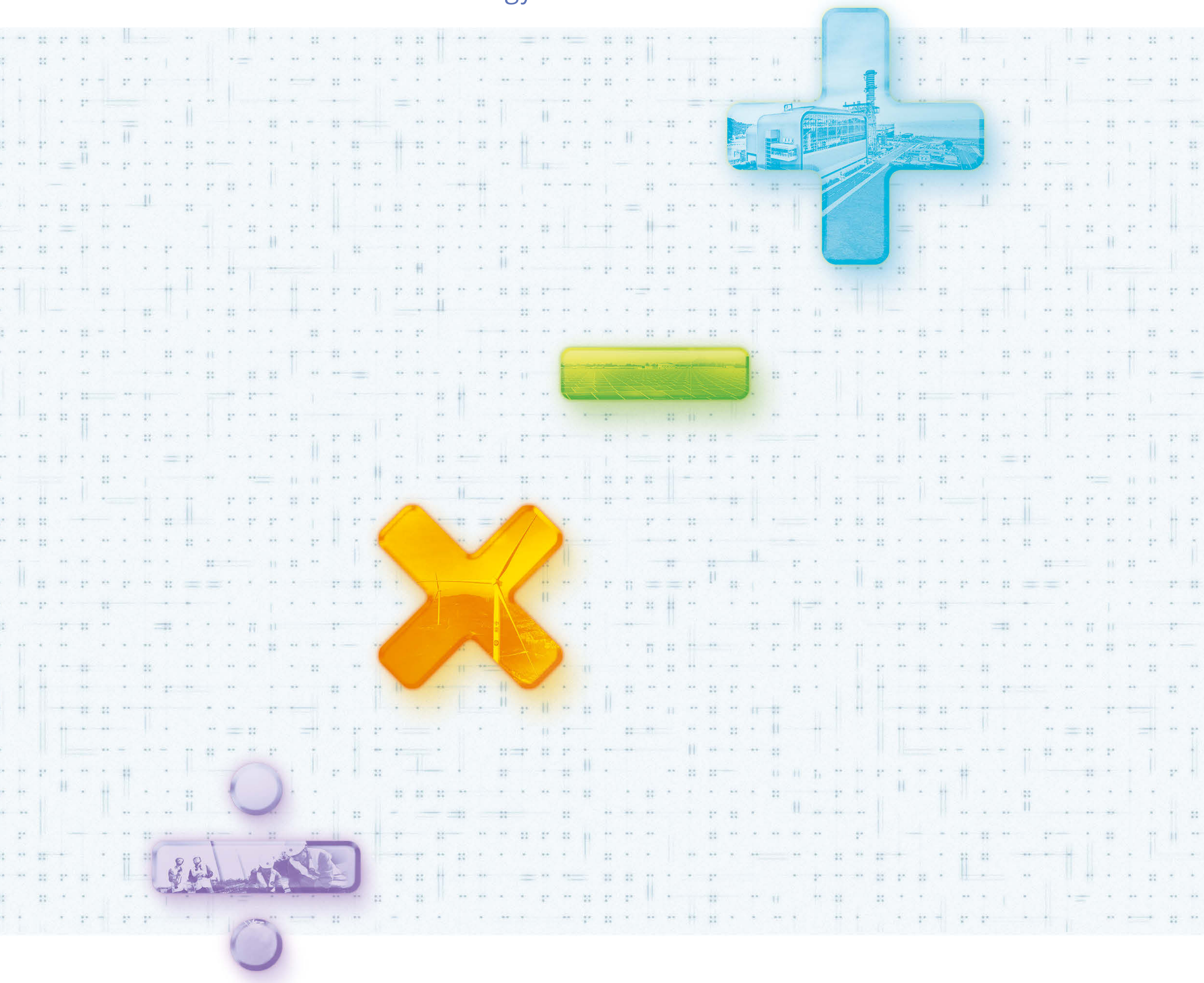
CLP 中電

Foundations for a Sustainable Energy Future

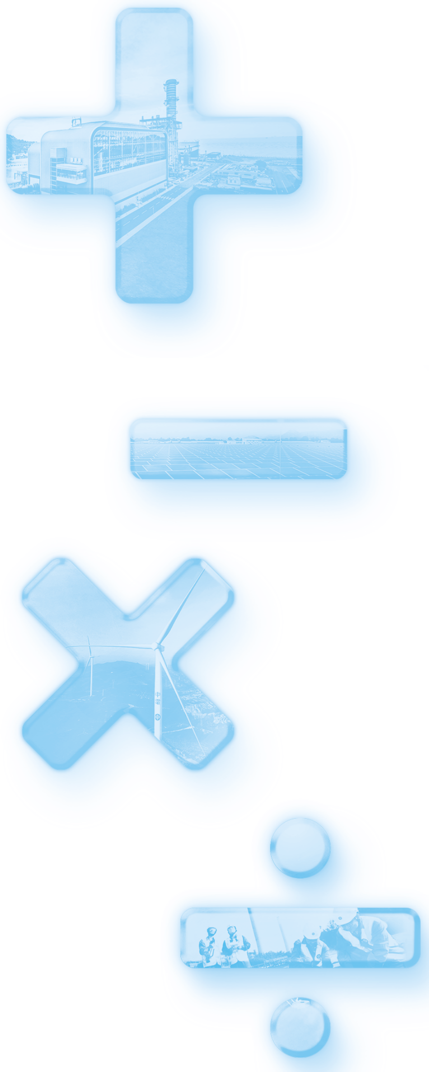


2022 Interim Report

Stock Code: 00002

Our Purpose

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



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Financial Highlights

Excluding the fair value loss of energy hedging contracts in Australia of HK$7,957 million triggered by unprecedented market volatility and despite a strong performance in Hong Kong and from the zero-emission portfolio in Mainland China, Group operating earnings decreased 25.4% to HK$4,111 million mostly due to lower earnings from our generation portfolio in Australia and continued high coal prices. Total earnings for the first six months of this year were a loss of HK$4,855 million after taking into account items affecting comparability, mainly the HK$986 million loss on measurement relating to the sell down of Apraava Energy.

	Six months ended 30 June 2022	2021	Increase / (Decrease) %
For the period *(in HK$ million)*			
Revenue			
Hong Kong electricity business	**22,572**	20,044	12.6
Energy businesses outside Hong Kong	**24,711**	20,399	21.1
Others	**311**	286	
Total	**47,594**	40,729	16.9
Earnings			
Hong Kong energy business [1]	**4,073**	3,864	5.4
Hong Kong energy business related [2]	**127**	134	
Mainland China	**1,240**	962	28.9
Australia	**(8,683)**	837	
India	**98**	111	(11.7)
Southeast Asia and Taiwan	**(126)**	152	
Other earnings in Hong Kong [1]	**(29)**	41	
Unallocated net finance costs	**(8)**	(4)	
Unallocated Group expenses	**(538)**	(399)	
Operating earnings	**(3,846)**	5,698	
Items affecting comparability	**(1,009)**	(1,083)	
Total earnings	**(4,855)**	4,615	
Net cash (outflow) / inflow from operating activities	**(2,778)**	6,281	
Per share *(in HK$)*			
(Loss) / earnings per share	**(1.92)**	1.83	
Dividend per share			
First interim	**0.63**	0.63	
Second interim	**0.63**	0.63	
Total interim dividends	**1.26**	1.26	–
Ratio			
EBITDAF interest cover [3] (times)	**10**	14	

	30 June 2022	31 December 2021	Increase / (Decrease) %
At the end of reporting period *(in HK$ million)*			
Total assets	**260,522**	239,809	8.6
Total borrowings	**62,584**	58,215	7.5
Shareholders' funds	**107,148**	113,034	(5.2)
Per share *(in HK$)*			
Shareholders' funds per share	**42.41**	44.74	(5.2)
Ratio			
Net debt to total capital [4] (%)	**32.7**	28.1	

Notes:

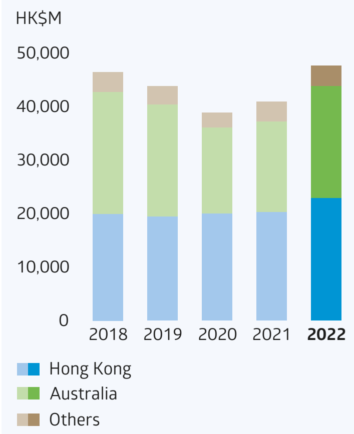
1 The 2021 earnings of CLPe have been reclassified from other earnings in Hong Kong to Hong Kong energy business to align with current year presentation to reflect our business initiatives in energy and infrastructure solutions in Hong Kong

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

3 EBITDAF interest cover = EBITDAF / (Interest charges + capitalised interest); EBITDAF = earnings before interest, taxes, depreciation and amortisation, and fair value adjustments

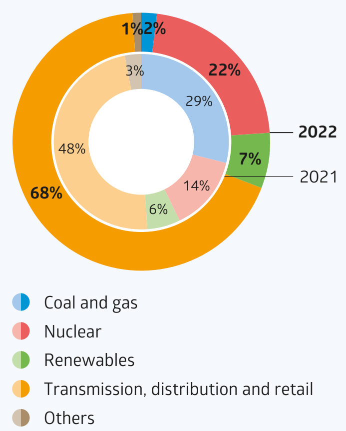
4 Net debt to total capital = Net debt / (Equity + advances from non-controlling interests + net debt); debt = bank loans and other borrowings; net debt = debt – cash and cash equivalents and short-term deposits

Revenue (First 6 months)



Total Earnings (First 6 months)

Operating Earnings* (Before Unallocated Expenses) by Asset Type (First 6 months)



* Excluding fair value movements of energy hedging contracts from EnergyAustralia

Dear Shareholders,

> "We at CLP want to continue to be a leader in solving energy challenges in an increasingly digital driven world."

The first six months of 2022 has seen a period of instability and uncertainty globally. This has been caused primarily by the conflict in Ukraine and the consequential impact on global energy and commodity prices against a backdrop of the accelerating energy transition and the COVID-19 pandemic which still affects countries around the world. CLP continues to navigate these challenges, driven by our long-term strategy.

As we reported earlier in the year, high energy prices had a particular impact on our business in Australia. The sustained increase and volatility in wholesale prices and the ensuing turmoil are affecting all participants. A way to reduce exposure to this volatility is for generators to enter into forward energy contracts and this is EnergyAustralia's approach. These contracts are valued at the prevailing market price on 30 June 2022. As wholesale prices have risen significantly above the prices that EnergyAustralia agreed to in its forward contracts, an unrealised accounting loss of HK$7,957 million was recorded in the first half of 2022.

It is important to note that this is an unrealised loss. On the contract settlement date, the original forward sale price will be realised with the unrealised fair value losses unwound, provided EnergyAustralia's generating assets are available to meet the contracted supply.

As a result, despite the stable performance of our core Hong Kong operation and our nuclear and renewables businesses in Mainland China, the Group's operating loss was HK$3,846 million in the first half of 2022, compared to operating earnings of HK$5,698 million in the same period in 2021. Total earnings decreased to a loss of HK$4,855 million after taking into account the HK$986 million loss relating to the sale of an additional 10% in Apraava Energy to our partner CDPQ signed in July and expected to be closed in the coming months. Our first and second interim dividends were maintained at HK$0.63 per share, unchanged from the same periods in 2021, signifying the Board's confidence in CLP's business strategy and its ability in overcoming the current challenges.

Increasing international energy prices led to higher fuel costs in the first half of the year, creating significant impact on electricity bills around the world and Hong Kong is not immune. We expect global fuel prices to remain volatile and continue to add pressure on customer tariffs.

In June, a fire in a cable bridge in Hong Kong led to a loss of supply to some of our customers in New Territories West. We are extremely sorry for the disruption. I was, however, struck not just by the ability of our teams to restore service quickly, but also by the understanding our customers showed. I would also like to thank relevant Government departments and community stakeholders for their assistance throughout the incident. The event reminds us of the importance to continue to strengthen the resilience of our Hong Kong network as part of the steps we take to manage the energy transition.

CLP continued to work hard to manage global supply chain disruptions and COVID-19's impact, minimising delays to our decarbonisation infrastructure projects. The second new 600MW combined-cycle gas turbine unit at Black Point Power Station is expected to open in 2023. The offshore LNG terminal will also be completed in 2023 with works on major components including the subsea cables and marine jetty moving forward.

In addition, our engineers are working on the geotechnical site study for a possible wind farm in Hong Kong's waters, which could become the first offshore wind project in our portfolio.

In support of our strategic priority to serve growing demand for energy solutions, we have signed a memorandum of understanding with real asset manager ESR HK Limited to explore how we can serve the demand for low-carbon data and logistic centres in Hong Kong and the Greater Bay Area (GBA). We will also soon be establishing a joint venture with smart equipment manufacturer Qingdao TGOOD Electric Company Limited to accelerate the roll-out of electric vehicle charging networks in the GBA and drive the electrification of transportation.

While higher coal prices affected margins of our few legacy thermal projects in the Mainland, CLP's nuclear business in China was stable with strengthening output at both Daya Bay and Yangjiang power stations. The 100MW Qian'an III wind farm with an accompanying 5MW battery storage facility also started operations, strengthening our renewable portfolio in Mainland China.

The four-year relationship between CLP and CDPQ in India, now successfully operating under the new Apraava Energy brand, has deepened further in July with CDPQ agreeing to increase its shareholding in the Indian company from 40% to 50%. It is a strong testament to the success of our approach to engage strategic partners where appropriate and we will continue to explore this in relevant regions. Partnerships support our strategic priority of growing a sustainable portfolio underpinned by capital discipline, and the refreshed relationship in India will enable us to capture further opportunities including in renewables, transmission and distribution.

Another partnership has deepened in Australia where we will work with Edify Energy on two new battery storage projects in New South Wales. Scheduled for completion by the end of 2023, these new projects bring to life our focus to help advance Australia's clean energy future by supporting more renewables to enter the system.

Tallawarra B Power Station, which continues to make good progress, will also play an important role in balancing Australia's energy supply as the country's first net-zero emissions, hydrogen-ready, fast-start, gas power plant. The plant will help provide reliable, affordable and cleaner electricity to Australia as coal-fired generation is phased out.

In the second half of 2022, we expect the global energy industry will continue to face changing and challenging dynamics. We remain optimistic about opportunities in our core markets of Hong Kong and the GBA, and beyond, serving a growing need for electrification of carbon intensive industries and greater demand for energy solutions from customers. We at CLP want to continue to be a leader in solving energy challenges in an increasingly digital driven world. To this end, we have reorganised ourselves in the first half of this year, redefining our structure and how we work together to move towards a Utility of the Future.

As we celebrate the 25th anniversary of the establishment of the HKSAR, we also welcomed a new administration led by the Chief Executive Mr John Lee. Our close collaboration with the Hong Kong Government is at the heart of our commitment to our home market. We look forward to working closely with the new administration in reviving the local economy, enhancing Hong Kong's competitiveness and most importantly, developing a green, smart future for the next generation.

I have spoken often about the resilience of Hong Kong and the strength that can be derived by looking beyond its borders. The region's future, especially in the vital decarbonisation of the energy industry in the coming decades, will be delivered through partnership and collaboration. CLP's strength has always been its ability to adapt and serve its communities through changes, something that has never been more relevant than now as we transition to a sustainable energy future.

The Honourable Sir Michael Kadoorie
Hong Kong, 8 August 2022

Our Portfolio

CLP's business spans every major segment of the energy value chain, including retail, transmission, distribution, and a diversified portfolio of electricity generation assets. The tables below detail the total generation and energy storage capacity [1] as well as business activities in each CLP market as of 30 June 2022.

Hong Kong	Mainland China	Australia	India	Southeast Asia and Taiwan	Total
8,268MW	8,700MW	5,786MW	2,040MW	285MW	25,079MW

Hong Kong				
Assets and Services	**Location**	**CLP's Equity Interest**	**Gross Capacity**	**CLP's Capacity (Equity / Long-term Purchase)**
Customer Services				
Electricity and customer services for about **2.73 million customer accounts** in Kowloon, the New Territories and most of Hong Kong's outlying islands	Hong Kong	100%	–	–
Transmission and Distribution				
555km of 400kV lines, 1,643km of 132kV lines, 22km of 33kV lines and 14,427km of 11kV lines 67,922 MVA transformers, 238 primary and 15,279 secondary substations in operation	Hong Kong	100%	–	–
Gas				
Black Point Power Station, one of the world's largest gas-fired combined-cycle power stations comprising one 550MW unit and eight 337.5MW units. A new 600MW unit is under construction	Hong Kong	70%	3,850MW	3,850MW
Coal				
Castle Peak Power Station comprising three 350MW coal-fired units and four 677MW units. One other 350MW unit [2] is available for emergency use	Hong Kong	70%	4,108MW	4,108MW
Others				
Hong Kong Branch Line, comprising a 20km pipeline (including subsea portion of 19km) and the associated gas launching and end stations, which transports natural gas from PipeChina's Second West-East Gas Pipeline in Shenzhen Dachan Island to Black Point Power Station	Hong Kong	40%	–	–
Hong Kong LNG Terminal Limited develops, owns and operates the offshore LNG terminal in Hong Kong, currently under construction, to provide LNG regasification and related services to Castle Peak Power Company Limited and The Hongkong Electric Company, Limited	Hong Kong	49%	–	–
Penny's Bay Power Station, comprising three 100MW diesel-fired gas turbine units mainly for backup purpose	Hong Kong	70%	300MW	300MW
West New Territories Landfill Gas Power Generation Project, comprising five 2MW units which make use of landfill gas from waste for power generation	Hong Kong	70%	10MW	10MW

Mainland China				
Assets and Services	**Location**	**CLP's Equity Interest**	**Gross Capacity**	**CLP's Capacity (Equity / Long-term Purchase)**
Nuclear				
Guangdong Daya Bay Nuclear Power Station, comprising two 984MW Pressurised Water Reactors. Through long-term capacity purchase, 70% of electricity generated is supplied to Hong Kong, with the remaining 30% sold to Guangdong Province [3]	Guangdong	25%	1,968MW	1,577MW
Yangjiang Nuclear Power Station, comprising six 1,086MW generating units	Guangdong	17%	6,516MW	1,108MW
Wind				
Nanao II Wind Farm	Guangdong	25%	45MW	11MW
Nanao III Wind Farm	Guangdong	25%	15MW	4MW
Sandu Wind Farm	Guizhou	100%	99MW	99MW
Changling II Wind Farm	Jilin	45%	49.5MW	22MW
Datong Wind Farm	Jilin	49%	49.5MW	24MW
Qian'an I Wind Farm	Jilin	100%	49.5MW	49.5MW
Qian'an II Wind Farm	Jilin	100%	49.5MW	49.5MW

Notes:

1 Of projects in operation and under construction on an equity basis, in addition to long-term capacity and energy purchase arrangements. Minor discrepancies may result from rounding.

2 Unit A1 of Castle Peak Power Station, with capacity of 350MW, was put in reserve to run only in emergency situation, after coming to the end of its asset life on 31 May 2022.

3 Agreements have been reached to increase the proportion of energy supply to Hong Kong to slightly above 70% in 2014 and to about 80% from 2015 to 2023, with the remainder continuing to be sold to Guangdong Province.

Mainland China (Cont'd)				
Assets and Services	**Location**	**CLP's Equity Interest**	**Gross Capacity**	**CLP's Capacity (Equity / Long-term Purchase)**
Qian'an III Wind Farm [4]	Jilin	100%	100MW	100MW
Shuangliao I Wind Farm	Jilin	49%	49.3MW	24MW
Shuangliao II Wind Farm	Jilin	49%	49.5MW	24MW
CLP Laizhou I Wind Farm	Shandong	100%	49.5MW	49.5MW
CLP Laizhou II Wind Farm	Shandong	100%	49.5MW	49.5MW
Dongying Hekou Wind Farm	Shandong	49%	49.5MW	24MW
Huadian Laizhou I Wind Farm	Shandong	45%	40.5MW	18MW
Laiwu I Wind Farm	Shandong	100%	49.5MW	49.5MW
Laiwu II Wind Farm	Shandong	100%	49.5MW	49.5MW
Laiwu III Wind Farm	Shandong	100%	50MW	50MW
Lijin I Wind Farm	Shandong	49%	49.5MW	24MW
Lijin II Wind Farm	Shandong	49%	49.5MW	24MW
Penglai I Wind Farm	Shandong	100%	48MW	48MW
Rongcheng I Wind Farm	Shandong	49%	48.8MW	24MW
Rongcheng II Wind Farm	Shandong	49%	49.5MW	24MW
Rongcheng III Wind Farm	Shandong	49%	49.5MW	24MW
Weihai I Wind Farm	Shandong	45%	19.5MW	9MW
Weihai II Wind Farm	Shandong	45%	49.5MW	22MW
Zhanhua I Wind Farm	Shandong	49%	49.5MW	24MW
Zhanhua II Wind Farm	Shandong	49%	49.5MW	24MW
Chongming Wind Farm	Shanghai	29%	48MW	14MW
Xundian I Wind Farm	Yunnan	100%	49.5MW	49.5MW
Hydro				
Huaiji Hydro Power Stations	Guangdong	84.9%	129MW	110MW
Jiangbian Hydropower Station	Sichuan	100%	330MW	330MW
Dali Yang_er Hydropower Station	Yunnan	100%	49.8MW	49.8MW
Solar				
Jinchang Solar Power Station	Gansu	100%	85MW [5]	85MW [5]
Meizhou Solar Power Station	Guangdong	100%	36MW [6]	36MW [6]
Huai'an Solar Power Station	Jiangsu	100%	12.8MW [7]	12.8MW [7]
Sihong Solar Power Station	Jiangsu	100%	93.4MW [8]	93.4MW [8]
Lingyuan Solar Power Station	Liaoning	100%	17MW [9]	17MW [9]
Xicun I Solar Power Station	Yunnan	100%	42MW [10]	42MW [10]
Xicun II Solar Power Station	Yunnan	100%	42MW [11]	42MW [11]
Coal				
Beijing Yire Power Station [12]	Beijing	30%	–	–
Fangchenggang Power Station Phase I	Guangxi	70%	1,260MW	882MW
Fangchenggang Power Station Phase II	Guangxi	70%	1,320MW	924MW
Sanhe I and II Power Stations	Hebei	16.5%	1,330MW	219MW
Zhungeer II and III Power Stations	Inner Mongolia	19.5%	1,320MW	257MW
Suizhong I and II Power Stations	Liaoning	15%	3,760MW	564MW
Shenmu Power Station [13]	Shaanxi	49%	–	–
Heze II Power Station	Shandong	29.4%	600MW	176MW
Liaocheng I Power Station	Shandong	29.4%	1,200MW	353MW
Panshan Power Station	Tianjin	19.5%	1,060MW	207MW

4 The Qian'an III project commenced commercial operation in 2022.

5 Gross / CLP Equity MW are expressed on an alternating current (AC) basis. If converted to direct current (DC), they are equivalent to 100 / 100MW.

6 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 42.5 / 42.5MW.

7 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 15 / 15MW.

8 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 110 / 110MW.

9 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 20 / 20MW.

10 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 50 / 50MW.

11 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 50 / 50MW.

12 Beijing Yire Power Station ceased operation on 20 March 2015.

13 Shenmu Power Station ceased operation on 28 February 2018.

Mainland China (Cont'd)				
Assets and Services	**Location**	**CLP's Equity Interest**	**Gross Capacity**	**CLP's Capacity (Equity / Long-term Purchase)**
Energy Storage				
Rights to use 50% of Phase I of **Guangzhou Pumped Storage Power Station** for serving CLP's Hong Kong business under a long-term capacity purchase agreement	Guangdong	–	1,200MW	600MW
Battery energy storage system co-located with Qian'an III Wind Farm	Jilin	100%	5MW	5MW
Others				
Fangchenggang Incremental Distribution Network [14]	Guangxi	22.05%	–	–
Po Park Centralised Cooling System [15]	Guangdong	–	–	–

Australia				
Assets and Services	**Location**	**CLP's Interest (Equity / Long-term Purchase)**	**Gross Capacity**	**CLP's Capacity (Equity / Long-term Purchase)**
Customer Services				
Electricity and gas services for **2.45 million customer accounts**	New South Wales, Queensland, South Australia and Victoria	100%	–	–
Wind				
Cathedral Rocks Wind Farm	South Australia	50%	64MW	32MW
Gas				
Tallawarra Gas-fired Power Station [16], including the Tallawarra B power plant under construction	New South Wales	100%	736MW	736MW
Hallett Gas-fired Power Station	South Australia	100%	235MW	235MW
Jeeralang Gas-fired Power Station	Victoria	100%	440MW	440MW
Newport Gas-fired Power Station	Victoria	100%	500MW	500MW
Coal				
Mount Piper Coal-fired Power Station	New South Wales	100%	1,430MW [17]	1,430MW [17]
Yallourn Coal-fired Power Station and Brown Coal Open-cut Mine	Victoria	100%	1,480MW	1,480MW
Renewable Energy Long-term Purchase [18]				
Boco Rock Wind Farm	New South Wales	100%	113MW	113MW
Bodangora Wind Farm	New South Wales	60%	113MW	68MW
Coleambally Solar Farm	New South Wales	70%	150MW	105MW
Gullen Range Wind Farm	New South Wales	100%	166MW	166MW
Manildra Solar Farm	New South Wales	100%	46MW	46MW
Taralga Wind Farm	New South Wales	100%	107MW	107MW
Ross River Solar Farm	Queensland	80%	116MW	93MW
Waterloo Wind Farm Stage 1	South Australia	100%	111MW	111MW
Gannawarra Solar Farm	Victoria	100%	50MW	50MW
Mortons Lane Wind Farm	Victoria	100%	20MW	20MW
Energy Storage				
Rights to charge and dispatch energy from **Ballarat Battery Storage** which operates 24/7 and is capable of powering more than 20,000 homes for an hour of critical peak demand before being recharged	Victoria	100%	30MW / 30MWh	30MW / 30MWh
Rights to charge and dispatch energy from **Gannawarra Battery Storage** which is capable of powering more than 16,000 homes through two hours of peak demand before being recharged	Victoria	100%	25MW / 50MWh	25MW / 50MWh
Others				
Pine Dale Black Coal Mine	New South Wales	100%	–	–

14 The project company, of which TUS-CLP Smart Energy Technology Co. Ltd. is a shareholder, builds and operates an incremental distribution network (IDN) at Fangchenggang Hi-Tech Zone.

15 In 2021, CLP signed a contract to invest in and operate a centralised cooling system at Po Park Shopping Plaza in central Guangzhou until 2036.

16 Construction of the Tallawarra B plant, with capacity of 316MW, commenced in 2022 and is expected to be completed in time for the 2023/24 Australian summer.

17 Gross capacity at Mount Piper Power Station increased to 1,430MW in early 2021.

18 Relates to long-term power purchase from power stations in which CLP has neither equity nor operational control.

India				
Assets and Services	**Location**	**CLP's Equity Interest**	**Gross Capacity**	**CLP's Equity Capacity**
Wind				
Mahidad Wind Farm	Gujarat	60%	50.4MW	30MW
Samana I Wind Farm	Gujarat	60%	50.4MW	30MW
Samana II Wind Farm	Gujarat	60%	50.4MW	30MW
Sidhpur Wind Farm [19]	Gujarat	60%	251MW	150MW
Harapanahalli Wind Farm	Karnataka	60%	39.6MW	24MW
Saundatti Wind Farm	Karnataka	60%	72MW	43MW
Chandgarh Wind Farm	Madhya Pradesh	60%	92MW	55MW
Andhra Lake Wind Farm	Maharashtra	60%	106.4MW	64MW
Jath Wind Farm	Maharashtra	60%	60MW	36MW
Khandke Wind Farm	Maharashtra	60%	50.4MW	30MW
Bhakrani Wind Farm	Rajasthan	60%	102.4MW	61MW
Sipla Wind Farm	Rajasthan	60%	50.4MW	30MW
Tejuva Wind Farm	Rajasthan	60%	100.8MW	60MW
Theni I Wind Farm	Tamil Nadu	60%	49.5MW	30MW
Theni II Wind Farm	Tamil Nadu	60%	49.5MW	30MW
Solar				
Gale Solar Farm	Maharashtra	60%	50MW [20]	30MW [20]
Tornado Solar Farm	Maharashtra	60%	20MW [21]	12MW [21]
Cleansolar Renewable Energy Private Limited	Telangana	60%	30MW [22]	18MW [22]
Divine Solren Private Limited	Telangana	60%	50MW [23]	30MW [23]
Veltoor Solar Farm	Telangana	60%	100MW [24]	60MW [24]
Gas				
Paguthan Power Station [25], a combined-cycle gas-fired power plant designed to run on natural gas with naphtha as alternate fuel	Gujarat	60%	655MW	393MW
Coal				
Jhajjar Power Station, comprising two 660MW supercritical coal-fired units	Haryana	60%	1,320MW	792MW
Transmission				
Satpura Transco Private Ltd., which runs a 240km 400kV double circuit intra-state transmission line	Madhya Pradesh	60%	–	–
Kohima-Mariani Transmission Ltd. [26], which runs a 254km 400kV double circuit interstate transmission line in Northeast India, and owns a 400 / 220kV gas insulated switchgear substation at Kohima in the state of Nagaland	Assam, Nagaland and Manipur	29.4%	–	–

Southeast Asia & Taiwan				
Assets and Services	**Location**	**CLP's Equity Interest**	**Gross Capacity**	**CLP's Equity Capacity**
Solar				
Lopburi Solar Farm	Thailand	33.3%	63MW [27]	21MW [27]
Coal				
Ho-Ping Power Station	Taiwan	20%	1,320MW	264MW

Figures include rounding adjustments.

19 Construction of Sidhpur Wind Project commenced in 2021.

20 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 69 / 41.4MW.

21 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 27.6 / 16.6MW.

22 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 36.6 / 22MW.

23 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 59.8 / 35.9MW.

24 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 120 / 72MW.

25 Paguthan Power Station did not undertake any significant commercial generation in 2022.

26 Apraava Energy acquired a 49% interest in Kohima-Mariani Transmission Ltd. in December 2021.

27 Gross / CLP Equity MW are expressed on an AC basis. If converted to DC, they are equivalent to 83 / 28MW.

Financial Review

Analysis of Financial Results

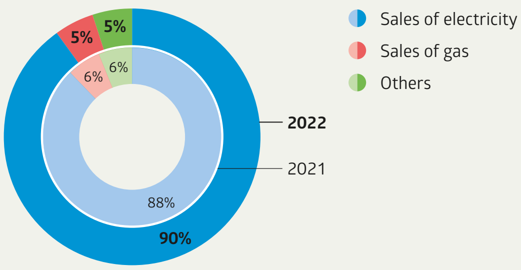
	Six months ended 30 June 2022 HK$M	2021 HK$M	Increase / (Decrease) HK$M	%
Revenue	**47,594**	40,729	6,865	16.9
EBITDAF *	**9,676**	11,814	(2,138)	(18.1)
Share of results of joint ventures and associates, net of tax	**1,168**	1,139	29	2.5
Consolidated EBITDAF *	**10,844**	12,953	(2,109)	(16.3)
Fair value adjustments	**(11,423)**	264	(11,687)	
Operating earnings before EnergyAustralia's fair value movements	**4,111**	5,508	(1,397)	(25.4)
EnergyAustralia's fair value (loss) / gain on energy hedging contracts	**(7,957)**	190	(8,147)	
Operating earnings	**(3,846)**	5,698	(9,544)	
Items affecting comparability	**(1,009)**	(1,083)	74	
Earnings attributable to shareholders	**(4,855)**	4,615	(9,470)	

* Excluding items affecting comparability

Revenue

	2022 HK$M	2021 HK$M	Increase HK$M	%
Hong Kong	**22,878**	20,326	2,552	12.6
Australia	**21,303**	17,177	4,126	24.0
India	**2,399**	2,313	86	3.7
Mainland China and others	**1,014**	913	101	11.1
	47,594	40,729	6,865	16.9

Revenues by Nature



- Hong Kong: Higher SoC revenue mainly resulted from higher fuel clause charge to recoup the significant increase in fuel costs incurred
- Australia: Excluding the impact from lower AUD average exchange rate of approximately HK$1.1 billion, revenue increased by HK$5.2 billion mainly due to extremely high wholesale spot prices under unprecedented electricity market conditions, despite lower generation from Yallourn because of unplanned outages and Mount Piper due to coal supply constraints
- India: Six-month revenue contributed by KMTL transmission project acquired in December 2021; Jhajjar's revenue was comparable with same period last year as the increase in energy charges (from higher coal price) was largely offset by the reduction in the capacity tariff effective April 2021 and 2022
- Mainland China: Contribution from Qian'an III wind farm since January 2022 and higher water resource of hydro projects, partly offset by lower wind resource

Consolidated EBITDAF *

	2022 HK$M	2021 HK$M	Increase / (Decrease) HK$M	%
Hong Kong *	**8,452**	8,466	(14)	(0.2)
Mainland China	**2,106**	1,794	312	17.4
Australia *	**146**	2,127	(1,981)	(93.1)
India *	**777**	775	2	0.3
Southeast Asia and Taiwan	**(125)**	158	(283)	
Corporate	**(512)**	(367)	(145)	
	10,844	12,953	(2,109)	

* Excluding items affecting comparability as below:

	2022 Before Tax HK$M	2022 After Tax & NCI HK$M	2021 Before Tax HK$M	2021 After Tax & NCI HK$M
Hong Kong: Revaluation loss of retail portion of Laguna Mall	**23**	**23**	41	41
India: Loss on measurement relating to sell down of Apraava Energy	**1,635**	**986**	–	–
Australia: Litigation settlement and Morwell River Diversion solution	**–**	**–**	1,489	1,042
	1,658	**1,009**	1,530	1,083

Sale of an additional 10% interest in Apraava Energy

In July 2022, CLP entered into a sale and purchase agreement to sell an additional 10% interest in Apraava Energy to CDPQ at a consideration of Rs6.6 billion. As the sell down was considered highly probable at 30 June 2022, the assets and liabilities of Apraava Energy were classified as held for sale and measured at fair value (with reference to the total consideration). As a result of the classification, a loss of HK$1,635 million (CLP's 60% share: HK$986 million), representing the difference of carrying amount exceeding the fair value less costs to sell, was recognised as "other charge" in the profit or loss. The completion of the transaction is subject to the satisfaction of conditions precedent which is expected to occur by the end of 2022.

Following the completion of the transaction, the Group's equity interest in Apraava Energy will be reduced to 50% and Apraava Energy will cease to be a subsidiary (resulting in its deconsolidation) and become a joint venture of the Group. Realisation of losses in translation and hedging reserves to profit or loss will lead to an accounting (non-cash) loss of HK$2.3 billion (estimated based on 30 June 2022 position) upon the completion of the transaction and subsequent deconsolidation of Apraava Energy. However, the loss on the sell down may vary taking into account changes in its net assets value, if any, and foreign exchange movement of Indian rupee.

More comprehensive information of Apraava Energy as a disposal group held for sale can be found on Note 3 to the condensed consolidated interim financial statements.

- Hong Kong: Higher permitted return from continuous capital investment offset by lower fair value gain from innovation funds and increase in development expense for business initiatives for energy solutions
- Mainland China: Increased generation and higher tariff from Yangjiang and stable operation at Daya Bay; higher profit from renewable projects mainly due to higher water resource for hydro projects and profit contributed by Qian'an III wind farm since January 2022, partially offset by lower wind resource; excluding the loss from Shandong projects (mainly due to unfavourable adjustments to operating and maintenance fees) in 2021, lower contribution from coal-fired projects resulting from higher coal prices and lower generation from Fangchenggang despite higher tariff in 2022
- India: Six-month profit in 2022 from KMTL transmission project, largely offset by lower capacity charge and lower incentive from Jhajjar, lower solar generation and higher operating costs for renewable projects despite higher wind resource
- Australia: Significant reduction in contribution from Energy business attributable to lower realised prices (with energy hedging contracts entered previously at prices much lower than 2022 spot prices), lower generation from Yallourn and Mount Piper (despite higher generation from gas assets), and negative gross margin from energy derivative contract settlements when there were generation shortfalls; higher contribution from Customer business mainly driven by lower realised energy procurement costs reflecting favourable hedging outcomes
- Southeast Asia and Taiwan: Share of loss (2021: profit) from Ho-Ping power station due to surging coal prices since second half of 2021 despite higher energy tariff (reflecting the lagging effect of prior year's high coal prices); with steady solar resource, lower Lopburi's results following tariff reduction under the power purchase agreement
- Corporate: Higher transformation and digital related costs and more development expenditure

Analysis of Financial Results (continued)

Fair Value Adjustments

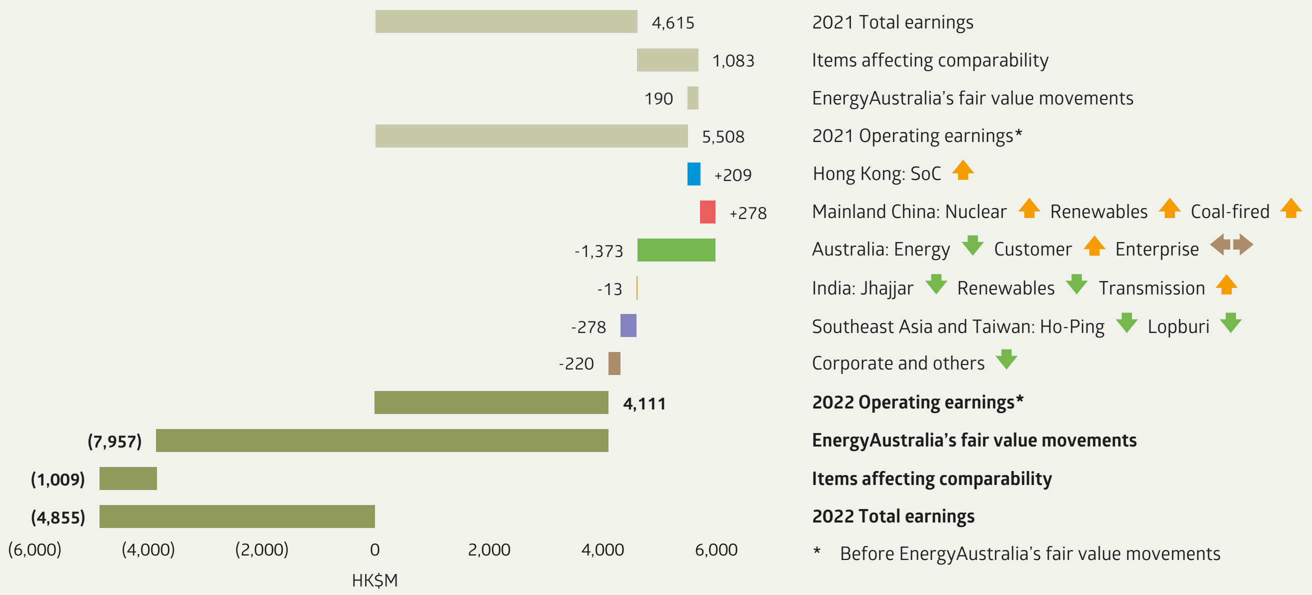
Predominantly related to unfavourable (2021: favourable) fair value movements of EnergyAustralia's energy derivative contracts which do not qualify for hedge accounting according to the accounting standard, as a result of the sharp rise (2021: slight decrease) in forward electricity prices impacting our net sold position at the end of the period.

Surge in electricity prices in spot and forward markets in Australia

In the first half of 2022, electricity spot and forward prices have progressively increased and have demonstrated extreme high volatility, driven by the confluence of the unavailability of major coal-fired power stations and high commodity prices notably because of the conflict in Ukraine. In response to these conditions, the Australian Energy Market Operator temporarily suspended the spot market in the National Electricity Market (NEM) in June 2022 for the first time since its inception in 1998. After the NEM's restoration, wholesale electricity prices still remain volatile at higher-than-historical average levels.

When we mark-to-market our energy hedging contracts at balance sheet date, it resulted in considerable unfavourable / favourable fair value movements (i.e. difference between the exceptionally high forward electricity prices prevailing in the market and the contract prices fixed under the hedging contracts) for sold / bought energy hedging contracts.

Earnings Attributable to Shareholders



Analysis of Financial Position

	30 June 2022* HK$M	31 December 2021 HK$M	Increase / (Decrease) HK$M	%
Fixed assets, right-of-use assets and investment property	**151,717**	162,154	(10,437)	(6.4)
Goodwill and other intangible assets	**18,869**	19,710	(841)	(4.3)
Interests in joint ventures and associates	**19,250**	19,371	(121)	(0.6)
Derivative financial instrument assets #	**14,249**	3,482	10,767	
Derivative financial instrument liabilities #	**16,506**	2,666	13,840	
Trade and other receivables	**25,933**	15,404	10,529	68.4
Trade payables and other liabilities	**21,757**	18,381	3,376	18.4
Bank loans and other borrowings #	**62,584**	58,215	4,369	7.5
Less: Cash and cash equivalents and short-term deposits	**(3,660)**	(8,260)	4,600	55.7
Net debt	**58,924**	49,955	8,969	18.0

* Excluding balances of Apraava Energy as its assets / liabilities were reclassified to assets / liabilities of disposal group held for sale, please refer to Note 3 to the interim financial statements for the details of its assets and liabilities at 30 June 2022

\# Including current and non-current portions

Fixed Assets, Right-of-Use Assets and Investment Property Goodwill and Other Intangible Assets

	Fixed Assets, Right-of-Use Assets and Investment Property HK$M	Goodwill and Other Intangible Assets HK$M
Balance at 1 January 2022	162,154	19,710
Additions	6,690	152
Measurement loss and reclassification to disposal group held for sale *	(10,954)	(13)
Depreciation and amortisation	(4,353)	(366)
Exchange difference and others #	(1,820)	(614)
Balance at 30 June 2022	**151,717**	**18,869**

* Loss on measurement of Apraava Energy at fair value allocated to fixed assets of HK$1.6 billion and the balances of HK$9.3 billion were then reclassified to assets of disposal group held for sale

\# Depreciation of Australian dollar, Renminbi and Indian rupee, and disposal of fixed assets

- Hong Kong: Additions of HK$2.5 billion to generation facilities mainly related to the progress of the second combined cycle generating unit and the offshore LNG terminal, and another HK$2.1 billion for development / enhancement of the transmission and distribution network, establishment of substations and replacement of smart meters
- Mainland China: Development of renewable projects such as Xundian II and Bobai wind farms
- Australia: Invested HK$1.5 billion in continuous construction work for building net-zero emissions power plant in Tallawarra ("Tallawarra B") and improvement works on generating plants (mainly Yallourn and Mount Piper)
- India: Additions during the period mainly related to the significant progress of Sidhpur wind farm

Interests in Joint Ventures and Associates

- Hong Kong: Shareholder's loan of HK$560 million to LNG Terminal joint venture for the construction of the jetty
- Mainland China: Decrease mainly reflected the translation loss from Renminbi on our interests in joint ventures and associates
- Southeast Asia and Taiwan: Mainly share of loss from Ho-Ping power station and depreciation of New Taiwan dollar in 2022

Analysis of Financial Position (continued)

Derivative Financial Instruments

Derivative financial instruments are primarily used to hedge foreign exchange, interest rate and energy price risks. As at 30 June 2022, the fair value of these derivative instruments was a net deficit of HK$2,257 million, representing the net amount payable if these contracts were closed out at period end.

The change in net derivative position from assets to liabilities was attributable to energy derivative contracts in Australia as below:

- Not qualified for hedge accounting: Mainly electricity futures contracts for the generation business to provide flexibility and protect against uncertainty which fail to satisfy the highly probable threshold required for hedge accounting; the surging forward electricity prices resulted in a substantial fair value loss charged to the profit or loss for these sold energy contracts
- Cash flow hedges: Mainly related to the energy contracts supported by the forecasted retail load; significant fair value gain credited to equity due to the surging forward electricity prices impacting our bought energy contracts

	Notional Amount		Derivative Assets / (Liabilities)	
	30 June 2022 HK$M	31 December 2021 HK$M	**30 June 2022 HK$M**	31 December 2021 HK$M
Forward foreign exchange contracts and foreign exchange options	**32,652**	28,973	**49**	(30)
Interest rate swaps and cross currency interest rate swaps	**34,823**	35,295	**(1,085)**	(934)
Energy contracts *				
Not qualified for hedge accounting			**(10,990)**	(162)
Cash flow hedges			**9,769**	1,942
			(2,257)	816

* Derivative financial instruments are used in the normal course of business in order to hedge exposure to fluctuations in energy prices. The aggregate notional volumes of the outstanding energy derivatives at 30 June 2022 were 366,900GWh (31 December 2021: 311,808GWh) and 10 million barrels (31 December 2021: 7 million barrels) and 3,303TJ (31 December 2021: 4,382TJ) for electricity, oil and gas respectively.

Trade and Other Receivables
Trade Payables and Other Liabilities

- Hong Kong: Higher trade receivables from higher seasonal electricity sales in the summer; increase in fuel purchase related payables largely due to sharp rise in fuel prices
- Mainland China: Higher accrued national subsidies for renewables projects due to continuous delay in settlement; lower construction cost payable due to continuous settlement (mainly Qian'an III wind farm)
- Australia: The significant increase in futures margin account of HK$6.1 billion contributed to the majority increase in trade and other receivables; the extreme high wholesale electricity and gas prices resulted in (i) higher accrued generation revenue and (ii) increase in payables for electricity purchases for our retail business and gas purchases at period end
- India: Total receivables and payables of HK$2,458 million and HK$354 million at 30 June 2022 were reclassified to assets and liabilities of disposal group held for sale respectively

Relationship among Derivative Position, Futures Margin Account and Cash Flow

EnergyAustralia uses energy futures contracts traded on the Australian Securities Exchange as part of its hedging strategy against energy price risk, which requires a futures margin account to be maintained. Each day the futures position is revalued and we provide / receive cash to cover the unfavourable / favourable movements in the futures position.

In line with the significant increase in forward electricity prices unfavourably impacting our sold energy futures contracts, substantial futures margin account requirements were met to cover the short position on open derivative contracts which led to a significant increase in other receivables and operating cash flow to be negative in the first half of the year.

Analysis of Cash Flow

	Six months ended 30 June	
	2022 HK$M	2021 HK$M
Free cash flow		
Funds from operations	**(1,698)**	8,128
Less: Tax paid	**(1,127)**	(1,902)
Less: Net finance costs paid	**(1,090)**	(948)
Less: Maintenance capex paid	**(720)**	(567)
Add: Dividends from joint ventures and associates	**1,252**	1,413
	(3,383)	6,124
Capital investments (excluding maintenance capex)		
SoC capex	**(5,081)**	(4,861)
Growth capex	**(1,357)**	(483)
Others *	**(508)**	(49)
	(6,946)	(5,393)

* Including investments in joint ventures, additions of intangible assets and deposit paid for new head office

- Hong Kong: Lower operating inflow from SoC operations (-HK$1.6 billion) mainly due to (i) lower basic tariff revenue from lower units sold, (ii) increase in under-recovery of fuel costs from customers and (iii) a special rebate and a rent and rates special rebate totalling HK$508 million provided in 2022 to alleviate the burden on customers; offset by lower tax paid
- Australia: Negative cash flow from operations of HK$6.9 billion (2021: positive of HK$1.6 billion) largely attributable to the substantially higher cash deposits made to the futures margin account (HK$5.8 billion) under exceptionally high wholesale price environment and in line with the operational challenges faced by the Energy business in the first half of 2022
- Mainland China and others: Steady operating cash flow of subsidiaries and continued strong dividend from Daya Bay nuclear project; dividend from OneEnergy Taiwan not yet paid (2021: HK$262 million)
- Capital investments mainly included progress of construction of low-carbon emitting generation facilities, development / enhancement of the transmission and distribution network and smart meter installation for SoC business, deposit paid for the new head office at Kai Tak, construction of renewable projects in Mainland China and India, and development of Tallawarra B in Australia

Financing and Capital Resources

CLP took active steps in financing in the first half of the year to meet the needs of its operations and support growth. It continued to exercise prudence through regular reviews of its liquidity position to ensure ongoing financial integrity, and took timely action when appropriate to uphold a strong financial profile. The Company also moved pre-emptively to arrange major financing activities and lock in preferential terms, while spreading out the debt maturity profile and sources of funding.

The Group maintained adequate liquidity, with undrawn bank facilities of HK$19.5 billion and bank balances of HK$3.7 billion as at 30 June. By the end of July, the undrawn bank facilities and bank balances increased to HK$22 billion and HK$6.2 billion respectively, reflecting CLP's continuous effort to further strengthen its financial flexibility and capability to support business growth and guard against contingencies. CLP Holdings held HK$6 billion of liquidity on 30 June and added HK$3 billion of new credit facilities in July with a further total of HK$2 billion of new facilities pending execution. The high level of liquidity is expected to be maintained throughout the year, and will be supported by dividend payments and inflows from subsidiaries, joint ventures and associates.

CLP Power Hong Kong took early action to complete new medium-term emission reduction-linked banking facilities in the first quarter, before increased financial market volatility due to geopolitical tensions and faster-than-expected monetary tightening in major economies. CLP Power Hong Kong arranged a JPY15 billion (HK$1.0 billion) three-year samurai loan facility in January at an attractive floating rate. The loan was syndicated to Japan-based regional and city banks with overwhelming response. The full amount of loan proceeds was swapped back to Hong Kong dollars to mitigate currency risk through a sustainability-linked derivative, which was reportedly among the first of its type arranged for a corporate in Hong Kong. This cross-border samurai loan further lowered interest costs and diversified sources of funding. CLP Power Hong Kong also executed three-year revolving loan facilities totalling HK$1.0 billion at competitive terms. The above facilities arranged in the first quarter carried environmental, social and governance (ESG) features similar to existing facilities.

CAPCO arranged a HK$520 million two-year energy transition revolving loan facility, governed under the Climate Action Finance Framework, at an attractive interest margin for refinancing of an expired commercial loan for the D1 project at Black Point Power Station. In addition, CAPCO executed two-year emission reduction-linked revolving loan facilities totalling HK$800 million for general corporate purposes.

Both CLP Power Hong Kong and CAPCO have medium-term note (MTN) programmes in place under which bonds in aggregate amounts of up to US$4.5 billion and US$2 billion respectively can be issued. As of 30 June 2022, notes with aggregate nominal values of around HK$29 billion and HK$9.1 billion had been issued by the two entities respectively.

In April 2022, EnergyAustralia completed the upsizing of its revolving syndicated bank debt facility from A$2.5 million (HK$14 million) to A$750 million (HK$4.0 billion). With competitive interest rates offered by 12 participating banks, the facility comprised a A$150 million (HK$810 million) three-year tranche, and a A$600 million (HK$3.2 billion) five-year tranche. In July 2022, EnergyAustralia obtained an additional A$1 billion (HK$5.5 billion) credit facility to boost its liquidity and provide more financial buffer for its operations.

In India, Apraava Energy arranged Rs20 billion (HK$2.0 billion) of bank facilities at competitive interest rates, mainly to support the development of power transmission and renewable energy projects. Apraava Energy also concluded a debut issuance of Rs4 billion (HK$398 million) one-year unlisted commercial paper at a favourable coupon rate.

In Mainland China, CLP executed a RMB181 million (HK$212 million) 10-year onshore non-recourse project loan facility to refinance existing debt in a renewable project, extending the tenor and lowering the interest rate.

The Group's net debt to total capital ratio at the end of June 2022 was 32.7%. This compared with 28.1% reported by the Group at the end of 2021. Fixed-rate debt as a proportion of total debt was 52% without perpetual capital securities at the end of June 2022, and 55% with perpetual capital securities. These compared with 61% and 64% reported by the Group at the end of 2021. Earnings before interest, taxes, depreciation and amortisation, and fair value adjustments (EBITDAF) interest cover for the six months to 30 June 2022 was 10 times, compared with 14 times for the same period in 2021.

Debt Profile as of 30 June 2022

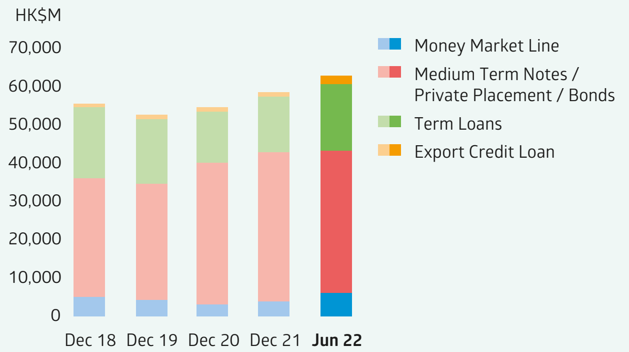
	CLP Holdings HK$M	CLP Power Hong Kong HK$M	CAPCO HK$M	Other Subsidiaries HK$M	CLP Group HK$M
Availability Facility [1]	8,200	35,558	26,673	11,646	82,077
Bank Loans and Other Borrowings [2]	2,239	32,059	17,657	10,629	62,584
Undrawn Facility [2]	5,961	3,499	9,016	1,017	19,493

Notes:

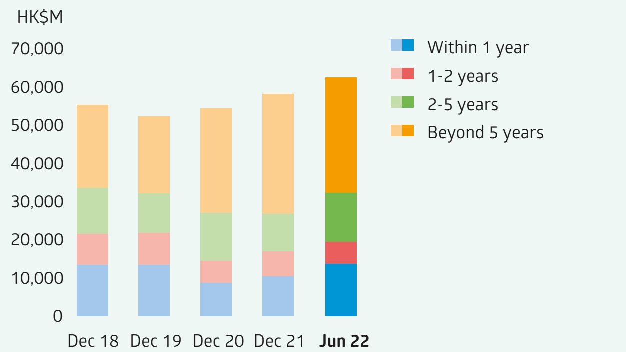
1 For the MTN Programmes, only the amounts of the bonds issued as of 30 June 2022 were included in the total amount of available facilities. The available facilities in EnergyAustralia excludes a facility set aside for guarantees.

2 Excludes balances of Apraava Energy, which were classified as held for sale as of 30 June 2022. If including the balances of Apraava Energy, Total Bank Loans and Other Borrowings and Total Undrawn Facility were HK$68,724 million and HK$21,963 million respectively.

Loan Balance – Type



Loan Balance – Maturity [1]



Note:

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

Credit Ratings

In July 2022, Standard & Poor's (S&P) affirmed the A credit rating of CLP Holdings with stable outlook. S&P opined the Company is expected to overcome operational challenges in Australia and gradually recover profitability. S&P further opined that CLP Group will likely continue to generate stable cash flow from the regulated business in Hong Kong and investments in nuclear projects in Mainland China. In June 2022, Moody's opined in its credit rating update that CLP Holdings, within its current A2 credit rating profile, should be able to manage the adverse financial impact due to substantially unfavourable fair value movement on the energy forward contracts of EnergyAustralia because of its strong financial capacity and solid liquidity.

In July 2022, S&P lowered EnergyAustralia's credit rating from BBB+ to BBB- with negative outlook and revised its liquidity to adequate from strong. This rating action reflected S&P's view of EnergyAustralia's weakening credit position with prolonged operational issues amid challenging market conditions including several unplanned outages at its coal plants exacerbated by volatile wholesale market conditions and high prices.

At the time of this report's completion, the credit ratings of major companies within the Group were as follows:

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

Hong Kong

A CLP cable bridge in Yuen Long caught fire on 21 June, affecting electricity supply to 175,000 customers. Power was firstly restored to essential services including hospitals and railways. With the tremendous efforts of the engineering teams, supply to around 90% of the affected customers was restored in seven hours and subsequently to the remaining customers within 13 hours. The incident resulted in damages to three 132kV high-voltage circuits and some medium voltage and communication cables. The power supply capability of CLP's power grid in the affected regions was fully restored on 28 June after CLP's engineering teams made every effort to replace the infrastructure.

CLP has closely communicated with relevant Government departments and cooperated with their investigations. A preliminary report was submitted to the Government on 24 June, followed by a further report on 6 July. To alleviate public concerns, CLP has implemented a series of additional risk reduction measures including the immediate inspection of other cable bridges, and enhancing security systems and fire protection equipment at the cable bridges.

CLP has expressed sincere apologies to customers affected by this rare incident, and conveyed appreciation for their understanding. It would also like to thank relevant Government departments and community stakeholders for their assistance.

In the face of the severe fifth wave of COVID-19 affecting Hong Kong from early 2022, CLP assisted customers to deal with the impact of the pandemic. With extended COVID-19 restrictions constraining economic activities, CLP in March relaunched a bill payment deferral scheme for small and medium enterprises (SMEs) in the catering and retail sectors, which were particularly hard hit by the pandemic. The CLP Retail and Catering Coupons Programme was also resumed to ease the burden of underprivileged households – including elderly people and tenants of subdivided units – and promote consumer spending. The programme, supported by HK$80 million from the CLP Community Energy Saving Fund, saw coupons distributed to nearly 800,000 eligible households to spend at more than 2,800 participating retail outlets and restaurants.

During the peak of the fifth wave, CLP worked closely with Government departments to provide new power supplies in record-breaking time for the construction and operation of community isolation and treatment facilities. Employees also drew on their design thinking skills and technical expertise to develop a digital solutions management system for the pandemic relief organisation Hong Kong Community Anti-Coronavirus Link (HKCACL), allowing it to handle a flood of service requests as well as its volunteer database. CLP volunteers meanwhile helped hand out daily necessities and anti-virus supplies to low-income families, elderly people and other underprivileged customers.

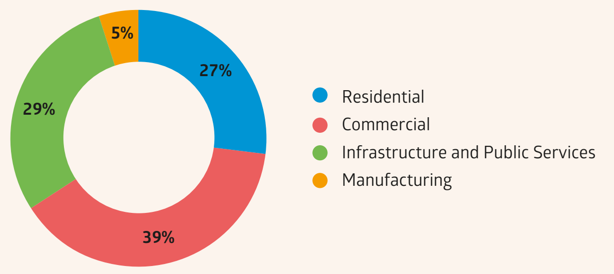
CLP is collaborating with real asset manager ESR HK Limited to explore development of low-carbon data centres and logistic centres in Hong Kong and the Greater Bay Area.

In consideration of surging international fuel prices, CLP drew on multiple measures to freeze basic tariff for 2022, easing the financial pressure on customers. However, sharply rising international energy prices and global market volatility in the first half continued to drive fuel costs higher. CLP's monthly fuel cost adjustment in August 2022 was much higher compared to January 2022 and average net tariff during this period increased by close to 8%, representing significant impact on electricity bills for households and businesses.

Electricity sales fell by 4.1% to 15,743 gigawatt hours (GWh) in the first half of 2022 compared with the same period a year earlier. The decline in all sectors was largely due to the milder weather this year, with the much cooler than usual weather in May in sharp contrast to record high temperatures in the same month a year earlier. The impact to sales in the Commercial and Infrastructure and Public Services sectors was partially offset by higher demand from data centres, which continued to increase in line with the boom in the digital economy. The table below shows electricity sales by sector and year-on-year changes:

	Local Sales by Sector	% Increase / (Decrease)
Residential	4,332GWh	(5.0%)
Commercial	6,081GWh	(4.7%)
Infrastructure and Public Services	4,563GWh	(2.2%)
Manufacturing	767GWh	(5.4%)

% of Total Local Sales



Decarbonisation is a strategic priority for CLP. During the first half, it continued to implement major infrastructure projects towards Hong Kong's energy transition despite the challenges of the pandemic. Engineering, procurement and construction works progressed for a new 600MW combined-cycle gas turbine generation unit at Black Point Power Station, which is due to go into service on schedule in 2023. The new unit, D2, will further add to CLP's gas generation capacity following the commissioning of the power station's D1 unit in 2020. These investments in lower-carbon gas-fired capacity are essential to CLP's plan to gradually phase out coal-fired generation units at Castle Peak A Power Station.

Construction of the offshore LNG terminal progressed with work on the pipeline to Black Point Power Station nearing completion. Development works continued to be expedited to enable the project to enter service by the first half of 2023, minimising any delays due to current challenges on logistical issues.

CLP continued to explore options for greater use of renewable energy and began geotechnical site investigations for a possible offshore wind farm in the south-eastern waters of Hong Kong. Customers meanwhile showed further strong interest in CLP's Renewable Energy Feed-in-Tariff scheme, reflecting rising public awareness of the importance of low-carbon energy. A total of 309MW of renewable energy capacity were approved or connected to the grid by the end of the first half, up from 265MW at the end of 2021.

As well as investing in decarbonisation infrastructure, CLP provided a diverse range of services and solutions to help customers reduce their carbon footprint and improve energy efficiency. These include electric mobility, carbon reduction and the deployment of digital technologies to support electrification and provide more options for energy saving.

CLP is committed to promoting electric vehicle (EV) adoption in Hong Kong. In addition to its network of EV charging stations providing services to users, CLP also offers technical support and solutions including the Eco Charge 2.0 programme, which helps customers with planning of charging infrastructure at their premises.

CLP's Renewable Energy Certificates (RECs) programme continued to provide a simple way for customers to support local clean energy generation and demand for the certificates from businesses remained strong, especially from the finance and retail sectors.

CLP provides professional advice and subsidies to commercial and industrial customers for implementing electrification and energy-saving projects to support their decarbonisation targets. In addition to their positive environmental impact, such projects may offer customers extra economic benefits as more banks in Hong Kong consider energy efficiency a key criterion when providing sustainability-linked financing.

The ongoing smart meter replacement programme provided more residential and SME customers with the ability to manage their electricity use effectively and access detailed consumption information through the CLP App. By the end of June, 1.5 million smart meters were connected, representing more than 50% of CLP's meters for residential and SME customers in Hong Kong.

CLP*e* Group (CLP*e*), which provides integrated energy and infrastructure solutions, signed a contract to develop solar energy systems with combined capacity of about 800kW at 12 properties of Link Asset Management Limited in Hong Kong. The contract will provide renewable energy under an Energy-as-a-Service (EaaS) model, whereby the customer can enjoy the energy it uses without having to make upfront capital investments. CLP*e* is also working on EaaS solutions for construction companies to use battery storage systems to improve energy efficiency.

CLP Power Hong Kong and CLP*e* signed a memorandum of understanding with ESR HK Limited (ESR) in June to provide energy and infrastructure expertise as ESR sets up sustainable data centres and logistics centres in Hong Kong and the Greater Bay Area (GBA). The collaboration covers project design, construction and operational aspects, including measures on energy efficiency and energy management.

Outlook

CLP will continue to work closely with relevant Government departments and aims to complete the investigation on the cable bridge fire incident as early as possible, with appropriate measures adopted to ensure the continuous supply of reliable and clean energy to our customers. CLP is committed to supporting the Hong Kong community as it recovers from the impact of the pandemic. International fuel prices are expected to remain volatile. While CLP will maintain prudent cost controls to mitigate the impact of rising fuel prices, significant pressure on tariffs will be inevitable.

CLP will continue to invest strategically and cost-effectively in the decarbonisation of Hong Kong's electricity supply. As Hong Kong works towards a goal of becoming carbon neutral by 2050, CLP will retain its focus on exploring renewable energy and clean energy technologies, including green hydrogen, while working closely with the Government to broaden regional cooperation on zero-carbon energy.

Mainland China

CLP made further progress in decarbonising its Mainland China business in the first half of the year, bolstered by solid contributions from the non-carbon portfolio as well as investments in new renewable energy and energy solutions projects. However, the performance of thermal power assets remained hindered by rising coal costs.

The nuclear energy portfolio in Guangdong province continued to perform strongly. Daya Bay Nuclear Power Station maintained its stable operations and earnings, and continued to excel in reliability and safety. Contributions from Yangjiang Nuclear Power Station rose from a year earlier as the plant increased generation to meet demand and benefitted from higher electricity tariffs.

Wind energy generation declined because of lower wind resources. This was partially offset by the beginning of commercial operations at Qian'an III Wind Farm in Jilin province in March. Qian'an III is CLP's first grid-parity renewable energy project in Mainland China, operating without Government subsidies. CLP aims to begin operations at the 50MW Xundian II Wind Farm in Yunnan province by the second half of the year, one of two grid-parity projects currently under development. Construction is expected to begin on the 150MW Bobai Wind Farm in Guangxi Zhuang Autonomous Region in the second half.

Generation from CLP's solar energy portfolio remained stable, and hydro output rose as a result of higher water resources for the Jiangbian plant in Sichuan province and Huaiji in Guangdong.

Delayed national subsidy payments for renewable energy projects amounted to HK$2,584 million for CLP's wind and solar energy subsidiaries in Mainland China as of 30 June, compared with HK$2,302 million at the end of 2021.

Rising coal prices continued to affect the margins of Fangchenggang Power Station in Guangxi Zhuang Autonomous Region as the Ukraine conflict triggered further increases in fuel costs. Higher tariffs negotiated with customers partially alleviated but were insufficient to offset the fuel cost impact for the power station. CLP is in the process of transforming the power station into an integrated energy provider by offering steam as well as electricity sales.

CLP is focused on developing business models that integrate energy infrastructure and services to meet growing demand for smarter, cleaner energy solutions in the GBA. Retrofitting works to modernise the centralised cooling system at Po Park Shopping Plaza in Guangzhou were completed in March. The project represents a new business model for CLP in the GBA, with a contract to operate cooling services providing a steady income stream for at least 15 years.

A partnership with Qingdao TGOOD Electric Company Limited to develop an EV charging business in the GBA was announced in April. CLP will have a 60% shareholding of the joint venture, which will be formed after final negotiations are completed and approval from authorities granted.

The project aims to accelerate green transport and the construction of smart charging networks in the GBA. In June, CLP*e* signed a partnership with a public rail operator to provide solar energy to transportation facilities in the GBA under an EaaS model.

Outlook

CLP will remain focused on further developing non-carbon opportunities, including the Xundian II and Bobai wind farms, while exploring other grid-parity renewable energy projects. It is committed to supporting the decarbonisation of the Chinese electricity industry in line with the Government's goals of achieving peak carbon emissions by 2030 and carbon neutrality by 2060. CLP will continue to adopt measures to mitigate the impact of high coal prices on operations and margins at Fangchenggang Power Station.

The GBA has a strategic role to play in leading the green transformation of the Chinese economy under the 14th Five-Year Plan, and CLP will continue to explore investment opportunities in energy infrastructure projects for industrial parks and commercial sites, including cooling systems and data centres. CLP also aims to deploy innovative technologies and business models to capture emerging opportunities in the EaaS sector.

Australia

EnergyAustralia faced considerable operational challenges in the first half of the year amid unprecedented conditions in Australia's energy markets. The business incurred high costs to settle forward contracts that could not be covered due to reduced generation at its biggest power stations, after tight power supply and high fuel costs led to a more than tripling in prices in the National Electricity Market (NEM) this year.

Output at Yallourn Power Station in Victoria was reduced due to a series of unplanned outages including a coal conveyor system fire that briefly restricted operations of two generation units and recurring maintenance issues. Mount Piper Power Station's output was also lower as the result of a major planned outage and curtailed generation to conserve fuel as coal deliveries from the supplier were lower than contracted.

In line with its long-standing hedging policies, most of EnergyAustralia's generation was contracted in advance of this year's higher wholesale power prices. The sold contract prices were therefore significantly lower than prevailing spot market rates, negatively impacting earnings of the Energy business due to the increased costs to settle contracts that could not be covered as a result of the generation shortfall from Yallourn and Mount Piper.

CLP aims to begin operations at the 50MW Xundian II Wind Farm in Yunnan province in the second half of 2022. Pictured here is Xundian I Wind Farm.

The exceptional market conditions were demonstrated in June when the Australian Energy Market Operator (AEMO) suspended spot trading in the NEM for over a week, following outages at major Australian coal-fired power stations and increased power demand due to cold weather. EnergyAustralia offered all its available generation capacity to AEMO during the market suspension while diligently addressing issues that could lead to plant outages.

In addition, the requirement to mark-to-market the energy hedging contracts not qualifying for hedge accounting against higher forward prices resulted in significant, unfavourable fair value movements which affected operating earnings. These unrealised losses reflect an opportunity cost versus prevailing prices at a particular point in time. The original sale price of the contract will be realised at contract expiry matched against the generation hedged, with the fair value losses unwound. The losses are not related to the underlying operational business performance.

Earnings in the Customer business improved with lower costs of supplying to retail customers due to gains from electricity hedging practices maintained by EnergyAustralia, as well as reduced bad debt expenses. As several smaller energy retailers ceased services amid the challenging market conditions this year, some of their customers were transferred to EnergyAustralia under the Australian Energy Regulator's Retailer of Last Resort mechanism, which is designed to protect consumers of failed retailers by passing them on to new providers to make sure their energy service continues. At the end of June, EnergyAustralia had 2.45 million retail customer accounts, a slight increase compared to six months earlier.

Reflecting the rise in wholesale energy prices this year, EnergyAustralia announced increases in electricity and gas tariffs effective 1 August for most residential and small business customers who are not on fixed-rate contracts. EnergyAustralia remained committed to offering affordable energy services and value for customers in the face of rising power costs, cost of living pressures and the ongoing impact of the COVID-19 pandemic. Temporary relief was extended on billing and collection, and access to hardship programmes was provided for customers impacted by flooding across Queensland and northern New South Wales in February.

In June, EnergyAustralia was fined A$12 million (HK$67 million) by the Federal Court after the business self-reported in 2019 breaches of the life support rules applicable to its business and admitted that it did not have adequate systems in place to fully comply with the life support rules for a period of time. EnergyAustralia has updated its systems and processes to improve and ensure compliance.

EnergyAustralia is committed to developing flexible capacity to support the energy transition. Construction of the Tallawarra B plant in New South Wales began in March. It is due to be completed by the 2023/24 Australian summer, and will be the country's first carbon-offset hydrogen and gas-capable power plant. In April, EnergyAustralia entered a partnership with Edify Energy to develop two utility-scale batteries in New South Wales with a combined capacity of 90MW/180MWh, to be completed in 2023. Meanwhile, EnergyAustralia continued to assess a potential pumped hydro energy storage project at Lake Lyell, which currently supplies water to Mount Piper Power Station. In Victoria, EnergyAustralia is evaluating potential contractors for its 350MW Wooreen battery storage project. Construction continued to progress at the 250MW Kidston pumped hydro storage project in Queensland, underpinned by EnergyAustralia through a long-term energy dispatch agreement with the developer.

EnergyAustralia also continued its clean energy collaboration with the Melbourne Cricket Ground (MCG). All energy used by the MCG has come from renewable sources since January, making it the first major Australian stadium to run entirely on clean power.

The rollout of the Solar Home Bundle programme across New South Wales was extended. Customers signing up to the programme have integrated solar and battery systems installed in their homes with no upfront costs after committing to seven-year electricity contracts on affordable tariffs.

Outlook

Despite challenging operating conditions, rising wholesale power prices are expected to benefit EnergyAustralia's operations in the longer term, and futures margin account requirements previously made will progressively return to EnergyAustralia with ongoing energy hedging contracts roll off, provided it can purchase the fuel required and generate and dispatch electricity at higher prices. EnergyAustralia is planning a maintenance programme at Yallourn Power Station to address the conditions identified in unplanned outages this year, while fuel supply to Mount Piper Power Station is expected to improve. Additional short-term coal and gas purchases have been made to enable EnergyAustralia's power stations to support customers and the broader energy market in the second half.

Volatility in spot prices in response to weather variations and changes in supply and demand looks set to continue amid the net-zero transition in Australia. In this light, EnergyAustralia's investments and contracts in batteries, pumped hydro and fast-start gas and hydrogen generation are expected to improve financial results as these projects come online.

EnergyAustralia welcomes the new Federal Government following May's elections, and remains strongly committed to engagement with policymakers at all levels to advance the clean energy transition. Policy developments including the potential introduction of the capacity mechanism proposed by the Energy Security Board are expected to promote investments in new dispatchable capacity, enabling more renewable energy to enter the grid reliably and affordably. EnergyAustralia will continue to strengthen its capital structure to fund its current and future investment needs, providing the reliable supply needed to support customer demand and the transition to a lower-carbon power market.

India

Apraava Energy maintained solid performance of its portfolio of generation and power transmission assets in the first half of 2022 as a prolonged heatwave and an easing COVID-19 situation fuelled rising electricity demand in India. The business also remained focused on expanding its investments in renewable energy.

Generation from wind increased compared with the same period in 2021, with the early onset of windy conditions in the second quarter compensating for lower resources at the beginning of the year. Operations at Chandgarh Wind Farm in Madhya Pradesh state returned to normal after they had been affected by vendor service disruptions earlier in the year. Apraava Energy continued to enhance its wind energy portfolio by implementing performance upgrades to wind turbines at the Tejuva plant in Rajasthan state and the Theni plant in Tamil Nadu state. Construction of the new 251MW Sidhpur wind energy project in Gujarat state made solid progress, and the plant is expected to go into service in the second half of the year.

Solar generation was lower in the first half. The Gale and Tornado solar farms in Maharashtra state resumed normal operations in April following the partial resolution of a land settlement dispute involving local farmers and the original developer of the two plants.

Outstanding receivables from local distribution companies related to the purchase of renewable energy were reduced by 10% to HK$798 million at the end of June, compared with HK$883 million at the start of the year.

Kohima-Mariani Transmission Limited, an interstate transmission line in north-eastern India in which Apraava Energy has a 49% stake, continued to report 100% availability. The wholly-owned Satpura Transco Private Limited intrastate transmission line in Madhya Pradesh state also reported full availability.

A major maintenance programme for one of the generation units at Jhajjar Power Station in Haryana state was completed in April, further strengthening the plant's reliability and performance. The power station concentrated on ensuring an adequate fuel supply to meet high electricity demand, including securing access to domestic and imported coal.

Outlook

CLP and CDPQ announced the strengthening of their strategic partnership in July. Apraava Energy is now strongly positioned to pursue a faster pace of growth in its clean energy investments and to play a key role in accelerating the decarbonisation of India's economy.

In the near term, the business will focus on completing the Sidhpur wind project on schedule, while continuing to explore new opportunities in solar and wind energy and transmission, including potential acquisitions and participation in public auctions. Apraava Energy remains committed to enhancing the operational performance of its portfolio and access to fuel supplies as demand surges amid India's post-pandemic recovery.

Southeast Asia and Taiwan

Ho-Ping Power Station in Taiwan reported reliable operations after a major overhaul was completed in the first quarter. An operating loss was recorded in the first half of the year as the tariff increase proved insufficient to offset the higher coal costs. The tariff at the power station is adjusted annually to follow the trend in prior-year coal costs, and so is likely to increase next year and relieve pressure on margins. Operations were stable at Lopburi Solar Farm in Thailand but its contribution was lowered by a decrease in the tariff for one phase of the plant, following the expiration of the preferential tariff period.

Outlook

Ho-Ping Power Station will focus on managing fuel costs and supply through the coming period when international coal prices are expected to stay high.

Human Resources

The CLP Group had 8,183 full-time and part-time employees on 30 June 2022, compared with 8,074 at the same time in 2021. A total of 5,434 were engaged in CLP's businesses in Hong Kong and Mainland China, and 2,749 by businesses in Australia, India, Southeast Asia and Taiwan. Total remuneration for the six months to 30 June was HK$3,330 million, compared with HK$3,349 million for the same period in 2021, including retirement benefit costs of HK$315 million, compared with HK$319 million a year earlier.

With the COVID-19 pandemic ongoing, CLP maintained comprehensive measures to safeguard the wellbeing of employees and contractors and ensure business continuity. The measures include special work arrangements, closed-loop work systems, temperature testing and site access controls and access to health education and mental health support. Testing kits, health and food supplies were provided to affected employees. Across all jurisdictions, CLP continued to support efforts to increase rates of vaccination among staff.

To sharpen focus on delivering decarbonisation and seizing opportunities arising from the development of the GBA, CLP launched a new operating model earlier in the year that aims to deliver synergies across its businesses in Hong Kong and Mainland China, and support growth in renewable energy assets and energy solutions. To enable digitalisation, IT and digital capabilities were also brought together. Recruitment of experienced and entry-level talent was strengthened across all jurisdictions and expanded in Mainland China, addressing new talent demands and labour market challenges.

CLP made further enhancements to workplace policies this year in line with its ongoing focus on attracting and retaining a diverse workforce. More flexible work-from-home arrangements were introduced in Hong Kong, along with new part-time working options.

The CLP Group was named Hong Kong's most inclusive employer and fourth in the Asia-Pacific region, in the Inclusive Index Report by international consultancy Equality Group. CLP Power Hong Kong was also certified as a MindCare Company by Bupa and the Mental Health Association of Hong Kong last year, in recognition of its efforts to prioritise employee mental health and provide support. Both awards are testament to CLP's commitment to create a diverse, inclusive workplace.

Health and Safety

CLP strengthened efforts to improve safety in the first half of 2022, launching a new multi-year health, safety and environment (HSE) strategy with a focus on designing safer work processes through improved organisational learning.

The new HSE strategy will enhance capabilities across the business – from senior managers to frontline workers – to increase safety and operational resilience through increased understanding of work activities and improvements to systems and processes. A key objective of the strategy is to prevent fatalities and life-changing incidents.

Digitalisation is at the heart of the new strategy with new software systems planned to strengthen risk management and incident reporting. CLP meanwhile continued efforts to reduce the risks of working at height and other hazardous activities, improving processes to increase worker safety.

The total recordable injury rate (TRIR) and lost time injury rate (LTIR) for employees and contractors were marginally higher in the first half of 2022 compared with the same period in 2021, reflecting an increase in cases in Hong Kong related to a routine operation at a power station. CLP remains committed to continuously improving safety and reducing potential sources of harm for its workers.

	Employees		**Employees and Contractors**	
	Jan – Jun 2022 [2]	Jan – Jun 2021 [1]	**Jan – Jun 2022** [2]	Jan – Jun 2021 [1]
LTIR	**0.02**	0	**0.10**	0.04
TRIR	**0.19**	0.11	**0.27**	0.19

Notes:

1 Figures for 2021 were revised to reflect the reclassification of two cases, as well as minor adjustments to the number of hours worked.

2 From 2021, 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 three work related ill health injuries in 2022.

Environment

CLP took further steps to reduce harmful emissions and improve water management as part of its mission to minimise the environmental impact of its operations.

On emissions, a multi-year programme to upgrade eight older generation units at Black Point Power Station in Hong Kong was completed in January. The programme enables reduced emissions of nitrogen oxides (NO_x), while the increased operational efficiency of the upgraded generation units has delivered an improved performance on carbon emissions.

Black Point Power Station's new D1 generation unit, commissioned in 2020, uses a selective catalytic reduction system to reduce NO_x emissions. The same technology will be deployed in the D2 unit currently being constructed at the power station, which will further reduce emissions after its planned commissioning in 2023. Flue gas desulphurisation units deployed at Jhajjar Power Station in India and Fangchenggang Power Station in Mainland China meanwhile helped the plants lower emissions of sulphur dioxide.

In June 2021, exceptionally heavy rainfall resulted in heightened water flows and the need for inspections for damage to the Morwell River Diversion running through the Yallourn mine in Victoria. In the first half of 2022, EnergyAustralia completed repairs to a major section of the diversion, and a new pump system was constructed to enable water to bypass the structure, further reducing risks to operations of the mine. Further works are ongoing to implement systems to facilitate future management and maintenance.

At Mount Piper Power Station in New South Wales, the Springvale Water Treatment Plant continued to fulfil about 80% of daily water needs to the power station, significantly reducing the need to source river water for its operations. Fangchenggang Power Station continued to reuse treated wastewater for flue gas desulphurisation, dust suppression and irrigation for greening. Other initiatives to reduce water wastage included the continued deployment of robotic cleaning systems for dust removal at CLP's solar farms in Mainland China.

CLP is determined to fulfil its environmental obligations and closely monitors and responds to any changes in regulations in its operating areas. It reported no environmental regulatory non-compliance incidents resulting in fines or prosecutions during the first half of 2022.

Climate Action

CLP pushed forward with key investments in lower-carbon electricity infrastructure across its operating regions in Asia Pacific, and remained keenly focused on decarbonisation despite rising volatility in international energy markets and the ongoing impact of the pandemic.

Construction continued on the D2 generation unit at Black Point Power Station, which is due to go into service in 2023, further accelerating the transition to a cleaner electricity supply in Hong Kong with increased use of natural gas in the fuel mix.

In Mainland China, CLP began operations at the 100MW Qian'an III Wind Farm in Jilin province in March, and made steady progress with two other wind energy projects – the 50MW Xundian II project in Yunnan province and the 150MW Bobai project in Guangxi.

Apraava Energy in India, meanwhile, prepared to launch its 251MW Sidhpur Wind Farm in Gujarat state in the second half of the year, and EnergyAustralia began construction of its Tallawarra B power station. The plant in New South Wales state will be capable of using a blend of natural gas and green hydrogen as fuel, with residual direct carbon emissions offset over its operating lifespan.

Progress was also made on other flexible capacity projects to bring more renewable energy into the network, including the Kidston pumped hydro storage project in Queensland and two new battery storage projects in New South Wales developed with partner Edify Energy.

CLP's continued investments in support of the energy transition helped its businesses decarbonise in step with the Company's latest targets under Climate Vision 2050, which were further strengthened in September 2021. Revisions included new science-based targets for 2030 aligned with global efforts to limit warming to well-below 2°C and CLP's commitment to achieve net-zero greenhouse gas emissions across the value chain by 2050.

As well as providing infrastructure for a lower-carbon electricity industry, CLP remained committed to helping customers reduce their carbon footprints. In Hong Kong, business customers now have access to a range of initiatives to improve their energy efficiency, including the Retro-Commissioning Charter programme, the CLP Eco Building Fund, and the Electrical Equipment Upgrade Scheme.

CLP continued to seek out new partnerships to speed up the green economic transformation of Hong Kong and the GBA, including a collaboration with TGOOD to build electric vehicle charging infrastructure and a project with ESR to develop sustainable data centres.

Sustainability Performance

CLP's latest Sustainability Report, published in March, concentrated on topics central to the business's sustainable development, such as the transition to net zero, resilience in a changing operating environment, and keeping pace with community, employee and customer expectations.

For the first time, CLP adopted a double materiality approach to make its reporting more integrated, with the Sustainability Report focusing on environmental, social and governance (ESG) issues that have an impact on people, the environment and the economy. As part of this approach, CLP's Annual Report covered ESG topics that potentially create or erode enterprise value. In response to increasing interest in CLP's response to climate change and its impact on business, CLP launched its first standalone Climate-related Disclosures Report.

CLP's reporting was commended by the Task Force on Climate-related Financial Disclosures (TCFD). The Stock Exchange of Hong Kong Limited's ESG Academy portal also recognised the positive attributes of CLP's reporting, including its approaches to governance, materiality assessment, climate change and stakeholder engagement.

For the third consecutive time, CLP won the ESG Report of the Year, Best in ESG and Best in Reporting awards in the Large Market Capitalisation category of the BDO ESG Awards run by the international network of public accounting, tax and advisory firms BDO. CLP was also winner of the BDO's Theme Award, presented to the company with the best carbon neutrality efforts.

CLP Holdings was the only Hong Kong company to achieve an A- rating in the climate change category from global disclosure system operator CDP. The Company's efforts on sustainability were recognised by its inclusion in international stock indices based on ESG performance, including the Dow Jones Sustainability Asia/Pacific Index, the MSCI ESG Leaders Indexes, the Hang Seng Corporate Sustainability Index and the FTSE4Good Index.

Innovation

CLP continued to harness the latest technologies to offer businesses and consumers with sustainable energy solutions, helping them become more energy efficient and reduce their carbon footprints.

CLP*e* signed contracts to provide heating, ventilation and air conditioning (HVAC) systems to customers in Hong Kong and Mainland China, including Kai Shing Management Services, Nan Fung Property Management and Sino Group. HVAC systems use artificial intelligence to improve the performance and energy efficiency of cooling systems, and the technology – provided by CLP's Smart Energy Connect

(SEC) digital energy solutions platform – was also deployed in a retrofitting of the centralised cooling system at Po Park Shopping Plaza in Guangzhou. The retrofitting works were completed in March.

Technologies from the SEC platform allowed CLP*e* to help customers better manage their energy use and control lighting and air conditioning in offices. CLP*e* also uses the platform to help property companies monitor energy consumption across multiple buildings, giving them detailed insights on consumption patterns for improved energy management.

CLP*e* expanded its range of services and solutions and launched the SEC ASPIRE digital tool, which allows businesses in Hong Kong to exchange resources that might otherwise be discarded. The digital tool promotes the development of a circular economy and was developed in partnership with Australian waste management technology provider ASPIRE.

Meanwhile, CLP*e*'s Domeo eShop provided online shoppers in Hong Kong with a widening selection of products and services, ranging from smartphones, home and kitchen appliances to air-conditioning cleaning services. Domeo eShop promotes greener lifestyles for users, enabling CLP customers to convert Eco Rewards earned for energy saving into online shopping incentives including retail coupons and discounts.

CLP continued to work with innovators around the world to keep pace with technological developments in its key focus areas, such as energy management and electric transport. The Company participated in the Free Electrons energy accelerator programme and benefitted from an ongoing partnership with CYZone, a leading provider of technology-based information services in Mainland China.

Stakeholder Engagement and Social Performance

CLP is dedicated to addressing societal challenges in the communities in which it operates through compassionate and practical initiatives as well as partnerships with different stakeholders. Its efforts focus on improving community wellbeing, supporting education and the development of young people, strengthening environmental protection and working with customers, business partners, governments and the public to accelerate global climate action.

Commitment to Community Wellbeing

CLP continued to provide dedicated, timely support to communities in its operating regions affected by the ongoing pandemic. As the fifth wave of COVID-19 swept Hong Kong, CLP delivered assistance to people in need and joined city-wide efforts to prepare for the safe reopening and recovery of the economy. CLP Holdings donated HK$2 million to the HKCACL to provide personal protective equipment for volunteers carrying out anti-epidemic services in the community.

A digital solutions management system developed by CLP volunteers also helped HKCACL run its volunteer services more effectively. The one-stop digital platform, developed and launched in the space of a fortnight, enabled the HKCACL to deploy its network of more than 5,000 volunteers and allocate resources more effectively to combat the fifth wave of the pandemic. CLP volunteers also devised a system for the HKCACL's call centre, enabling relief workers to conduct analysis and keep track of the status of the cases.

CLP employees draw on their design thinking skills and technical expertise to develop a digital solutions management system for the pandemic relief organisation Hong Kong Community Anti-Coronavirus Link.

The CLP Hotmeal Canteens distributed more than 5,500 free meal coupons and emergency food packs in four canteens while services were temporarily suspended because of the pandemic. When the canteens reopened in May, their kitchens focused on providing takeaway services and deliveries to ensure customers received nutritious meals as quickly as possible before dine-in facilities reopened.

CLP teamed up with 29 NGOs and community partners to distribute nutritious food packages to more than 20,000 children, including tenants of subdivided units, and handed out 4,000 goody bags to elderly people containing surgical masks, food and other daily necessities.

In Mainland China, CLP donated RMB300,000 (HK$371,169) to support COVID-19 relief efforts by local authorities in Qian'an county, Jilin province, where several of its wind farms are based. Employees meanwhile continued a programme of regular visits to distribute food and necessities to people in villages and elderly homes near CLP's plants during the Chinese New Year holiday period.

Large swathes of Queensland and New South Wales in Australia were devastated by flooding in February and March as a result of record rainfall. EnergyAustralia responded with support for customers, temporarily stopping billing across 150 affected suburbs. In addition, credit and collection activities were temporarily suspended for more than 190,000 customers to ensure their services remained connected while they carried out repairs to their flood-damaged homes.

EnergyAustralia's Workplace Giving programme provided more than A$200,000 (HK$1.08 million) to support community projects, including initiatives for cancer patients and young people experiencing mental health issues. Employees volunteered more than 600 hours to charity partners Foodbank Victoria and Sacred Heart Mission. EnergyAustralia also organised activities across its plants and offices during National Reconciliation Week in late May and early June as part of its pledge to increase engagement with First Nations people in Australia, including Aboriginals and Torres Strait Islanders.

In India, Apraava Energy supported pandemic relief and protection measures for underprivileged people living near its operations by arranging COVID-19 testing and distributing food. More than 51,000 people received vaccinations with the support of Apraava Energy.

Apraava Energy continued to support projects that improve water infrastructure in villages near its plants, including the Jath wind project in Maharashtra state, and the Sidhpur project currently under construction in Gujarat. The initiatives supported residents through the provision of facilities including water storage tanks and farm ponds that help strengthen water security in drought-prone areas.

Support for Education and Development

CLP evolved its education and development programmes against the backdrop of a changing social situation. As learning moves increasingly online as a result of the pandemic, CLP arranged for laptop computers, tablets and mobile network cards to be distributed to 1,500 students in primary and secondary schools and tertiary institutions. The equipment will be delivered in August as students prepare for the start of the new academic year.

Under its Engineer in School programme, CLP organised presentations for 24 secondary schools in Hong Kong to encourage students to save energy and to share information about careers in power engineering. Most of the presentations were held in a digital format, allowing students to participate in science, technology, engineering and mathematics challenges remotely and develop problem-solving skills despite COVID-19 restrictions. CLP also continued to develop new learning materials, including videos and storybooks, under its POWER YOU Kindergarten Education Kit programme to help kindergarten pupils understand more about electricity's role in supporting low-carbon living.

CLP provided subsidies to students enrolled in vocational and professional education and training (VPET) programmes with the Vocational Training Council (VTC), supported by HK$1.5 million from the CLP Community Energy Saving Fund. Scholarships were meanwhile awarded to secondary school students for their outstanding achievements in overcoming adversity under the CLP Energy for Brighter Tomorrows Award programme. Each winner received a HK$10,000 prize and the opportunity to join a mentorship programme led by experienced CLP employees.

CLP extended its Distribution Box Beautification Project to cover all 14 districts of CLP's supply area and invited local artists and design students from the VTC's Technological and Higher Education Institute of Hong Kong to use their talent and creativity to decorate electrical distribution boxes with themes of architecture, culture and the environment.

In Mainland China, CLP provided funding to improve facilities at three primary schools for children in Sichuan province under its Support-a-School programme. Meanwhile, more than 800 students from seven Chinese provinces have benefitted from the Support-a-Student programme, with donations from employees matched by CLP.

In Guangxi, CLP lent its support to initiatives teaching traditional dancing, embroidery and music to help preserve the culture of the Miao and Yao ethnic minorities. A group of Miao women began making traditional handicraft to boost their families' income after attending classes sponsored by CLP in 2021.

In India, Apraava Energy signed an agreement in February with the Akshaya Patra Foundation to open a new midday meal kitchen for school students living near the eastern end of the Kohima-Mariani Transmission Limited transmission line in Assam state. The kitchen will serve up to around 25,000 meals a day to nearby schools.

Education programmes supported by Apraava Energy near its plants at Mahidad, Samana and Sidhpur in Gujarat state, and Gale and Tornado in Maharashtra continued to provide life skills training to young people as well as lessons on sustainable agricultural practices to farmers. A women empowerment programme near the Jhajjar Power Station in Haryana state supported by Apraava Energy provided training to about 2,500 women on topics ranging from life skills and entrepreneurship to vegetable growing.

Energy Efficiency and Environmental Protection

CLP stepped up its efforts to promote energy efficiency and environmental protection to customers. The Power Connect programme, with 757,000 CLP customers enrolled, offers rewards for energy saving and support for people in need. CLP allocated HK$50 million through the Power Connect programme, providing a total of HK$1,000 in electricity subsidies to 50,000 eligible households, including elderly people, disabled people, low-income groups and tenants of subdivided units.

Physical and virtual tours were organised for more than 900 visitors to the CLP Power Low Carbon Energy Education Centre at the City University of Hong Kong. The centre organises exhibitions and workshops on clean energy and the contribution of decarbonisation to global efforts to combat climate change. In Mainland China, meanwhile, tree planting and river cleaning activities were organised for communities living near different plants to support environmental protection and promote low-carbon living.

Apraava Energy completed a solar electrification project in partnership with the SELCO Foundation in 14 villages near its Satpura Transco Private Limited transmission line in India's Madhya Pradesh state. More than 3,600 households benefitted from the programme, which helps generate more than 13MWh of solar energy a year, equivalent to the reduction of 11 tonnes of carbon dioxide from the atmosphere.

Stakeholder Engagement on Climate Action

CLP continued to build close partnerships with stakeholders – including policymakers, business groups and capital providers in Asia Pacific and around the world – to strengthen global climate action.

The International Sustainability Standards Board (ISSB) began consultations on proposed new standards for reporting. CLP held talks with chambers of commerce and industry organisations to gauge their views on the proposed standards, and a response stating the Company's position was submitted to the ISSB in July.

CLP continued to engage with capital providers to communicate its strategy on sustainability and climate change, participating in a range of initiatives such as the Asia Investor Group on Climate Change's Asian Utilities Engagement Program. CLP presented its views on governance for climate action at events including the Climate Change Conference hosted by the Hong Kong Chartered Governance Institute in January, and a symposium organised by global environmental disclosure organisation CDP in March.

In April, CLP gave a presentation on its sustainability practices and its double materiality approach to corporate reporting at an online professional development programme organised by the Hong Kong Institute of Directors. CLP's progress on action to achieve a net-zero energy transition and its efforts in supporting customers to decarbonise were highlighted at the Business Environment Council's EnviroSeries Conference in Hong Kong in June. CLP joined a webinar on ESG reporting arranged by the Hong Kong Investor Relations Association in April, and the ESG Integration Forum Asia hosted by UK publication IR Magazine in June.

Reflecting its commitment to advance the energy transition dialogue, CLP was a sponsor of the Climate Change Hong Kong Summit in June, organised by the South China Morning Post newspaper. Chief Executive Officer of CLP Holdings, and Managing Director of CLP Power Hong Kong, were among speakers at the event, which provided a platform for discussions focused on climate actions for more than 200 participating guests in Hong Kong and overseas.

Corporate Governance

Highlights for the First Half of 2022

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

- Mr David Simmonds, formerly Group General Counsel & Chief Administrative Officer and the Company Secretary, took up the role as Chief Strategy, Sustainability and Governance Officer on 1 April 2022, reflecting the importance of embedding sustainability into CLP's business strategy as a Utility of the Future.
- The Company, in collaboration with The Hong Kong Chartered Governance Institute and KPMG China, contributed to and sponsored the publication of *Climate Change Reporting: Imminent, Challenging & Mandatory – The Opening Moves* in July 2022, which helps companies better anticipate issues in adopting the proposed International Sustainability Standards Board's standards.
- Hybrid Annual General Meeting (AGM): The 2022 AGM was held in a hybrid format with our public shareholders joining online. There was a Principal Meeting Place, with attendance limited to Directors and management working on the AGM arrangements. The online AGM was attended by both registered and non-registered shareholders who were able to view a live webcast of the AGM, submit questions and cast votes in near real-time through the online platform. Through the online AGM, this enabled shareholders to express their views amid these special circumstances.
- Continuous Disclosure in 2022: Our Continuous Disclosure Committee conducts regular assessment of potential inside information including the timeliness of making any relevant regulatory announcements. We first reported in our Quarterly Statement 2022 (January – March) the negative impact on the Group's operating earnings from the significant unfavourable non-cash fair value movements concerning our business in Australia. This was disclosed as an inside information announcement and subsequent to this, we gave a further update on this and issued a profit warning announcement in late June.

Corporate Governance Practices

The CLP Code on Corporate Governance (CLP Code) is our own unique code and it is built on CLP's own standards and experience while respecting the benchmarks set by the Hong Kong Stock Exchange. The CLP Code is on our website and available on request. We are reviewing the CLP Code to update and reflect the new requirements under the Hong Kong Stock Exchange Corporate Governance Code (Corporate Governance Code), Appendix 14 of the Rules Governing the Listing of Securities (Listing Rules).

Our 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.

During the six months ended 30 June 2022, the Company had complied with the Code Provisions and 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 112 of our 2021 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 2022.

At the Company's AGM held on 6 May 2022, the re-appointment of PricewaterhouseCoopers as the Company's independent auditor for the financial year ending 31 December 2022 was approved by our shareholders with strong support of over 99.61% 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.

Our Board and Senior Management

The CLP Board

As at 30 June 2022, the composition of the Board remained the same as disclosed on pages 98 to 103 of the 2021 Annual Report and is set out below:

Non-executive Directors	Independent Non-executive Directors	Executive Director
The Honourable Sir Michael Kadoorie	Sir Roderick Ian Eddington	Mr Richard Kendall Lancaster
Mr William Elkin Mocatta	Mr Nicholas Charles Allen	
Mr John Andrew Harry Leigh	Mrs Law Fan Chiu Fun Fanny	
Mr Andrew Clifford Winawer Brandler	Mrs Zia Mody	
Mr Philip Lawrence Kadoorie	Ms May Siew Boi Tan	
	Ms Christina Gaw	
	Mr Chunyuan Gu	

Mrs Zia Mody, Ms May Siew Boi Tan, Mr Philip Kadoorie, Sir Rod Eddington and Mr William Mocatta who stood for re-election at the 2022 AGM were re-elected with the approval of the shareholders.

There had been no substantial changes to the information of Directors as set out in the 2021 Annual Report and on the CLP website during the reported period and up to the date of this Report. The positions held by each of the Directors in CLP Holdings' subsidiary companies and their directorships held in the past three years in other public companies have been updated in the Directors' biographies on the CLP website.

Board Committees

During the reported period and up to the date of this Report, the composition of Board Committees remained the same as set out in the 2021 Annual Report (pages 119, 120, 152, 160, 166 and 170).

Directors' Time and Directorship Commitments

Directors have confirmed that they had given sufficient time and attention to the affairs of the Company during the six-month period ended 30 June 2022.

As at 30 June 2022, none of our Directors, individually, held directorships in more than five public companies (including the Company) and our Executive Director did not hold any directorship in other public companies. However, Executive Director is encouraged to participate in professional, public and community organisations.

Senior Management

Save for the following changes, the members of Senior Management remained the same as set out on pages 104 and 105 of the 2021 Annual Report during the reported period and up to the date of this Report:

- Mr David Simmonds took up the role as Chief Strategy, Sustainability and Governance Officer with effect from 1 April 2022; and
- Mr Joseph Law was appointed Managing Director – China, effective 1 April 2022, succeeding Mr Chan Siu Hung, who retired after more than 40 years of service with the Company. Before his appointment, Mr Law was the Chief Operating Officer of CLP Power Hong Kong Limited.

Biographies of all the Senior Management members are available on the CLP website.

Remuneration

Non-executive Directors

In our 2021 Annual Report, we set out the proposed 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 ensuing three years ending on the date of the AGM in 2025 (see page 175 of the Company's 2021 Annual Report). At our 2022 AGM, the proposed fees were approved by our shareholders with strong support of over 99.99% of the votes.

Executive Director and Senior Management

Details of the remuneration of Executive Director and Senior Management prepared in accordance with the Hong Kong Financial Reporting Standards for the six months ended 30 June 2022 are set out in the table on page 31.

The amounts disclosed consist of remuneration accrued or paid for service during the first six months of 2022 and, for the annual and long-term incentives, service and performance in previous years. Both the annual incentive and long-term incentive are paid in the first half of the year. As a result, the totals in the table do not represent half of the remuneration which will be accrued or paid for the full year.

The amounts disclosed are the amounts recognised in the financial year for accounting purposes, which do not necessarily reflect the cash actually received by the individual. Where payments are made to the individual over more than one financial year, this is explained in the notes.

To provide a clear picture of remuneration, amounts are shown as recurring or non-recurring items. Recurring items are the normal annual remuneration of Executive Director and Senior Management, whilst non-recurring items relate primarily to the appointment or termination of Executive Director and Senior Management.

In the table on page 31 the "Total Remuneration" column includes the following recurring items for the six months ended 30 June 2022:

(i) base compensation, allowances & benefits paid;

(ii) 2022 annual incentive accrued based on the previous year's Company performance and the 2021 annual incentive adjustment. The adjustment is the difference between the actual annual incentive paid in 2022 for 2021 performance and the annual incentive accrual for 2021;

(iii) the 2019 long-term incentive award paid in January 2022 when the vesting conditions were satisfied; and

(iv) provident fund contribution made.

The "Other Payments" column includes the non-recurring item for contractual payments for departed Senior Management member including approved acceleration of long-term incentive payments.

	Recurring Remuneration Items					Non-recurring Remuneration Items	
		Performance Bonus [2]					
	Base Compensation, Allowances & Benefits [1] HK$M	Annual Incentive HK$M	Long-term Incentive HK$M	Provident Fund Contribution HK$M	Total Remuneration HK$M	Other Payments HK$M	Total HK$M
Six months ended 30 June 2022							
Current:							
CEO (Mr Richard Lancaster)	5.3	4.2	5.7	1.3	**16.5**	–	**16.5**
Chief Financial Officer (Mr Nicolas Tissot)	3.3	3.2	–	0.6	**7.1**	–	**7.1**
Group Director & Vice Chairman – CLP Power Hong Kong (Mrs Betty Yuen)	2.5	2.0	2.6	0.7	**7.8**	–	**7.8**
Managing Director – CLP Power (Mr Chiang Tung Keung)	3.0	2.3	3.1	0.8	**9.2**	–	**9.2**
Managing Director – China (Mr Joseph Law) [3]	0.9	0.8	–	0.2	**1.9**	–	**1.9**
Managing Director – EnergyAustralia (Mr Mark Collette) [4]	3.6	4.1	2.1	0.1	**9.9**	–	**9.9**
Managing Director – India (Mr Rajiv Mishra) [5]	2.1	1.8	2.1	0.5	**6.5**	–	**6.5**
Chief Strategy, Sustainability & Governance Officer (Mr David Simmonds)	2.9	2.3	3.0	0.7	**8.9**	–	**8.9**
Chief Corporate Development Officer (Ms Quince Chong)	2.9	2.2	3.0	0.6	**8.7**	–	**8.7**
Chief Human Resources Officer (Ms Eileen Burnett-Kant)	2.5	1.9	0.5	0.5	**5.4**	–	**5.4**
Former:							
Managing Director – China (Mr Chan Siu Hung) [6]	1.2	0.9	2.5	0.3	**4.9**	8.5	**13.4**
Total	**30.2**	**25.7**	**24.6**	**6.3**	**86.8**	**8.5**	**95.3**

Notes:

1 The value of non-cash benefits is included under the "Base Compensation, Allowances & Benefits" column of the above table. The nature of these benefits includes electricity allowance, the availability of a company vehicle for personal use, life insurance and medical benefits. The applicability of these benefits depends primarily on the location of the individual.

2 Performance Bonus consists of (a) annual incentive (2022 accrual and 2021 adjustment) and (b) long-term incentive (payment for 2019 award). The annual incentive payments and long-term incentive awards were approved by the Human Resources & Remuneration Committee (HR&RC). For Mr Mark Collette, the annual incentive payment was approved by the Board of EnergyAustralia following consultation between the CEO, the Chairman of the EnergyAustralia Nomination and Remuneration Committee and Members of the HR&RC.

3 Mr Joseph Law was appointed as Managing Director – China and has become a member of Senior Management with effect from 1 April 2022. His remuneration covered the period from 1 April 2022 to 30 June 2022.

4 The remuneration of Mr Mark Collette is denominated in Australian dollars. The month end exchange rates prevailing at the month of payment were adopted for conversion to Hong Kong dollars.

5 The remuneration of Mr Rajiv Mishra is denominated in Indian Rupees. There is a temporary currency relief arrangement for Mr Rajiv Mishra with 50% of his base salary and annual incentive payment in Rupees converted to Hong Kong dollars at an exchange rate of 1 HKD = 9.5 Rupees from 1 October 2021 to 30 September 2023. For the remaining payments in Rupees, the month end exchange rates prevailing at the month of payment were adopted for conversion to Hong Kong dollars.

6 Mr Chan Siu Hung retired as Managing Director – China on 31 March 2022. The annual incentive for 2022 was made on a pro rata basis for his service up to 31 March 2022. The Other Payments of HK$8.5 million included (a) accelerated payment of long-term incentive for 2020, 2021 and 2022 (HK$8.4 million) and (b) encashment of untaken annual leave (HK$0.1 million).

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 135 to 137 of the Company's 2021 Annual Report.

During the six-month period ended 30 June 2022, Group Internal Audit issued a total of nine opinion audit, four special review and one desktop review reports. All the opinion audit reports carried satisfactory audit opinion. No significant areas of concern that might affect shareholders were identified.

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 our own Code for Securities Transactions (CLP Securities Code) throughout the period from 1 January to 30 June 2022. CLP Securities Code is largely based on the Model Code set out in Appendix 10 of the Listing Rules and is on terms no less exacting than those in the Model Code.

As we appreciate that some of our staff may in their day-to-day work have access to potential inside information, our Senior Management and selected members of staff, "Specified Individuals", are subject to securities dealing restrictions in CLP Securities Code. All members of the Senior Management have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and CLP Securities Code throughout the period from 1 January to 30 June 2022.

Save for the interest disclosed by the CEO on this page, the other members of the Senior Management did not have any interests in CLP Holdings' securities as at 30 June 2022.

Interests of Directors and Chief Executive Officer

The interests / short positions of each of the Directors and the CEO in the shares, underlying shares and debentures of the Company or any of the Company's associated corporations (within the meaning of the Securities and Futures Ordinance) as at 30 June 2022, as recorded in the register required to be kept under Section 352 of Part XV of the Securities and Futures Ordinance, are set out in the table below and the corresponding explanatory notes:

1 Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

The interests of Directors and the CEO in the shares of the Company (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds) as at 30 June 2022 were as follows:

Directors	Capacity	Total Interests in Number of Ordinary Shares of the Company	% of the Issued Share Capital of the Company
The Hon Sir Michael Kadoorie	Note 1	410,526,125	16.24913
Mr William Mocatta	Note 2	400,000	0.01583
Mr J. A. H. Leigh	Note 3	218,821,853	8.66124
Mr Andrew Brandler	Note 4	10,600	0.00042
Mr Philip Kadoorie	Note 5	410,526,125	16.24913
Mr Nicholas C. Allen	Note 6	41,000	0.00162
Mrs Fanny Law	Beneficial Owner	6,800	0.00027
Ms May Siew Boi Tan	Beneficial Owner	20,000	0.00079
Mr Richard Lancaster (CEO)	Personal	600	0.00002

Notes:

1 The Hon Sir Michael Kadoorie was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 410,526,125 shares in the Company. These shares were held in the following capacity:

   a 233,044,212 shares were ultimately held by a discretionary trust, of which The Hon Sir Michael Kadoorie is one of the beneficiaries and the founder.

   b 170,181,913 shares were ultimately held by a discretionary trust, of which The Hon Sir Michael Kadoorie is one of the beneficiaries and the founder.

   c 1,300,000 shares were ultimately held by a discretionary trust, of which The Hon Sir Michael Kadoorie is one of the beneficiaries and the founder.

   d 2,000,000 shares were ultimately held by each of three discretionary trusts, all of which The Hon Sir Michael Kadoorie is one of the beneficiaries and the founder.

2 Mr William Mocatta was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 400,000 shares in the Company. These shares were held in the following capacity:

   a 250,000 shares were held in the capacity as the founder of a discretionary trust.

   b 150,000 shares were held by a trust of which Mr William Mocatta is one of the beneficiaries.

3 Mr J. A. H. Leigh was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 218,821,853 shares in the Company. These shares were held in the following capacity:

   a 170,000 shares were held in a beneficial owner capacity.

   b 218,651,853 shares were ultimately held by a discretionary trust. Mr J. A. H. Leigh was deemed to be interested in such 218,651,853 shares in his capacity as one of the trustees of a trust which was deemed to be interested in such 218,651,853 shares.

4 600 shares were held in a personal capacity and 10,000 shares were held in a beneficial owner capacity.

5 Mr Philip Kadoorie was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 410,526,125 shares in the Company. These shares were held in the following capacity:

   a 233,044,212 shares were ultimately held by a discretionary trust, of which Mr Philip Kadoorie is one of the discretionary beneficiaries.

   b 170,181,913 shares were ultimately held by a discretionary trust, of which Mr Philip Kadoorie is one of the discretionary beneficiaries.

   c 1,300,000 shares were ultimately held by a discretionary trust, of which Mr Philip Kadoorie is one of the discretionary beneficiaries.

   d 2,000,000 shares were ultimately held by a discretionary trust, of which Mr Philip Kadoorie is one of the discretionary beneficiaries.

   e 2,000,000 shares were ultimately held by each of two discretionary trusts, both of which Mr Philip Kadoorie is one of the default beneficiaries.

6 41,000 shares were held in a beneficial owner capacity and jointly with spouse.

Each of the other Directors, namely Sir Rod Eddington, Mrs Zia Mody, Ms Christina Gaw and Mr Chunyuan Gu have confirmed that they had no interests in the shares of the Company or any of its associated corporations as at 30 June 2022.

None of the Directors or the CEO had interests in debentures or under equity derivatives, interests in underlying shares of the Company or its associated corporations as at 30 June 2022.

2 Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

None of the Directors or the CEO had short positions in respect of shares, debentures or under equity derivatives, interests in underlying shares of the Company or its associated corporations as at 30 June 2022.

At no time during the period was the Company or its subsidiaries a party to any arrangement to enable the Directors and the CEO of the Company (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

Interests of Substantial Shareholders

The interests / short positions of substantial shareholders in the shares and underlying shares of the Company as at 30 June 2022, as recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance, are set out in the table below and the corresponding explanatory notes:

1 Aggregate long position in the shares and underlying shares of the Company

The Company had been notified of the following substantial shareholders' interests in the shares of the Company as at 30 June 2022:

Substantial Shareholders	Capacity	Total Interests in Number of Ordinary Shares of the Company	% of the Issued Share Capital of the Company
Bermuda Trust Company Limited	Trustee / Interests of controlled corporations	305,591,730 Note 1	12.10
Guardian Limited	Beneficiary / Interest of controlled corporation	218,651,853 Note 3	8.65
Harneys Trustees Limited	Trustee / Interests of controlled corporations	629,177,978 Note 3	24.90
Lawrencium Holdings Limited	Beneficiary	170,181,913 Note 2	6.74
Lawrencium Mikado Holdings Limited	Beneficiary	233,044,212 Note 2	9.22
The Magna Foundation	Beneficiary	233,044,212 Note 2	9.22
The Mikado Private Trust Company Limited	Trustee / Interests of controlled corporations	410,526,125 Note 2	16.25
Oak CLP Limited	Beneficiary	218,651,853 Note 4	8.65
Oak (Unit Trust) Holdings Limited	Trustee	218,651,853 Note 1	8.65
The Oak Private Trust Company Limited	Trustee / Interests of controlled corporation	218,651,853 Note 4	8.65
The Hon Sir Michael Kadoorie	Note 5	410,526,125 Note 5	16.25
Mr J. A. H. Leigh	Notes 3 & 6	218,821,853 Notes 3 & 6	8.66
Mr Philip Kadoorie	Note 7	410,526,125 Note 7	16.25

Notes:

1 Bermuda Trust Company Limited was deemed to be interested in the shares in which Oak (Unit Trust) Holdings Limited, The Oak Private Trust Company Limited and other companies were deemed to be interested, either in the capacity as trustee of various discretionary trusts and / or by virtue of having direct or indirect control over such companies.

2 The Mikado Private Trust Company Limited was deemed to be interested in the shares in which Lawrencium Holdings Limited, Lawrencium Mikado Holdings Limited and other companies were deemed to be interested, either in the capacity as trustee of various discretionary trusts and / or by virtue of having direct or indirect control over such companies. The Magna Foundation was also deemed to be interested in the shares in which Lawrencium Mikado Holdings Limited was deemed to be interested. The interests of The Mikado Private Trust Company Limited in the shares of the Company include the shares held by discretionary trusts of which The Hon Sir Michael Kadoorie is one of the beneficiaries and a founder as disclosed in "Interests of Directors and Chief Executive Officer".

3 Harneys Trustees Limited was deemed to be interested in the shares in which The Mikado Private Trust Company Limited and Guardian Limited were deemed to be interested, either by virtue of having direct or indirect control over such companies and / or in the capacity as one of the trustees of a discretionary trust.

The shares in which Guardian Limited was deemed to be interested was duplicated within the interests attributed to Mr J. A. H. Leigh in his capacity as one of the trustees of a discretionary trust as disclosed in "Interests of Directors and Chief Executive Officer".

4 The Oak Private Trust Company Limited was deemed to be interested in the shares in which Oak CLP Limited was deemed to be interested, either in the capacity as trustee of a discretionary trust and / or by virtue of having direct or indirect control over such company.

5 See Note 1 under "Interests of Directors and Chief Executive Officer".

6 See Note 3 under "Interests of Directors and Chief Executive Officer".

7 See Note 5 under "Interests of Directors and Chief Executive Officer".

As at 30 June 2022, the Company had not been notified of any long positions being held by any substantial shareholder in the underlying shares of the Company through equity derivatives such as share options, warrants to subscribe or convertible bonds.

2 Aggregate short position in the shares and underlying shares of the Company

As at 30 June 2022, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company.

Interests of Any Other Persons

As at 30 June 2022, the Company had not been notified of any persons other than the substantial shareholders who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance.

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 2022.

Consolidated Statement of Profit or Loss – Unaudited

for the six months ended 30 June 2022

	Note	2022 HK$M	2021 HK$M
Revenue	4	**47,594**	40,729
Expenses			
Purchases and distributions of electricity and gas		**(20,164)**	(14,070)
Staff expenses		**(2,496)**	(2,568)
Fuel and other operating expenses		**(26,704)**	(12,433)
Depreciation and amortisation		**(4,719)**	(4,574)
		(54,083)	(33,645)
Other charges	6	**(1,635)**	(1,110)
Operating (loss) / profit	7	**(8,124)**	5,974
Finance costs	8	**(869)**	(904)
Finance income	8	**77**	48
Share of results, net of income tax			
Joint ventures	15	**33**	194
Associates	16	**1,135**	945
(Loss) / profit before income tax		**(7,748)**	6,257
Income tax credit / (expense)	9	**2,794**	(1,124)
(Loss) / profit for the period		**(4,954)**	5,133
(Loss) / earnings attributable to:			
Shareholders		**(4,855)**	4,615
Perpetual capital securities holders		**69**	69
Other non-controlling interests		**(168)**	449
		(4,954)	5,133
(Loss) / earnings per share, basic and diluted	11	**HK$(1.92)**	HK$1.83

The notes on pages 42 to 61 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income – Unaudited

for the six months ended 30 June 2022

	2022 HK$M	2021 HK$M
(Loss) / profit for the period	**(4,954)**	5,133
Other comprehensive income		
Items that can be reclassified to profit or loss		
Exchange differences on translation	**(2,610)**	(551)
Cash flow hedges	**6,110**	317
Costs of hedging	**69**	(25)
	3,569	(259)
Items that cannot be reclassified to profit or loss		
Fair value (losses) / gains on investments	**(67)**	9
Remeasurement (losses) / gains on defined benefit plans	**(16)**	50
	(83)	59
Other comprehensive income for the period, net of tax	**3,486**	(200)
Total comprehensive income for the period	**(1,468)**	4,933
Total comprehensive income attributable to:		
Shareholders	**(1,245)**	4,482
Perpetual capital securities holders	**69**	69
Other non-controlling interests	**(292)**	382
	(1,468)	4,933

The notes on pages 42 to 61 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Financial Position – Unaudited

	Note	30 June 2022 HK$M	Audited 31 December 2021 HK$M
Non-current assets			
Fixed assets	*12*	**143,853**	154,058
Right-of-use assets	*13*	**6,921**	7,130
Investment property		**943**	966
Goodwill and other intangible assets	*14*	**18,869**	19,710
Interests in and loans to joint ventures	*15*	**10,591**	10,602
Interests in associates	*16*	**8,659**	8,769
Deferred tax assets		**1,588**	376
Derivative financial instruments	*17*	**3,458**	2,007
Other non-current assets		**2,273**	2,303
		197,155	205,921
Current assets			
Inventories – stores and fuel		**3,641**	2,941
Renewable energy certificates		**482**	1,166
Property under development		**2,984**	2,980
Trade and other receivables	*18*	**25,933**	15,404
Income tax recoverable		**376**	546
Fuel clause account		**2,043**	1,116
Derivative financial instruments	*17*	**10,791**	1,475
Cash and cash equivalents and short-term deposits		**3,660**	8,260
		49,910	33,888
Assets of disposal group held for sale	*3*	**13,457**	–
Current liabilities			
Customers' deposits		**(6,491)**	(6,254)
Trade payables and other liabilities	*19*	**(21,757)**	(18,381)
Income tax payable		**(943)**	(1,349)
Bank loans and other borrowings	*20*	**(13,727)**	(10,512)
Derivative financial instruments	*17*	**(14,530)**	(1,302)
		(57,448)	(37,798)
Liabilities of disposal group held for sale	*3*	**(6,898)**	–
Total assets less current liabilities (including disposal group held for sale)		**196,176**	202,011

	Note	30 June 2022 HK$M	Audited 31 December 2021 HK$M
Financed by:			
Equity			
Share capital		**23,243**	23,243
Reserves	*22*	**83,905**	89,791
Shareholders' funds		**107,148**	113,034
Perpetual capital securities		**3,887**	3,887
Other non-controlling interests		**9,011**	9,788
		120,046	126,709
Non-current liabilities			
Bank loans and other borrowings	*20*	**48,857**	47,703
Deferred tax liabilities		**15,828**	15,886
Derivative financial instruments	*17*	**1,976**	1,364
Scheme of Control (SoC) reserve accounts	*21*	**2,482**	3,440
Asset decommissioning liabilities and retirement obligations		**4,569**	4,346
Other non-current liabilities		**2,418**	2,563
		76,130	75,302
Equity and non-current liabilities		**196,176**	202,011

William Mocatta
Vice Chairman
Hong Kong, 8 August 2022

Richard Lancaster
Chief Executive Officer

Nicolas Tissot
Chief Financial Officer

The notes on pages 42 to 61 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Changes in Equity – Unaudited

for the six months ended 30 June 2022

	Attributable to Shareholders			Perpetual Capital Securities	Other Non-controlling Interests	Total Equity
	Share Capital HK$M	Reserves HK$M	Total HK$M	HK$M	HK$M	HK$M
Balance at 1 January 2022	23,243	89,791	113,034	3,887	9,788	126,709
(Loss)/profit for the period	–	(4,855)	(4,855)	69	(168)	(4,954)
Other comprehensive income for the period	–	3,610	3,610	–	(124)	3,486
Transfer to fixed assets	–	8	8	–	3	11
Dividends paid						
2021 fourth interim	–	(3,057)	(3,057)	–	–	(3,057)
2022 first interim	–	(1,592)	(1,592)	–	–	(1,592)
Distributions to perpetual capital securities holders	–	–	–	(69)	–	(69)
Dividends paid to other non-controlling interests	–	–	–	–	(488)	(488)
Balance at 30 June 2022	**23,243**	**83,905**	**107,148**	**3,887**	**9,011**	**120,046**
Balance at 1 January 2021	23,243	88,957	112,200	3,887	9,885	125,972
Profit for the period	–	4,615	4,615	69	449	5,133
Other comprehensive income for the period	–	(133)	(133)	–	(67)	(200)
Transfer to fixed assets	–	3	3	–	1	4
Dividends paid						
2020 fourth interim	–	(3,057)	(3,057)	–	–	(3,057)
2021 first interim	–	(1,592)	(1,592)	–	–	(1,592)
Distributions to perpetual capital securities holders	–	–	–	(69)	–	(69)
Dividends paid to other non-controlling interests	–	–	–	–	(450)	(450)
Balance at 30 June 2021	23,243	88,793	112,036	3,887	9,818	125,741

The notes on pages 42 to 61 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Cash Flows – Unaudited

for the six months ended 30 June 2022

	2022 HK$M	2022 HK$M	2021 HK$M	2021 HK$M
Operating activities				
Net cash (outflow) / inflow from operations	**(1,698)**		8,128	
Interest received	**47**		55	
Income tax paid	**(1,127)**		(1,902)	
Net cash (outflow) / inflow from operating activities		**(2,778)**		6,281
Investing activities				
Capital expenditure	**(6,598)**		(5,824)	
Capitalised interest and other finance costs paid	**(170)**		(133)	
Proceeds from disposal of fixed assets	**5**		59	
Additions of other intangible assets	**(152)**		(205)	
Litigation settlement related to disposal of Iona Gas Plant	**–**		(1,110)	
Deposit paid for purchase of a property	**(338)**		–	
Increase in other financial assets	**(42)**		(46)	
Increase in investments in and loans to joint ventures	**(578)**		(92)	
Decrease in investments in and loans to joint ventures	**–**		161	
Dividends received from				
Joint ventures	**230**		430	
Associates	**1,022**		983	
Equity investments	**–**		1	
Decrease / (increase) in bank deposits with maturities of more than three months	**54**		(719)	
Net cash outflow from investing activities		**(6,567)**		(6,495)
Net cash outflow before financing activities		**(9,345)**		(214)
Financing activities				
Proceeds from long-term borrowings	**14,991**		3,233	
Repayment of long-term borrowings	**(5,164)**		(1,089)	
Increase in short-term borrowings	**2,140**		295	
Payment of principal portion of lease liabilities	**(132)**		(133)	
Interest and other finance costs paid	**(877)**		(767)	
Settlement of derivative financial instruments	**(21)**		(30)	
Increase in advances from other non-controlling interests	**147**		73	
Distributions paid to perpetual capital securities holders	**(69)**		(69)	
Dividends paid to shareholders	**(4,649)**		(4,649)	
Dividends paid to other non-controlling interests	**(488)**		(450)	
Net cash inflow / (outflow) from financing activities		**5,878**		(3,586)
Net decrease in cash and cash equivalents		**(3,467)**		(3,800)
Cash and cash equivalents at beginning of period		**8,199**		10,694
Effect of exchange rate changes		**(161)**		(24)
Reclassification to disposal group held for sale (Note 3)		**(917)**		–
Cash and cash equivalents at end of period		**3,654**		6,870

The notes on pages 42 to 61 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. General Information

The Company, CLP Holdings Limited, and its subsidiaries are collectively referred to as the Group in the condensed consolidated interim financial statements. The Company is a limited liability company incorporated in Hong Kong and listed on the Stock Exchange of Hong Kong. The principal activity of the Company is investment holding, and the principal activities of the subsidiaries are generation and supply of electricity in Hong Kong, Mainland China, Australia and India, and investment holding of power projects in Mainland China, Southeast Asia and Taiwan.

The financial operations of the Company's major subsidiaries, CLP Power Hong Kong Limited (CLP Power Hong Kong) and Castle Peak Power Company Limited (CAPCO) (collectively referred to as SoC Companies), are governed by a SoC Agreement entered into with the Hong Kong Government. Our electricity business in Hong Kong is therefore also referred to as the SoC business. The main features of the current SoC are summarised on pages 297 and 298 of the 2021 Annual Report.

Australia business update in 2022

During the period, extreme and exceptional price surges and volatility have occurred in the Australian National Electricity Market (NEM) driven by the confluence of the unavailability of major coal-fired power stations and high commodity prices notably because of the conflict in Ukraine. In response to these conditions, the Australian Energy Market Operator temporarily suspended the spot market in the NEM in June 2022 for the first time since its inception in 1998. However, forward electricity prices remain elevated as compared to historic levels. This resulted in an unrealised fair value loss on our electricity forward contracts not qualifying for hedge accounting though they are used for economic hedging purpose of HK$11,367 million (A$2,031 million), after tax HK$7,957 million (A$1,422 million) included in fuel and other operating expenses for the first half of 2022. In addition, the operating earnings in Australia (before the unrealised fair value loss) reduced by HK$1,373 million as compared with the same period in 2021 mainly due to lower generation from Yallourn because of unplanned outages and Mount Piper due to coal supply constraints. Collectively the unrealised fair value loss and the generation constraints were the primary reasons for the Group's net loss of HK$4,855 million for the first half of 2022.

In addition, substantial futures margin account requirements were met to cover the short position on open derivative contracts which led to significant increase in other receivables (Note 18) at period end and our operating cash flows to be negative in the first half of the year. The cash outflows under these requirements have adversely impacted the liquidity position of EnergyAustralia Holdings Limited (EnergyAustralia). EnergyAustralia has obtained additional external credit facilities as well as internal short-term shareholder loans to strengthen its liquidity position. These liquidity challenges are expected to be short-term. More information on outlook of our Australia business can be found on page 21 of this interim report.

To uphold the strong financial profile, CLP continues with its consistent and prudent liquidity risk management and has arranged various new debt facilities. For details, please refer to Note 20 and "Financing and Capital Resources" of the Financial Review on pages 14 to 15.

The condensed consolidated interim financial statements were approved for issue by the Board of Directors on 8 August 2022.

2. 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 2021, together with the accounting policy on disposal group held for sale as set out below.

Disposal group held of sale

Disposal group comprising assets and liabilities, is classified as held for sale when its carrying amount is to be recovered principally through sale rather than through continuing use and a sale is considered highly probable.

Disposal group is stated at the lower of its carrying amount and fair value less costs to sell. Any loss on measurement of a disposal group is allocated first to goodwill, and then to the assets in the disposal group on a pro-rata basis, except for deferred tax assets and financial assets that are not within the scope of measurement requirement of Hong Kong Financial Reporting Standard (HKFRS) 5 Non-current Assets Held for Sale and Discontinued Operations. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once the disposal group is classified as held for sale, its non-current assets are no longer amortised or depreciated.

Changes in accounting policies

The Group has applied the following amendments to HKFRSs and HKASs for the current accounting period:

- Amendments to HKFRS 3 Reference to the Conceptual Framework
- Amendments to HKFRS 9 Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- Amendments to HKAS 16 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to HKAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The adoption of amendments 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 Group also implemented the IFRS Interpretations Committee agenda decision (the Decision) on demand deposits with restriction on use, which has resulted in the re-presentation of the comparatives of HK$299 million from restricted cash classification to cash and cash equivalent on the consolidated statement of financial position and the related update of the 2021 consolidated statement of cash flows.

The financial information relating to the year ended 31 December 2021 that is included in the 2022 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 (except for the implementation of the Decision as mentioned above). 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 2021 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 2021 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).

3. Disposal Group Held for Sale

On 12 July 2022, CLP GPEC (Mauritius) Holdings Limited (CLP GPEC), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with CDPQ Infrastructures Asia II Pte. Ltd. (the "Purchaser"), pursuant to which CLP GPEC conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 10% shareholding in Apraava Energy Private Limited (Apraava Energy) in India for a total consideration of US dollar equivalent of Rs6.6 billion (the "Sell Down").

CLP GPEC and the Purchaser currently hold 60% and 40% of shareholding in Apraava Energy respectively. Following the completion of the Sell Down, the Group's equity interest in Apraava Energy will be reduced to 50%, Apraava Energy will cease to be a subsidiary and become a joint venture of the Group.

The completion of the transaction is subject to the satisfaction of conditions precedent as set out in the sale and purchase agreement. Accordingly, Apraava Energy and its subsidiaries (Apraava Energy group) was presented as a disposal group held for sale in the Group's consolidated statement of financial position. The Sell Down is expected to be completed by end of 2022.

The fair value of the disposal group is measured based on the total consideration of the Sell Down. Losses of HK$1,635 million (CLP's share: HK$986 million) for measurement of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been included in other charges (Note 6). The measurement losses have been applied to reduce the carrying amounts of goodwill and fixed assets within the disposal group.

At 30 June 2022, Apraava Energy group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	Note	HK$M
Assets of disposal group held for sale		
Fixed assets	*12*	**9,285**
Right-of-use assets	*13*	**47**
Deferred tax assets		**22**
Derivative financial instruments		**109**
Other non-current assets		**318**
Inventories – stores and fuel		**177**
Trade and other receivables		**2,458**
Income tax recoverable		**124**
Cash and cash equivalents		**917**
		13,457
Liabilities of disposal group held for sale		
Trade payables and other liabilities		**(354)**
Income tax payable		**(1)**
Bank loans and other borrowings		**(6,140)**
Derivative financial instruments		**(23)**
Deferred tax liabilities		**(347)**
Other non-current liabilities		**(33)**
		(6,898)

At 30 June 2022, cumulative (gains) / losses included in other comprehensive income of the disposal group held for sale are as follows:

	HK$M
Translation reserve	**2,270**
Cash flow hedge reserve	**(4)**
	2,266

Following the completion of the transaction and the resulting loss of control over Apraava Energy as a subsidiary, the reserves as stated above will be released and charged to profit or loss. The loss on Sell Down may vary taking into account changes in the net asset value of Apraava Energy group, if any, and foreign exchange movement of Indian rupee at the time of completion.

4. 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	
	2022	2021
	HK$M	HK$M
Revenue from contracts with customers		
Sales of electricity in Hong Kong	**21,876**	20,324
Transfer for SoC to / (from) revenue (note)	**592**	(382)
SoC sales of electricity	**22,468**	19,942
Sales of electricity outside Hong Kong	**20,368**	15,952
Sales of gas in Australia	**2,273**	2,496
Others	**626**	498
	45,735	38,888
Other revenue		
Power purchase agreements		
Fixed capacity charge	**206**	298
Variable capacity charge	**163**	132
Energy charge	**1,308**	1,243
Others	**182**	168
	1,859	1,841
	47,594	40,729

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.

5. Segment Information

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

	Hong Kong HK$M	Mainland China HK$M	Australia HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Unallocated Items HK$M	Total HK$M
Six months ended 30 June 2022							
Revenue from contracts with customers	22,825	959	21,265	684	2	–	45,735
Other revenue	53	48	38	1,715	–	5	1,859
Revenue	22,878	1,007	21,303	2,399	2	5	47,594
EBITDAF	8,439	807	146	(858)	(4)	(512)	8,018
Share of results, net of income tax							
Joint ventures	(10)	164	–	–	(121)	–	33
Associates	–	1,135	–	–	–	–	1,135
Consolidated EBITDAF	8,429	2,106	146	(858)	(125)	(512)	9,186
Depreciation and amortisation	(2,808)	(407)	(1,195)	(283)	–	(26)	(4,719)
Fair value adjustments	(56)	–	(11,367)	–	–	–	(11,423)
Finance costs	(388)	(125)	(79)	(266)	–	(11)	(869)
Finance income	51	3	4	16	–	3	77
Profit / (loss) before income tax	5,228	1,577	(12,491)	(1,391)	(125)	(546)	(7,748)
Income tax (expense) / credit	(732)	(203)	3,808	(78)	(1)	–	2,794
Profit / (loss) for the period	4,496	1,374	(8,683)	(1,469)	(126)	(546)	(4,954)
Earnings attributable to							
Perpetual capital securities holders	(69)	–	–	–	–	–	(69)
Other non-controlling interests	(406)	(7)	–	581	–	–	168
Earnings / (loss) attributable to shareholders	4,021	1,367	(8,683)	(888)	(126)	(546)	(4,855)
Excluding: Items affecting comparability	23	–	–	986	–	–	1,009
Operating earnings	4,044	1,367	(8,683)	98	(126)	(546)	(3,846)
At 30 June 2022							
Fixed assets, right-of-use assets and investment property	127,899	9,409	14,222	–	–	187	151,717
Goodwill and other intangible assets	5,545	3,532	9,792	–	–	–	18,869
Interests in and loans to joint ventures	1,744	7,219	–	–	1,628	–	10,591
Interests in associates	–	8,659	–	–	–	–	8,659
Deferred tax assets	5	83	1,500	–	–	–	1,588
Other assets	15,117	5,253	34,955	4	76	236	55,641
Assets of disposal group held for sale (Note 3)	–	–	–	13,457	–	–	13,457
Total assets	150,310	34,155	60,469	13,461	1,704	423	260,522
Bank loans and other borrowings	49,716	5,600	5,029	–	–	2,239	62,584
Current and deferred tax liabilities	15,501	1,229	9	–	32	–	16,771
Other liabilities	25,156	971	27,767	1	2	326	54,223
Liabilities of disposal group held for sale (Note 3)	–	–	–	6,898	–	–	6,898
Total liabilities	90,373	7,800	32,805	6,899	34	2,565	140,476

EBITDAF stands for earnings before interest, taxes, depreciation and amortisation, and fair value adjustments. For this purpose, fair value adjustments include fair value gains or losses on non-debt related derivative financial instruments relating to transactions not qualified for hedge accounting, ineffectiveness and de-designation of cash flow hedges.

5. Segment Information (continued)

	Hong Kong HK$M	Mainland China HK$M	Australia HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Unallocated Items HK$M	Total HK$M
Six months ended 30 June 2021							
Revenue from contracts with customers	20,265	870	17,154	597	2	–	38,888
Other revenue	61	37	23	1,716	–	4	1,841
Revenue	20,326	907	17,177	2,313	2	4	40,729
EBITDAF	8,435	811	638	775	(8)	(367)	10,284
Share of results, net of income tax							
Joint ventures	(10)	38	–	–	166	–	194
Associates	–	945	–	–	–	–	945
Consolidated EBITDAF	8,425	1,794	638	775	158	(367)	11,423
Depreciation and amortisation	(2,717)	(395)	(1,131)	(299)	–	(32)	(4,574)
Fair value adjustments	(7)	–	271	–	–	–	264
Finance costs	(478)	(131)	(67)	(221)	–	(7)	(904)
Finance income	14	7	4	20	–	3	48
Profit / (loss) before income tax	5,237	1,275	(285)	275	158	(403)	6,257
Income tax (expense) / credit	(933)	(177)	80	(88)	(6)	–	(1,124)
Profit / (loss) for the period	4,304	1,098	(205)	187	152	(403)	5,133
Earnings attributable to							
Perpetual capital securities holders	(69)	–	–	–	–	–	(69)
Other non-controlling interests	(371)	(2)	–	(76)	–	–	(449)
Earnings / (loss) attributable to shareholders	3,864	1,096	(205)	111	152	(403)	4,615
Excluding: Items affecting comparability	41	–	1,042	–	–	–	1,083
Operating earnings	3,905	1,096	837	111	152	(403)	5,698
At 31 December 2021							
Fixed assets, right-of-use assets and investment property	126,255	9,960	14,551	11,175	–	213	162,154
Goodwill and other intangible assets	5,545	3,675	10,476	14	–	–	19,710
Interests in and loans to joint ventures	1,191	7,531	–	–	1,880	–	10,602
Interests in associates	–	8,769	–	–	–	–	8,769
Deferred tax assets	5	88	246	37	–	–	376
Other assets	12,737	5,375	12,566	3,985	72	3,463	38,198
Total assets	145,733	35,398	37,839	15,211	1,952	3,676	239,809
Bank loans and other borrowings	46,351	5,856	–	6,008	–	–	58,215
Current and deferred tax liabilities	15,655	1,220	7	318	35	–	17,235
Other liabilities	24,291	1,252	11,153	467	2	485	37,650
Total liabilities	86,297	8,328	11,160	6,793	37	485	113,100

Items affecting comparability refer to significant unusual events such as acquisition / disposal, impairment of non-current assets, property valuation gain / loss, provision for legal disputes and change in law or natural catastrophe. They have no impact in assessing the underlying operating performance of the Group and are separately disclosed to allow a better understanding and comparison of the financial results. Details of the items affecting comparability can be found on page 9.

6. Other Charges

	Six months ended 30 June 2022 HK$M	2021 HK$M
Loss on measurement of the disposal group (Note 3)	**1,635**	–
The Settlement (note)	**–**	1,110
	1,635	1,110

Note: In March 2021, full and final settlements of all claims made by Lochard Energy (Iona Operations Holding) Pty Ltd against EnergyAustralia arising from the disposal of Iona Gas Plant were paid.

7. Operating (Loss) / Profit

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

	Six months ended 30 June 2022 HK$M	2021 HK$M
Charging		
Retirement benefits costs	**244**	249
Variable lease expenses	**10**	7
Net losses on disposal of fixed assets	**85**	125
Impairment of trade receivables	**74**	72
Revaluation loss on investment property	**23**	41
Morwell River Diversion solution [(a)]	**–**	379
Net exchange losses	**365**	6
Crediting		
Rental income from investment property	**(12)**	(11)
Dividends from equity investments	**(14)**	(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	**(336)**	(665)
Fuel and other operating expenses [(b)]	**(772)**	9
Ineffectiveness of cash flow hedge	**64**	(31)
Not qualified for hedge accounting	**11,752**	(233)
Fair value gains on investments at fair value through profit or loss	**(16)**	(93)

Notes:

(a) After exceptionally heavy rain in June 2021, cracks were discovered in the structures of the Morwell River Diversion which runs through the Yallourn mine site. For the period ended 30 June 2021, an expenditure of HK$379 million was recognised for repairs and damage assessment. The assessment activities have progressed and is expected to be concluded in the second half of 2022. There is no further material outflow of economic benefit expected.

(b) Net fair value gains of HK$542 million (2021: nil) were reclassified from cash flow hedge reserve upon hedge de-designation of certain energy contracts in Australia.

8. Finance Costs and Income

	Six months ended 30 June	
	2022	2021
	HK$M	HK$M
Finance costs		
Interest expenses on		
Bank loans and overdrafts	**315**	272
Other borrowings	**569**	548
Tariff Stabilisation Fund (note)	**3**	1
Customers' deposits and fuel clause over-recovery	**–**	2
Lease liabilities	**25**	30
Net fair value changes on debt related derivative financial instruments		
Cash flow hedge		
Reclassified from cash flow hedge reserve	**227**	226
Reclassified from cost of hedging reserve	**(8)**	(3)
Ineffectiveness of cash flow hedges	**(2)**	(1)
Fair value hedge		
Net fair value losses	**476**	123
Reclassified from cost of hedging reserve	**7**	7
Ineffectiveness of fair value hedges	**1**	(1)
Not qualified for hedge accounting	**(29)**	13
Net fair value gains on hedged items in fair value hedges	**(476)**	(123)
Net exchange gains on financing activities	**(168)**	(152)
Finance charges	**112**	105
	1,052	1,047
Less: amount capitalised	**(183)**	(143)
	869	904
Finance income		
Interest income on		
Bank deposits	**20**	30
Loans to joint ventures and others	**57**	18
	77	48

Note: In accordance with the provisions of the SoC Agreement, CLP Power Hong Kong is required to credit, to a Rate Reduction Reserve in its financial statements, a charge of the average of one-month Hong Kong Interbank Offered Rate on the average balance of the Tariff Stabilisation Fund.

9. Income Tax Credit / (Expense)

	Six months ended 30 June	
	2022	2021
	HK$M	HK$M
Current income tax expense	**(750)**	(1,048)
Deferred tax credit / (expense)	**3,544**	(76)
	2,794	(1,124)

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 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.

10. Dividends

	Six months ended 30 June			
	2022		2021	
	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 8 August 2022, the Directors declared the second interim dividend of HK$0.63 per share (2021: HK$0.63 per share). The second interim dividend is not reflected as a dividend payable in the interim financial statements.

11. (Loss) / Earnings per Share

The (loss) / earnings per share are computed as follows:

	Six months ended 30 June	
	2022	2021
(Loss) / earnings attributable to shareholders (HK$M)	**(4,855)**	4,615
Weighted average number of shares in issue (thousand shares)	**2,526,451**	2,526,451
(Loss) / earnings per share (HK$)	**(1.92)**	1.83

Basic and fully diluted (loss) / earnings per share are the same as the Company did not have any dilutive equity instruments throughout the six months ended 30 June 2022 and 2021.

12. Fixed Assets

	Freehold Land HK$M	**Buildings HK$M**	**Plant, Machinery and Equipment HK$M**	**Total HK$M**
Net book value at 1 January 2022	1,108	22,408	130,542	154,058
Additions	3	636	5,968	6,607
Transfers and disposals	–	(8)	(104)	(112)
Depreciation	–	(447)	(3,728)	(4,175)
Loss on measurement of the disposal group held for sale	–	(170)	(1,452)	(1,622)
Reclassification to disposal group held for sale (Note 3)	(753)	(378)	(8,154)	(9,285)
Exchange differences	(56)	(171)	(1,391)	(1,618)
Net book value at 30 June 2022	**302**	**21,870**	**121,681**	**143,853**
Cost	381	37,267	228,344	265,992
Accumulated depreciation and impairment	(79)	(15,397)	(106,663)	(122,139)
Net book value at 30 June 2022	**302**	**21,870**	**121,681**	**143,853**

13. Right-of-Use Assets

	Prepaid Leasehold Land HK$M	Land and Buildings HK$M	Plant, Machinery and Equipment HK$M	Total HK$M
Net book value at 1 January 2022	5,864	618	648	7,130
Additions	49	33	1	83
Depreciation	(101)	(50)	(27)	(178)
Reclassification to disposal group held for sale (Note 3)	(47)	–	–	(47)
Exchange differences	(11)	(27)	(29)	(67)
Net book value at 30 June 2022	**5,754**	**574**	**593**	**6,921**

14. Goodwill and Other Intangible Assets

	Goodwill[a] HK$M	Capacity Right[b] HK$M	Others HK$M	Total HK$M
Net carrying value at 1 January 2022	14,491	3,638	1,581	19,710
Additions	–	(1)	153	152
Disposals	–	–	(128)	(128)
Amortisation	–	(140)	(226)	(366)
Loss on measurement of the disposal group held for sale	(13)	–	–	(13)
Exchange differences	(418)	–	(68)	(486)
Net carrying value at 30 June 2022	**14,060**	**3,497**	**1,312**	**18,869**
Cost	20,475	5,742	5,958	32,175
Accumulated amortisation and impairment	(6,415)	(2,245)	(4,646)	(13,306)
Net carrying value at 30 June 2022	**14,060**	**3,497**	**1,312**	**18,869**

Notes:

(a) Goodwill mainly arose from the acquisitions of energy retail business in Australia of HK$8,441 million (31 December 2021: HK$8,854 million) and the acquisition of CAPCO under Hong Kong electricity business of HK$5,545 million (31 December 2021: HK$5,545 million).

(b) Capacity right represents the right to use 50% of the pumped storage capacity of Phase I of the Guangzhou Pumped Storage Power Station in Conghua, Guangzhou and the corresponding right to use the associated transmission facilities until 2034.

15. Interests in and Loans to Joint Ventures

The Group's share of results of, interests in and loans to joint ventures are as follows:

	Six months ended 30 June	
	2022	2021
	HK$M	HK$M
Group's share of profit and total comprehensive income		
CSEC Guohua International Power Company Limited (CSEC Guohua)	**51**	(54)
CLP Guangxi Fangchenggang Power Company Limited (Fangchenggang)	**(36)**	139
OneEnergy Taiwan Ltd (OneEnergy Taiwan)	**(130)**	126
ShenGang Natural Gas Pipeline Company Limited (SNGPC)	**88**	91
Shandong Zhonghua Power Company, Ltd.	**–**	(203)
Others	**60**	95
	33	194

	CSEC Guohua HK$M	Fang-chenggang HK$M	HKLTL HK$M	OneEnergy Taiwan HK$M	SNGPC HK$M	Others HK$M	Total HK$M
At 30 June 2022							
Group's share of net assets	**2,331**	**1,969**	**–**	**1,431**	**1,029**	**2,107**	**8,867**
Goodwill	**–**	**–**	**–**	**–**	**–**	**33**	**33**
Interests in joint ventures	**2,331**	**1,969**	**–**	**1,431**	**1,029**	**2,140**	**8,900**
Loans to joint ventures	**–**	**–**	**1,673** (note)	**–**	**–**	**18**	**1,691**
	2,331	**1,969**	**1,673**	**1,431**	**1,029**	**2,158**	**10,591**
At 31 December 2021							
Group's share of net assets	2,385	2,095	–	1,655	1,152	2,152	9,439
Goodwill	–	–	–	–	–	35	35
Interests in joint ventures	2,385	2,095	–	1,655	1,152	2,187	9,474
Loans to joint ventures	–	–	1,113 (note)	–	–	15	1,128
	2,385	2,095	1,113	1,655	1,152	2,202	10,602

Note: Pursuant to agreement between shareholders of Hong Kong LNG Terminal Limited (HKLTL), shareholders' loan facilities are provided to HKLTL by the shareholders pro-rata to their shareholdings to finance the construction of the LNG terminal. The loans to HKLTL are unsecured, carry interest at rates which are benchmarked to market interest rates. Instalment repayment of the loans will commence after the commissioning of the LNG terminal with final maturity at the end of the related asset lives of the LNG terminal. As at 30 June 2022, outstanding committed shareholder's loan facilities by the Group as 70% shareholder of HKLTL amounted to HK$473 million (31 December 2021: HK$518 million).

The Group's capital, lease and other commitments in relation to its interests in joint ventures are disclosed in Notes 23(C) and (D).

16. Interests in Associates

The Group's share of results and net assets of associates are as follows:

	Six months ended 30 June	
	2022	2021
	HK$M	HK$M
Group's share of profit and total comprehensive income		
Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC)	**490**	447
Yangjiang Nuclear Power Co., Ltd. (Yangjiang Nuclear)	**645**	498
	1,135	945

	30 June	31 December
	2022	2021
	HK$M	HK$M
Group's share of net assets		
GNPJVC	**1,276**	821
Yangjiang Nuclear	**7,383**	7,948
	8,659	8,769

The Group's share of capital commitments in relation to its interests in associates are disclosed in Note 23(D).

17. Derivative Financial Instruments

	30 June 2022		31 December 2021	
	Assets	**Liabilities**	Assets	Liabilities
	HK$M	**HK$M**	HK$M	HK$M
Cash flow hedges				
Forward foreign exchange contracts	**279**	**156**	74	126
Foreign exchange options	**–**	**–**	1	–
Cross currency interest rate swaps	**304**	**1,073**	51	987
Interest rate swaps	**35**	**1**	–	80
Energy contracts	**11,468**	**1,699**	2,256	314
Fair value hedges				
Cross currency interest rate swaps	**2**	**292**	129	59
Interest rate swaps	**–**	**62**	14	7
Not qualified for hedge accounting				
Forward foreign exchange contracts	**6**	**80**	82	61
Interest rate swaps	**2**	**–**	5	–
Energy contracts	**2,153**	**13,143**	870	1,032
	14,249	**16,506**	3,482	2,666
Current	**10,791**	**14,530**	1,475	1,302
Non-current	**3,458**	**1,976**	2,007	1,364
	14,249	**16,506**	3,482	2,666

18. Trade and Other Receivables

	30 June 2022 HK$M	31 December 2021 HK$M
Trade receivables	**16,238**	11,707
Deposits, prepayments and other receivables #	**8,691**	2,526
Dividend receivables from		
Joint ventures	**137**	190
An associate	**846**	975
Equity investments	**14**	–
Current accounts with		
Joint ventures	**6**	5
An associate	**1**	1
	25,933	15,404

Including EnergyAustralia's futures margin account of HK$7.2 billion (31 December 2021: HK$1.1 billion).

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

	30 June 2022 HK$M	31 December 2021 HK$M
30 days or below *	**15,162**	9,285
31 – 90 days	**435**	670
Over 90 days	**641**	1,752
	16,238	11,707

* Including unbilled revenue

19. Trade Payables and Other Liabilities

	30 June 2022 HK$M	31 December 2021 HK$M
Trade payables [(a)]	**9,740**	6,119
Other payables and accruals	**6,940**	7,504
Lease liabilities [(b)]	**222**	217
Advances from non-controlling interests	**979**	832
Current accounts with		
Joint ventures	**1**	1
An associate	**707**	564
Deferred revenue	**3,168**	3,144
	21,757	18,381

Notes:

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

	30 June 2022 HK$M	31 December 2021 HK$M
30 days or below	**9,411**	5,800
31 – 90 days	**253**	219
Over 90 days	**76**	100
	9,740	6,119

(b) At 30 June 2022, the non-current portion of lease liabilities of HK$820 million (31 December 2021: HK$952 million) was included under other non-current liabilities.

20. Bank Loans and Other Borrowings

The Group's bank loans and other borrowings were repayable as follows:

	Bank Loans		Other Borrowings *		Total	
	30 June 2022 HK$M	31 December 2021 HK$M	30 June 2022 HK$M	31 December 2021 HK$M	30 June 2022 HK$M	31 December 2021 HK$M
Within one year	**10,041**	8,893	**3,686**	1,619	**13,727**	10,512
Between one and two years	**4,316**	3,068	**1,474**	3,410	**5,790**	6,478
Between two to five years	**7,716**	3,657	**5,112**	6,253	**12,828**	9,910
Over five years	**3,563**	3,555	**26,676**	27,760	**30,239**	31,315
	25,636	19,173	**36,948**	39,042	**62,584**	58,215

* Relating to Medium Term Notes of HK$36,948 million (31 December 2021: mainly Medium Term Notes of HK$37,472 million and bonds of HK$1,274 million).

At 30 June 2022, the Group had undrawn bank loans and overdraft facilities of HK$19.5 billion (31 December 2021: HK$28.1 billion). Subsequent to 30 June 2022, additional facilities of HK$8.5 billion have been arranged and the undrawn facilities of the Group were HK$22 billion at 31 July 2022.

There was no material non-compliance with loan covenants for the period ended 30 June 2022.

21. SoC Reserve Accounts

Tariff Stabilisation Fund, Rate Reduction Reserve and Rent and Rates Refunds of the Group's major subsidiary, CLP Power Hong Kong, are collectively referred to as the SoC reserve accounts. The respective balances at the end of the period / year are:

	30 June 2022 HK$M	31 December 2021 HK$M
Tariff Stabilisation Fund	**2,145**	3,109
Rate Reduction Reserve	**3**	3
Rent and Rates Refunds (note)	**334**	328
	2,482	3,440

Note: CLP Power Hong Kong has been challenging the amount of Government rent and rates levied dating back to the year of assessment 2001/02. Following the settlement of appeals up to 2017/18 in 2020, CLP Power Hong Kong further reached settlement with the Hong Kong Government in respect of the appeals from 2018/19 to 2020/21, and is in discussion with the Government for final resolution of the remaining 2021/22 appeal year.

Upon settlement of the appeals of 2018/19 to 2020/21, a refund of HK$200 million was receivable from the Hong Kong Government in full and final settlement for those years. Using the total amount of refunds from the Hong Kong Government for all appeal years up to 2020/21 of HK$2,991 million, CLP Power Hong Kong has provided customers with the Rent and Rates Special Rebate. Including the rebate of HK$194 million paid during the period, the Rent and Rates Special Rebate made to customers has reached an aggregate amount of HK$2,657 million.

The refunds are classified within the SoC reserve accounts. The Rent and Rates Special Rebate paid to customers was offset against the refunds received.

22. 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 2022	(5,372)	1,011	(3)	1,642	92,513	89,791
Loss attributable to shareholders	–	–	–	–	(4,855)	(4,855)
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	(1,699)	(266)	–	–	266	(1,699)
Joint ventures	(437)	–	–	–	–	(437)
Associates	(309)	–	–	–	–	(309)
Cash flow hedges						
Net fair value gains	–	9,470	–	–	–	9,470
Reclassification to profit or loss	–	(855)	–	–	–	(855)
Tax on the above items	–	(2,541)	–	–	–	(2,541)
Costs of hedging						
Net fair value gains	–	–	73	–	–	73
Reclassification to profit or loss	–	–	4	–	–	4
Tax on the above items	–	–	(13)	–	–	(13)
Fair value losses on investments	–	–	–	(67)	–	(67)
Remeasurement losses on defined benefit plans	–	–	–	–	(16)	(16)
Total comprehensive income attributable to shareholders	(2,445)	5,808	64	(67)	(4,605)	(1,245)
Transfer to fixed assets	–	8	–	–	–	8
Appropriation of reserves	–	–	–	53	(53)	–
Dividends paid						
2021 fourth interim	–	–	–	–	(3,057)	(3,057)
2022 first interim	–	–	–	–	(1,592)	(1,592)
Balance at 30 June 2022	**(7,817)**	**6,827**	**61**	**1,628**	**83,206**	**83,905**

22. Reserves (continued)

	Translation Reserve HK$M	Cash Flow Hedge Reserve HK$M	Cost of Hedging Reserve HK$M	Other Reserves HK$M	Retained Profits HK$M	Total HK$M
Balance at 1 January 2021	(4,534)	118	97	1,529	91,747	88,957
Earnings attributable to shareholders	–	–	–	–	4,615	4,615
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	(608)	(18)	–	–	18	(608)
Joint ventures	53	–	–	–	–	53
Associates	52	–	–	–	–	52
Cash flow hedges						
Net fair value gains	–	943	–	–	–	943
Reclassification to profit or loss	–	(447)	–	–	–	(447)
Tax on the above items	–	(160)	–	–	–	(160)
Costs of hedging						
Net fair value losses	–	–	(42)	–	–	(42)
Reclassification to profit or loss	–	–	12	–	–	12
Tax on the above items	–	–	5	–	–	5
Fair value gains on investments	–	–	–	9	–	9
Remeasurement gains on defined benefit plans	–	–	–	–	50	50
Total comprehensive income attributable to shareholders	(503)	318	(25)	9	4,683	4,482
Transfer to fixed assets	–	3	–	–	–	3
Appropriation of reserves	–	–	–	(15)	15	–
Dividends paid						
2020 fourth interim	–	–	–	–	(3,057)	(3,057)
2021 first interim	–	–	–	–	(1,592)	(1,592)
Balance at 30 June 2021	(5,037)	439	72	1,523	91,796	88,793

23. Commitments

(A) Capital expenditure on fixed assets, leasehold land and intangible assets contracted for but not yet incurred at 30 June 2022 amounted to HK$11,244 million (31 December 2021: HK$13,150 million) after excluding the commitments of Apraava Energy group of HK$1,130 million.

(B) At 30 June 2022, leases for assets committed but not yet commenced were as follows:

(i) Kidston Pumped Hydro Energy Storage Facility

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 2022, the expected undiscounted contractual lease payments under this agreement were approximately HK$2.0 billion (31 December 2021: HK$2.1 billion).

(ii) Riverina Battery Storage Systems

The Group has entered into two long-term Battery Storage Services Agreements to be the market operator of two Riverina battery storage systems with a combined 90MW capacity in New South Wales. These facilities are currently under construction and the lease commencement date is expected to occur in December 2023. At 30 June 2022, the expected undiscounted contractual lease payments under these agreements were approximately HK$0.4 billion (31 December 2021: nil).

23. Commitments (continued)

(C) At 30 June 2022, equity contributions to be made for joint ventures and private equity partnerships were HK$36 million (31 December 2021: HK$54 million) and HK$176 million (31 December 2021: HK$203 million) respectively.

(D) At 30 June 2022, the Group's share of capital, lease and other commitments of its joint ventures and associates were HK$4,148 million (31 December 2021: HK$4,219 million) and HK$816 million (31 December 2021: HK$782 million) respectively.

24. Related Party Transactions

Below are the more significant transactions with related parties for the period:

(A) For the six months ended 30 June 2022, the purchases of nuclear electricity from Guangdong Daya Bay Nuclear Power Station amounted to HK$3,324 million (2021: HK$2,850 million).

(B) The loans and shareholder's loan facilities to joint ventures are disclosed under Note 15. Other amounts due from and to the related parties at 30 June 2022 are disclosed in Notes 18 and 19 respectively. At 30 June 2022, the Group did not have any guarantees which were of a significant amount given to or received from these entities (31 December 2021: nil).

(C) The total remuneration of the key management personnel is shown below:

	Six months ended 30 June	
	2022	2021
	HK$M	HK$M
Fees	**7**	7
Recurring remuneration items (note)		
Base compensation, allowances & benefits	**30**	38
Performance bonus		
Annual incentive	**26**	37
Long-term incentive	**25**	35
Provident fund contribution	**6**	7
Non-recurring remuneration items (note)		
Other payments	**8**	–
	102	124

Note: Refer to remuneration items on page 30 under Corporate Governance.

Key management personnel at 30 June 2022 comprised twelve (30 June 2021: twelve) Non-executive Directors, one (30 June 2021: two) Executive Director and nine (30 June 2021: ten) senior management personnel.

25. Contingent Liabilities

Indian Wind Power Projects – WWIL's Contracts

Apraava Energy group has invested in approximately 533MW of wind power projects developed with Wind World India Limited (WWIL). WWIL's major shareholder, Enercon GmbH, commenced litigation against WWIL claiming infringement of intellectual property rights. Dr Wobben, the controlling shareholder of Enercon GmbH, also brought actions against Apraava Energy group, as a customer of WWIL. Dr Wobben is seeking, among other things, an injunction restraining Apraava Energy group's use of certain rotor blades acquired from WWIL. Although Dr Wobben has passed away, his counsel have filed an application to implead Wobben Properties GmbH as second plaintiff in the matter, and the same is pending before the High Court. The next date of hearing is 17 August 2022.

As at 30 June 2022, the Group considers that Apraava Energy group has good prospects of defending these claims and the legal proceedings are unlikely to result in any material outflow of economic benefits from the Group.

26. Fair Value Estimation and Hierarchy of Financial Instruments

(A) Fair value hierarchy

The Group's financial instruments measured at fair value are analysed into the three levels prescribed under the accounting standards and are presented in the table below:

	Level 1 HK$M	Level 2 HK$M	Level 3 HK$M	Total HK$M
At 30 June 2022				
Financial assets				
Investments at fair value through other comprehensive income	**271**	**–**	**35**	**306**
Investments at fair value through profit or loss	**3**	**–**	**584**	**587**
Forward foreign exchange contracts	**–**	**285**	**–**	**285**
Cross currency interest rate swaps	**–**	**306**	**–**	**306**
Interest rate swaps	**–**	**37**	**–**	**37**
Energy contracts	**5,493**	**3,536**	**4,592**	**13,621**
	5,767	**4,164**	**5,211**	**15,142**
Financial liabilities				
Forward foreign exchange contracts	**–**	**236**	**–**	**236**
Cross currency interest rate swaps	**–**	**1,365**	**–**	**1,365**
Interest rate swaps	**–**	**63**	**–**	**63**
Energy contracts	**11,916**	**2,633**	**293**	**14,842**
	11,916	**4,297**	**293**	**16,506**

26. Fair Value Estimation and Hierarchy of Financial Instruments (continued)

(A) Fair value hierarchy (continued)

	Level 1 HK$M	Level 2 HK$M	Level 3 HK$M	Total HK$M
At 31 December 2021				
Financial assets				
Investments at fair value through other comprehensive income	338	–	35	373
Investments at fair value through profit or loss	12	–	530	542
Forward foreign exchange contracts	–	156	–	156
Foreign exchange options	–	1	–	1
Cross currency interest rate swaps	–	180	–	180
Interest rate swaps	–	19	–	19
Energy contracts	329	1,457	1,340	3,126
	679	1,813	1,905	4,397
Financial liabilities				
Forward foreign exchange contracts	–	187	–	187
Cross currency interest rate swaps	–	1,046	–	1,046
Interest rate swaps	–	87	–	87
Energy contracts	580	273	493	1,346
	580	1,593	493	2,666

The Group's policy is to recognise transfers into / out of fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer. During the six months ended 30 June 2022 and 2021, there were no transfers between Level 1 and Level 2.

You may refer to page 292 of the 2021 Annual Report for the definitions of Levels 1, 2 and 3.

26. Fair Value Estimation and Hierarchy of Financial Instruments (continued)

(B) Valuation techniques used to determine fair values

The valuation techniques and inputs used in the fair value measurements within Level 2 and Level 3 are as follows:

Financial Instruments	Valuation Techniques	Significant Inputs
Investments at fair value through profit or loss	Recent arm's length transactions or net asset value of funds	Not applicable
Forward foreign exchange contracts	Discounted cash flow	Observable exchange rates
Foreign exchange options	Garman Kohlhagen Model	Observable exchange rates, interest rates and volatility levels
Cross currency interest rate swaps	Discounted cash flow	Observable exchange rates and swap rates of respective currency
Interest rate swaps	Discounted cash flow	Observable swap rates of respective currency
Energy contracts	Discounted cash flow	Observable exchange traded swap and cap price curves; brokers' quotes and long term forward electricity price and cap price curves

The significant unobservable inputs of energy contracts used for fair value measurement included long term forward electricity price and cap price curves. The finance department of EnergyAustralia includes a team that performs the valuations of non-property assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to EnergyAustralia's Chief Financial Officer (CFO-EA) and Audit and Risk Committee (ARC-EA). The valuation of Level 3 forward energy contracts involves the use of a short term forward curve which is observable in the liquid market and internally generated long term forward electricity price and cap price curves which are derived using unobservable inputs. This short term forward curve is reviewed at least once every six months, in line with the Group's half-yearly reporting dates. Review of the long term forward curves is performed by the CFO-EA and ARC-EA annually. Analysis of fair value changes is performed on a monthly basis for reasonableness.

(C) Movements and sensitivity analysis of Level 3 financial instruments

	Six months ended 30 June 2022			Six months ended 30 June 2021		
	Investments HK$M	**Energy Contracts HK$M**	**Total HK$M**	Investments HK$M	Energy Contracts HK$M	Total HK$M
Opening balance	**565**	**847**	**1,412**	326	392	718
Total gains / (losses) recognised in						
Profit or loss and presented in fuel and other operating expenses (note)	**19**	**533**	**552**	93	148	241
Other comprehensive income	**(2)**	**3,819**	**3,817**	–	70	70
Purchases	**37**	**–**	**37**	64	–	64
Sales / settlements	**–**	**(900)**	**(900)**	(18)	(100)	(118)
Closing balance	**619**	**4,299**	**4,918**	465	510	975

Note: Out of which, unrealised gains recognised in profit or loss relating to the assets and liabilities held at 30 June 2022 was HK$307 million (2021: HK$206 million).

The valuation of long tenure energy contracts is sensitive to electricity pool price assumptions. At 30 June 2022, a favourable and unfavourable change of 15% (31 December 2021: 15%) would cause the balance of the energy contracts to rise by HK$1,163 million (31 December 2021: HK$681 million) and decline by HK$1,210 million (31 December 2021: HK$724 million) respectively, with all other variables held constant.

Report on Review of Condensed Consolidated Interim Financial Statements

To the Board of Directors of CLP Holdings Limited

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the condensed consolidated interim financial statements (the "Interim Financial Statements") set out on pages 36 to 61 which comprise the consolidated statement of financial position of CLP Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2022 and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of the Interim Financial Statements in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on the Interim Financial Statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Statements of the Group are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 8 August 2022

Scheme of Control Statement – Unaudited

The electricity related operations of CLP Power Hong Kong and CAPCO have been governed by the SoC Agreement with the Hong Kong Government, a summary of which is set out on pages 297 and 298 of the 2021 Annual Report. The calculations shown below are in accordance with the SoC and the agreements between the SoC Companies.

	Six months ended 30 June	
	2022	2021
	HK$M	HK$M
SoC revenue	**21,940**	20,385
Expenses		
Operating costs	**2,413**	2,398
Fuel	**8,926**	6,835
Purchases of nuclear electricity	**2,738**	2,362
Provision for asset decommissioning	**61**	67
Depreciation	**2,771**	2,680
Operating interest	**369**	452
Taxation	**741**	946
	18,019	15,740
Profit after taxation	**3,921**	4,645
Interest on borrowed capital	**499**	529
Profit for SoC	**4,420**	5,174
Transfer from / (to) Tariff Stabilisation Fund	**653**	(315)
Permitted return	**5,073**	4,859
Deduct interest on		
Borrowed capital as above	**499**	529
Tariff Stabilisation Fund to Rate Reduction Reserve	**3**	1
	502	530
Net return	**4,571**	4,329
Divisible as follows:		
CLP Power Hong Kong	**3,033**	2,910
CAPCO	**1,538**	1,419
	4,571	4,329
CLP Power Hong Kong's share of net return		
CLP Power Hong Kong	**3,033**	2,910
Interest in CAPCO	**1,077**	993
	4,110	3,903

Information for Our Investors

Key Dates for 2022 Interim Results and Second Interim Dividend

Publication dates

Interim results and second interim dividend announcement	8 August 2022
Interim report available online:	15 August 2022

- CLP website: www.clpgroup.com ("Investor Relations" section)
- Hong Kong Stock Exchange website: www.hkexnews.hk

Interim report posted to shareholders	23 August 2022

Dividend-related dates

Ex-dividend date	1 September 2022
Latest time for lodging share transfer documents for registration	2 September 2022 (Not later than 4:30 p.m.)
Book close date	5 September 2022
Payment date	15 September 2022

Company's Registrars

Computershare Hong Kong Investor Services Limited

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Telephone	:	(852) 2862 8628
Facsimile	:	(852) 2865 0990
Enquiries	:	www.computershare.com/hk/en/online_feedback

Share Listing

Shares of CLP Holdings are:

- listed on the Stock Exchange of Hong Kong;
- eligible for Southbound trading through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect; and
- traded over the counter in the United States in the form of American Depositary Receipts.

Our Stock Code

The Stock Exchange of Hong Kong	:	00002
Bloomberg	:	2 HK
Reuters	:	0002.HK
Ticker Symbol for ADR Code	:	CLPHY
CUSIP Reference Number	:	18946Q101

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Facsimile	:	(852) 2678 8390 (Company Secretary)
Email	:	cosec@clp.com.hk (Company Secretary) ir@clp.com.hk (Director – Investor Relations)

Choice of Language and Means of Receipt of Corporate Communications [1]

You can ask for this Interim Report in printed form or in a language version other than your existing choice; and change [2] your choice of language (English and / or Chinese) and / or means of receipt (in printed form or by electronic means through our website) for the Company's future corporate communications.

You can make the above request(s) at any time, free of charge, by writing to the Company or the Company's Registrars or email to cosec@clp.com.hk or clp.ecom@computershare.com.hk.

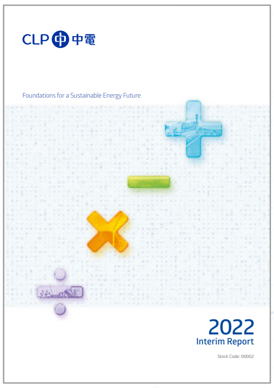
If your shares are held in joint names, such notice must be specified and signed by all joint holders whose names stand on the Register of Shareholders of the Company in respect of the joint holding in order to be valid.

If you cannot access the corporate communications electronically, please ask us for a printed form and we will send these to you free of charge.

Notes:

1 Corporate communications refer to Interim / Annual Reports, Quarterly Statements, notices, documents or other shareholder publications of the Company (including any "corporate communication" as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

2 Your change request applies to the next batch of corporate communications if we have at least seven days written notice of your request, otherwise, it will apply to the subsequent batch of corporate communications.



Foundations for a Sustainable Energy Future

The cover design of the 2022 Interim Report uses the basic elements of mathematics to illustrate CLP's pragmatic approach in building a sustainable business and the importance of cleaner, smarter energy in the transition to a net-zero economy.

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