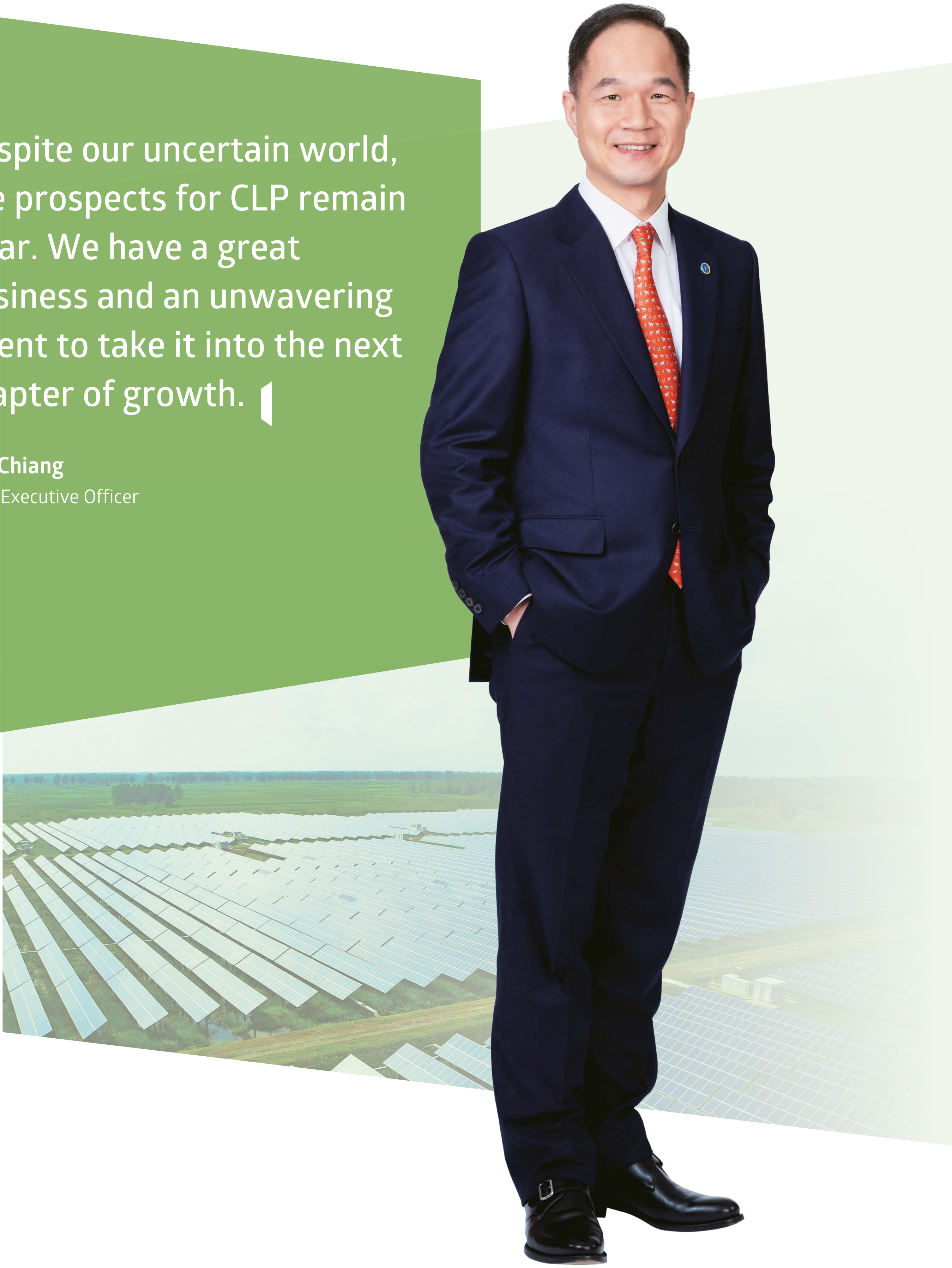


Despite our uncertain world, the prospects for CLP remain clear. We have a great business and an unwavering intent to take it into the next chapter of growth.

T.K. Chiang
Chief Executive Officer

Serving the communities with dedication, professionalism and a smile is what the CLP teams do across all our markets.

It is my honour to report on the Group's performance for the first time as Chief Executive Officer of CLP Holdings. CLP has an incredible foundation for building our next successful era as we contribute to meeting the world's energy needs in cleaner and more sustainable ways. I am both humbled and excited to be leading this organisation forward.

In 2023, CLP delivered a very solid performance amid a volatile global backdrop. Our core businesses in Hong Kong and Mainland China again brought dependable contributions to the Group. We have a valuable diversified portfolio of businesses and in the past year, we strengthened our positions in Australia and India, as we contributed to the energy transition in both countries. Across all of our markets, we are building growth momentum seizing the opportunities in rising demand for sustainable energy solutions. As always, safety remains a priority for our business and the reduction in the Group's injury rates last year is testament to our ongoing efforts to make CLP a safer place for our people to work.

Hong Kong

As Hong Kong came out of the pandemic in 2023, CLP Power continued to deliver a highly reliable, environmentally sustainable and reasonably priced electricity supply to support the return to normal economic activities. Operating earnings from the local energy business before fair value movements rose 1.3% to HK$8,823 million as investment was made to fund Hong Kong's economic and infrastructure developments and continued decarbonisation of the energy supply.

The gradual economic recovery and record summer temperatures lifted CLP Power's electricity sales by 1.6% to 35,392 gigawatt hours (GWh) from a year earlier. Sales in the Commercial sector rose as the cessation of COVID-19 restrictions, inbound tourism and the return of large-scale events drove consumption in hotels, shops and restaurants. Higher sales in the Infrastructure and Public Services sector reflected the resumption in government services, education and transport activities. By contrast, demand from the Residential sector dipped as people spent less time at home.

	Local Sales by Sector (GWh)	**% of Total Local Sales**	**% Increase / (Decrease)**
Residential	9,929	28%	(1.8%)
Commercial	13,673	39%	3.3%
Infrastructure and Public Services	10,196	29%	3.4%
Manufacturing	1,594	4%	(1.3%)

We understand customers' concern about electricity tariffs at a time of higher global inflation. We remain committed to cost control and a diversified fuel strategy to ease the tariff pressure on customers. Helped by falling international fuel prices, we were able to reduce the Average Net Tariff for our customers by 7.4% from January 2024 compared with a year earlier. Meanwhile, we are looking after customers in need by again allocating more than HK$200 million from the CLP Community Energy Saving Fund for a series of programmes in 2024 to promote energy conservation and help the underprivileged. These include providing electricity subsidies for elderly people and tenants of subdivided units.

Our 2024-2028 Development Plan was approved by the Hong Kong SAR Government in November 2023, projecting capital expenditure of around HK$52.9 billion over the five-year period to meet growing electricity demand and to support the Government's policy priorities. The plan is designed to underpin Hong Kong's accelerating economic and infrastructure development, deliver a reliable world-class electricity network, strengthen continued decarbonisation efforts and support the transition to a smart city. The Government is focused on land and housing supply, and we expect the construction of public housing units in our supply area to increase 50% to more than 150,000 over the five-year period. Hong Kong has a strong potential to become a prime regional location for data centres, and we aim to provide the power supplies and connections for up to 18 large-scale data centres by 2028, compared with just four in the previous five-year period. We are also gearing up for the upgrading of major rail and road networks in our supply area as the Government modernises the city's infrastructure.

Our competitive tariffs and the investments contained in the 2024-2028 Development Plan are testament to the ability of the Scheme of Control (SoC) Agreement to deliver a cost-effective, world-class electricity supply to support Hong Kong's growth. An Interim Review of the SoC Agreement was concluded in 2023 during which we agreed several modifications with the Government to further strengthen the regulatory framework. Under a special tariff relief arrangement, we will provide additional financial support for those residential customers in need if an international energy crisis causes a sharp rise in fuel costs. We also agreed a new scheme for penalty payments in the event of a widespread supply interruption, and further improvements in information transparency on fuel and operating costs.

Extreme weather events are becoming more frequent and severe because of global warming, and we remain focused on strengthening our network reliability and resilience. Hong Kong was hit by Super Typhoon Saola and the heaviest rainstorm on record in the space of a week in September. Our power supply to customers was largely intact, demonstrating the resilience of our system and the effectiveness of our comprehensive preparations and response plans.

The decarbonisation of Hong Kong's power supply took a major step forward with the launch of a new offshore LNG terminal over the summer. The floating storage and regasification unit vessel moored at the jetty is the largest of its kind in the world, increasing our access to diversified supply of competitively priced natural gas from international markets.

To facilitate a phasing out of coal-fired generation, we will complete a new advanced combined-cycle gas turbine generation unit, Unit D2, at Black Point Power Station. We are also enhancing the Clean Energy Transmission System (CETS) overhead line circuits between Hong Kong and Mainland China. When its upgrade is completed in 2025, the CETS will allow for increased imports of zero-carbon energy to the city. Together with Unit D2 at Black Point Power Station, it will help to maintain power supply reliability as coal-fired generation at Castle Peak A Power Station is phased out.

Separately, the 2024-2028 Development Plan allows for CLP Power to establish a grid-scale battery energy storage system (BESS) of around 100MW to reduce peak system demand and facilitate the integration of energy from non-fossil electricity sources. We also plan to launch a pilot project to test blending hydrogen into natural gas for power generation at Black Point Power Station.

We are strengthening our digital capabilities to provide customers with more personalised energy services including energy saving recommendations and incentives, many of which are enabled by smart meters. Under a meter replacement programme that began in 2018, we have connected more than 2.23 million smart meters for CLP Power customers in Hong Kong so far and the programme will be completed by 2025.

Transportation accounts for nearly one fifth of carbon emissions in Hong Kong and electrifying this sector is another vital element of the decarbonisation journey. CLP has been a key facilitator of the city's transition to a new era of eMobility. We support the Government's electrification of public transportation and commercial vehicles, and CLP Power provided technical advice for the development of an electric vehicle (EV) fleet for The Kowloon Motor Bus Company (1933) Limited while installing EV charging infrastructure for customers on private residential estates. In another initiative, CLP Power teamed up with 14 like-minded businesses and organisations to launch the eMobility Network to encourage technology exchange and the wider use of electric commercial vehicles.

CLP Power provides a wide range of energy solutions such as Renewable Energy Certificates (RECs) and energy audits to help customers decarbonise their businesses. We signed multi-year contracts for RECs with various corporations, bolstering the generation of renewable energy in Hong Kong while enabling carbon emission reduction benefits for these businesses. To add further value to our customers and promote RECs, we partnered with DBS Bank (Hong Kong) Limited to launch a programme in 2023 under which the bank offers our small to medium enterprise customers a series of privilege banking offers.

Increasingly, customers are turning to sustainability-linked loans to fund projects and we help them to be more energy efficient to meet their sustainability targets. For instance, CLP Power conducted energy audits and provided energy efficiency advice to ESR Group Limited (ESR), a real asset manager, for the planned conversion of an old cold storage building into a modern data centre. ESR in turn secured funding from a sustainability-linked loan for the project. CLP Power also helped Far East Consortium International Limited secure its first sustainability-linked loan by conducting an energy audit for one of its hotels. With our support on energy efficiency, about HK$2.3 billion worth of sustainability-linked loans were obtained by our customers in 2023.

As we continue to develop new ways to support the energy needs of our customers, it is pleasing that CLP Power is gaining increasing recognition for the service and value it provides. We received 45 coveted awards in 2023 for customer-related areas including customer service, innovation and digital transformation from well-regarded organisations in Hong Kong and overseas.

The Group has established a growing status as a provider of Energy-as-a-Service solutions in Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) through our energy infrastructure and solutions subsidiary CLP*e*, which supports its customers in their sustainability efforts by drawing from its engineering expertise and applying advanced technologies. For example, it has formed a partnership with property companies Henderson Land and Chinachem Group to replace the cooling system of a shopping mall and through the use of AI technology to improve energy efficiency, lower electricity consumption and reduce carbon emissions.

The new Yangzhou Gongdao Solar Power Station in Jiangsu province is equipped with an 8MW commercial use battery energy storage system, the first of its kind in the province.

As more construction sites seek to cut pollution and save costs by turning to batteries to replace diesel generators, CLP*e* won more than 40 BESS orders from over 10 construction companies during the year.

Hong Kong has emerged from the long shadow of the pandemic into a new growth stage. Our 2024-2028 Development Plan is a roadmap for CLP to play a pivotal role to support Hong Kong's growing energy needs at a time of accelerating economic and infrastructure development.

Mainland China

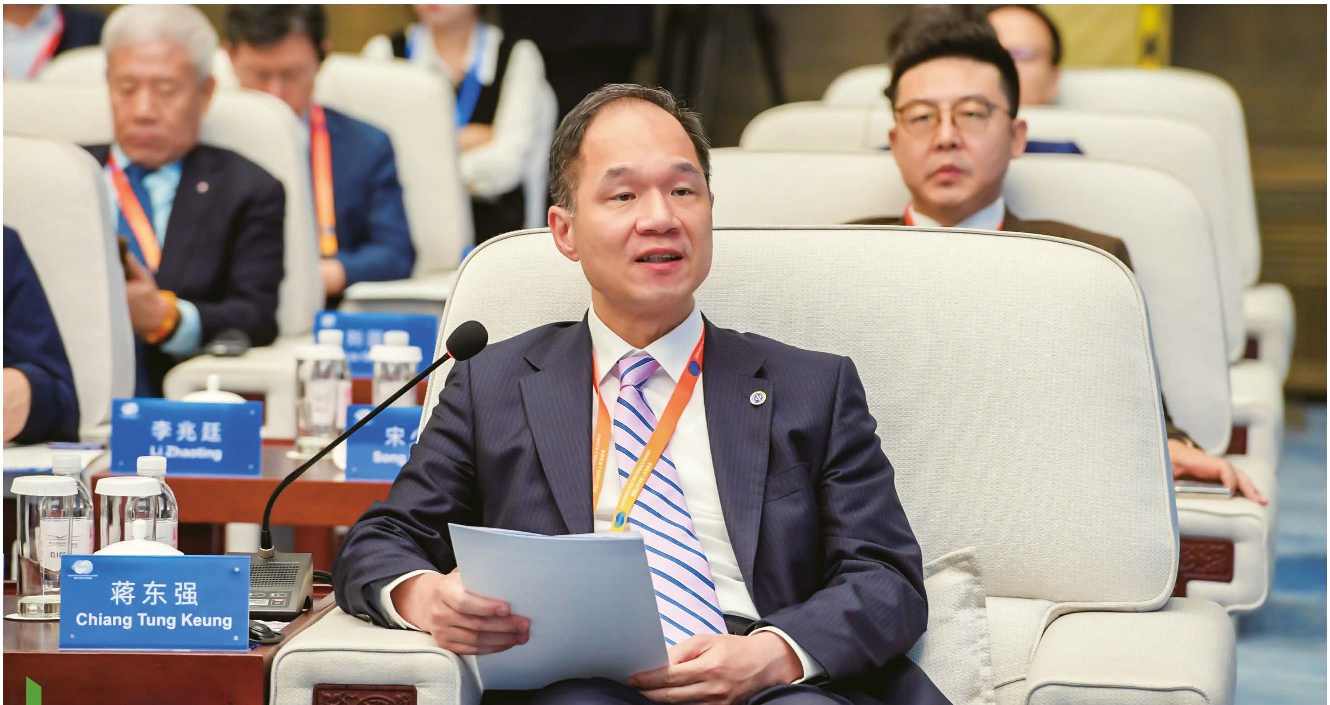
In 2023, our nuclear and renewable energy investments in Mainland China performed well, although operating earnings of CLP China dropped 7.0% year-on-year from a high HK$2,229 million to HK$2,073 million, largely due to losses incurred by the coal portfolio.

The two nuclear power stations in our portfolio performed strongly. Driven by robust electricity demand, generation at Yangjiang Nuclear Power Station reached a record high. Daya Bay Nuclear Power Station continued to operate steadily to supply zero-carbon energy to Hong Kong. As the plant entered 30 years of service, large-scale planned outages are being carried out at Daya Bay. Maintenance work on one of the generating units was successfully completed in January 2024. Preparatory work on the other unit has begun and the planned outage is scheduled to be completed before the peak summer season begins.

CLP China's remaining minority-owned coal-fired assets had a difficult year. The financial performance was affected by low electricity tariffs and high coal prices, coupled with a drop in overall asset utilisation due to increased renewable energy supply in the market and one generation unit underwent a repowering project.

Output and earnings from our renewable energy assets in Mainland China maintained steady performance thanks to the contribution of new wind and solar projects. Because both water resources and tariffs fell short of expectations, we booked an impairment of assets of HK$115 million for Dali Yang_er Hydropower Station in Yunnan province for 2023. The performance of CLP China's other hydro assets – Huaiji Hydro Power Stations in Guangdong province and Jiangbian Hydropower Station in Sichuan province – remained stable.

The expansion of our renewable energy portfolio accelerated in 2023 to meet rising demand as China pursues a dual target of peak carbon emissions by 2030 and net-zero emissions by 2060. CLP China commissioned the 50MW Xundian II Wind Farm in Yunnan and the 73.7MW Yangzhou Gongdao Solar Power Station in Jiangsu province. Yangzhou Gongdao Solar Power Station is equipped with an 8MW commercial-use BESS, the first of its kind in the province. We began construction of the 150MW Bobai Wind Farm in Guangxi Zhuang Autonomous Region which is due to go into service in 2024. Construction is due to begin soon on the Sandu II Wind Farm (100MW) in Guizhou province, and on two 100MW solar projects in Huai'an and Yixing in Jiangsu.



CEO T.K. Chiang delivers an address at the Fourth Qingdao Multinationals Summit in Shandong province, a strategic area for CLP China's business development.

All our newly commissioned projects and those under construction and planning are grid-parity initiatives designed to operate without government subsidies. As for legacy subsidised projects, by the end of December, the amount of accumulated national subsidy payments owed to CLP China's renewable energy subsidiaries was HK$2,426 million, compared with HK$2,111 million a year earlier.

Beyond assets under construction, we have secured construction quotas for three renewable energy projects with a combined capacity of 660MW in Guangxi, and three more projects in Shandong province with a total capacity of 530MW. Although it is uncertain at this stage if all the projects will proceed, we are firmly committed to expanding our portfolio by developing greenfield sites.

Expanding our existing projects onto adjacent sites is another growth strategy that enables synergies and economies of scale. We are exploring the possibility of adding more capacity at Xundian and Sandu wind farms as well as other locations.

CLP broke new ground in corporate partnerships by entering into a strategic cooperation framework agreement with Shui On Xintiandi (Shui On), a leading investor and manager of premium and sustainable commercial properties. This involves a 10-year power purchase agreement (PPA) under which CLP will supply renewable energy from Yangzhou Gongdao Solar Power Station to Shui On's Nanjing International Finance Center commercial and office complex. The agreement is the first medium to long-term agreement of its kind signed by CLP in Mainland China. We also signed our largest Green Electricity Certificate (GEC) contract with a prominent global data centre operator for five years, enabling the customer to claim the environmental benefits associated with renewable energy generation. Both contracts demonstrate our commitment to providing non-carbon energy solutions that help business customers achieve their sustainability goals.

We believe there is high demand for our PPAs and GECs as companies worldwide seek to reduce their carbon emissions. We are proactively expanding our renewable energy portfolio to meet rising demand, which is particularly pronounced in eastern and southern provinces such as Guangdong, Guangxi, Shanghai, Jiangsu and Zhejiang.

Shandong, where we have wind projects with a combined capacity of about 600MW in operation, is another strategic area for business development. I had the honour to speak in October at the Fourth Qingdao Multinationals Summit jointly hosted by the Ministry of Commerce of the People's Republic of China and the People's Government of Shandong, where we pledged to support the continuing development of clean energy in Mainland China. This followed an official visit to CLP's headquarters by Shandong Governor Mr Zhou Naixiang in May when we made clear our determination to play a greater role in the decarbonisation of the province.

To capture opportunities from the growth of energy sustainability technologies and solutions in the GBA, CLP*e* set up a new office in Longhua district in Shenzhen in April 2023 and has continued to strengthen its capabilities. The business expanded its partnership with MTR Shenzhen last year by winning two new projects to install and operate solar energy systems for the rail operator's premises in Longhua, after completing a similar project in 2022.

In September, CLP*e* signed a Memorandum of Understanding (MoU) with Link Asset Management Limited (Link) to develop one-stop energy solutions at Link's premises in the Mainland GBA cities.

China continues to take the lead in the electrification of transport and since 2022, CLP*e* has been operating an EV charging joint venture with TELD New Energy Company Limited. The business expanded its coverage to over 180 charging stations offering more than 5,500 chargers in the cities of Dongguan, Shenzhen and Zhuhai in the GBA by the end of 2023.

The ascent of China as an economic powerhouse has been one of the defining stories of this era. With our established nuclear operations, a dedication to growing our renewable energy portfolio, strong corporate partnerships and Energy-as-a-Service solutions, CLP is ideally placed to support China on the journey to decarbonisation as it writes the next chapters of a remarkable economic success story.

Australia

We announced in late January 2024 that we expected to make an impairment charge following an assessment of the goodwill of the Customer business of our wholly owned subsidiary EnergyAustralia. The impairment reflected a more challenging outlook for the retail energy market as competition levels increased over the second half of 2023.

Notwithstanding that, EnergyAustralia's performance is set on a path of recovery with its operating loss before fair value movements narrowed from HK$2,330 million in 2022 to HK$182 million in 2023. In a sharp contrast to the large fair value losses reported in 2022, fair value movements in 2023 were favourable largely due to the roll off of energy contracts sold before the energy crisis.

With the normalisation of wholesale electricity prices, improved power station performance and higher realised prices, contribution from EnergyAustralia's generation business turned around. Sent out from Yallourn Power Station in Victoria was steady as availability rose from 67% in 2022 to around 72% following an improvement in operations. This is despite the fact that to ensure the continued reliability

Fast-start gas generation assets like the new 320MW Tallawarra B power station will play an increasingly critical role in providing electricity at peak periods and times of low sunshine and wind in Australia.

of the 50-year-old coal-fired power station until its scheduled retirement in 2028, EnergyAustralia conducted maintenance outages on two of its four units in the second half of 2023. Similar maintenance will be carried out on the other two units in 2024.

High availability was also maintained at Mount Piper Power Station in New South Wales, although output was lower year-on-year because of reduced market demand and lower wholesale electricity prices. Mount Piper is supplied with coal primarily from the nearby Springvale mine. Poor mine water quality led to reduced dewatering capacity for the mine, resulting in a risk of underground mine flooding in the second half. EnergyAustralia supported the mine operator with mitigations to ensure that the coal supply and financial performance of Mount Piper for 2023 were not materially impacted by this issue. However, looking ahead, there is still a risk of coal supply disruptions, even with the new, more flexible multi-mine long-term contract that was put in place in 2023.

On the project front, EnergyAustralia made significant progress with its distributed and flexible capacity initiatives. The new 320MW Tallawarra B gas-fired power station was officially opened in February 2024. Fast-start gas generation assets like Tallawarra B will play an increasingly critical role in providing electricity at peak periods and times of low sunshine and wind.

The commissioning of Tallawarra B and the rolling maintenance at Yallourn Power Station were part of a comprehensive programme by EnergyAustralia to prepare for demand in the summer of 2023/24.

EnergyAustralia moved forward with the development of Wooreen Energy Storage System in Victoria after receiving development approval in February and grid connection clearance in December. The four-hour utility-scale battery with 350MW of capacity is scheduled to go into service by the end of 2026.

In September, EnergyAustralia took commercial control of New South Wales's largest energy storage system – the Riverina Stage 2 and Darlington Point batteries which have the capacity to provide energy for around 49,000 homes for two hours.

To further expand its renewable energy portfolio, EnergyAustralia signed a PPA with Genex Power for 30% of the output of the 258MW Kidston Stage 3 wind project in Queensland for 10 years. This followed an earlier energy storage services agreement with Genex for the 250MW Kidston pumped storage hydro project.

EnergyAustralia has released the concept design for the Lake Lyell pumped hydro project in New South Wales. Work on the 335MW project, capable of providing energy for 150,000 homes for up to eight hours, is expected to begin in the second half of 2025 if approved and will take at least four years to complete.

The new investments complement EnergyAustralia's plan to expand its renewable portfolio to include up to 3GW of renewable energy to be committed or operational by 2030. EnergyAustralia expects to support investment of more than A$5 billion in capital directly and with partners under its inaugural Climate Transition Action Plan (CTAP) released in August.

The CTAP was followed by an expansion of the Capacity Investment Scheme (CIS) by the Australian Government. The Wooreen project together with another battery project next to the Hallet gas-fired power station will be submitted to the first round of the newly expanded CIS that focuses on projects in Victoria and South Australia.

Despite several tariff increases, rising supply costs and intensifying competition drove EnergyAustralia's retail business contribution lower than in 2022. The overall number of customer accounts fell by around 20,700, or 0.8%, in 2023, while the rate of customer churn remained below the market average. Despite the goodwill impairment, the Customer business remains a key component of the EnergyAustralia integrated business model.

EnergyAustralia is keenly aware that inflation weighs heavily on customers and does its utmost to support them through a variety of payment plans and extension arrangements. Help for customers impacted by financial hardship is available under the EnergyAssist and Rapid Business Assist programmes.

EnergyAustralia is firmly focused on making further progress in its path of recovery through strengthening its operational performance. It will seek to expand its "behind-the-meter" energy solution offerings to customers in the areas of battery storage, solar energy and electric vehicles. With its strategy of providing simple solutions to customers and its flexible, expanding portfolio, EnergyAustralia is committed to participating sustainably in the country's vital energy transition.

India

Our joint venture Apraava Energy made good progress in expanding and diversifying its low-carbon portfolio to support the decarbonisation of India's energy sector and to meet the rising demand for power. Successful bids were made for new wind, solar and transmission projects. The business also made a successful entry into the emerging advanced metering infrastructure (AMI) sector.

The joint venture also delivered a significant improvement in financial performance. Operating earnings in 2023 were HK$301 million, up 56.0% from a year earlier, driven by Jhajjar Power Station's strong operating efficiency and performance with solid contribution from Apraava Energy's renewable portfolio. The business benefitted from higher interest income after the Madhya Pradesh state utility made payments towards outstanding dues for output from Chandgarh Wind Farm, while utilities in other states also adhered to the new late payment surcharge rules introduced by the Government of India.

Apraava Energy won bids to develop a greenfield wind energy project with a capacity of around 300MW in Karnataka state and a 250MW solar energy project in Rajasthan state, demonstrating the surge in opportunities offered by India's fast-expanding renewable energy market. Construction of the solar farm – Apraava Energy's first greenfield solar energy project – will begin in the first quarter of 2024 and it is due to begin operations in 2026. The wind farm in Karnataka is also due to go into service in 2026.

Apraava Energy also won bids to develop three greenfield interstate transmission projects. Two are in Rajasthan involving a total of about 250 kilometres of 400 kilovolt (kV) transmission lines and a pooling substation that will allow 20GW of renewable energy to feed into the grid. Both are expected to be completed in 2025. The third project, awarded in December 2023, is in Madhya Pradesh and includes a 4,000 mega volt amp (MVA) substation and approximately 41 kilometres of 765kV transmission lines to cater to rising demand across the state. It is expected to take around two years to build after the required approvals, which are anticipated to be granted in 2024.

Smart meters have an important role to play in India's energy transition by helping to balance supply and demand in the electricity market. Apraava Energy established a foothold in this key segment by securing two AMI projects in Assam and Gujarat states. More than 2.3 million smart meters will be installed for customers in Gujarat and around 700,000 in Assam.

The 251MW Sidhpur Wind Farm in Gujarat state is due to be completed in the first half of 2024 following delays caused by land use disagreements that held up the installation of transmission infrastructure. The plant has been put into service in phases with more than half its generation capacity currently in operation.

Apraava Energy's greenhouse gas reduction target was validated as being in line with the target of limiting global warming to 1.5°C above pre-industrial levels by the Science Based Targets initiative (SBTi), a recognised international body promoting decarbonisation for businesses worldwide. Apraava Energy was one of only a handful of power companies in India to achieve this validation and the achievement highlights its leadership role in decarbonisation.

Wind energy assets performed well throughout the year with overall output increasing 23% due to higher resources and partial commissioning of Sidhpur. Generation from Apraava Energy's operating solar energy assets increased by 12% compared with the previous year.

Apraava Energy's only coal-fired asset, Jhajjar Power Station, maintained its reputation as one of India's best-run thermal power plants and achieved a record level of generation. Jhajjar also promoted sustainable energy sources by co-firing more biomass than any other coal-fired power station in the country. The power station benefitted from a one-off income emanating from an interim settlement of an ongoing dispute with its main electricity purchasers over contractual and operational issues dating back to 2012. This is reflected in our accounts as an item affecting comparability.

With the stalwart support of the CLP Group and CDPQ, Apraava Energy will continue to explore growth opportunities to strengthen its portfolio of renewable energy plants and transmission and AMI projects. The company's expansion and commitment to decarbonisation make us an influential player in India's ambitious energy transition.

Taiwan Region and Thailand

During the year, Ho-Ping Power Station in the Taiwan Region maintained reliable operations, with its financial performance benefitting from lower coal costs and higher energy tariff following an amendment to the tariff reimbursement mechanism in July 2022. Contributions from Lopburi Solar Farm in Thailand remained stable. As a result, operating earnings for Taiwan Region and Thailand increased to HK$307 million from HK$11 million a year earlier.

Ho-Ping will continue to focus on strengthening its operations with a scheduled maintenance outage on one of its two generation units in the first quarter of 2024.

Powering Brighter Tomorrows

At a time of enormous change in the energy sector, we are working tirelessly to ensure CLP Group is well positioned to thrive in all of the markets in which we operate. As the Chairman noted in his message, the principal priority for our business is decarbonisation. This is an urgent and complex task, but we have both the commitment and roadmap to meet the challenge. Guided by our strategic focus, during the year we advanced resolutely towards our own net zero goal, aligning our efforts with the broader decarbonisation initiatives taking shape across all our markets.

Reflecting on my 35-year journey with CLP, our enduring focus on long-term, sustainable growth has never been more pronounced. Today more than ever, it is critical for us to upskill and reskill our people so that we are ready for change. We also need to ensure a strong pipeline of talent to meet our needs. As part of our holistic approach in talent development, we invest tremendous resources to support the professional growth of our people and generate the interest of students and young people in pursuing careers in the electricity industry. We have an established, long-term strategy to cultivate them with a powerful sense of belonging, trust and cooperation combined with the leadership skills to carry our business forward.

The decarbonisation process isn't just a challenge; it's an opportunity for diversified and profitable growth. Across our markets, we are capitalising on opportunities that yield robust returns, providing low-carbon solutions, and ensuring the delivery of safe, reliable and secure energy services to our customers and communities. As we do so, we are harnessing digital technologies throughout every level of the Group to optimise our business processes and introduce new ways of working in a manner tailored for the specific markets in which we are present. This integration is geared towards producing faster, better and more cost-effective outcomes for our customers, colleagues and partners.

As decarbonisation and digitalisation reshape the electricity sector, we must work hard to train and develop the visionary and highly motivated industry leaders who will carry the energy transition forward in the vital years ahead.

I would like to thank all of our valued shareholders and customers for the trust they place in CLP. I also extend my thanks to my outstanding colleagues, whose care, excellence and responsibility are critical to our success. Our culture is crucial to making our aspirations a reality and we will implement further initiatives to ensure we remain efficient, people-centric and agile in how we operate. We will place more of our resources and expertise even closer to our customers, while ensuring that we have the appropriate level of governance in place to reflect the evolving nature of our business.

Despite our uncertain world, the prospects for CLP remain clear. We have a great business and an unwavering intent to take it into the next chapter of growth. We are grateful for your steadfast support as we help shape the future of energy to the benefit of all of our stakeholders.

T.K. Chiang
Hong Kong, 26 February 2024

Mr Liu Wing Keung
Shareholder

As the new CEO leading one of the city's oldest companies, how do you keep the company young, relevant and competitive in a rapidly changing world? What missions and strategies do you have in mind to steer the company forward? What are the challenges you anticipate?

CLP is one of the most familiar and trusted brands in Hong Kong. I feel deeply privileged to have the opportunity to lead the company forward at this exciting moment in its long history.

For more than 120 years, CLP has succeeded by anticipating and embracing changes in the market. Our proven capacity to transform ourselves and explore new horizons fills me with excitement and confidence in my new role as I work closely with my colleagues to deliver our key strategies.

Decarbonisation is CLP's top priority. We understand the critical role the electricity sector has in the fight against climate change, and we are committed to playing our part in this urgent and complex challenge. We recently reviewed our Climate Vision 2050 roadmap and strengthened our 2030 greenhouse gas emissions intensity target to bring us closer to the goal of limiting global warming to 1.5°C. As well as lowering our own emissions, we do all we can to help customers reduce their carbon footprint. Meanwhile, digitalisation will be another major factor in our future growth. We must constantly enhance our digital capabilities and integrate new technologies into our operations to stay ahead of the curve.

Our overarching purpose to Power Brighter Tomorrows requires more than just new technology and infrastructure. It also calls for investment in our people to build a strong pipeline of talent to lead our company forward. We must cultivate the desired values and culture so as to maintain our solid foundation while encouraging agility and innovation to meet rapidly evolving energy needs. I have shared with colleagues my expectation for them to learn, unlearn and relearn as we accelerate our efforts to pursue excellence as guided by our refreshed Value Framework. To build a future-proof organisation together, I call on my colleagues to retain a keen sense of curiosity and adaptability that we all had when we were children.

The significant strides forward we have taken in the past year put us in a powerful position to seize the opportunities offered by the energy transition as we continue to build a sustainable business that creates long-term value for our stakeholders.

T.K. Chiang
Chief Executive Officer

CLP's Value Framework