long-term measures are being implemented to further reduce the number of power incidents, shorten the supply restoration time in case of supply interruption and mitigate the impact on the public.

*Ensuring the reasonable cost of energy*

As international fuel prices continued to soften, CLP Power reduced Average Net Tariff by 1.6% during the first half. It maintained a strategy of prudent cost controls and diversified fuel sources to try and ensure energy costs for customers remain at a reasonable level.

CLP Power provided a range of measures to ease the energy cost burden on underprivileged groups, including elderly people, low-income families and tenants of subdivided units through the CLP Community Energy Saving Fund (CESF), from which over HK$200 million has been allocated for a series of programmes in 2024. In addition to electricity subsidies worth HK$50 million, the CESF provided HK$58 million CLP Retail and Catering Coupons to boost consumer spending, support small- and medium-sized enterprises as well as promoting decarbonisation and energy saving.

*Transitioning to lower-carbon energy*

CLP Power continued to invest in electricity infrastructure to support the city's decarbonisation. The new 600MW D2 combined-cycle gas turbine generation unit went into service at Black Point in April, further strengthening CLP Power's ability to provide lower-carbon electricity supply as three out of four coal-fired units at Castle Peak A Power Station with combined capacity of 1,050MW were retired in the first half this year. The upgrade of CLP Power's Clean Energy Transmission System (CETS) continued to progress, enhancing overhead power lines between Hong Kong and the Mainland over the next two years to allow for the import of more zero-carbon energy after work is completed.

A programme to provide smart meters for all CLP Power customers from 2018 to 2025 is approaching its final stages. By the end of June, over 2.44 million smart meters had been connected, keeping customers informed about their electricity use and connecting them to a host of smarter, more personalised energy services as CLP Power continued to accelerate the company's digitalisation efforts.

The development of renewable energy can support Hong Kong's decarbonisation and the CESF-funded CLP Solar Grant Programme was launched in January, offering subsidies of up to HK$100,000 for schools and non-governmental organisations to install solar energy systems. More customers meanwhile took advantage of the Renewable Energy Feed-in Tariff Scheme by installing their own renewable energy systems. By the end of June, the amount of generation capacity approved under the scheme had increased to 391MW, equivalent to the annual electricity consumption of 96,500 households.

CLP Power continued to offer a suite of services and solutions to help commercial and industrial customers improve their energy efficiency and decarbonise their operations. In April, CLP Power, Microsoft and data centre operator AirTrunk announced Hong Kong's largest site-specific procurement agreement for Renewable Energy Certificates to support Microsoft's goal of achieving 100% renewable energy by 2025. The agreement comes after AirTrunk and CLP Power cooperated earlier on an arrangement to match Microsoft's data centre electricity consumption with renewable energy generated by CLP Power's West New Territories Landfill Gas Power Generation Project.

CLP*e* strengthened its support for customers to decarbonise with a comprehensive range of energy infrastructure and solutions, including renewable energy, cooling, energy storage and building energy management. In May, CLP*e* signed a Memorandum of Understanding (MoU) with Hysan Development Company Limited to explore opportunities on innovative energy management solutions. These include the potential of a distributed district cooling system to enhance energy efficiency and resilience of cooling facilities in Hysan's commercial portfolio. Additionally, both are exploring more innovative electric vehicle (EV) charging infrastructure, collectively promoting Causeway Bay as a sustainable, low-carbon community.

In June, CLP*e* announced a partnership to install high-efficiency bifacial solar panels on City University of Hong Kong's campus, which promotes the adoption of renewable energy in the university in the most cost-effective way. Under an Energy-as-a-Service model that allows the customer to avoid upfront installation costs through monthly subscription, this enables the university to reduce carbon emissions by around 450 tonnes a year, using advanced technology that generates around 10% more electricity than traditional solar panels.

In addition, CLP Power, CLP*e* and real estate private equity firm Gaw Capital signed an MoU under which CLP Power will explore energy management solutions to help Gaw Capital further improve the energy efficiency of its properties in a cost-effective manner.

Electrification is key to decarbonising Hong Kong's transport sector and CLP Power has played a key role in the local EV ecosystem by promoting the wider adoption of both private and commercial EVs for Hong Kong to meet the city's goal of zero vehicular emissions by 2050. More information about CLP's efforts to promote eMobility can be found on page 17.

Outlook

CLP Power will remain focused on a comprehensive range of measures as part of a continuous commitment to enhance power supply reliability including working with the Government on the long-term review of the power system and on bringing more zero-carbon energy to the city.

CLP Power's new Five-Year Development Plan includes major investments in infrastructure that will strengthen the quality and reliability of electricity services and ensure sufficient on-time energy supply to support the Hong Kong Government's policy priorities, including the accelerated development of infrastructure and housing projects in new towns and development areas such as the Northern Metropolis.

The Government recently tabled a legislative framework to enhance protection of the computer systems of critical infrastructure across a range of industries, including energy. Cyber threats are ever evolving and CLP Power is committed to working closely with the Government on the new approach.

CLP Power and CLP*e* will deepen their focus on the evolving energy needs of customers as decarbonisation, digitalisation and electrification transform the electricity sector, helping Hong Kong towards a smarter and more sustainable future.

Hong Kong's world-class electricity network is built upon decades of long-term investment. This year sees the 30th anniversary of Daya Bay and the 10th anniversary of CLP's partnership with CSG in CAPCO – milestones that provide the opportunity not only to celebrate past achievements but also to reflect on the critical importance of planning for tomorrow.

**Mainland China**

CLP China continued to expand its renewable energy investments to support the decarbonisation of the nation's economy, as operations of non-carbon assets remained solid in the first half.

Daya Bay and Yangjiang Nuclear Power Station (Yangjiang) in Guangdong province continued to deliver safe, reliable electricity, although generation decreased compared with the same period a year earlier because of more planned maintenance works. The operation of both generation units at Daya Bay resumed as scheduled after major planned outages were successfully completed in January and June. The large-scale maintenance works were essential to allow the power station to continue to supply zero-carbon energy safely and reliably three decades after it first went into service. Output from Yangjiang was lower due to an increase in planned maintenance outages in the first half as the power station enters its 10th year of operations.

Generation from CLP China's renewable energy assets was slightly higher with growth in output from solar and hydro energy, thanks to contributions from the new 74MW Yangzhou Gongdao Solar Power Station in Jiangsu province and improved water resources in southern China, benefitting Huaiji Hydro Power Stations in Guangdong province. However, these were partially offset by an increase in grid curtailment in northern China, which limited dispatch from wind projects in Jilin province and the Jinchang solar project in Gansu province.

The contribution from CLP China's minority coal-fired assets declined compared with the same period a year ago as increased competition led to lower tariffs, though this was partially offset by stabilising fuel prices.

*Maintaining momentum on decarbonisation*

CLP China maintained strong momentum in its development of renewable energy in the first half as construction of 300MW of solar and wind energy projects started. This comprised the 100MW Sandu II Wind Farm in Guizhou province as well as the Yixing and Huai'an Nanzha solar projects in Jiangsu province, each with up to 100MW of generation capacity. Meanwhile, work on the 150MW Bobai Wind Farm in Guangxi Zhuang Autonomous Region progressed as planned, and the project is expected to be commissioned by the first half of 2025.

The growing renewable energy portfolio further improved CLP China's ability to deliver sustainable energy solutions directly to businesses. This was reflected by the signing of a 10-year contract to supply renewable energy to a major software company through Green Energy Certificates (GECs), CLP China's largest GEC contract to date by revenue.

All wind and solar energy farms under development by CLP China are grid-parity projects designed to operate without government subsidies. For legacy renewable energy projects, the amount of unpaid national subsidy payments owed to CLP China's renewable energy subsidiaries was HK$2,714 million at the end of June, compared with HK$2,426 million six months earlier.

CLP*e* continued to expand its presence in the Greater Bay Area to capture growing opportunities in providing Energy-as-a-Service. In May, it signed an agreement to offer cooling services to a Hong Kong-headquartered knit fabric manufacturer in Guangzhou. CLP*e* will construct a large-scale cooling station to replace the customer's existing infrastructure. As part of a 10-year contract, a new chiller station will be built to provide chilled water supply for the customer's factories and dormitories, delivering improved cooling quality as well as enhanced energy and water efficiency. Emissions of carbon and other pollutants will also be reduced.

Outlook

CLP China will remain focused on opportunities in renewable energy and sustain the momentum on new project development, with a number of sizable projects going through the final stage of approval processes with construction works expected to commence in the second half of the year. They include a 160MW wind project in Guangxi Zhuang Autonomous Region and two wind farms in Shandong province with combined capacity of 531MW. CLP China is therefore well-positioned to double its renewable energy portfolio in the medium term, strengthening the business's ability to support the Central Government's dual carbon targets of peaking emissions by 2030 and achieving carbon neutrality by 2060.

CLP China will also seek more long-term corporate power purchase agreements and GECs to meet the growing low-carbon energy needs of businesses and further underpin renewable energy investments. The contribution of nuclear energy assets is expected to stabilise following the successful completion of large-scale maintenance programmes, providing solid financial foundations for CLP China to expand its role in the energy transition.

As the Chinese economy continues to decarbonise, CLP*e* will support more businesses and communities in the Greater Bay Area in the low-carbon transition by providing energy infrastructure and energy management solutions.

**Australia**

EnergyAustralia continued to improve the performance of its generation and retail businesses in the first half of the year against a backdrop of wholesale electricity price volatility and intense market competition, delivering increased financial contributions to the Group.

*Strengthening generation performance*

Margins for EnergyAustralia's Energy business improved thanks to higher realised prices for electricity from its power stations. At Yallourn Power Station in Victoria, EnergyAustralia made further progress with a multi-year maintenance programme which is expected to be largely completed by the end of the year.

Generation from Mount Piper Power Station in New South Wales increased following an improvement in coal deliveries under a new multi-mine agreement with the fuel supplier signed last year. Deliveries also benefitted from the supplier's improved mining operations.

During the second quarter, wholesale electricity prices rose substantially due to reduced renewable energy generation and outages of other power plants in the National Electricity Market, particularly in New South Wales. These market conditions, combined with the improved performance of EnergyAustralia's generation assets, resulted in increased operating earnings in the Energy business. EnergyAustralia also recognised a fair value gain upon the settlement of lower-priced forward energy sale contracts, partially offset by the impact of an increase in forward energy prices on outstanding sale contracts.

*Focus on competitive, affordable energy services*

EnergyAustralia keeps customer satisfaction at the forefront of its business. Intensified competition in the retail energy market led to a decline in customer accounts of 23,200, or around 1%, from December 2023 to June 2024. EnergyAustralia's customer churn rate remained below the market average while the customer satisfaction score improved, reflecting EnergyAustralia's commitment to customer service.

As cost-of-living pressures continue to affect many Australian households, EnergyAustralia has continued to offer discounts and provide flexible payment plans to more retail customers through its EnergyAssist programme. The number of customer accounts supported by the programme increased to over 57,200 as of 30 June. The energy assistance initiatives introduced by the Australian Government are anticipated to alleviate financial pressure on customers in the second half of the year.

Despite lower energy usage and higher bad debt expenses, earnings from the Customer business improved with effective procurement of energy supplied to retail customers.

EnergyAustralia is focused on providing customers with competitive, affordable energy services. In July, it reduced electricity tariffs for customers on default plans, in line with reductions in benchmark retail power prices set by energy regulators.

*Flexible capacity for the energy transition*

EnergyAustralia continued to step up the development of flexible capacity projects to diversify its energy supply portfolio and support the transition to lower-carbon energy. Commercial operations began in June at Tallawarra B Power Station, the first new gas-fired power plant in New South Wales for more than a decade. The 320MW fast-start peaking generator provides dispatchable capacity and can respond quickly to changes in power demand, bolstering supply reliability as more renewable energy enters the grid. The adjacent Tallawarra A gas-fired power station is planned to be upgraded this year to increase its generation capacity from 440MW to 480MW to deliver more flexible energy in response to market needs.

Energy storage systems also offer flexible capacity to help balance the electricity grid. EnergyAustralia secured approvals for the development and grid connection of the Wooreen battery energy storage system in Victoria, with proposed capacity of 350MW/1,400MWh. A planning approval exemption was also secured for a planned battery system at Hallett Power Station in South Australia with proposed capacity of 50MW/200MWh.

Meanwhile, construction progressed at the 250MW/2,000MWh Kidston pumped hydro storage system in Queensland which is due to go into service in 2025, giving EnergyAustralia flexible capacity through an offtake agreement with owner Genex Power.

EnergyAustralia also continued to investigate the feasibility for the development of a large battery system next to Mount Piper Power Station, as well as the Lake Lyell pumped hydro system in New South Wales, recently designated by the State Government as one of six Critical State Significant Infrastructure projects supporting the energy transition.

Outlook

EnergyAustralia will continue its efforts on strengthening its generation performance and providing competitive, affordable retail energy services to customers, enabling the business to build on the good progress made in the first half to sustain the delivery of improving financial contributions to the Group.

In addition, it is committed to maintaining its support for customers as cost-of-living pressures persist, while continuing to deliver reliable services from existing generation and develop new flexible capacity to support the Australian energy market’s critical journey towards decarbonisation.

**India**

Apraava Energy maintained its strong financial and operational performance in 2024, and the joint venture further consolidated its position in India’s low-carbon energy economy taking significant steps in the development of renewable energy, transmission and advanced metering infrastructure (AMI) projects to meet rising energy demand and support the country’s decarbonisation.

Jhajjar Power Station, the joint venture's only operating coal-fired asset, maintained its outstanding performance as one of the most efficient thermal power plants in India. Apraava Energy is exploring the possibility of using the site of its out-of-service Paguthan Power Station for low-carbon energy development.

Operations of the renewable energy portfolio were stable. Wind energy output was affected by lower resources, offsetting contributions from the new Sidhpur wind farm in the western state of Gujarat. About 98% of the plant's 251MW capacity has been commissioned so far after operations began in phases last year. Solar energy generation remained stable.

*Supercharging the energy transition*

Apraava Energy sustained a rapid pace of growth in its development of non-carbon energy business opportunities in the first half of 2024, after winning the rights for 350MW of renewable energy capacity, nearly 200 kilometres of transmissions lines and the installation of over 1.7 million smart meters.

Apraava Energy bid successfully for a 300MW solar energy project in the northwestern state of Rajasthan, and the power purchase agreement is expected to be finalised shortly, enabling construction to start in the second half of the year. Another 50MW solar energy project in the same state was won in May 2024. The project is expected to go into construction in the second half after the Letter of Award is received. Apraava Energy will also begin construction of a 250MW solar farm in Rajasthan and a 300MW wind farm in Karnataka – both projects were secured last year and have power purchase agreements in place.

Transmission infrastructure is critical to connect new renewable energy capacity to the power grid and supercharge India's energy transition. Building on the sound performance of its two transmission assets, Apraava Energy continued to explore more transmission projects, winning the rights to develop an interstate transmission project in Rajasthan in March comprising almost 200 kilometres of transmission lines and a 6,000-megavolt ampere (MVA) substation, with construction due to begin in the second half of the year. Two other projects secured in the same state in 2023, with a total of 250 kilometres of transmission lines and a 2,500MVA substation, are expected to go into service in 2025 as construction continued to progress. Apraava Energy is also scheduled to start construction this year on an interstate transmission project in Madhya Pradesh involving more than 40 kilometres of transmission lines and a 3,000MVA substation. The project was won in an auction in 2023 and transferred to Apraava Energy in February 2024.

Apraava Energy is emerging as a major player in AMI projects and have so far won four contracts to bring smart meters into 4.8 million homes across India. It signed a contract to install more than 770,000 smart meters in West Bengal in February, and another contract for 930,000 meters in Himachal Pradesh in May. Installations will start on both projects in the second half. Further progress was made on two other AMI projects in Assam and Gujarat where a total of more than 3 million smart meters are on course to be provided by 2025. About 392,000 smart meters have been installed in the two states to date.

Apraava Energy holds a current registration issued under the General Financial Rules 2017 which enables it to participate in project bids issued by any government agency. That registration was issued in December 2021 and is due to expire in December this year. An application for renewal of this registration has been made.

Outlook

Apraava Energy's low-carbon energy portfolio is expanding, and the joint venture is seeking further opportunities to develop renewable energy, transmission and AMI projects to support the energy transition as the electricity sector retains a key role in powering India's growth following the Government's re-election in India's General Election.

With a growing pipeline of projects, Apraava Energy is well-positioned to substantially grow its renewable energy portfolio in the medium term, strengthening the business's ability to support the Indian Government's targets of installing 500GW of renewable generation assets by 2030 and achieving carbon neutrality by 2070.

**Taiwan Region and Thailand**

Generation at Ho-Ping Power Station was halted temporarily when a devastating earthquake hit eastern Taiwan in April. Fortunately, there were no injuries to power station workers and operations resumed in May following repairs. The disruption to operations inevitably reduced the plant's financial contributions. In Thailand, meanwhile, Lopburi Solar Farm maintained stable operations.

Outlook

Ho-Ping Power Station will focus on dealing with any remaining impact on its operations from the earthquake and will strengthen safeguards against any future incidents. The power station will also explore the feasibility of decarbonisation projects near the plant, as well as utility-scale solar energy.

**Human Resources**

The CLP Group had 8,159 full-time and part-time employees on 30 June 2024, compared with 7,879 at the same time in 2023. This included 5,883 employees in Hong Kong and Mainland China, up from 5,705 a year earlier. Total remuneration for the six months to 30 June was HK$3,574 million, compared with HK$3,265 million for the same period in 2023, including retirement benefit costs of HK$331 million compared with HK$315 million a year earlier.

CLP's people are one of its greatest assets. Building a workforce equipped for the future and creating a safe, inclusive workplace in which everyone can thrive are vital to CLP's continuing growth in a fast-evolving energy market.

Aligned to the Group's priorities to deliver decarbonisation and digitalisation, CLP continued to step up recruitment of experienced and entry-level professionals across all markets, with a focus on hiring and developing people with engineering, business development, commercial and digital skills.

In a strong recognition of its efforts in enhancing employee wellbeing and its corporate image, CLP China was named "China Preferred Employer of the Year 2023" by Zhilian Recruitment. This sets a strong foundation for CLP to further tap into the broader talent market in China.

As part of the Group's ongoing efforts to create a dynamic workplace culture and embed new ways of working, CLP's Value Framework has been refreshed following a series of top-down and bottom-up employee engagement. With an aim to support its people to bring the three core values of Care, Excellence and Responsibility to life, a comprehensive rollout plan is now underway, with workforce engagement activities, leadership development initiatives and updates of relevant policies planned for the second half of 2024.

To promote a diverse, equal and inclusive workplace, CLP conducted its first Diversity & Inclusion (D&I) Awareness week across its Hong Kong offices in May. More than half of its people participated in workshops and other activities focusing on a range of D&I topics covering gender, disability, ethnicity, multigenerational workforce and family caregiving. CLP is committed to supporting gender diversity in its business. As of 30 June, the ratio of women in leadership positions continued to increase to 30% while the ratio of female employees with engineering qualification maintained at 13%.

**Health and Safety**

Safety in the workplace is an absolute priority for CLP. The Group maintained a proactive, collaborative approach to manage safety and health risks in the first half of the year, harnessing the insights of employees and operational data as part of a long-term strategy designed to reduce damaging events affecting the workforce.

Under the Group's health, safety and environment (HSE) strategy for 2022 to 2024, CLP has continued to focus on addressing the risk of high consequence, low probability events. Businesses across the Group are implementing HSE measures guided by modern management approaches based on principles of learning from normal work and human and organisational performance, drawing on the knowledge and experience of frontline workers to drive better and more dynamic safety management at all levels. These guiding principles are tailored to specific local market needs and backed by training and learning resources for employees.

CLP continued to widen the use of integrated digital software solutions and data analytics to strengthen workplace safety, as digitalisation supports improved decision-making through enhanced risk management, job hazard analysis and change management, while enabling the application of ergonomics and occupational health measures.

Total recordable injury rate (TRIR) and lost time injury rate (LTIR) for employees, and employees and contractors were marginally higher compared with the same period in 2023, reflecting a slight rise in incidents during power station maintenance outages in Australia, and a reduction in the number of overall manhours worked across the Group.

| | Employees | | Employees and Contractors | |
|---|---|---|---|---|
| | **Jan – Jun 2024**[2] | Jan – Jun 2023[1,2] | **Jan – Jun 2024**[2] | Jan – Jun 2023[1] |
| LTIR | **0.15** | 0.03 | **0.11** | 0.07 |
| TRIR | **0.26** | 0.08 | **0.21** | 0.16 |

Notes:

1 Figures for 2023 were revised to reflect the reclassification of three cases, as well as minor adjustments to the number of hours worked.

2 The LTIR and TRIR figures are for work-related injuries only (excluding work-related ill health and commuting-related injuries), in line with requirements of the Global Reporting Initiative. There were no work-related ill health injuries in January – June 2024 (two in January – June 2023)[1] and no work-related commuting injury in January – June 2024 (one in January – June 2023).

Tragically, there was a fatal incident involving a contractor of Lopburi Solar Farm in Thailand in June. The plant's operator Natural Energy Development Co., Ltd. has conducted an investigation into the incident and is committed to ongoing efforts to strengthen safety at Lopburi, in which CLP has no operational control as a minority equity owner.

CLP is committed to implementing ongoing improvements to workplace health and safety and ensuring its governance and systems address evolving business needs. An updated strategy for 2025 to 2027 will be launched before the end of this year to further strengthen HSE management.

**Environment**

CLP continued to implement measures to reduce air pollution and improve water management minimising the environmental impact of its operations.

In Hong Kong, the new D2 gas-fired generation unit at Black Point uses the latest combined-cycle gas turbine technology for more efficient generation performance and selective catalytic reduction equipment to reduce nitrogen oxides emissions, lowering air pollutants and greenhouse gas emissions.

Operations meanwhile began at EnergyAustralia's Tallawarra B Power Station in New South Wales, which is equipped with efficient generation and pollution-control technologies to enhance its environmental performance. A plume dispersion device slows the velocity of exhaust gas from the plant, eliminating any threat to flights in and out of nearby Shellharbour Airport. In addition, preparations for the Environmental Impact Statement (EIS) for the proposed Lake Lyell pumped hydro project in the same state are underway following detailed geotechnical investigations to study the effects on surrounding water systems. EnergyAustralia will submit the EIS to the state government before the end of the year.

CLP is determined to continue to decarbonise its operations and improve its environmental performance, and closely monitors and responds to changes in regulations in the markets in which it operates. The Group reported no environmental regulatory non-compliance incidents resulting in fines or prosecutions during the first half of the year.

**Climate Action**

Decarbonisation is CLP's top priority and the Group stepped up investments in low-carbon energy to further reduce greenhouse gas (GHG) emissions.

Following a review of Climate Vision 2050 concluded earlier this year, CLP strengthened its target for the GHG emissions intensity of electricity sold in 2030 from 0.3kg $CO_2e$/kWh (kilograms of carbon dioxide equivalent per kilowatt hour) to 0.26kg $CO_2e$/kWh. Other decarbonisation targets and commitments were maintained, including phasing out coal-fired generation before 2040 and achieving net-zero GHG emissions across the value chain by 2050.

The Group's focus on decarbonisation was reflected by its infrastructure investments. The 600MW D2 gas-fired generation unit which went into service at Black Point in the second quarter represents a major step forward for Hong Kong's energy transition. Together with the adjacent 550MW D1 generation unit, D2 will help reduce the carbon intensity of electricity generation in Hong Kong and support continued power supply reliability following the retirement of three generation units at the coal-fired Castle Peak A Power Station. The upgrading of CLP Power's cross-border CETS transmission infrastructure continued to progress and will give Hong Kong a greater capacity to import zero-carbon energy and provide the city with a more sustainable energy supply when completed.

CLP China further strengthened its position in the renewable energy market on the Mainland as the business moved forward with a stream of new wind and solar projects. A total of 450MW of renewable energy projects are currently under construction as of the end of June 2024 with the momentum continuing in the second half.

EnergyAustralia concentrated on the development of several energy storage projects to provide the flexible capacity needed for a reliable energy transition, including the Wooreen battery project in Victoria and other potential projects such as the 335MW Lake Lyell pumped hydro project in New South Wales. Another flexible capacity project, the 320MW Tallawarra B Power Station, went into service in June. The plant is designed to be capable of running on a mixture of natural gas and hydrogen to lower its emissions.

Apraava Energy sustained its strong growth momentum after winning the rights to develop more renewable energy, transmission and AMI projects in India, with the new 251MW Sidhpur wind energy project in Gujarat mostly commissioned.

**Sustainability Performance**

The Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange) published new reporting requirements in April to align more closely with the International Sustainability Standards Board's (ISSB's) International Financial Reporting Standards (IFRS) S2 standard on climate-related disclosures. CLP was among companies that made submissions during the consultation process and is well-placed to meet the requirements, which take effect in 2025, of the Hong Kong Stock Exchange's Environmental, Social and Governance (ESG) Reporting Guide.

For the reporting year of 2023, CLP took additional steps to update discussions about the Group's sustainability agenda with reference to the ISSB's IFRS S1 and IFRS S2 standards. The enhanced corporate reporting aimed to enable stakeholders to develop a stronger understanding of the sustainability-related impacts, risks and opportunities (IROs) that are most relevant to the sustainability of CLP's business. The IROs were organised under six material topics: transition to net-zero, energy growth opportunities, energy security and reliability, a safe and future-ready workforce, business resilience and community stewardship.

The Annual Report focused on financially material topics while impacts on people, the environment and the economy were discussed in the Sustainability Report. In addition, the Sustainability Report includes discussions on nature-related topics with reference to the final Taskforce on Nature-related Financial Disclosures guidelines published in September 2023. CLP maintained its stakeholder focus, outlining in detail how it meticulously balances the interests and expectations of customers, employees, partners and the broader community.

The 2023 Annual Report and Sustainability Report both received Gold Awards from the Australasian Reporting Awards for the sixth consecutive year, highlighting the quality and comprehensive nature of its reporting. CLP was also honoured with the organisation's Sustainability Report of the Year award. The Group's progressive approach to sustainability management was also reflected by its inclusion in international stock indices which track and benchmark companies' ESG performance and transparency, including the Dow Jones Sustainability Asia Pacific Index, the MSCI ACWI ESG Universal Index, the Hang Seng Corporate Sustainability Index and the FTSE4Good Index.

**eMobility**

Transportation accounts for about a quarter of global $CO_2$ emissions and electric transport is seen by many as critical to the decarbonisation of the economy. EVs are also gaining popularity due largely to technological improvements such as increased battery range and faster charging. In Hong Kong, for example, one out of 10 cars on the road is an EV. CLP is drawing on its unparalleled energy expertise to provide reliable, convenient charging infrastructure and services for both private and commercial EV users.

In Hong Kong, CLP Power offers technical support and power solutions to deliver access to high-quality EV charging facilities that is essential to encourage motorists to switch to EVs. To support the Hong Kong Government's EV-charging at Home Subsidy Scheme (EHSS) for the installation of EV charging-enabling infrastructure, CLP Power has completed preliminary power supply capacity assessment for all of the around 550 applications received, covering around 133,000 parking spaces in private residential buildings. CLP Power helped assess the power supply capacity available on the customers' side for the car parks and provided professional advice in the areas of power supply equipment upgrade and electrical system design. CLP Power's existing power supply network is able to support the charging requirements for around 80% of the EHSS applications, and will ensure the timely upgrade of its capacity to support the remaining applications.

Expanding electric transport in Hong Kong depends on a thriving and effective ecosystem. CLP Power deepened cooperation with partners in the eMobility Network to promote the development of electric commercial vehicles. Founded in 2023, the network provides a cross-sector platform for knowledge and technology exchange and comprises CLP Power, CLP*e* and 13 other companies from the automotive, EV-charging and finance sectors.

One innovative solution from CLP Power is an ongoing project to help increase the power supply capacity available to EV charge point operator and network partner Sino Express Intelligence (Sino Express). A specially designed outdoor substation for housing power transformers and switchgear equipment has been developed. This gives Sino Express the ability to significantly reduce the time and cost required to secure the power supply capacity for its high-power outdoor charging station. The project is expected to be energised later this year.

The EV market is entering a pivotal growth period and CLP Power is leading the way in exploring advanced technologies for grid management to monitor and optimise the power supply for EV charging, as well as different service models such as variable charging rates.

CLP Power is also facilitating the electrification of public transport in Hong Kong, which aims to put 700 electric buses and 3,000 electric taxis on the road by the end of 2027 as part of its targets to achieve zero vehicular emissions before 2050. In addition to supporting trials of public light buses, taxis and ferries, CLP Power is providing technical support on charging facilities to The Kowloon Motor Bus Company (1933) Limited, which has deployed about 80 electric buses as of June 2024 and plans to expand electrification for its fleet of around 4,000 buses progressively in the future.

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

In Australia, EnergyAustralia is on track to deliver an EV charging infrastructure project in Queensland with tours and charter bus operator Tropic Wings by the end of 2024. The project will see the replacement of diesel buses with 12 electric buses with charging infrastructure that will be scalable to accommodate Tropic Wings' future fleet requirements. It will allow Tropic Wings to gain uninterrupted power supply while facilitating the development of green tourism and reducing environmental impact. EnergyAustralia will offset the fossil component of the energy consumed by the electric buses with renewable energy certificates.

## FINANCIAL INFORMATION

*The financial information set out below in this announcement represents an extract from the condensed consolidated interim financial statements, which are unaudited but have been reviewed by the Group's external auditor, PricewaterhouseCoopers (PwC), in accordance with Hong Kong Standard on Review Engagements 2410 and by the Audit & Risk Committee. PwC's unmodified review report is included in the Interim Report to be sent to shareholders.*

***Consolidated Statement of Profit or Loss – Unaudited***
***for the six months ended 30 June 2024***

| | *Note* | **2024 HK$M** | 2023 HK$M |
|---|---|---|---|
| **Revenue** | *2* | **44,086** | 43,302 |
| Expenses | | | |
| Purchases and distributions of electricity and gas | | **(15,317)** | (17,259) |
| Staff expenses | | **(2,638)** | (2,362) |
| Fuel and other operating expenses | | **(14,222)** | (14,098) |
| Depreciation and amortisation | | **(4,554)** | (4,358) |
| | | **(36,731)** | (38,077) |
| Operating profit | *4* | **7,355** | 5,225 |
| Finance costs | | **(1,092)** | (1,032) |
| Finance income | | **102** | 129 |
| Share of results, net of income tax | | | |
| Joint ventures | | **519** | 660 |
| Associates | | **912** | 1,271 |
| Profit before income tax | | **7,796** | 6,253 |
| Income tax expense | *5* | **(1,366)** | (705) |
| Profit for the period | | **6,430** | 5,548 |
| **Earnings attributable to:** | | | |
| **Shareholders** | | **5,951** | 5,060 |
| Perpetual capital securities holders | | **70** | 70 |
| Other non-controlling interests | | **409** | 418 |
| | | **6,430** | 5,548 |
| **Earnings per share, basic and diluted** | *7* | **HK$2.36** | HK$2.00 |

***Consolidated Statement of Profit or Loss and Other Comprehensive Income – Unaudited for the six months ended 30 June 2024***

| | **2024** | 2023 |
|---|---|---|
| | **HK$M** | HK$M |
| **Profit for the period** | **6,430** | 5,548 |
| Other comprehensive income | | |
| Items that can be reclassified to profit or loss | | |
| Exchange differences on translation | **(994)** | (1,038) |
| Cash flow hedges | **715** | 639 |
| Costs of hedging | **(2)** | 4 |
| | **(281)** | (395) |
| Items that cannot be reclassified to profit or loss | | |
| Fair value gains on investments | **199** | 4 |
| Remeasurement losses on defined benefit plans | **(18)** | (13) |
| | **181** | (9) |
| **Other comprehensive income for the period, net of tax** | **(100)** | (404) |
| Total comprehensive income for the period | **6,330** | 5,144 |
| **Total comprehensive income attributable to:** | | |
| **Shareholders** | **5,835** | 4,676 |
| Perpetual capital securities holders | **70** | 70 |
| Other non-controlling interests | **425** | 398 |
| | **6,330** | 5,144 |

***Consolidated Statement of Financial Position – Unaudited***

| | Note | **30 June 2024 HK$M** | Audited 31 December 2023 HK$M |
|---|---|---|---|
| **Non-current assets** | | | |
| Fixed assets | *8* | **154,556** | 152,786 |
| Right-of-use assets | *9* | **10,250** | 7,993 |
| Investment property | | **851** | 884 |
| Goodwill and other intangible assets | | **12,589** | 12,854 |
| Interests in and loans to joint ventures | | **12,609** | 12,518 |
| Interests in associates | | **8,453** | 9,380 |
| Deferred tax assets | | **1,621** | 2,041 |
| Derivative financial instruments | | **1,328** | 1,173 |
| Other non-current assets | | **1,904** | 2,492 |
| | | **204,161** | 202,121 |
| **Current assets** | | | |
| Inventories – stores and fuel | | **3,978** | 3,327 |
| Renewable energy certificates | | **715** | 1,151 |
| Properties for sale | | **2,082** | 2,193 |
| Trade and other receivables | *10* | **17,867** | 13,650 |
| Derivative financial instruments | | **1,759** | 1,077 |
| Fuel clause account | | **834** | 328 |
| Short-term deposits and restricted cash | | **18** | 22 |
| Cash and cash equivalents | | **2,929** | 5,182 |
| | | **30,182** | 26,930 |
| **Current liabilities** | | | |
| Customers' deposits | | **(7,087)** | (6,880) |
| Trade payables and other liabilities | *11* | **(19,968)** | (20,306) |
| Income tax payable | | **(1,094)** | (1,063) |
| Bank loans and other borrowings | | **(13,322)** | (12,572) |
| Derivative financial instruments | | **(1,750)** | (1,658) |
| | | **(43,221)** | (42,479) |
| Net current liabilities | | **(13,039)** | (15,549) |
| **Total assets less current liabilities** | | **191,122** | 186,572 |

*Consolidated Statement of Financial Position – Unaudited (continued)*

| | Note | 30 June 2024 HK$M | Audited 31 December 2023 HK$M |
|---|---|---|---|
| **Financed by:** | | | |
| **Equity** | | | |
| Share capital | | **23,243** | 23,243 |
| Reserves | *13* | **80,292** | 79,088 |
| Shareholders' funds | | **103,535** | 102,331 |
| Perpetual capital securities | | **3,887** | 3,887 |
| Other non-controlling interests | | **6,075** | 6,164 |
| | | **113,497** | 112,382 |
| **Non-current liabilities** | | | |
| Bank loans and other borrowings | | **48,443** | 44,943 |
| Deferred tax liabilities | | **16,903** | 16,752 |
| Derivative financial instruments | | **1,380** | 1,719 |
| Scheme of Control (SoC) reserve accounts | *12* | **2,935** | 2,643 |
| Asset decommissioning liabilities and retirement obligations | | **5,015** | 5,047 |
| Other non-current liabilities | | **2,949** | 3,086 |
| | | **77,625** | 74,190 |
| **Equity and non-current liabilities** | | **191,122** | 186,572 |

***Notes:***

**1. Basis of Preparation**

The unaudited condensed consolidated interim financial statements have been prepared in compliance with Hong Kong Accounting Standard (HKAS) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies adopted are consistent with those set out in the Group's annual financial statements for the year ended 31 December 2023, except for the adoption of the amendments and interpretation to HKASs and Hong Kong Financial Reporting Standard (HKFRS) for the current accounting period as set out below:

- Amendments to HKAS 1 Classification of Liabilities as Current or Non-current
- Amendments to HKAS 1 Non-current Liabilities with Covenants
- Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements
- Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback
- HK Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of amendments and interpretation to standards above has had no significant impact on the results and financial position of the Group. The Group has not early adopted any new or amended standards that are not yet effective for the current accounting period.

The financial information relating to the year ended 31 December 2023 that is included in the 2024 Interim Report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with Section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on the 31 December 2023 financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under Sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

The condensed consolidated interim financial statements were approved for issue by the Board of Directors on 5 August 2024.

## 2. Revenue

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

| | Six months ended 30 June | |
|---|---|---|
| | **2024** | 2023 |
| | **HK$M** | HK$M |
| Revenue from contracts with customers | | |
| Sales of electricity in Hong Kong | **23,917** | 23,637 |
| Transfer for SoC (from)/to revenue (note) | **(294)** | 492 |
| SoC sales of electricity | **23,623** | 24,129 |
| Sales of electricity outside Hong Kong | **16,672** | 15,259 |
| Sales of gas in Australia | **2,799** | 2,742 |
| Sales of properties in Hong Kong | **139** | 498 |
| Others | **652** | 515 |
| | **43,885** | 43,143 |
| Other revenue | **201** | 159 |
| | **44,086** | 43,302 |

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

## 3. Segment Information

The Group operates, through its subsidiaries, joint ventures and associates, in five major geographical regions – Hong Kong, Mainland China, Australia, India, and Taiwan Region and Thailand.

| | Hong Kong HK$M | Mainland China HK$M | Australia HK$M | India HK$M | Taiwan Region and Thailand HK$M | Unallocated Items HK$M | Total HK$M |
|---|---|---|---|---|---|---|---|
| **Six months ended 30 June 2024** | | | | | | | |
| Revenue from contracts with customers | 24,304 | 920 | 18,659 | - | 1 | 1 | 43,885 |
| Other revenue | 66 | 34 | 95 | - | - | 6 | 201 |
| Revenue | 24,370 | 954 | 18,754 | - | 1 | 7 | 44,086 |
| EBITDAF* | 9,130 | 771 | 2,224 | (2) | (4) | (459) | 11,660 |
| Share of results, net of income tax | | | | | | | |
| Joint ventures | (10) | 135 | - | 310 | 84 | - | 519 |
| Associates | - | 912 | - | - | - | - | 912 |
| Consolidated EBITDAF | 9,120 | 1,818 | 2,224 | 308 | 80 | (459) | 13,091 |
| Depreciation and amortisation | (2,809) | (413) | (1,305) | - | - | (27) | (4,554) |
| Fair value movements | (31) | - | 280 | - | - | - | 249 |
| Finance costs | (747) | (94) | (234) | - | - | (17) | (1,092) |
| Finance income | 58 | 8 | 13 | 1 | - | 22 | 102 |
| Profit/(loss) before income tax | 5,591 | 1,319 | 978 | 309 | 80 | (481) | 7,796 |
| Income tax expense | (997) | (197) | (171) | - | (1) | - | (1,366) |
| Profit/(loss) for the period | 4,594 | 1,122 | 807 | 309 | 79 | (481) | 6,430 |
| Earnings attributable to | | | | | | | |
| Perpetual capital securities holders | (70) | - | - | - | - | - | (70) |
| Other non-controlling interests | (401) | (8) | - | - | - | - | (409) |
| Earnings/(loss) attributable to shareholders | 4,123 | 1,114 | 807 | 309 | 79 | (481) | 5,951 |
| Excluding: Items affecting comparability | 10 | - | - | (106) | - | - | (96) |
| Operating earnings | 4,133 | 1,114 | 807 | 203 | 79 | (481) | 5,855 |
| **At 30 June 2024** | | | | | | | |
| Fixed assets, right-of-use assets and investment property | 142,776 | 9,133 | 13,664 | - | - | 84 | 165,657 |
| Goodwill and other intangible assets | 6,025 | 2,978 | 3,486 | - | - | 100 | 12,589 |
| Interests in and loans to joint ventures | 2,093 | 4,860 | - | 3,808 | 1,848 | - | 12,609 |
| Interests in associates | - | 8,453 | - | - | - | - | 8,453 |
| Deferred tax assets | - | 47 | 1,574 | - | - | - | 1,621 |
| Other assets | 11,889 | 5,731 | 15,009 | 27 | 38 | 720 | 33,414 |
| Total assets | 162,783 | 31,202 | 33,733 | 3,835 | 1,886 | 904 | 234,343 |
| Bank loans and other borrowings | 52,034 | 4,991 | 4,725 | - | - | 15 | 61,765 |
| Current and deferred tax liabilities | 16,813 | 1,160 | 23 | - | 1 | - | 17,997 |
| Other liabilities | 26,408 | 1,080 | 13,247 | 1 | 2 | 346 | 41,084 |
| Total liabilities | 95,255 | 7,231 | 17,995 | 1 | 3 | 361 | 120,846 |

* EBITDAF stands for earnings before interest, taxes, depreciation and amortisation, and fair value movements.

## 3. Segment Information (continued)

| | Hong Kong HK$M | Mainland China HK$M | Australia HK$M | India HK$M | Taiwan Region and Thailand HK$M | Unallocated Items HK$M | Total HK$M |
|---|---|---|---|---|---|---|---|
| Six months ended 30 June 2023 | | | | | | | |
| Revenue from contracts with customers | 25,059 | 927 | 17,154 | - | 2 | 1 | 43,143 |
| Other revenue | 67 | 42 | 45 | - | - | 5 | 159 |
| Revenue | 25,126 | 969 | 17,199 | - | 2 | 6 | 43,302 |
| EBITDAF | 8,756 | 825 | 481 | (7) | (3) | (498) | 9,554 |
| Share of results, net of income tax | | | | | | | |
| Joint ventures | (10) | 136 | - | 429 | 105 | - | 660 |
| Associates | - | 1,271 | - | - | - | - | 1,271 |
| Consolidated EBITDAF | 8,746 | 2,232 | 481 | 422 | 102 | (498) | 11,485 |
| Depreciation and amortisation | (2,780) | (408) | (1,147) | - | - | (23) | (4,358) |
| Fair value movements | (15) | - | 44 | - | - | - | 29 |
| Finance costs | (653) | (108) | (258) | - | - | (13) | (1,032) |
| Finance income | 96 | 6 | 9 | 4 | - | 14 | 129 |
| Profit/(loss) before income tax | 5,394 | 1,722 | (871) | 426 | 102 | (520) | 6,253 |
| Income tax (expense)/credit | (790) | (225) | 312 | (1) | (1) | - | (705) |
| Profit/(loss) for the period | 4,604 | 1,497 | (559) | 425 | 101 | (520) | 5,548 |
| Earnings attributable to | | | | | | | |
| Perpetual capital securities holders | (70) | - | - | - | - | - | (70) |
| Other non-controlling interests | (413) | (5) | - | - | - | - | (418) |
| Earnings/(loss) attributable to shareholders | 4,121 | 1,492 | (559) | 425 | 101 | (520) | 5,060 |
| Excluding: Items affecting comparability | (88) | - | - | (298) # | - | - | (386) |
| Operating earnings | 4,033 | 1,492 | (559) | 127 | 101 | (520) | 4,674 |
| At 31 December 2023 | | | | | | | |
| Fixed assets, right-of-use assets and investment property | 137,930 | 9,107 | 14,523 | - | - | 103 | 161,663 |
| Goodwill and other intangible assets | 5,935 | 3,124 | 3,688 | - | - | 107 | 12,854 |
| Interests in and loans to joint ventures | 2,097 | 5,021 | - | 3,510 | 1,890 | - | 12,518 |
| Interests in associates | - | 9,380 | - | - | - | - | 9,380 |
| Deferred tax assets | 2 | 49 | 1,990 | - | - | - | 2,041 |
| Other assets | 10,213 | 4,848 | 13,200 | 29 | 59 | 2,246 | 30,595 |
| Total assets | 156,177 | 31,529 | 33,401 | 3,539 | 1,949 | 2,456 | 229,051 |
| Bank loans and other borrowings | 47,835 | 5,025 | 4,655 | - | - | - | 57,515 |
| Current and deferred tax liabilities | 16,592 | 1,165 | 26 | 1 | 31 | - | 17,815 |
| Other liabilities | 27,531 | 1,051 | 12,188 | 2 | 2 | 565 | 41,339 |
| Total liabilities | 91,958 | 7,241 | 16,869 | 3 | 33 | 565 | 116,669 |

# One-off income of HK$298 million has been reclassified from operating earnings to items affecting comparability to align with the presentation for the year ended 31 December 2023

## 4. Operating Profit

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

| | Six months ended 30 June | |
|---|---|---|
| | **2024** | 2023 |
| | **HK$M** | HK$M |
| **Charging** | | |
| Retirement benefits costs | **248** | 236 |
| Variable lease expenses | **14** | 21 |
| Cost of properties sold | **111** | 392 |
| Net losses on disposal of fixed assets | **123** | 57 |
| Impairment of trade receivables | **182** | 128 |
| Revaluation loss on investment property | **33** | - |
| Fair value losses/(gains) on investments at fair value through profit or loss | **2** | (19) |
| Net exchange losses/(gains) | **45** | (7) |
| **Crediting** | | |
| Rental income from investment property | **(13)** | (12) |
| Dividends from equity investments | **(15)** | (15) |
| Net fair value (gains)/losses on non-debt related derivative financial instruments | | |
| Cash flow hedge | | |
| Reclassified from cash flow hedge reserve and cost of hedging reserve to | | |
| Purchases and distributions of electricity and gas | **(789)** | (9) |
| Fuel and other operating expenses | **(90)** | (854) |
| Ineffectiveness of cash flow hedge | **(30)** | (15) |
| Not qualified for hedge accounting | **(219)** | 794 |

## 5. Income Tax Expense

| | Six months ended 30 June | |
|---|---|---|
| | **2024** | 2023 |
| | **HK$M** | HK$M |
| Current income tax expense | **1,106** | 896 |
| Deferred tax expense/(credit) | **260** | (191) |
| | **1,366** | 705 |

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the period. Income tax on profits assessable outside Hong Kong has been provided at the rates prevailing in the respective jurisdictions.

## 6. Dividends

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | **2024** | | 2023 | |
| | **HK$ per Share** | **HK$M** | HK$ per Share | HK$M |
| First interim dividend paid | **0.63** | **1,592** | 0.63 | 1,592 |
| Second interim dividend declared | **0.63** | **1,592** | 0.63 | 1,592 |
| | **1.26** | **3,184** | 1.26 | 3,184 |

At the Board meeting held on 5 August 2024, the Directors declared the second interim dividend of HK$0.63 per share (2023: HK$0.63 per share). The second interim dividend is not reflected as a dividend payable in the interim financial statements.

## 7. Earnings per Share

The earnings per share are computed as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2024** | 2023 |
| Earnings attributable to shareholders (HK$M) | **5,951** | 5,060 |
| Weighted average number of shares in issue (thousand shares) | **2,526,451** | 2,526,451 |
| Earnings per share (HK$) | **2.36** | 2.00 |

Basic and fully diluted earnings per share are the same as the Company did not have any dilutive equity instruments throughout the six months ended 30 June 2024 and 2023.

## 8. Fixed Assets

| | 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 (note) | - | 1,087 | - | 1,087 |
| Additions | - | 1,430 | 4,061 | 5,491 |
| Transfers and disposals | - | (10) | (265) | (275) |
| Depreciation | - | (442) | (3,558) | (4,000) |
| Exchange differences | (7) | (61) | (465) | (533) |
| **Net book value at 30 June 2024** | **291** | **24,828** | **129,437** | **154,556** |
| Cost | 367 | 41,539 | 245,306 | 287,212 |
| Accumulated depreciation and impairment | (76) | (16,711) | (115,869) | (132,656) |
| **Net book value at 30 June 2024** | **291** | **24,828** | **129,437** | **154,556** |

Note: In March 2024, the Group completed the acquisition of the entire interest in Sanon Limited (Sanon), a company that holds a property in Kai Tak, Hong Kong. This property will become CLP's new headquarters. The total consideration for this acquisition amounted to HK$3,699 million (net of consideration adjustment of HK$6 million), including the additional costs with respect to the add-on designs required by the Group. The property comprised building and leasehold land of HK$1,087 million and HK$2,618 million (Note 9) respectively. Part of the consideration totaling HK$676 million was paid as prepayment for the purchase of the property in 2021 and 2022. At 30 June 2024, an outstanding consideration of HK$331 million was included under trade payables and other liabilities.

The transaction is accounted for as an asset acquisition since substantially all the fair value of the gross assets acquired was primarily concentrated in the property held by Sanon.

## 9. Right-of-Use Assets

| | Leasehold Land HK$M | Buildings HK$M | Plant, Machinery and Equipment HK$M | Total HK$M |
|---|---|---|---|---|
| Net book value at 1 January 2024 | 6,608 | 471 | 914 | 7,993 |
| Acquisition of a subsidiary (Note 8) | 2,618 | - | - | 2,618 |
| Additions/cost adjustments | (82) | 18 | (40) | (104) |
| Modifications to lease terms | - | (3) | - | (3) |
| Depreciation | (110) | (51) | (45) | (206) |
| Exchange differences | (14) | (11) | (23) | (48) |
| **Net book value at 30 June 2024** | **9,020** | **424** | **806** | **10,250** |

## 10. Trade and Other Receivables

| | **30 June 2024 HK$M** | 31 December 2023 HK$M |
|---|---|---|
| Trade receivables | **15,459** | 11,852 |
| Deposits, prepayments and other receivables | **1,795** | 1,700 |
| Loans to a joint venture | **61** | 60 |
| Dividend receivables from | | |
| Joint ventures | **194** | 31 |
| An associate | **331** | - |
| Equity investments | **15** | - |
| Current accounts with | | |
| Joint ventures | **11** | 6 |
| An associate | **1** | 1 |
| | **17,867** | 13,650 |

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

| | **30 June 2024 HK$M** | 31 December 2023 HK$M |
|---|---|---|
| 30 days or below* | **13,913** | 10,159 |
| 31 – 90 days | **521** | 735 |
| Over 90 days | **1,025** | 958 |
| | **15,459** | 11,852 |

* Including unbilled revenue

## 11. Trade Payables and Other Liabilities

| | **30 June 2024 HK$M** | 31 December 2023 HK$M |
|---|---|---|
| Trade payables | **7,159** | 6,526 |
| Other payables and accruals | **9,383** | 10,578 |
| Lease liabilities | **156** | 200 |
| Advances from non-controlling interests | **545** | 589 |
| Current accounts with | | |
| Joint ventures | **4** | 3 |
| An associate | **530** | 120 |
| Deferred revenue | **2,191** | 2,290 |
| | **19,968** | 20,306 |

The ageing analysis of the trade payables based on invoice date is as follows:

| | **30 June 2024 HK$M** | 31 December 2023 HK$M |
|---|---|---|
| 30 days or below | **6,832** | 6,308 |
| 31 – 90 days | **240** | 191 |
| Over 90 days | **87** | 27 |
| | **7,159** | 6,526 |

## 12. SoC Reserve Accounts

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 period/year are:

| | **30 June 2024 HK$M** | 31 December 2023 HK$M |
|---|---|---|
| Tariff Stabilisation Fund | **2,873** | 2,529 |
| Rate Reduction Reserve | **62** | 114 |
| | **2,935** | 2,643 |

## 13. Reserves

The movements in reserves attributable to shareholders during the period 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 | - | - | - | - | 5,951 | 5,951 |
| Other comprehensive income | | | | | | |
| Exchange differences on translation of | | | | | | |
| Subsidiaries | (574) | (18) | - | - | 18 | (574) |
| Joint ventures | (244) | - | - | - | - | (244) |
| Associates | (176) | - | - | - | - | (176) |
| Cash flow hedges | | | | | | |
| Net fair value gains | - | 1,647 | - | - | - | 1,647 |
| Reclassification to profit or loss | - | (685) | - | - | - | (685) |
| Tax on the above items | - | (263) | - | - | - | (263) |
| Costs of hedging | | | | | | |
| Net fair value gains | - | - | 16 | - | - | 16 |
| Reclassification to profit or loss | - | - | (18) | - | - | (18) |
| Fair value gains on investments | - | - | - | 199 | - | 199 |
| Remeasurement losses on defined benefit plans | - | - | - | - | (18) | (18) |
| Release of revaluation gains upon sale of properties | - | - | - | (75) | 75 | - |
| Total comprehensive income attributable to shareholders | (994) | 681 | (2) | 124 | 6,026 | 5,835 |
| Transfer to fixed assets | - | 18 | - | - | - | 18 |
| Appropriation of reserves | - | - | - | 32 | (32) | - |
| Dividends paid | | | | | | |
| 2023 fourth interim | - | - | - | - | (3,057) | (3,057) |
| 2024 first interim | - | - | - | - | (1,592) | (1,592) |
| **Balance at 30 June 2024** | **(8,335)** | **935** | **36** | **2,095** | **85,561** | **80,292** |

## 14. Commitments

(A) Capital expenditure on fixed assets, leasehold land and intangible assets contracted for but not yet incurred at 30 June 2024 amounted to HK$8,168 million (31 December 2023: HK$10,158 million).

(B) The Group has entered into a long-term Energy Storage Services Agreement (ESSA) to be the market operator of the 250MW Kidston pumped hydro energy storage facility in Queensland. This facility is currently under construction and the ESSA is subject to a number of conditions precedent which must be satisfied before the lease commencement date, which is expected to occur before 31 December 2025. At 30 June 2024, the expected undiscounted contractual lease payments under this agreement were approximately HK$1.9 billion (31 December 2023: HK$2.0 billion).

(C) At 30 June 2024, equity contributions to be made for joint ventures and private equity partnerships were HK$143 million (31 December 2023: HK$187 million) and HK$148 million (31 December 2023: HK$77 million) respectively.

(D) At 30 June 2024, the Group's share of capital, lease and other commitments of its joint ventures and associates were HK$6,768 million (31 December 2023: HK$5,508 million) and HK$424 million (31 December 2023: HK$487 million) respectively.

## SUPPLEMENTARY INFORMATION ON TREASURY ACTIVITIES

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

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

The Group maintained good investment-grade credit ratings, with Standard & Poor's affirmed the A, A+ and AA- credit ratings of CLP Holdings, CLP Power and CAPCO respectively in May with stable outlooks, while Moody's affirmed the Baa2 credit rating of EnergyAustralia with stable outlook in April.

The Group's strong financial position is reflected in its healthy liquidity levels, with undrawn bank facilities of HK$27.3 billion and bank balances of HK$2.9 billion as of 30 June. CLP Holdings had HK$11.9 billion of liquidity at the end of June. The high level of liquidity is expected to be maintained throughout the year, bolstered by dividend payments and inflows from subsidiaries, joint ventures and associates.

In the first half of 2024, CLP Power arranged a total of HK$5.3 billion in debt facilities for refinancing and to support business requirements. This comprised HK$3.7 billion of two-year emission reduction-linked bank loan facilities, a HK$1 billion one-year bank loan facility, and a HK$625 million three-year private placement bond with full proceeds swapped to floating rate debt.

CAPCO executed HK$4.8 billion of one-year and two-year energy transition loan facilities under the Climate Action Finance Framework for refinancing at competitive interest margins. CAPCO also arranged a US$70 million (HK$548 million) three-year fixed rate private placement bond to refinance existing bank loans for the newly commissioned D2 gas-fired generation project at Black Point. The proceeds of this energy transition bond were swapped to Hong Kong dollar floating rate debt. CAPCO also executed a HK$720 million two-year emission reduction-linked bank loan facility.

In July, CLP Power issued an inaugural A$500 million (HK$2.6 billion), three-year public bond in the Australian market. This milestone transaction marks the first Kangaroo bond issuance by a Hong Kong commercial corporate entity. The issuance is structured into two tranches: a three-year A$350 million (HK$1.8 billion) floating-rate note tranche at 0.85% over three-month Bank Bill Swap rate and a three-year A$150 million (HK$791 million) fixed-rate note tranche at an annualised rate of 5.1%. The Kangaroo bond offering expanded CLP Power's debt capital market financing activities to the Australian onshore public market for the first time, further broadening the company's funding options and enhancing its resilience against potential market volatility. The proceeds of this bond were swapped to Hong Kong dollar floating rate debt.

Both CLP Power and CAPCO have Medium Term Note programmes in place under which bonds in aggregate amounts of up to US$4.5 billion and US$2 billion respectively can be issued. Notes with aggregate nominal values of around HK$23.8 billion and HK$10.0 billion were issued by CLP Power and CAPCO respectively as of 30 June.

EnergyAustralia maintained adequate liquidity and repaid A$336 million (HK$1.7 billion) in shareholder loan principal and accrued interest in April. EnergyAustralia refinanced A$400 million (HK$2.1 billion) of bank guarantee facilities and arranged A$350 million (HK$1.8 billion) of three-year working capital facilities.

CLP China obtained a RMB2.5 billion (HK$2.7 billion) two-year non-recourse revolving loan facility in February with favourable market pricing to support the development of new renewable energy projects in Mainland China. The facility amount will be effective by tranches. CLP China also executed a RMB560 million (HK$599 million) onshore non-recourse project loan facility for a wind energy project at a competitive interest rate.

The Group's net debt to total capital ratio was 34.0% at the end of June compared with 31.6% at the end of 2023. The fixed-rate debt as a proportion of total debt was 52%, excluding perpetual capital securities, or 54% including perpetual capital securities. This compares with 57% and 60% respectively six months earlier. Funds from operations (FFO) interest cover for the six months to 30 June 2024 was 9 times, compared with 7 times for the same period in 2023.

As at 30 June 2024, the Group had notional value of outstanding derivative financial instruments amounting to HK$60.4 billion for hedging of foreign exchange and interest rate risks, and notional volumes of outstanding energy derivatives amounting to 174,544GWh, 11 million barrels and 3,117TJ for electricity, oil and gas respectively. The fair value of these derivative instruments was a net deficit of HK$43 million on 30 June 2024.

# CORPORATE GOVERNANCE

## Highlights for the First Half of 2024

We have always emphasised that our corporate governance practices should evolve as we continuously look for opportunities to improve.

- Hybrid Annual General Meeting (AGM): Our 2024 AGM was held in a hybrid format offering for our shareholders the option of attending the AGM at the Principal Meeting Place or participating through the Online AGM. Almost 600 shareholders attended the meeting in person and more than 250 shareholders participated online. The Online AGM was attended by both registered and non-registered shareholders who were able to view a live webcast of the AGM, pose written questions or verbally raise questions and cast votes in near real-time through the online platform.

- Board and Board Committees Refresh: The Board refresh received strong support from the shareholders at the 2024 AGM with high percentages of votes approving the election of Ms Wang Xiaojun Heather, Mr Chiang Tung Keung and Mr Diego Alejandro González Morales. At the same time, Mr Richard Kendall Lancaster and Mrs Zia Mody stepped down from the Board through retirement. Mr John Andrew Harry Leigh retired as a Non-executive Director with effect from 31 March 2024 as he also retired from Sir Elly Kadoorie & Sons Limited. Memberships of Board Committees were recently refreshed and these included the Finance & General Committee, the Human Resources & Remuneration Committee and the Sustainability Committee. Please refer to the Corporate Governance chapter of the 2024 Interim Report for full details of the Board and Board Committees changes.

- Continuous Disclosure in 2024: The Company made a profit warning announcement in January 2024 regarding the expected impairment of goodwill of EnergyAustralia's Customer business ahead of the formal results announcement for 2023 to inform the market on a timely basis.

- Chief Financial Officer (CFO) Succession: The Company announced on 30 January 2024 the appointment of Mr Alexandre Jean Keisser, then Chief Officer – International Business, to succeed Mr Nicolas Alain Marie Tissot as the CFO effective on 1 April 2024; and as part of the transition, Mr Tissot became an Advisor to Chief Executive Officer until 30 June 2024.

- Updated Value Framework: CLP's updated Value Framework was launched in February 2024 to articulate our refreshed Purpose, Vision, Mission and our Core Values of Care, Excellence and Responsibility. Engagement activities were organised, including outreach roadshows to raise awareness and curiosity, and Values Alignment Workshops to build shared understanding and the desired new mindsets for our people.

- Establishment of CLP Holdings Board Panel for the Enterprise Resource Planning (ERP) Project: To consolidate the Board level governance oversight on the part of the CLP Holdings Board and Board Committees and the CLP Power Board, a CLP Holdings Board Panel was set up in April 2024 to oversee the ERP Project.

**Corporate Governance Practices**

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

The CLP Code goes beyond the principles of good corporate governance and incorporates the code provisions on a "comply or explain" basis and certain recommended best practices as set out in the Corporate Governance Code, Appendix C1 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (Listing Rules).

During the six months ended 30 June 2024, the Company had complied with the code provisions as well as applied all the principles in the Corporate Governance Code. CLP deviates from only one recommended best practice in the Corporate Governance Code – that an issuer should announce and publish quarterly financial results. We do not issue quarterly financial results, but we issue quarterly statements which set out key financial and business information such as electricity sales, dividends and progress in major activities. Our considered reasons for not issuing quarterly financial results have been set out in the Corporate Governance Report on page 97 of our 2023 Annual Report.

The Audit & Risk Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024.

At the Company's AGM held on 3 May 2024, the re-appointment of PricewaterhouseCoopers as the Company's independent auditor for the financial year ending 31 December 2024 was approved by our shareholders with strong support of 99.58% of the votes.

Further information of CLP's corporate governance practices is set out in the "About" and "Investor Relations" sections of the CLP website.

**Remuneration – Non-executive Directors**

In our 2023 Annual Report, we set out the fees for our Non-executive Directors (including Independent Non-executive Directors) who serve on the Board and on the Board Committees of the Company for the period from 2022 to the date of the AGM in 2025 (see page 161 of the Company's 2023 Annual Report). For other details on the principles of remuneration for our Non-executive Directors, please refer to the Human Resources & Remuneration Committee Report of our 2023 Annual Report.

**Risk Management and Internal Control**

The Audit & Risk Committee has the delegated responsibility from the Board to assure that effective risk management and internal control systems are in place and followed. The Audit & Risk Committee has continued to oversee CLP Group's risk management and internal control approaches and consider the internal audit reports submitted by Group Internal Audit. Details of CLP's risk management and internal control systems were set out in the Corporate Governance Report on pages 122 to 125 of the Company's 2023 Annual Report.

During the six-month period ended 30 June 2024, Group Internal Audit issued a total of five opinion audits and three special review reports. None of the audit reports carried a not satisfactory audit opinion. None of the control weaknesses identified had a material impact on financial statements.

**Interests in CLP Holdings' Securities**

All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and the CLP Code for Securities Transactions (CLP Securities Code) throughout the period from 1 January to 30 June 2024. The CLP Securities Code 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.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There had been no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the six months ended 30 June 2024.

## SECOND INTERIM DIVIDEND

Today, the Board of Directors of the Company declared the second interim dividend for 2024 of HK$0.63 per share (2023: HK$0.63 per share) payable on 13 September 2024 to shareholders registered as at 4 September 2024. The dividend of HK$0.63 per share is payable on the existing 2,526,450,570 shares in issue.

The Register of Shareholders will be closed on 4 September 2024. To rank for this second interim dividend, all transfers should be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 3 September 2024.

By Order of the Board
**Michael Ling**
Joint Company Secretary

Hong Kong, 5 August 2024

*The Company's 2024 Interim Report containing financial statements will be made available on the websites of the Company (www.clpgroup.com) and the Hong Kong Stock Exchange from 12 August 2024. Hard copies of the Interim Report will be despatched on 20 August 2024 only to shareholders as per the Company's corporate communications arrangements.*

# 中 電 控 股 有 限 公 司
# CLP Holdings Limited

**(incorporated in Hong Kong with limited liability)**
(Stock Code: 00002)

The Directors of CLP Holdings as at the date of this announcement are:

| | |
|---|---|
| **Non-executive Directors**: | The Hon Sir Michael Kadoorie, Mr Andrew Brandler, Mr Philip Kadoorie, Mrs Yuen So Siu Mai Betty and Mr Diego González Morales |
| **Independent Non-executive Directors:** | Sir Rod Eddington, Mr Nicholas C. Allen, Ms May Siew Boi Tan, Ms Christina Gaw, Mr Chunyuan Gu, Mr Chan Bernard Charnwut and Ms Wang Xiaojun Heather |
| **Executive Director:** | Mr Chiang Tung Keung |

Power Brighter Tomorrows