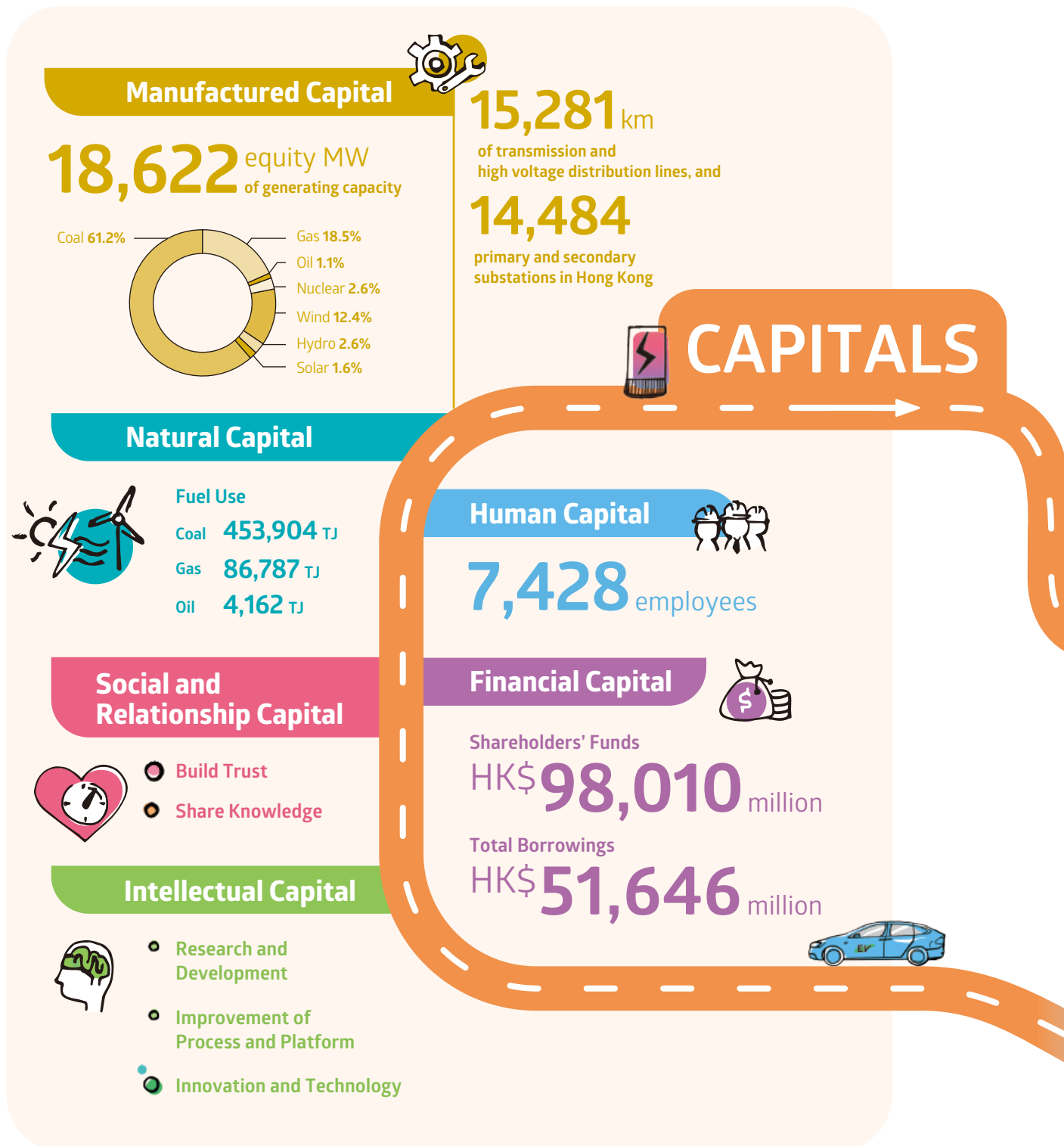


Our Business Model and Value Creation Journey

CLP's core business is providing reliable and safe electricity to our customers at a reasonable price and with minimum impact to the environment. As the world moves into a smarter and greener era, we recognise that helping our customers to manage their electricity use more efficiently is of increasing importance. To achieve this, we draw on all of our resources, experience and talent at CLP, and apply the highest standard of governance to provide our customers with choice and quality service and create values for all of our stakeholders along the way. The following diagram demonstrates how CLP created value and benefits for our stakeholders in 2016.



Operating Earnings HK\$ **12,334**
million

Total Earnings
HK\$ **12,711**
million

CLP



Generation

- Operate Power Plants
- Design and Build Power Stations

Delivery

- Design and Build Transmission and Distribution Networks

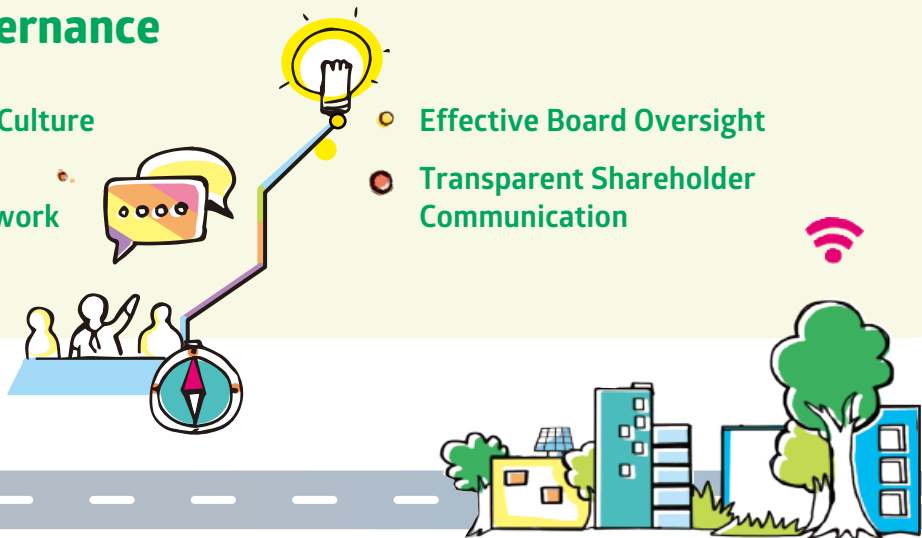
Customer

- Smart Energy Use
- Customer Promise and Experience



Corporate Governance

- Do-the-right-thing Culture
- High-integrity Governance Framework
- Effective Board Oversight
- Transparent Shareholder Communication

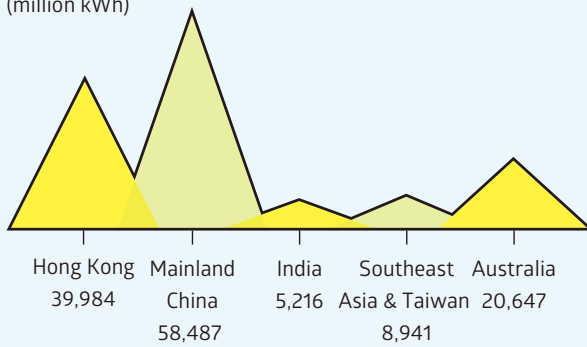


VALUE CREATED



Customers

Total Sent Out by Region (million kWh)



Total Sent Out ¹

133,275

million kWh

Equity Sent Out ²

79,583

million kWh

Over **99.999%**
supply reliability in Hong Kong

1.48

unplanned customer minutes
lost in Hong Kong ³

5.15 million
customer accounts ⁴

Economic Value Generated ⁵

HK\$
80,225
million

Economic Value Distributed

Suppliers and Contractors

Fuel and Other
Operating Costs

HK\$
51,474
million

Employees

Staff Expenses

HK\$
3,892
million

Community

Donations

HK\$
13
million





Environment

0.82 kg CO₂/kWh

carbon intensity
of CLP's electricity generation

Renewable Energy

3,090 MW

16.6% of CLP's
equity generating
capacity

Non-carbon
Emitting Energy

3,582 MW

19.2% of CLP's
equity generating capacity

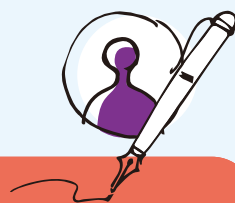
Community



574 programmes
implemented

Directly benefitted
over **359,000** people
and **373** organisations

Staff volunteered
13,302 hours



Capital Providers

Total Dividends

HK\$ **7,074** million

HK\$
2.80
per share

Finance Costs ⁶

HK\$ **2,371** million



Government and Regulators

Current Income Tax

HK\$
2,032
million



Economic Value Retained ⁷

HK\$
13,369
million



Notes:

- 1 From power stations in which CLP has invested and capacity purchase arrangements
- 2 On equity basis and capacity purchase arrangements
- 3 Average of the past 36 months
- 4 Including 2.52 million in Hong Kong and 2.63 million in Australia
- 5 Economic value generated consists of revenue (HK\$79,434 million) and share of profits (HK\$791 million). Share of profits represents share of results (net of income tax) from joint ventures and associates netted with earnings attributable to other non-controlling interests
- 6 Netted with finance income and include payments made to perpetual capital securities holders
- 7 Represents earnings attributable to shareholders (before depreciation, amortisation and deferred tax) for the year retained



Gross Capacity and CLP Net Capacity by Market:

	Gross Capacity	CLP Net Capacity*
Hong Kong	7,483MW	7,483MW
Mainland China	20,974MW	8,069MW
India	3,029MW	2,978MW
Southeast Asia and Taiwan	1,383MW	285MW
Australia	5,087MW	4,966MW
Total	37,956MW	23,781MW

*Equity basis and capacity purchase arrangements



A detailed list of CLP's investments