

27 February 2023

## **CLP Reports Dependable Earnings and Resilient Operations from Core Markets amid Global Challenges**

*CLP Holdings Limited today announced its 2022 Annual Results. The following are the opening remarks delivered by Chief Executive Officer Richard Lancaster at a media briefing.*

2022 was a year of challenges and shocks. The war in Ukraine impacted all of us. Energy costs increased as countries clambered to secure energy. We saw rising inflation and interest rates putting pressure on the cost of living, and the acceleration of energy transition as the world looks for alternatives to coal. All this added to the backdrop of a lingering pandemic and an uncertain geopolitical environment.

It certainly was one of the most challenging times in recent years. Our response, as it always has been, is to continue to address all three elements of the energy trilemma to provide reliable and cleaner energy at a reasonable cost.

We remained focused on our strategy of decarbonising our business with the use of digital technology. We strengthened partnerships to support the significant amount of capital and efforts required for an orderly energy transition.

And we've adapted to the volatility with care for people, customers, community, environment and performance at the core of our values.

During the year, we delivered steady growth in earnings in our core markets of Hong Kong and Mainland China, while maintaining a strong financial structure to invest for the future.

The performance in Hong Kong was again dependable. Despite disruptions to global supply chains, we are progressing as planned with our key infrastructure projects like the LNG terminal which will go into service this year.

Through stringent cost control measures, we managed to maintain our Basic Tariff at the same level for three years in a row. We also did our best to minimise the impact of rising fuel cost on customers with a fuel diversification strategy.

As demand for energy efficiency and emission reduction solutions continue to grow, we strengthened our offering of urban and industrial solutions across power, heating, cooling, transportation and data centres.

Our business in Mainland China delivered strong performance rooted in the non-carbon portfolio.

Performance and earnings from nuclear continued to do well with Yangjiang Nuclear Power Station achieving record electricity generation. We stepped up the pace of our investments in renewable energy and output from that portfolio also rose.

However, our business in Australia saw pressure on earnings reflective of a very volatile and complex market, and ongoing impact of low baseload generator output.

In addition, the requirement to mark-to-market forward contracts against higher prevailing energy prices resulted in large negative fair value movements at the end of the year, although our position was much improved in December 2022 compared with half a year ago thanks to a moderation in prices.

Lower contributions from our coal-fired projects at Jhajjar in India and Ho-Ping in Taiwan had an impact on earnings. We also reported the accounting loss associated with the sale of an additional 10% interest in Apraava Energy.

All in all, while the majority of our business has been solid and consistent with 2021, the Group's financial performance was affected by EnergyAustralia's operating loss and the disposal loss associated with Apraava Energy.

As a result, the Group's operating earnings decreased 51.4% to HK\$4,623 million in 2022. Total earnings were HK\$924 million, 89.1% lower than a year ago.

Against this volatile backdrop, the Board remains confident in the Group's prospects and has approved a fourth interim dividend at HK\$1.21 per share. This brings the total dividend for 2022 to HK\$3.10 per share, the same as 2021.

While 2022 was a challenging year, I want to acknowledge our people who have remained resilient and stayed focused on operating our assets safely to ensure our customers were provided with their energy needs.

Our transformation into a Utility of the Future is well underway. Our strategy, underpinned by our commitment to a clear path to net zero, is central to how we manage our business regardless of the external shocks and unexpected macroeconomic changes in the current environment.

Looking ahead, we will continue to invest in a diverse mix of carbon-free assets including renewables, energy storage and nuclear power with capital and cost discipline; and capture the growth opportunities in an increasingly electrified world.

We will decarbonise our operations while continuing to run a reliable and safe energy system. We will continue to invest in our people, systems and ensure that we have the necessary capabilities to support our next generation of growth.

*For more details, please refer to the following documents:*

- [Announcement of Annual Results as from 1 January 2022 to 31 December 2022, Dividend Declaration and Closure of Books](#)
- [CLP Holdings 2022 Annual Results Highlights](#)



Mr Richard Lancaster (centre), Chief Executive Officer of CLP Holdings, Mr Nicolas Tissot (right), Chief Financial Officer, and Mr T K Chiang (left), Managing Director – CLP Power Hong Kong, today announce CLP’s 2022 Annual Results.

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