2023 Interim Report

CLP 中電

Focusing on the future, today

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

Group operating earnings before fair value movements increased 19.3% to HK$4,955 million for the first half of 2023 mainly thanks to a stable performance in Hong Kong, higher generation volumes from the two nuclear power plants in Mainland China, and a significant favourable one-off in India. With the absence of the unusual unfavourable fair value movements experienced in 2022 (HK$8 billion) and a slight gain in 2023, total earnings for the first six months of this year turnaround to HK$5,060 million from a loss of HK$4,855 million a year ago, also helped by the reversal of items affecting comparability.

	Six months ended 30 June		**Increase / (Decrease)**
	2023	2022	**%**
For the period *(in HK$ million)*			
Revenue			
Hong Kong electricity business	**24,252**	22,572	7.4
Energy businesses outside Hong Kong	**18,161**	24,711	(26.5)
Others	**889**	311	
Total	**43,302**	47,594	(9.0)
Earnings			
Hong Kong energy business	**4,050**	4,116	(1.6)
Hong Kong energy business related [1]	**120**	127	
Mainland China	**1,372**	1,240	10.6
Australia	**(590)**	(726)	
India	**425**	98	333.7
Taiwan Region and Thailand	**101**	(126)	
Other earnings in Hong Kong	**–**	(29)	
Unallocated net finance income / (costs)	**1**	(8)	
Unallocated Group expenses	**(524)**	(538)	
Operating earnings before fair value movements	**4,955**	4,154	19.3
Fair value movements	**17**	(8,000)	
Operating earnings	**4,972**	(3,846)	
Items affecting comparability	**88**	(1,009)	
Total earnings	**5,060**	(4,855)	
Net cash inflow / (outflow) from operating activities	**5,922**	(2,778)	
Per share *(in HK$)*			
Earnings / (loss) per share	**2.00**	(1.92)	
Dividend per share			
First interim	**0.63**	0.63	
Second interim	**0.63**	0.63	
Total interim dividends	**1.26**	1.26	–
Ratio			
FFO interest cover [2] (times)	**7**	N/A	

	30 June 2023	31 December 2022	**Increase / (Decrease) %**
At the end of reporting period *(in HK$ million)*			
Total assets	**234,934**	236,026	(0.5)
Total borrowings	**61,228**	59,217	3.4
Shareholders' funds	**105,534**	105,498	0.0
Per share *(in HK$)*			
Shareholders' funds per share	**41.77**	41.76	0.0
Ratio			
Net debt to total capital [3] (%)	**33.6**	32.0	

Notes:

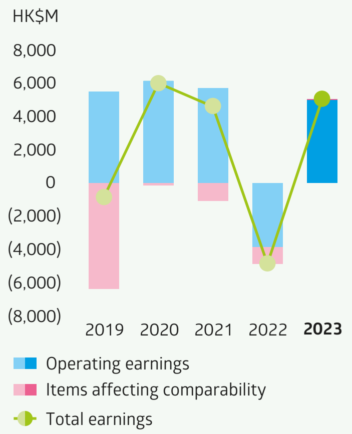
1 Hong Kong energy business related includes PSDC and Hong Kong Branch Line supporting SoC business

2 FFO (Funds from operations) interest cover = Cash inflow from operations / (Interest charges + capitalised interest)

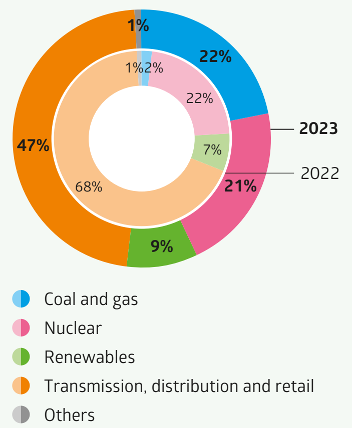
3 Net debt to total capital = Net debt / (Equity + advances from non-controlling interests + net debt); debt = bank loans and other borrowings; net debt = debt – bank balances, cash and other liquid funds

Revenue (First 6 months)

Total Earnings (First 6 months)



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



* Excluding fair value movements

> CLP looks forward to underpinning all efforts to ensure Hong Kong remains a vibrant international centre, and one that is playing a leading role in Asia in the transition to a net-zero future.

Dear Shareholders,

The world welcomed signs of gradual recovery as the pandemic subsided in the first half of 2023. However, ongoing global uncertainties, stubborn inflation and rising interest rates serve to remind us to stay cautious of the volatile external environment.

During the period, the Group reported operating earnings of HK$4,972 million, compared to an operating loss of HK$3,846 million a year earlier, driven by the dependable performance of our core businesses in Hong Kong and Mainland China, a one-off income in India adding to a sound operational performance and progressive normalisation in Australia with a slight gain in the fair value of EnergyAustralia's forward energy contracts compared to a significant loss in the same period a year ago. A further HK$88 million gain from our share of the sale of properties at St. George's Mansions brought total earnings to HK$5,060 million.

Based on the Group's robust performance, the Board has declared a second interim dividend of HK$0.63 per share, same as the first interim dividend and unchanged from a year ago.

In our home market, we continued to work collaboratively with the Hong Kong SAR Government on the Development Plan for 2024 to 2028 under the current Scheme of Control (SoC) Agreement. For decades, the SoC Agreement has been the backbone of our city's electricity supply, enabling us to plan and invest for the long-term socioeconomic development of Hong Kong. We remain steadfast in our commitment to investing in the major undertakings required to support Hong Kong's infrastructure-led development and its long-term decarbonisation needs. The new Development Plan will provide the framework for us to do so in the coming five years. Likewise, we look forward to progressing the Interim Review of the SoC Agreement with the Government in the coming months.

Our commitment to invest for Hong Kong's low-carbon future is evidenced in the new offshore liquified natural gas (LNG) terminal in Hong Kong waters which is now in service after the successful berthing of the floating storage and regasification unit (FSRU) vessel in April. Natural gas plays a key role to transition to a net-zero future, and the infrastructure has further enhanced the diversity and security of our gas supply sources, broadening Hong Kong's access to competitively priced natural gas from around the world.

Our business in Mainland China, which primarily consists of nuclear power and renewable energy projects, delivered a solid performance as demand for low-carbon energy continued to rise. Both Yangjiang Nuclear Power Station and Daya Bay Nuclear Power Station maintained steady power supplies in the first half. We are also making investments to expand our renewable portfolio at an accelerated pace as we see significant opportunities on the back of the Central Government's strong commitment to decarbonisation. So far this year, we have commissioned the 50MW Xundian II wind farm in Yunnan province and commenced the construction of a 150MW wind farm in Bobai in the Guangxi Zhuang Autonomous Region. We expect to commission a solar farm in Yangzhou, Jiangsu province, with a capacity of up to 80MW in the coming months.

Our Indian joint venture, Apraava Energy, which we co-own with our partner CDPQ, performed well in the first half with a positive momentum in capturing non-carbon opportunities. Two wind farms with a combined capacity of more than 550MW are in the pipeline and Apraava Energy won contracts to install around three million smart meters in Assam and Gujarat states. The business also secured rights to develop transmission lines and substation infrastructure in Rajasthan state, further diversifying its investments along the electricity supply chain.

While operating conditions in Australia progressively recover, wholesale prices have remained volatile and the retail market operated with lower margins due to the higher costs of procuring energy. During the period, EnergyAustralia took steps to address operational issues at its two main power stations, helping to enhance fuel supply at Mount Piper and reliability at Yallourn. Limited overall change in wholesale prices during the first half have also led to a slight improvement in the fair value of the forward electricity sale contracts portfolio, compared to the heavy loss of last year's first half. As legacy forward sale contracts continue to roll off and the operational performance of EnergyAustralia's main generation assets progressively improves, we expect the overall performance of the business to pick up in the second half of the year.

As in other markets around the world, high energy costs have placed a heavy burden on customers and EnergyAustralia will continue to strive to provide affordable energy and support those households most in need. As we do, we will collaborate closely with policymakers, and indeed all of our stakeholders, to contribute to Australia's clean energy transition. Understanding the value of partnerships based on our experience across the Group, we continue to evaluate the potential of forging partnership in Australia to support our strategic priorities in that market.

We announced in June that Mr Richard Lancaster will retire from his role as Chief Executive Officer of CLP Holdings on 30 September 2023, and will step down from all positions at the Group in early May 2024. On behalf of the entire Board, I would like to express my sincere thanks to Richard, who has been an outstanding leader throughout his decade as our CEO. His valuable contribution has laid a solid foundation for CLP to continue evolving for success as it has over the last century.

Richard will be succeeded by Mr T.K. Chiang, who will also become an Executive Director of the Board in October. T.K. started his career at CLP as a graduate trainee and has an exemplary track record over 30 years with the Group, including as Managing Director of CLP Power since 2017. I am delighted that he will succeed Richard, a move which reflects the importance we attach to people development and the effectiveness of our succession planning process. I would also like to welcome T.K. to our Board.

In the first half, we also announced the appointment of Ms Wang Xiaojun Heather as an Independent Non-executive Director of the Company. I extend my warm welcome to Ms Wang.

In May, I had the honour of opening CLP Pulse, a new museum housed in an 80-year-old building which was CLP's headquarters from 1940 to 2012. The revitalised clock tower building, which is open to the public, tells the linked histories of Hong Kong's electricity development and the city's spectacular growth. On a personal note, I am reminded of working at the historic building alongside my father, the late Lord Lawrence Kadoorie, who held a simple view to provide electricity to anybody who wished to have it. CLP Pulse is part of our dedication to give back to the Hong Kong community.

As proud as I am of CLP's history in Hong Kong, I am equally excited about our future here. As Hong Kong rebounds and acts to attract more businesses and tourists from around the world, the reliability and sustainability of electricity supply will become even more crucial in supporting the city's growth. CLP looks forward to underpinning all efforts to ensure Hong Kong remains a vibrant international centre, and one that is playing a leading role in Asia in the transition to a net-zero future.

The Honourable Sir Michael Kadoorie
Hong Kong, 7 August 2023

Financial Review

Analysis of Financial Results

	Six months ended 30 June			
	2023 HK$M	2022 HK$M	**Increase / (Decrease) HK$M**	**%**
Revenue	**43,302**	47,594	(4,292)	(9.0)
EBITDAF *	**9,449**	9,676	(227)	(2.3)
Share of results of joint ventures and associates, net of tax	**1,931**	1,168	763	65.3
Consolidated EBITDAF *	**11,380**	10,844	536	4.9
Net finance costs, taxation, and depreciation & amortisation (ITDA)	**5,966**	2,717	3,249	119.6
Operating earnings before fair value movements	**4,955**	4,154	801	19.3
Fair value adjustments (after tax)	**17**	(8,000)	8,017	
Operating earnings	**4,972**	(3,846)	8,818	N/A
Items affecting comparability	**88**	(1,009)	1,097	
Earnings attributable to shareholders	**5,060**	(4,855)	9,915	N/A

* Excluding items affecting comparability

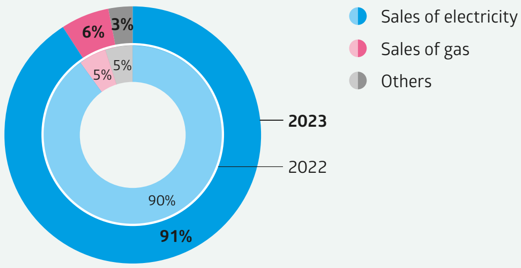
Financial implication of change in accounting method for our interest in Apraava Energy for the first half 2023

Apraava Energy ceased to be a subsidiary upon the completion of the sell down of an additional 10% interest to CDPQ in late December 2022 which reduced CLP Group's equity interest in Apraava Energy from 60% to 50%. Apraava Energy is therefore now accounted for as a joint venture, so its financial results are no longer line-by-line consolidated into the CLP Group's consolidated financial statements. CLP gets its share of earnings (one-line equity consolidation) but no longer neither the revenue and expenses nor the debt. Had the equity accounting basis been adopted in 2022, the share of results (60%) of Apraava Energy would have been HK$98 million as compared to HK$777 million included in Consolidated EBITDAF for the six months ended 30 June 2022.

Revenue

	2023 HK$M	2022 HK$M	**Increase / (Decrease) HK$M**	**%**
Hong Kong	**25,126**	22,878	2,248	9.8
Australia	**17,199**	21,303	(4,104)	(19.3)
India	**–**	2,399	(2,399)	(100.0)
Mainland China and others	**977**	1,014	(37)	(3.6)
	43,302	47,594	(4,292)	(9.0)

Revenues by Nature



- Hong Kong: Higher revenue from electricity business (+HK$1.7 billion) mainly resulted from higher fuel clause charge in line with high fuel prices, and slightly higher units sold, reflecting an economic rebound as COVID-19 restrictions were lifted, and revenue from the sale of Argyle Street properties (+HK$498 million)
- Australia: In addition to the impact from 6% lower AUD average exchange rate of approximately HK$1.3 billion, generation revenue decreased mainly due to the softening of wholesale spot prices in 2023 as compared to the extremely high prices under the unprecedented electricity market conditions in the first half of 2022, as well as overall lower generation (higher generation from Yallourn Power Station with improved availability but lower generation from gas plants under lower price environment and lower generation from Mount Piper Power Station due to continued coal supply constraints and coal conservation programme); increase in retail revenue (+HK$1.0 billion) driven by tariff reprices in July / August 2022 and the first quarter of 2023
- India: Subsequent to the deconsolidation of Apraava Energy upon the completion of the sell down in December 2022, revenue from India is no longer consolidated
- Mainland China: Impact of lower Renminbi average exchange rate (-6.5%)

Consolidated EBITDAF *

	2023 HK$M	2022 HK$M	Increase / (Decrease) HK$M	%
Hong Kong *	**8,644**	8,452	192	2.3
Mainland China	**2,232**	2,106	126	6.0
Australia	**481**	146	335	229.5
India *	**422**	777	(355)	(45.7)
Taiwan Region and Thailand	**102**	(125)	227	N/A
Corporate	**(501)**	(512)	11	(2.1)
	11,380	10,844	536	4.9

* Excluding items affecting comparability as below:

- Hong Kong: Gain on sale of Argyle Street properties of HK$105 million (after tax: HK$88 million) in 2023 and revaluation loss of retail portion of Laguna Mall of HK$23 million in 2022
- India: Loss on measurement related to the sell down of Apraava Energy of HK$1,635 million (CLP's share: HK$986 million) in 2022

- Hong Kong: Slightly higher profit driven by the continuous investments in infrastructure to support decarbonisation and growth
- Mainland China: Higher profit from higher output of the nuclear fleet at Daya Bay and Yangjiang driven by fewer planned outage days and higher demand; stable profit from renewable assets as commissioning of Xundian II wind project in 2023 and higher wind and solar resources were largely offset by lower hydro resource; excluding the loss (HK$36 million) from Fangchenggang which was divested in November 2022, lower contribution from coal-fired projects due to lower generation and tariff for Guohua projects
- Australia: Improved Energy business mainly thanks to higher generation from Yallourn Power Station at higher realised prices and lower costs for settling forward sold energy contracts that could not be covered due to generation shortfall (as wholesale electricity prices dropped from record levels in 2022), partly offset by lower generation from gas plants and Mount Piper Power Station; significant decrease in EBITDAF from the Customer business mainly driven by higher realised energy procurement costs and one-off favourable hedging outcomes (mainly caps) under volatile pricing environment in 2022 not being repeated, partly compensated by tariff increases since the second half of 2022
- India: After adjusting the impact of change in accounting method for our interest in Apraava Energy (-HK$679 million as discussed in the previous page), higher results mainly due to the one-off recognition of delayed payment charges on outstanding trade receivables and additional capacity charge revenue by Jhajjar in 2023 (approximately HK$0.3 billion for CLP's 50% share)
- Taiwan Region and Thailand: Share of profit (instead of loss in 2022) of Ho-Ping Power Station as the under-recovery of rising coal costs resulted from the lagging tariff reimbursement mechanism in the first half of 2022 was not repeated, following the amendment of the energy tariff reimbursement mechanism effective July 2022; Lopburi's performance remained stable

Net Finance Costs, Taxation, and Depreciation & Amortisation (ITDA)

	2023 HK$M	2022 HK$M	Increase / (Decrease) HK$M	%
Hong Kong	**4,127**	3,877	250	6.4
Mainland China	**735**	732	3	0.4
Australia	**1,084**	(2,538)	3,622	N/A
India	**(3)**	611	(614)	N/A
Others	**23**	35	(12)	(34.3)
	5,966	2,717	3,249	119.6

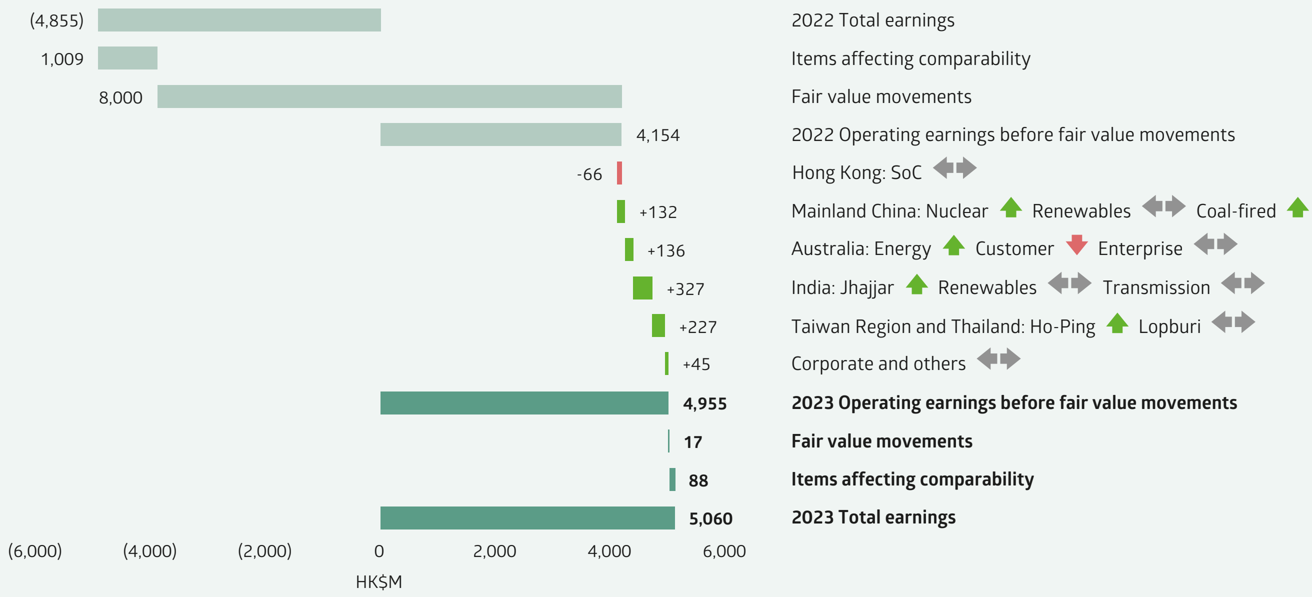
- Hong Kong: Mainly higher interest on rising interest rates and higher debts
- Mainland China: Lower interest driven by favourable interest rates; higher profits led to increase in profits tax of subsidiaries and withholding tax on Yangjiang's earnings
- Australia: With significant borrowings newly drawn down since the second quarter of 2022 to finance cash flow requirements, interest has been incurred for the full six months in 2023; substantially lower tax credit in line with the favourable change in fair value adjustments
- India: Deconsolidation of Apraava Energy upon the completion of the sell down in December 2022 (2022: 100% of ITDA of Apraava Energy consolidated)

Analysis of Financial Results (continued)

Fair Value Adjustments

- Predominantly related to the small favourable (2022: very unfavourable) fair value movements of EnergyAustralia's energy derivative contracts which do not qualify for hedge accounting according to the accounting standard
- Favourable change in fair value adjustments given that the market conditions in Australia have been gradually stabilised from the unprecedented volatility and increase in prices during the first half of 2022

Earnings Attributable to Shareholders



Analysis of Financial Position

	30 June 2023 HK$M	31 December 2022 HK$M	Increase / (Decrease) HK$M	%
Fixed assets, right-of-use assets and investment property	**156,572**	155,758	814	0.5
Goodwill and other intangible assets	**18,295**	18,451	(156)	(0.8)
Interests in joint ventures and associates	**20,784**	20,838	(54)	(0.3)
Derivative financial instrument assets #	**5,516**	4,050	1,466	36.2
Derivative financial instrument liabilities #	**6,333**	6,715	(382)	(5.7)
Trade and other receivables	**18,152**	17,314	838	4.8
Trade payables and other liabilities	**18,397**	19,627	(1,230)	(6.3)
Bank loans and other borrowings #	**61,228**	59,217	2,011	3.4
Less: Bank balances, cash and other liquid funds ^	**(2,367)**	(4,286)	1,919	44.8
Net debt	**58,861**	54,931	3,930	7.2

\# Including current and non-current portions
^ Including short-term deposits and restricted cash, and cash and cash equivalents

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 2023	155,758	18,451
Additions	5,521	328
Depreciation and amortisation	(4,051)	(307)
Exchange difference and others #	(656)	(177)
Balance at 30 June 2023	**156,572**	**18,295**

\# Depreciation of Australian dollar and Renminbi and disposal of fixed assets

- Hong Kong: Invested HK$4.6 billion to continue progressing on key decarbonisation infrastructure investments, including the offshore LNG terminal and the second CCGT unit, the development / enhancement of the distribution network, the establishment of substations and the continuous roll out of smart meters
- Mainland China: Progressing investments in a pipeline of renewable energy projects including Gongdao and Xundian II projects, totalling HK$0.4 billion
- Australia: Additions of HK$0.8 billion mainly related to the construction of Tallawarra B, capital works on generation plants (mainly Yallourn and Mount Piper) and customer related and other digitalisation software

Interests in Joint Ventures and Associates

- Hong Kong: Shareholder's loan of HK$214 million to LNG Terminal joint venture for the completion of the construction of the jetty
- Mainland China: Stable operations, reduction in interests mainly reflected the translation loss from Renminbi (~HK$0.4 billion) on our interests in joint ventures and associates
- India: Increase represented the share of results of Apraava Energy (HK$0.4 billion) for the period

Analysis of Financial Position (continued)

Derivative Financial Instruments

Derivative financial instruments are primarily used to hedge foreign exchange, interest rate and energy price risks. At 30 June 2023, the fair value of these derivative instruments was a net deficit of HK$817 million, representing the net amount payable if these contracts were closed out at period end.

- Hong Kong: Increase in derivative liabilities in cross currency interest rate swaps mainly due to depreciation of foreign currencies against Hong Kong dollar in forward exchange rate markets
- Australia: Change from net derivative liabilities to assets attributable to continuous settlement of out-of-money energy contracts and the increase in forward prices as compared with last year end which resulted in fair value gains of our bought energy contracts charged to equity (+HK$2.1 billion) offset by fair value loss of our sold energy contracts charged to profit or loss (-HK$0.6 billion)

	Notional Amount		Derivative Assets / (Liabilities)	
	30 June 2023 HK$M	31 December 2022 HK$M	**30 June 2023 HK$M**	31 December 2022 HK$M
Forward foreign exchange contracts	**33,287**	32,518	**(130)**	(267)
Interest rate swaps and cross currency interest rate swaps	**31,848**	32,011	**(1,800)**	(1,370)
Energy contracts *				
Not qualified for hedge accounting			**(3,044)**	(3,581)
Cash flow hedges			**4,157**	2,553
			(817)	(2,665)

* 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 2023 were 280,570GWh (31 December 2022: 333,062GWh) and 13 million barrels (31 December 2022: 11 million barrels) and 1,864TJ (31 December 2022: 1,919TJ) for electricity, oil and gas respectively.

Trade and Other Receivables
Trade Payables and Other Liabilities

- Hong Kong: Higher trade receivables (+HK$2.3 billion) mainly due to higher seasonal electricity sales in the summer; decrease in payables by HK$1.0 billion due to lower fuel purchase related payables (in line with lower fuel prices) and settlement of capex liabilities (in line with the progress of several major projects) and year-end provisions (e.g. annual incentives), and transfer of deferred revenue to profit or loss upon sale of Argyle Street properties in 2023, offset by an increase in nuclear purchase payable
- Mainland China: Significant decrease in other receivables as a result of the receipt of the consideration from the sale of Fangchenggang of HK$1.6 billion partly offset by higher accrued national subsidies for renewable projects, while settlements usually come in second half, and increase in dividend receivable from Yangjiang at June 2023; payable balance remained at similar level in line with stable operations
- Australia: Receivables dropped by HK$1.2 billion mainly contributed by the reduction of cash deposits made to the futures margin account by HK$2.4 billion in line with the favourable fair value movements of the futures contracts from the end of 2022, partially offset by the increase in accrued retail revenue at higher rates and higher seasonal gas sales in winter; slight decrease in payables mainly due to settlement of green liabilities in the first half, partly offset by higher accrued network charges and gas purchase payables in line with higher gas sales

Analysis of Cash Flow

	Six months ended 30 June 2023 HK$M	2022* HK$M
Free cash flow		
Funds from operations	**7,500**	(1,698)
Less: Tax paid	**(1,654)**	(1,127)
Less: Net finance costs paid	**(1,221)**	(1,090)
Less: Maintenance capex paid	**(529)**	(720)
Add: Dividends from joint ventures and associates	**1,072**	1,252
	5,168	(3,383)
Proceeds from divestment	**1,623**	–
Capital investments (excluding maintenance capex)		
SoC capex	**(4,949)**	(5,081)
Growth capex	**(415)**	(1,357)
Others #	**(253)**	(508)
	(5,617)	(6,946)

* Including free cash flow of HK$0.3 billion from Apraava Energy, which mainly consisted of funds from operations of HK$0.6 billion and net finance costs paid of HK$0.3 billion; and growth capex of HK$0.7 billion from Apraava Energy

\# Including investments in joint ventures, additions of intangible assets and deposit paid in 2022 for new head office

- Hong Kong: Improvement in operating inflow from SoC operations (+HK$2.8 billion) mainly due to the partial recovery of under-collected fuel costs during high fuel prices period offset by higher tax paid (-HK$0.5 billion) due to timing of payment
- Mainland China: Robust dividends from our nuclear associates and steady operating cashflow of subsidiaries; proceeds from the sale of Fangchenggang of HK$1.6 billion received in 2023
- Australia: Cash flow from operations returned to a positive of HK$0.4 billion (2022: negative of HK$6.9 billion) attributable to cash deposits refunded from the futures margin account partly offset by the settlement of out-of-money energy contracts
- Capital investments in 2023 mainly related to decarbonisation of the generation fleet and continuous enhancement / development of the network infrastructure in Hong Kong, and growth capex for the continuous construction of renewable projects in Mainland China and Tallawarra B in Australia

Financing and Capital Resources

CLP implemented timely financing measures in the first half of the year to maintain strong flexibility and capability to fund its business operations, while retaining adequate reserves to capture new opportunities from the energy transition and manage unexpected contingencies.

The management continued to exercise a high level of prudence through stringent reviews of liquidity, risk profile and market conditions to ensure ongoing financial integrity for the Group and its business units, taking timely action to identify and mitigate risks. This strategy was reflected in pre-emptive action to complete major financing activities with preferential terms in a more volatile market environment, and efforts to further diversify financing in terms of capital sources, currencies, debt tenor and instruments.

The Group maintained adequate liquidity with undrawn bank facilities of HK$31.2 billion and bank balances of HK$2.4 billion as at 30 June 2023. CLP Holdings had HK$15.5 billion of liquidity at the end of June, compared with HK$13.5 billion six months earlier. 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. The Group maintained good investment-grade credit ratings and a strong financial position to support ongoing investments in zero-carbon or low-carbon energy and associated infrastructure for the energy transition.

CLP Power Hong Kong Limited (CLP Power) arranged a total of HK$3.4 billion of debt facilities to meet its business requirements, comprising HK$2.3 billion of one-year bank loan facilities, and a HK$1.1 billion two-year emission reduction-linked bank loan facility.

Castle Peak Power Company Limited (CAPCO) took early action in December 2022 to arrange HK$2 billion of one-year and two-year emission reduction-linked bank loan facilities for its funding requirements in 2023. To refinance some expiring commercial loans for the offshore LNG terminal project, CAPCO executed HK$1.3 billion of one-year and two-year energy transition bank loan facilities in May and June, with features in line with CLP's Climate Action Finance Framework. In April, CAPCO executed a two-year offshore RMB300 million (HK$339 million) fixed rate private placement bond, and swapped the proceeds to floating rate Hong Kong dollar debt to partially refinance some commercial bank loans for the D1 gas-fired generation project at Black Point Power Station. This was the first offshore RMB bond issuance for a CLP Group business, enabling further diversification in financing, and was completed with preferential terms.

Both CLP Power and CAPCO have Medium Term Note programmes in place under which bonds in aggregate amounts of up to US$4.5 billion and US$2 billion respectively can be issued. As at 30 June 2023, notes with aggregate nominal values of around HK$25.1 billion and HK$9.5 billion were issued by CLP Power and CAPCO respectively.

EnergyAustralia maintained an adequate liquidity position for its business operations with sufficient buffer for contingencies. In June, EnergyAustralia executed a A$630 million (HK$3.3 billion) three-year loan facility with nine banks on competitive terms to refinance an existing facility.

In the first half of the year, CLP successfully lowered the interest rates of non-recourse project loans for three renewable energy projects in Mainland China totalling RMB718 million (HK$774 million). CLP also executed a RMB293 million (HK$316 million) onshore non-recourse project loan facility for a solar energy project at a competitive interest rate.

The Group's net debt to total capital ratio was 33.6% at the end of June 2023, compared with 32% at the end of 2022. Fixed-rate debt as a proportion of total debt was 54% without perpetual capital securities at the end of June 2023, and 57% with perpetual capital securities. This compares with 52% and 55% respectively six months earlier. Funds from operations (FFO) interest cover for the six months to 30 June 2023 was 7 times, compared with 7 times for the full year of 2022.

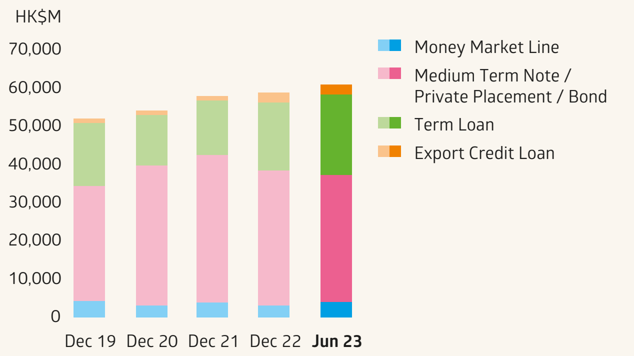
Debt Profile as at 30 June 2023

	CLP Holdings HK$M	CLP Power HK$M	CAPCO HK$M	Other Subsidiaries HK$M	CLP Group HK$M
Availability Facility [1]	14,630	34,926	27,196	15,642	92,394
Bank Loans and Other Borrowings	–	30,697	20,467	10,064	61,228
Undrawn Facility	14,630	4,229	6,729	5,578	31,166

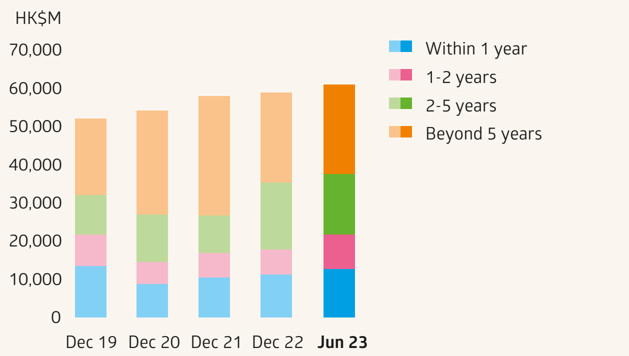
Note:

1 For the Medium Term Note programmes, only the amounts of the bonds issued as at 30 June 2023 were included in the total amount of Available Facility. The Available Facility in EnergyAustralia excluded a facility set aside for guarantees.

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 May 2023, Standard & Poor's (S&P) affirmed the A, A+ and AA- credit ratings of CLP Holdings, CLP Power and CAPCO respectively, with stable outlooks.

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

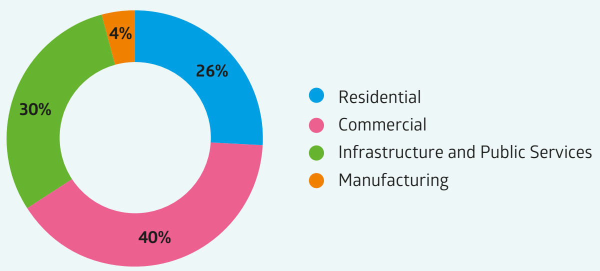
	CLP Holdings		CLP Power		CAPCO		EnergyAustralia
	S&P	Moody's	S&P	Moody's	S&P	Moody's	Moody's
Long-term rating	A	A2	A+	A1	AA-	A1	Baa2
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Short-term rating	A-1	P-1	A-1	P-1	A-1+	P-1	–

Hong Kong

CLP Power Hong Kong Limited (CLP Power) continued to provide a dependable electricity supply throughout the first half of the year as power demand increased on the lifting of COVID-19 restrictions. The reopening of Hong Kong after more than three years of relative isolation and hotter weather in May and June drove up year-on-year electricity sales by 3.7% to 16,319 gigawatt hours (GWh). The pickup in economic activities, particularly in the catering, hotel and retail trades, lifted sales to the Commercial sector by 6.6%. Sales to the Infrastructure and Public Services sector rose 6.5% as government and public services and school classes returned to normal. By contrast, electricity demand from the Residential sector fell because people spent less time at home while dining out and outbound travel increased. The table below shows electricity sales by sector in the first half and year-on-year changes:

	Local Sales by Sector	% Increase / (Decrease)
Residential	4,216GWh	(2.7%)
Commercial	6,481GWh	6.6%
Infrastructure and Public Services	4,858GWh	6.5%
Manufacturing	764GWh	(0.4%)

% of Total Local Sales



CLP Power is committed to providing customers with reliable and reasonably priced energy, so it has continued with its stringent cost controls and a diversified fuel mix and source to ease the pressure on tariffs. To further soften the impact on customers of elevated international fuel prices, a special fuel rebate was offered in April and May to cap the Fuel Cost Adjustment at March's level of 62.8 cents per unit of electricity, instead of 63.5 cents and 63.7 cents respectively without the rebate. As international fuel prices continued to stabilise, the monthly Fuel Cost Adjustment saw a downward movement in June and July.

CLP Power offered additional relief to families in need through a variety of support programmes. The CLP Fuel Cost Subsidy Programme provides HK$110 million in subsidies to 150,000 underprivileged households, including 50,000 tenants of subdivided units. The subsidies are part of a series of community initiatives for 2023 supported by more than HK$200 million of funding from the CLP Community Energy Saving Fund. Other programmes include a HK$20 million scheme to provide energy-efficient appliances to families in transitional housing, and a HK$5 million initiative to carry out rewiring work for the installation of individual electricity meters in subdivided units to improve the safety and living conditions of tenants.

Sustaining its connection with the Hong Kong community, CLP Group in May raised the curtain on CLP Pulse – a new museum featuring themed exhibitions on the history of the electricity industry in Hong Kong and its key role in the city's development, as well as exhibits curated by the Intangible Cultural Heritage Office. The museum promotes heritage, culture and environmental education, and is housed in CLP's 80-year-old iconic clock tower building on Argyle Street that served as its headquarters.

CLP Power continued to invest in major new infrastructure to support Hong Kong's decarbonisation and growth. The offshore liquified natural gas (LNG) terminal using floating storage and regasification unit (FSRU) technology went into service and received its first long-term contracted LNG cargo in July, increasing the city's access to competitively priced natural gas from international markets. Natural gas is a lower-carbon fuel that supports Hong Kong's energy transition. The FSRU vessel moored at the terminal in the southwestern waters of Hong Kong is the world's largest. It is used to receive, store and regasify LNG before it is carried to power stations through undersea gas pipelines.

At Black Point Power Station, development of the new 600MW combined-cycle gas turbine D2 generation unit continued to progress and it is expected to go into full service next year. Together with the 550MW D1 unit commissioned in 2020, D2 will help maintain a reliable, low-carbon power supply as coal-fired generation units at Castle Peak A Power Station are gradually retired.

CLP Power meanwhile continued to work closely with the Government on the 2024–2028 Development Plan covering the second five-year period under the current Scheme of Control (SoC) Agreement. The plan will underpin the provision of a world-class electricity supply at a reasonable cost to support the city's long-term economic and infrastructure development while facilitating the transition to a lower-carbon future. It will also enable CLP Power to support the Government's policies to increase the supply of housing, accelerate the development of new industries and foster the growth of New Development Areas. The Government has also initiated discussions on the Interim Review of the 15-year SoC Agreement as planned and CLP Power will work constructively with the Government on the review.

More CLP Power customers signed up for the Feed-in Tariff scheme which promotes the use of renewable energy in Hong Kong. The amount of renewable energy capacity approved rose to 356MW by the end of June, equivalent to the annual electricity consumption of 85,000 residential customers.

CLP Power continued to install smart meters for customers, giving customers more visibility over their electricity consumption through digitalisation. By the end of June, more than two million smart meters were connected, covering 72% of CLP's meters for residential customers and small and medium businesses.

A broad range of services and solutions were offered to help CLP Power customers to decarbonise and become more sustainable. These include the sale of Renewable Energy Certificates (RECs) to allow them to support the development of renewable energy in Hong Kong. Citi Hong Kong committed to purchase up to 106.4GWh of RECs over a six-year period until 2027 as part of the bank's efforts to reduce its carbon footprint. Bupa International Ltd. committed to 12GWh of purchases, making it the first healthcare group in Hong Kong to use locally-sourced renewable energy. Customers including Airport Authority Hong Kong and the Hospital Authority participated in training for CLP Power's Retro-Commissioning Charter programme to optimise the energy efficiency of their electrical installations. Since the start of the current SoC Agreement in October 2018, CLP Power has helped commercial and industrial customers achieve over 580GWh of electricity savings through energy efficiency programmes including energy audits, the CLP Eco Building Fund and the Electrical Equipment Upgrade Scheme. The savings are equivalent to the annual power consumption of 136,600 residential households.

CLP Power strengthened its collaboration with DBS Bank (Hong Kong) Limited (DBS Hong Kong) to support small to medium enterprises in their adoption of lower-carbon business practices. Under the new "SME Low Carbon Rewards" programme, DBS Hong Kong will subsidise eligible business customers of CLP Power to purchase CLP RECs and offer them preferential deposit rates and other banking privileges. The new programme followed CLP Power's partnership with DBS Hong Kong on a financing solution pegged to energy-saving services in 2022.

Electric vehicles (EV) continued to gain popularity in Hong Kong, accounting for around two-thirds of new private cars licenced in Hong Kong. CLP Power is supporting the Government in enabling electric public transportation

The offshore LNG terminal went into service and received its first long-term contracted LNG cargo in July, increasing the city's access to competitively priced natural gas from international markets.

trials, working with public transport operators such as Kowloon Motor Bus Co. (1933) Limited (KMB) to promote electrification. To support the deployment of over 50 electric double-deck buses by KMB this year, CLP Power is working with its partner on the power requirements for new charging facilities. CLP Power is also providing technical support for KMB's plan to build two multi-storey electric bus depots with a total of 850 parking lots.

CLP*e*, an integrated energy and infrastructure solutions provider, teamed up with car rental company AVIS to launch a new one-stop EV rental and charging service in Hong Kong. Fleet operators and businesses in industries ranging from logistics to construction can choose from AVIS's extensive range of electric vans and vehicles while CLP*e* provides customised charging solutions, including the funding, procurement and installation of charging facilities. Customers pay a monthly fee covering the rental of AVIS vehicles and CLP*e*'s charging service under the innovative Electric-Vehicle-as-a-Service business model – the first of its kind in Hong Kong.

To reduce emissions from building sites in Hong Kong, CLP*e* is providing battery energy storage systems (BESS) to construction contractors, allowing them to replace polluting diesel generators and reduce operating costs. More than 20 BESS orders were secured by CLP*e* in the first half of the year.

CLP*e* meanwhile began work on a new air-conditioning system to replace existing infrastructure at the 80-storey Nina Tower under an Energy-as-a-Service (EaaS) agreement with owner Chinachem Group. CLP*e* will operate and maintain the system after it is completed in phases between 2024 and 2027. Powered by artificial intelligence (AI), the new water-cooled system will create a significant improvement in energy efficiency. It will be Hong Kong's first zero-carbon chiller project, with the system's electricity consumption matched by Green Electricity Certificates linked to a CLP renewable energy project.

CLP*e* also expects to finish installing a new cooling system in the 35-storey Shui On Centre by the end of the year. The system will be operated and maintained by CLP*e* under an EaaS agreement with Shui On Group.

Following the appointment of Mr T.K. Chiang as CEO of CLP Holdings, Mr Joseph Law was appointed Managing Director of CLP Power on 1 July after previously serving as Managing Director – China. Mr Ringo Ng was appointed Managing Director of CLP*e* on the same date, succeeding Mr Alex Keisser, who will assume the position of Chief Officer – International Business at CLP Group. Mr Ng previously served as Deputy Managing Director of CLP*e*.

Outlook

At a time of geopolitical uncertainty and volatile global energy markets, CLP Power will continue to support customers and help them manage the fluctuations in fuel costs. International oil prices have fallen from their highs and there are signs of gradual stabilisation. As the trend continues, the Fuel Cost Adjustment is expected to decline further, easing tariff pressure on customers. CLP Power will continue its discussions with the Government on the Interim Review of the SoC Agreement, and remains committed to providing a highly reliable electricity supply at reasonable cost. It also aims to finalise discussions over the new Development Plan later this year to support Hong Kong's long-term economic and infrastructure development and the city's transition to a lower-carbon future.

CLP Power will further strengthen its digital capabilities to help customers improve their energy efficiency, reduce carbon intensity and harness new technologies and innovation to decarbonise. CLP*e* will continue to pursue new opportunities from the increasing pace of electrification and offer businesses practical and innovative EaaS and energy infrastructure solutions and models.

Mainland China

CLP China's nuclear and renewable portfolios continued to post solid performance in the first half of the year as a post-pandemic economic rebound and government support for decarbonisation combined to generate a surge in demand for low-carbon energy.

The two nuclear power plants in Guangdong province made solid contributions with excellent levels of safety and reliability. Generation increased at Yangjiang Nuclear Power Station to meet rising demand while Daya Bay Nuclear Power Station maintained a steady power supply to both the province and Hong Kong.

The generation of wind projects rose because of higher resources and the start of commercial operations at the 50MW Xundian II plant in Yunnan province, a grid-parity project designed to operate without government subsidies. Generation from solar power plants rose slightly on account of increased sunlight, while output from hydro plants fell because of lower water resources. Accumulated national subsidy payments owed to CLP China's renewable energy projects totalled HK$2,411 million at the end of June, compared with HK$2,111 million at the end of 2022.

CLP China continued to build up its development pipeline of renewable projects by securing construction quotas for

CLP Holdings hosted the 11th Guangdong, Hong Kong and Macau Power Industry Summit with the theme of "Embrace Opportunities in Decarbonisation and the Greater Bay Area" in May.

a number of wind and solar projects in Guangxi Zhuang Autonomous Region and Guizhou province in the second quarter.

In May, CLP Holdings hosted the 11th Guangdong, Hong Kong and Macau Power Industry Summit in Hong Kong. Around 80 senior executives from CLP, China Southern Power Grid Co., Ltd., Companhia de Electricidade de Macau – CEM, S.A. and China General Nuclear Power Group attended the event, pledging to strengthen energy collaboration in the Greater Bay Area (GBA) in support of the Central Government's goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060.

CLP*e* opened a new office in the Longhua district of Shenzhen to support the growth of its energy infrastructure and building energy management business and to serve as its headquarters for the GBA. The opening followed the signing of a Memorandum of Understanding with the Longhua District People's Government in 2022 to develop digitalised energy projects in the southern Chinese city.

Outlook

China is committed to reducing carbon emissions, as emphasised at the annual National People's Congress earlier this year. As decarbonisation remains a major focus of the Central Government, CLP China will continue to explore new opportunities to expand its non-carbon energy portfolio with a pipeline of new renewable energy projects.

CLP China started construction on its new grid-parity 150MW wind farm in Bobai in Guangxi in July, and will commission Yangzhou Gongdao Solar Power Station in Jiangsu province later in the year. It is CLP China's first grid-parity solar energy project and will have a capacity of up to 80MW. CLP China will also seek corporate power purchase agreements to sell energy from its renewable energy portfolio directly to its clients. An extended planned outage on one of the two generation units at Daya Bay Nuclear Power Station will begin in the second half as the plant has been commissioned for 30 years, lasting until early 2024 and impacting the plant's output this year.

In July, Mr Roger Chen was appointed Managing Director – China, succeeding Mr Joseph Law. Since joining CLP in 2002, Mr Chen has served in a number of senior management positions, including most recently as Senior Director responsible for the nuclear business.

CLP*e* will accelerate its efforts to offer integrated EaaS solutions to customers in the GBA, such as EV charging and centralised cooling, helping businesses in the region become more sustainable and supporting the Chinese Government's carbon reduction goals.

Australia

EnergyAustralia focused on strengthening the reliability and availability of its coal and gas generation facilities to meet market demand in the first half of the year, while continuing to develop major projects to transform the business in support of Australia's transition to lower-carbon energy.

The financial performance of the Energy business improved thanks to increased earnings from EnergyAustralia's two largest power stations. Generation at Yallourn in Victoria rose with its availability supported by operational improvements following earlier maintenance works. At Mount Piper in New South Wales, a new coal supply contract was signed but output was limited to conserve fuel for the higher-demand months in the Australian winter.

Wholesale electricity prices in Australia fell from the record levels in 2022, lowering the costs of settling forward sale contracts in 2023 compared to a year ago.

The gas-fired generation portfolio maintained high levels of reliability and availability although output declined reflecting a cooler summer, improved output at Yallourn and more stable market conditions.

The softening in market prices, coupled with roll off of some existing forward electricity sale contracts, resulted in a small improvement in the mark-to-market position at the end of June from six months earlier. This contrasted with the fair value loss recorded in last year's first half. However, the fair value movements reflect a position at a particular point in time and remain subject to change.

Margins in the Customer business were affected by increased supply costs. To manage the risk of wholesale market price volatility in providing electricity for retail customers, EnergyAustralia uses forward purchase contracts. Many of the forward contracts were put in place in 2022 when wholesale prices were high, leading to increased supply costs in the first half. This contrasted with the prior year when the electricity for retail customers had been procured in advance at lower prices. EnergyAustralia raised its electricity and gas tariffs for most retail and small business customers from July and August 2023 following changes to the Default Market Offer and Victorian Default Offer electricity prices by regulators that reflected higher energy supply costs.

As competition in the retail energy market intensified, the number of customer accounts fell by about 23,000 – around 0.9% – although the customer churn rate remained below the market average. Retail earnings were also impacted by the higher bad debt of customers as rising interest rates and inflation added to cost of living pressures.

EnergyAustralia continued to develop its portfolio of flexible supply capacity to allow more renewable energy into the market. Construction progressed on the 320MW Tallawarra B gas and hydrogen peaking power station in New South Wales which is expected to go into operation in time for the 2023/24 Australian summer. The Victorian Government gave planning approval in February for the 350MW Wooreen Energy Storage System and a final investment decision for the project should be made around the end of the year.

Two utility-scale battery storage systems are expected to go into service in the third quarter – the 65MW/130MWh Riverina and the 25MW/50MWh Darlington Point projects. The projects were developed by Edify Energy and supported by long-term energy storage services agreements with EnergyAustralia.

The 250MW Kidston pumped hydro storage project in Queensland developed by Genex Power with an offtake agreement with EnergyAustralia is due for completion in 2024, providing energy storage to support renewables. The feasibility of a 350MW Lake Lyell pumped hydro energy storage project near Mount Piper is being explored along with a separate 500MW battery energy storage project on the Mount Piper site.

Outlook

EnergyAustralia will maintain its focus on raising the performance of its generation portfolio to ensure dependable and profitable energy supply. Major maintenance outages will be conducted on two generation units of Yallourn Power Station in the second half of the year to deliver higher reliability and availability over the remaining operation to 2028. Similar maintenance will be carried out on the plant's other two units in 2024.

At Mount Piper, EnergyAustralia will continue to optimise coal supply associated with its new multi-mine contract. As more forward sale contracts signed at a time of low market prices roll off in the second half and new higher-price contracts are put in place, the financial performance of the generation assets is expected to improve.

Significant increases in energy costs have impacted many customers over the past year and EnergyAustralia remains committed to providing affordable energy and supporting households facing hardship. EnergyAustralia will continue to work closely with policymakers and energy suppliers to achieve the objectives of the Government energy policies, and focus on development of flexible capacity projects and partnerships in support of Australia's energy transition.

India

The Apraava Energy joint venture pressed ahead in its mission to expand its business and support India's energy transition in the first half of the year, broadening its renewable energy capacity and diversifying its portfolio at a time of growing national power demand.

In June, Apraava Energy made a successful bid to develop a wind energy project with capacity of about 300MW in the state of Karnataka. Construction is scheduled to begin later this year following the signing of a power purchase agreement. Meanwhile, Apraava Energy began commissioning its Sidhpur wind farm in Gujarat state in phases this year, with 107MW of the project starting operation since April. The plant is expected to start operating at its full 251MW capacity by the end of 2023.

Due to reduced wind resources and a delay to the start of the monsoon season, generation in Apraava Energy's operating wind energy portfolio dropped from a year earlier. Solar assets, by contrast, saw an increase in output. Reflecting an improvement in payments by local power distribution companies, Apraava Energy recorded an over 70% reduction in overdue renewable receivables from six months earlier.

Apraava Energy bolstered its transmission portfolio after winning two greenfield interstate transmission projects in Rajasthan, which will involve around 250 kilometres of new 400kV overhead transmission lines and a 2,500 megavolt ampere pooling substation. The projects add to the existing Kohima-Mariani Transmission Limited interstate line in northeast India and the Satpura Transco Private Limited intrastate line in Madhya Pradesh, both of which reported solid operations in the first half.

Meanwhile, Apraava Energy further diversified its non-carbon energy business by moving into the advanced metering infrastructure (AMI) market, securing two separate contracts to install a total of around three million smart meters in Assam and Gujarat states. Installation work in Assam has begun.

Jhajjar Power Station in Haryana state, Apraava Energy's only coal-fired asset, performed strongly after an annual maintenance upgrade. In the first half, Jhajjar reached an agreement with its main electricity purchasers in relation to an ongoing dispute over contractual and operational issues dating back to 2012. As a result, it recognised a one-off income, improving Apraava Energy's earnings. In addition, Apraava Energy is looking into the possibility of redeploying the site of its gas-fired Paguthan Power Station in Gujarat state for lower-carbon energy operations, as the plant ceased commercial gas-fired generation in late 2018.

Outlook

With the steadfast support of shareholders CLP and CDPQ, Apraava Energy will continue to target new projects in renewable energy, transmission and AMI. It will also seek out further growth opportunities in non-carbon energy-related projects as it continues to support the decarbonisation of India's economy.

Taiwan Region and Thailand

Operations at Ho-Ping Power Station in the Taiwan Region remained reliable in the first half of the year. While high coal costs affected the plant's financial performance in the first few months, the impact began to subside in the second quarter along with falling coal prices. Lopburi Solar Farm in Thailand maintained sound operations.

Outlook

The plants in Taiwan Region and Thailand are both committed to maintaining their high levels of operation performance. Ho-Ping Power Station will also have a specific focus on its coal supply and fuel costs.

Human Resources

The CLP Group had 7,879 full-time and part-time employees on 30 June 2023, compared with 8,183[1] at the same time in 2022. This included 5,705 employees in CLP's core markets in Hong Kong and Mainland China, up from 5,434 a year earlier. Total remuneration for the six months to 30 June 2023 was HK$3,265 million, compared with HK$3,330 million[1] for the same period in 2022. The sum includes retirement benefit costs of HK$315 million in 2023, similar to a year earlier.

Aligned to the Group's priorities to deliver decarbonisation and seize opportunities arising from the development of the GBA, CLP continued to expand recruitment of experienced and entry-level talent in Hong Kong and Mainland China, addressing talent demands and labour market challenges. CLP also strengthened its efforts to ensure employees gain a deeper understanding of CLP's renewable energy operations in Mainland China, and the country's social, economic and cultural development. In May, a first delegation of Hong Kong-based employees visited solar, wind and hydro plants on the Mainland and joined in community initiatives. This experience is built into future development programmes.

Continuing efforts to create a dynamic workplace culture, CLP commenced implementation of a refreshed performance management approach and new leadership expectations. The refinements aim to strengthen colleagues' accountability for results, empowerment, commerciality and embracing change. At the same time, CLP's core values of safety, integrity and operating excellence remain key focus areas of the updated approach. The Group's cultural transformation initiatives will continue in the second half of the year.

CLP champions knowledge management and innovation, and in March, CLP Power won the top award for Hong Kong's Most Innovative Knowledge Enterprise for the first time, recognising the business' consistent and effective policies to encourage employees to embrace innovative practices.

CLP is committed to creating a diverse, inclusive workplace. Over 1,000 employees in Hong Kong and Mainland China participated in a survey to gauge the level of diversity and inclusion at work and identify areas for improvement, demonstrating their strong interest in CLP's progress in the area. In the spirit of empowering employees, the first gender equality affinity group was established earlier this year to promote awareness of gender equity within CLP.

Note:

1 Figures for 2022 included Apraava Energy, which became a joint venture of CLP Holdings in December 2022 and is no longer consolidated as a subsidiary.

Health and Safety

Safety in the workplace is an absolute priority for CLP in all the communities in which it operates, and the Group takes all reasonable steps to mitigate risk and to thoroughly investigate, address safety concerns and implement lessons learned.

It is a matter of profound regret, therefore, that CLP reported a fatality in the first half of 2023. The fatal incident involved a contractor at Apraava Energy's Sidhpur wind farm in Gujarat state. CLP is deeply saddened by the incident, which happened in May, and Apraava Energy is taking measures to improve safety by examining the incident to manage and reduce critical risks in future. Comprehensive investigations have been conducted into the circumstances of the fatality, and findings from the incident will be used to strengthen the safety of operations.

In addition, the CLP Group remains steadfastly committed to a health, safety and environment strategy for 2022-24 to ensure safer work processes. The strategy provides a comprehensive approach to mitigate key safety risks in the workplace, including working at height, risks from falling objects and hazards from moving machinery.

Digitalisation has an increasingly important role to play in CLP's efforts to make its workplaces safer. A pilot study was conducted in the first half to assess risk control effectiveness, with a particular focus on falling objects.

The trial approach helps verify that safety controls are in place and being applied across the Group, and that they are effective in managing risks with the potential to cause harm. The successful trial will be further enhanced as a permanent digital tool, available on CLP's digital platform and configured for use in future key projects.

Improving operational learning is also crucial to workplace safety, and CLP is strengthening communication with employees and contractors to harness their wealth of knowledge and experience. This will allow CLP to develop work processes that are more resilient to potential human error, in line with international best practices based on human and organisational performance principles.

The total recordable injury rate (TRIR) and lost time injury rate (LTIR) for employees and contractors in the first half were lower than during the same period in 2022, following a decrease in recorded injuries in Hong Kong and Mainland China. CLP remains committed to ongoing improvements to workplace safety, building on measures undertaken in recent years including the more proactive approach adopted by the Group to identify and minimise safety risks.

	Employees		Employees and Contractors	
	January – June 2023 [2,4]	January – June 2022 [1,2]	**January – June 2023** [2,4]	January – June 2022 [1,2]
LTIR	**0.03**	0.05	**0.08**	0.11
TRIR	**0.10**	0.19	**0.17**	0.27

Notes:

1 Figures for 2022 were revised to reflect the reclassification of one case, as well as minor adjustments to the number of hours worked.

2 The LTIR and TRIR figures are for work-related injuries only (excluding work-related ill health and commuting-related injuries), in line with requirements of the Global Reporting Initiative. There were no work-related ill health injuries in January – June 2023 (five in January – June 2022)[3] and one work-related commuting injury in January – June 2023 (compared with none in January – June 2022).

3 Figures for 2022 were revised to reflect the reclassification of two cases.

4 CLP ceased to have operational control of Apraava Energy, which became a 50:50 joint venture in December 2022. The 2023 LTIR and TRIR figures indicated above exclude Apraava Energy.

Environment

CLP continued to implement ambitious measures to reduce air and water pollution as part of a long-term strategy to minimise its environmental impact, drawing on technology and innovation to make its operations more sustainable by the year.

In Hong Kong, CLP Power continued to optimise its fuel mix and deploy advanced technology to ensure compliance with pollution control requirements. A second additional gas-fired generation unit, D2, is due to go into service at Black Point Power Station next year, with control in place to reduce nitrogen oxides emissions through the implementation of selective catalytic reduction technology. The technology has already helped reduce emissions in the power station's D1 unit.

The process of power generation involves the use of large volumes of water, so improving water management is a key aspect of reducing environmental impact. A project to expand the capacity of the water treatment plant at Hong Kong's Black Point Power Station was completed in the first half, with testing and commissioning now underway. The project, due to go into operation later this year, will further improve water processing efficiency. CLP Power also installed rainwater recycling tanks and automatic drip irrigation systems at five new substations in Hong Kong to reduce their water consumption. Similar rainwater harvest systems will be built into the design of future substations if feasible.

EnergyAustralia in February completed extensive repair and maintenance works to the Morwell River Diversion in Victoria state, which was damaged by heightened water flows following exceptionally heavy rainfall in June 2021. Failure of the system would have resulted in water from the Morwell River inundating the mine at Yallourn Power Station. Meanwhile, the Springvale Water Treatment Plant continued to fulfil about 80% of the daily water needs at Mount Piper Power Station, significantly reducing the need to source freshwater.

In India, Apraava Energy's Jhajjar Power Station won an award for excellence in water use efficiency in March in a programme organised by the Energy and Resources Institute, the International Water Association and the United Nations Development Programme.

CLP is committed to fulfilling its environmental obligations and investing in reducing its carbon footprint, and closely monitors and responds to changes in regulations in its different operating regions. The Group reported no environmental regulatory non-compliance incidents resulting in fines or prosecutions during the first half of the year.

Climate Action

In the first half of 2023, CLP maintained a keen focus on energy infrastructure investments that support efforts to reduce the carbon intensity of its generation portfolio, in line with the goals outlined in the Group's Climate Vision 2050.

To support Hong Kong's energy transition, a new offshore LNG terminal went into service this summer, significantly increasing future opportunities to broaden the diversity and security of natural gas supplies to the city. The terminal is the first of its kind in Hong Kong and is a joint investment between Castle Peak Power Company Limited and The Hongkong Electric Co., Ltd.

Meanwhile, the second combined-cycle gas turbine generation unit at Black Point Power Station is expected to go into full service next year to further increase the proportion of natural gas in the fuel mix for power generation and enable additional reduction in carbon emission. It will also help maintain power supply reliability as CLP Power gradually retires coal-fired generating facilities at Castle Peak A Power Station.

In Mainland China, CLP China further expanded its renewable energy portfolio. New projects include the 50MW Xundian II wind farm in Yunnan province, which went into service in the first half of the year, and the Yangzhou Gongdao solar farm in Jiangsu province, which will have a capacity of up to 80MW and is expected to be commissioned in the second half. Construction of the 150MW Bobai wind farm in Guangxi started in July.

EnergyAustralia continued to invest in flexible capacity projects – including Australia's first gas- and hydrogen-capable power plant Tallawarra B to be commissioned by the 2023/24 Australian summer – to strengthen power supply reliability as more renewable energy enters the grid. The business has entered into long-term energy storage services agreements that allow it to make use of 90MW/180MWh of battery storage capacity built by Edify Energy in New South Wales. Construction of the batteries has been completed and they will enter the grid in the second half.

EnergyAustralia's portfolio will be further strengthened when Genex Power completes the 250MW Kidston pumped hydro energy storage project in Queensland next year, enabling access to energy through an offtake agreement. The new 350MW Wooreen battery system in Victoria was also given planning approval by the State Government, supporting continued power supply reliability in the region following the retirement of Yallourn Power Station in 2028.

In India, Apraava Energy accelerated its development of non-carbon projects with two new wind farms due to enter service shortly. The 251MW Sidhpur project in Gujarat state will be fully commissioned in the second half while construction of another project in Karnataka with capacity of around 300MW is expected to start later this year. Apraava Energy also secured two contracts this year to install around three million smart meters for Indian electricity users, as well as agreements to develop transmission lines and substation infrastructure that will support 20GW of renewable energy capacity in Rajasthan.

Sustainability Performance

CLP published its latest Sustainability Report and Climate-related Disclosures Report in March, tracking the actions taken by the Group in 2022 to grow its business responsibly and sustainably in a rapidly evolving global business environment.

In the Sustainability Report, CLP further refined its methodology for assessing material topics by implementing the latest international best practices and adopting a double materiality approach. Refinements include more rigorous ways to identify and assess relevant environmental, social and governance (ESG) impacts, risks and opportunities. Impact material issues related to people, the environment and the economy are covered in the Sustainability Report, while the Annual Report focuses on financially material topics that create or diminish enterprise value. Both reports adopted a stakeholder-centric approach, highlighting the value created by CLP from the perspective of stakeholders.

The standalone Climate-related Disclosures Report continued to provide an in-depth view of the Group's climate actions and strategies in line with the recommendations of the Task Force on Climate-related Financial Disclosures. The report also followed the requirements from the latest S2 Climate-related Disclosures Exposure Draft published by the International Sustainability Standards Board.

At the Australasian Reporting Awards, CLP's Annual Report received Chair's Commendation for having achieved gold awards for 10 consecutive years. The Company has also been honoured with gold awards for sustainability reporting each year since the organiser introduced the prize in 2019. CLP Holdings' strong ESG practices were also reflected by its inclusion in international stock indices which track and benchmark companies' ESG performance, including the Dow Jones Sustainability Asia/Pacific Index, the MSCI ACWI ESG Universal Index, the Hang Seng Corporate Sustainability Index and the FTSE4Good Index.

Innovation

Innovation and cutting-edge solutions are critical to meet the demands of customers as they decarbonise their operations. CLP continued to step up efforts in the first half of the year to deploy the latest digital technologies to help customers manage their energy use and reduce their carbon footprints.

CLP Power's Smart Energy Online (SEO) platform offers an integrated set of online tools and data which provide detailed insights for customers to devise timely and effective energy strategies to manage their electricity consumption and drive greater energy efficiency. In June, CLP Power won the Excellence in Customer Intelligence Special Award at the Global Innovation Award programme organised by the Hong Kong Management Association and HKT Limited for the SEO platform.

CLP*e* meanwhile continued to provide innovative technologies to improve customers' energy efficiency. Cooling systems typically account for more than 40% of energy use in office buildings in Hong Kong and CLP*e* signed contracts in the first half to deploy air-conditioning system optimisation solutions at a number of customer premises including Kowloon Commerce Centre and The Mills using the PlantPRO technology provided by CLP's Smart Energy Connect (SEC) platform. PlantPRO, an advanced AI-based software, uses machine-learning technology to enhance energy efficiency. The technology will also be used at CLP*e*'s cooling services projects at Nina Tower and the Shui On Centre.

PlantPRO was the Gold Winner for the Most Innovative Edge Computing Solution at the 2023 Future Digital Awards organised by consultancy Juniper Research. The SEC platform also won a Gold award in the Best Urban EV Charging Solution category for a technology that allows EV charging operators and vehicle fleet owners to more effectively manage their charging services.

CLP remains committed to strengthening its cooperation with innovators around the world to help it stay ahead of the curve in energy technology development. It again participated in energy technology accelerator and scouting programmes, including the China-focused Phoenix Programme and Free Electrons, which connects seven global utility companies with energy sector startups to develop and deploy innovative solutions.

Social Performance

CLP is committed to creating long-term benefits for the communities it serves and launched a wide range of social initiatives in the first half of 2023. Activities focused on four target areas: Improving community wellbeing, promoting education and development, supporting arts and culture and protecting the environment.

Improving Community Wellbeing

High international fuel prices have led to sharp rises in energy bills for households around the world, with a disproportionately severe impact on elderly and unemployed people and underprivileged families.

In Hong Kong, CLP Power responded by launching a HK$110 million fuel cost subsidy programme which provided one-off subsidies of HK$600 each to 100,000 eligible families, including elderly people, low-income households and people with disabilities. Subsidies of HK$1,000 were provided to each of 50,000 subdivided unit households, and a further

HK$5 million was set aside for rewiring work and the installation of individual electricity meters to make the living conditions safer for tenants. As most subdivided units are in older buildings with limited public areas for the installation of individual meters, CLP Power exercised flexibility on the basis that the electrical safety standards were met. CLP Power also provided subsidies of HK$2,000 each for 10,000 families living in transitional housing to buy energy-efficient appliances.

Since its launch in 2011, the CLP Hotmeal Canteen programme has served more than one million nutritious meals at a nominal cost to ease the financial burden of elderly people, low-income families and unemployed people. To celebrate the millionth-meal milestone, CLP Power hosted a celebration lunch and handed out nearly 3,000 free meals in May. The programme currently has four canteens set up in partnership with charity Po Leung Kuk.

In June, CLP Power organised workshops for more than 160 elderly people, teaching them digital literacy including how to browse internet information, order food online and learn energy saving tips through interactive games. The CLP Volunteer Team ran a large number of other community welfare programmes in partnership with non-governmental organisations (NGOs), including visits to elderly people with early symptoms of dementia, beach clean-ups, out-of-school tutorials and career guidance for new migrants and underprivileged youngsters.

CLP China launched a three-year programme aimed at improving the livelihoods of rural communities near its operations. One of the first projects involved the construction of greenhouses to improve the agricultural output of villages near CLP China's wind farms in Shandong province. Employees meanwhile continued to provide valuable volunteer service in their communities, including care for disabled children.

In India, Apraava Energy continued to support initiatives to improve access to quality healthcare for people living near its power plants in Andhra Lake, Jhajjar and Veltoor. Around 28,000 local residents have benefited from the initiatives this year.

Promoting Education and Development

Education is the cornerstone of society, and CLP is dedicated to helping nurture future generations by passing on knowledge about energy, engineering and the environment in programmes that cover the entire education pathway, from kindergartens to universities.

In Hong Kong, CLP Power developed a new cartoon video and upgraded a dedicated mobile app under the POWER YOU Kindergarten Education Kit programme to teach pupils about the role of electricity and the importance of living low-carbon lifestyles.

CLP Power has served over one million nutritious hot meals to people in need at nominal price since the CLP Hotmeal Canteen programme launched in 2011.

More than 4,200 people have visited the CLP E-Playground in Hong Kong since its launch in 2021, enjoying its unique educational experience and learning about the electricity industry and energy conservation through entertaining interactive games.

The Engineer in School programme organised more than 25 presentations for secondary school students to promote energy saving and to share information about careers in power engineering. CLP Power also provided HK$750,000 of subsidies from the CLP Community Energy Saving Fund to students on vocational and professional education and training programmes run by the Vocational Training Council.

CLP Power employees continued to serve as mentors for the Hong Kong Government's Strive and Rise Initiative, giving underprivileged youngsters guidance and support and the opportunity to learn more about the power industry by visiting CLP facilities.

The CLP Energy for Brighter Tomorrows Award programme continued to offer scholarships to secondary school students who have succeeded against adversity. Each winner received a HK$10,000 prize and the opportunity to join a mentorship programme led by experienced CLP employees.

CLP Power also worked with the Correctional Services Department to provide career guidance and training for young inmates, including special internship programmes to help young people recently released from detention reintegrate into society. So far, more than 130 youngsters have participated.

In India, Apraava Energy continued to provide midday meals to children at schools in two states where it has operations. More than 23,000 pupils have received hot meals through the projects. The business also supported programmes to empower young people, including a new project to raise the standard of primary school education in a village close to Jhajjar Power Station.

Supporting Arts and Culture

A major new cultural hub was created for Hong Kong with the opening of CLP Pulse in May. The museum – which has been years in the planning – features exhibition galleries showcasing the contributions of the electricity industry and the Kadoorie family to the development of modern Hong Kong. The museum also has a gallery called "Traces of Human Touch", curated by the Intangible Cultural Heritage Office to celebrate local intangible culture such as cheongsam dresses, and gold and jade ornaments.

CLP Pulse is housed in the renovated clock tower building in Kowloon that previously served as CLP's headquarters. It was listed as a Grade 1 historic building by the Antiquities and Monuments Office in 2018 and is one of Hong Kong's few remaining examples of international modernist architecture. The museum also provides a permanent headquarters for the Hong Kong Heritage Project, offering access to a rich and storied archive that encourages and facilitates scholarship in local history.

CLP Power continued to work with local artists and NGOs on the redesign of substations this year in its Substation Beautification project. Guided tours for community groups have allowed more than 700 participants to learn about the history and culture of local areas where redesigned CLP distribution boxes and substations are located, as well as the importance of energy saving.

CLP China helped preserve ethnic traditions by distributing around 2,000 copies of the region's first dictionary of the Black Miao dialect to students and communities in Rongshui county of Liuzhou city, Guangxi, in partnership with the county Government. The dictionary was published by CLP China in 2022.

To celebrate National Reconciliation Week in May, EnergyAustralia invited Aboriginal and Torres Strait Islander peoples to a host of activities including cultural learning workshops, boomerang throwing and flag raisings. This followed the updating of its Innovate Reconciliation Action Plan in February to reinforce EnergyAustralia's commitment to promoting reconciliation between indigenous and non-indigenous Australians.

Protecting the Environment

Promoting energy saving is a vital element of the fight against climate change and, in Hong Kong, more than 867,000 CLP Power customers were enrolled in its Power Connect programme by the end of the first half of 2023.

Power Connect participants save energy or buy from social enterprises to earn points that can be redeemed for rewards including smart gadgets and energy-efficient electrical appliances on CLPe's Domeo e-commerce store.

CLP Power's Low Carbon Energy Education Centre at the City University of Hong Kong received more than 3,000 visitors. The centre organised workshops with the Education Bureau to enhance teachers' understanding of climate change. Outreach programmes were also organised with the Hong Kong Institute of Engineers.

Stakeholder Engagement

CLP is keenly aware that its goals for growth and sustainability can only be achieved with the support of strong, long-term relationships with the business's diverse stakeholders. That makes constant and effective dialogue and cooperation with them essential.

In Hong Kong, CLP Power's Managing Director Mr T.K. Chiang and Chief Corporate Development Officer Ms Quince Chong hosted briefing sessions in the first half to promote dialogue on topics including climate change, regional cooperation on energy, renewable energy, nuclear energy, green hydrogen and demand-side energy management, engaging around 200 community stakeholders including media professionals, academics, customers and representatives from charitable organisations, environmental groups and professional bodies.

Mr Chiang also attended a Legislative Council Panel on Environmental Affairs meeting in March, addressing the impact of electricity tariffs resulting from elevated international fuel prices on Hong Kong households and outlining CLP Power's continued efforts to control costs.

Following the conclusion of the 2023 annual sessions of the National People's Congress and the Chinese People's Political Consultative Conference in March, CLP invited delegates to share their insights, deepening the Group's understanding of national policies.

In March, CLP hosted a visit by National Energy Administration (NEA) Deputy Director Mr Ren Jingdong and other senior NEA officials to Black Point Power Station. In May, a delegation led by Governor of Shandong province Mr Zhou Naixiang visited CLP in Hong Kong.

In June, a delegation from the National Development and Reform Commission (NDRC) led by Mr Xu Jianping, Director General of the NDRC's Department of Regional Opening-up, visited Black Point Power Station. Other participants included Chinese officials focused on the Belt and Road Initiative, in addition to representatives from the Hong Kong Government's Belt and Road Office and the Environment and Ecology Bureau.

In July, CLP made a submission to the Stock Exchange of Hong Kong Limited's consultation on new reporting requirements with reference to the International Sustainability Standards Board's Climate-related Disclosures standard. CLP expressed general support for mandating climate-related disclosures but it suggested further guidance was needed for areas including quantitative disclosures of current and anticipated financial effects of material climate-related risks and, where applicable, opportunities.

At the Asian Financial Forum in Hong Kong in January, Chief Executive Officer of CLP Holdings Mr Richard Lancaster hosted a discussion with former United Nations Framework Convention on Climate Change Executive Secretary Ms Christiana Figueres. In June, CLP Holdings Non-executive Director and CLP Power Chairman Mrs Betty Yuen was interviewed by Bloomberg News on the Group's efforts on diversity and inclusion.

CLP executives shared their insights on decarbonisation and sustainability by speaking at events including a workshop on sustainable financing hosted by the Institute of International Finance and UBS in March, as well as a conference organised by the International Finance Forum in Hong Kong in May. CLP executives also joined discussions on business sustainability arranged by the Hong Kong Chartered Governance Institute and by the World Business Council for Sustainable Development, including the Ecosperity Week in Singapore in June. CLP was a sponsor of the EnviroSeries conference organised by the Business Environment Council in May, which provided a platform for dialogue on the development of carbon markets and energy digitalisation.

Corporate Governance

Highlights for the First Half of 2023

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

- Chief Executive Officer (CEO) Succession: On 26 June 2023, the Company announced the succession arrangements for the CEO: Mr Chiang Tung Keung will succeed Mr Richard Lancaster as the CEO and be appointed as an Executive Director effective on 1 October 2023; and as part of the transition, Mr Chiang was appointed as the CEO Designate effective on 1 July 2023; and from 1 October 2023, Mr Lancaster will become an Advisor to the CEO and will remain on the Board as an Executive Director until the 2024 Annual General Meeting (AGM).
- External Board Review: The 2022 Board Progression Planning Exercise, led by the external consultants, Korn Ferry, was finalised and adopted by the Board at its meeting held in May this year. The Board Review maintained a prospective approach and focused on two critical areas: enhancing alignment on strategic issues, priorities and the path forward; and enhancing how the Board adds value in partnership with the management team. A summary report of this review and planning exercise is available on the CLP website. Fuller details will be discussed in the 2023 Annual Report.
- Board and Board Committees Refresh: The Board refresh received strong support from the shareholders with high percentages of votes approving the election of Mr Bernard Chan and Mrs Betty Yuen at the 2023 AGM. At the same time, Mrs Fanny Law stepped down from the Board through retirement. Ms Heather Wang was appointed as an Independent Non-executive Director with effect from 16 May 2023. Memberships of Board Committees were recently refreshed and these included the Audit & Risk Committee, the Finance & General Committee and the Human Resources & Remuneration Committee. Please refer to pages 25 and 26 of this chapter for full details of the Board and Board Committees changes.
- Hybrid AGM: After a few years of Covid-related restrictions, our 2023 AGM was opened up to shareholders to join in person at our physical AGM venue with a pre-registration arrangement. More than 400 shareholders attended the meeting in person and almost 300 shareholders participated online. The online AGM was attended by both registered and non-registered shareholders who were able to view a live webcast of the AGM, pose written questions or verbally raise questions and cast votes in near real-time through the online platform.

Corporate Governance Practices

The Company has its own unique code namely The CLP Code on Corporate Governance (CLP Code). 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 the CLP website and available on request. In 2023, we have updated the CLP Code to reflect the new requirements under the Corporate Governance Code (Corporate Governance Code), Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 2023, 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 115 of our 2022 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 2023.

At the Company's AGM held on 5 May 2023, the re-appointment of PricewaterhouseCoopers as the Company's independent auditor for the financial year ending 31 December 2023 was approved by our shareholders with strong support of 99.80% 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 2023, the composition of the Board of CLP Holdings is set out below:

Non-executive Directors	Independent Non-executive Directors	Executive Director
The Honourable Sir Michael Kadoorie Mr Andrew Clifford Winawer Brandler Mr John Andrew Harry Leigh Mr Philip Lawrence Kadoorie Mrs Yuen So Siu Mai Betty	Sir Roderick Ian Eddington Mr Nicholas Charles Allen Mrs Zia Mody Ms May Siew Boi Tan Ms Christina Gaw Mr Chunyuan Gu Mr Chan Bernard Charnwut Ms Wang Xiaojun Heather	Mr Richard Kendall Lancaster

There were a number of changes in the composition of the Board during the reported period and up to the date of this Report:

- With effect from 1 January 2023, Mrs Betty Yuen was appointed as a Non-executive Director of the Company and Mr Andrew Brandler was appointed as the Vice Chairman of the Board;
- Mrs Fanny Law did not seek re-election and retired as an Independent Non-executive Director of the Company at the conclusion of the AGM held on 5 May 2023. She has decided to retire as a Director to make way for future appointments of new independent directors who would bring fresh ideas to the Board; and
- Ms Heather Wang was appointed as an Independent Non-executive Director of the Company with effect from 16 May 2023.

As announced by the Company on 26 June 2023, Mr T.K. Chiang, the then Managing Director of CLP Power Hong Kong Limited (CLP Power), will succeed Mr Richard Lancaster as the CEO and will be appointed as an Executive Director with effect from 1 October 2023.

Mr Bernard Chan and Mrs Betty Yuen who stood for election; and The Hon Sir Michael Kadoorie, Mr Andrew Brandler, Mr J.A.H. Leigh and Mr Nicholas C. Allen who stood for re-election at the 2023 AGM were respectively elected and re-elected with the approval of the shareholders.

Save as disclosed above, there had been no substantial changes to the information of Directors as set out in the 2022 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

There were a number of changes in the composition of the Board Committees during the reported period and up to the date of this Report:

- Mr Andrew Brandler was appointed as the Chairman of the Finance & General Committee effective 1 January 2023;
- With effect from 28 February 2023:
  - Mr Chunyuan Gu became a Member of the Human Resources & Remuneration Committee;
  - Ms May Siew Boi Tan took up the role as the Chair of the Audit & Risk Committee; and
  - Mr Nicholas C. Allen stepped down as the Chairman and remained as a Member of the Audit & Risk Committee;
- Mrs Fanny Law retired as a Member of the Audit & Risk Committee, the Human Resources & Remuneration Committee and the Sustainability Committee of the Company following her retirement as an Independent Non-executive Director with effect from the conclusion of the 2023 AGM; and
- Ms Heather Wang was appointed as a Member of the Audit & Risk Committee and the Human Resources & Remuneration Committee of the Company with effect from 16 May 2023.

As announced by the Company on 26 June 2023, Mr T.K. Chiang will be appointed as a Member of the Finance & General Committee and the Sustainability Committee with effect from 1 October 2023.

With the approval of the Board, the Provident & Retirement Fund Committee was re-constituted from a Board Committee to a management committee with effect from 1 April 2023.

Save as disclosed above, the composition of the Board Committees remained the same as set out in the 2022 Annual Report (pages 123, 156, 164, 170 and 175) during the reported period and up to the date of this Report.

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 2023.

As at 30 June 2023, none of our Directors, individually, held directorships in more than seven 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 108 and 109 of the 2022 Annual Report during the reported period and up to the date of this Report:

- Mr T.K. Chiang was appointed as the CEO Designate with effect from 1 July 2023. He will succeed Mr Richard Lancaster as the CEO of CLP Holdings effective on 1 October 2023;
- Mr Law Ka Chun Joseph succeeded Mr T.K. Chiang as the Managing Director – CLP Power effective 1 July 2023; and
- Mr Chen Tao Roger succeeded Mr Joseph Law as the Managing Director – China effective 1 July 2023.

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

Remuneration

Non-executive Directors

In our 2022 Annual Report, we set out the fees for our Non-executive Directors (including Independent Non-executive Directors) who serve on the Board and on the Board Committees of the Company for the period from 2022 to the date of the AGM in 2025 (see page 180 of the Company's 2022 Annual Report). For other details on the principles of remuneration for our Non-executive Directors, please refer to the Human Resources & Remuneration Committee Report of our 2022 Annual Report.

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 2023 are set out in the table on page 27.

The amounts disclosed consist of remuneration accrued or paid for service during the first six months of 2023 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 below, the "Total Remuneration" column includes the following recurring items for the six months ended 30 June 2023:

(i) base compensation, allowances & benefits paid;

(ii) 2023 annual incentive accrued based on the previous year's Company performance and the 2022 annual incentive adjustment. The adjustment is the difference between the actual annual incentive paid in 2023 for 2022 performance and the annual incentive accrual for 2022;

(iii) the 2020 long-term incentive award paid in January 2023 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 Senior Management member who was converted from full-time to part-time working.

	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 2023							
CEO (Mr Richard Lancaster)	5.5	3.4	4.5	1.4	**14.8**	–	**14.8**
Chief Financial Officer (Mr Nicolas Tissot)	3.5	2.1	0.4	0.6	**6.6**	–	**6.6**
Chief Operating Officer (Mr Derek Parkin)	2.9	2.6	2.2	0.6	**8.3**	–	**8.3**
Managing Director – CLP Power (Mr T.K. Chiang)	3.1	1.9	2.4	0.8	**8.2**	–	**8.2**
Managing Director – China (Mr Joseph Law)	2.0	1.4	1.1	0.5	**5.0**	–	**5.0**
Managing Director – EnergyAustralia (Mr Mark Collette) [3]	3.4	3.4	0.3	0.1	**7.2**	–	**7.2**
Managing Director – India (Mr Rajiv Mishra) [4]	2.1	1.7	1.7	0.5	**6.0**	–	**6.0**
Chief Strategy, Sustainability & Governance Officer (Mr David Simmonds)	3.0	1.9	2.5	0.7	**8.1**	–	**8.1**
Chief Corporate Development Officer (Ms Quince Chong) [5]	1.9	1.0	2.3	0.5	**5.7**	0.2	**5.9**
Chief Human Resources Officer (Ms Eileen Burnett-Kant)	2.6	1.6	2.2	0.5	**6.9**	–	**6.9**
Total	**30.0**	**21.0**	**19.6**	**6.2**	**76.8**	**0.2**	**77.0**

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 (2023 accrual and 2022 adjustment) and (b) long-term incentive (payment for 2020 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 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.

4 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 payment in 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.

5 Ms Quince Chong was converted from full-time to part-time working with effect from 1 January 2023. Her remuneration reflected her part-time working. The Other Payments of HK$0.2 million reflected encashment of untaken annual leave.

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 138 to 141 of the Company's 2022 Annual Report.

During the six-month period ended 30 June 2023, Group Internal Audit issued a total of eight opinion audit and two special review reports. One of the audit reports carried a not satisfactory audit opinion. None of the control weaknesses identified had a material impact on financial statements.

Interests in CLP Holdings' Securities

All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and our own Code for Securities Transactions (CLP Securities Code) throughout the period from 1 January to 30 June 2023. 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 2023.

Save for the interest disclosed by the CEO on page 29, the other members of the Senior Management did not have any interests in CLP Holdings' securities as at 30 June 2023.

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 (SFO)) as at 30 June 2023, as recorded in the register required to be kept under Section 352 of Part XV of the SFO, are set out in the table on page 29 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 2023 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 Andrew Brandler	Note 2	10,600	0.00042
Mr J.A.H. Leigh	Note 3	218,821,853	8.66124
Mr Philip Kadoorie	Note 4	409,226,125	16.19767
Mr Nicholas C. Allen	Note 5	41,000	0.00162
Ms May Siew Boi Tan	Beneficial Owner	20,000	0.00079
Mr Bernard Chan	Note 6	409,000	0.01619
Mr Richard Lancaster (CEO)	Personal	600	0.00002

Notes:

1 The Hon Sir Michael Kadoorie was deemed (by virtue of the SFO) 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 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.

2 600 shares were held in a personal capacity and 10,000 shares were held in a beneficial owner capacity.

3 Mr J.A.H. Leigh was deemed (by virtue of the SFO) 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 Mr Philip Kadoorie was deemed (by virtue of the SFO) to be interested in 409,226,125 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 2,000,000 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 each of two discretionary trusts, both of which Mr Philip Kadoorie is one of the default beneficiaries.

5 41,000 shares were held in a beneficial owner capacity and jointly with spouse.

6 Mr Bernard Chan was deemed (by virtue of the SFO) to be interested in 409,000 shares in the Company. These shares were held in the following capacity:

   a 400,000 shares were held by two wholly owned subsidiaries of Asia Financial Holdings Limited (AFH). Mr Bernard Chan is deemed to be interested in approximately 61.84% of AFH, in addition to his personal interest of 0.20% in AFH.

   b 9,000 shares were held by United Asia Enterprises Inc., an investment company in which Mr Bernard Chan holds 54.2% (including the interest of spouse).

Each of the other Directors, namely Mrs Yuen So Siu Mai Betty, Sir Rod Eddington, Mrs Zia Mody, Ms Christina Gaw, Mr Chunyuan Gu and Ms Wang Xiaojun Heather have confirmed that they had no interests in the shares of the Company or any of its associated corporations as at 30 June 2023.

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 2023.

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 2023.

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 2023, as recorded in the register required to be kept under Section 336 of Part XV of the SFO, 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 2023:

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	409,226,125 Note 7	16.20

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 / or 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 4 under "Interests of Directors and Chief Executive Officer".

As at 30 June 2023, 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 2023, 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 2023, 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 SFO.

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 2023.

Consolidated Statement of Profit or Loss – Unaudited

for the six months ended 30 June 2023

	Note	2023 HK$M	2022 HK$M
Revenue	*3*	**43,302**	47,594
Expenses			
Purchases and distributions of electricity and gas		**(17,259)**	(20,164)
Staff expenses		**(2,362)**	(2,496)
Fuel and other operating expenses		**(14,098)**	(26,704)
Depreciation and amortisation		**(4,358)**	(4,719)
		(38,077)	(54,083)
Other charges	*5(a)*	**–**	(1,635)
Operating profit / (loss)	*5*	**5,225**	(8,124)
Finance costs	*6*	**(1,032)**	(869)
Finance income	*6*	**129**	77
Share of results, net of income tax			
Joint ventures	*13*	**660**	33
Associates	*14*	**1,271**	1,135
Profit / (loss) before income tax		**6,253**	(7,748)
Income tax (expense) / credit	*7*	**(705)**	2,794
Profit / (loss) for the period		**5,548**	(4,954)
Earnings / (loss) attributable to:			
Shareholders		**5,060**	(4,855)
Perpetual capital securities holders		**70**	69
Other non-controlling interests		**418**	(168)
		5,548	(4,954)
Earnings / (loss) per share, basic and diluted	*9*	**HK$2.00**	HK$(1.92)

The notes on pages 38 to 54 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 2023

	2023 HK$M	2022 HK$M
Profit / (loss) for the period	**5,548**	(4,954)
Other comprehensive income		
Items that can be reclassified to profit or loss		
Exchange differences on translation	**(1,038)**	(2,610)
Cash flow hedges	**639**	6,110
Costs of hedging	**4**	69
	(395)	3,569
Items that cannot be reclassified to profit or loss		
Fair value gains / (losses) on investments	**4**	(67)
Remeasurement losses on defined benefit plans	**(13)**	(16)
	(9)	(83)
Other comprehensive income for the period, net of tax	**(404)**	3,486
Total comprehensive income for the period	**5,144**	(1,468)
Total comprehensive income attributable to:		
Shareholders	**4,676**	(1,245)
Perpetual capital securities holders	**70**	69
Other non-controlling interests	**398**	(292)
	5,144	(1,468)

The notes on pages 38 to 54 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Financial Position – Unaudited

	Note	30 June 2023 HK$M	Audited 31 December 2022 HK$M
Non-current assets			
Fixed assets	*10*	**148,078**	147,267
Right-of-use assets	*11*	**7,585**	7,582
Investment property		**909**	909
Goodwill and other intangible assets	*12*	**18,295**	18,451
Interests in and loans to joint ventures	*13*	**12,304**	11,748
Interests in associates	*14*	**8,480**	9,090
Deferred tax assets		**2,046**	2,132
Derivative financial instruments	*15*	**1,779**	1,943
Other non-current assets		**2,503**	2,443
		201,979	201,565
Current assets			
Inventories – stores and fuel		**3,558**	3,696
Renewable energy certificates		**759**	804
Properties for sale		**2,312**	2,711
Trade and other receivables	*16*	**18,152**	17,314
Fuel clause account		**2,070**	3,543
Derivative financial instruments	*15*	**3,737**	2,107
Short-term deposits and restricted cash		**28**	35
Cash and cash equivalents		**2,339**	4,251
		32,955	34,461
Current liabilities			
Customers' deposits		**(6,711)**	(6,633)
Trade payables and other liabilities	*17*	**(18,397)**	(19,627)
Income tax payable		**(812)**	(1,577)
Bank loans and other borrowings	*18*	**(12,848)**	(11,314)
Derivative financial instruments	*15*	**(4,969)**	(5,310)
		(43,737)	(44,461)
Net current liabilities		**(10,782)**	(10,000)
Total assets less current liabilities		**191,197**	191,565

	Note	30 June 2023 HK$M	Audited 31 December 2022 HK$M
Financed by:			
Equity			
Share capital		**23,243**	23,243
Reserves	*20*	**82,291**	82,255
Shareholders' funds		**105,534**	105,498
Perpetual capital securities		**3,887**	3,887
Other non-controlling interests		**6,209**	6,309
		115,630	115,694
Non-current liabilities			
Bank loans and other borrowings	*18*	**48,380**	47,903
Deferred tax liabilities		**16,337**	16,246
Derivative financial instruments	*15*	**1,364**	1,405
Scheme of Control (SoC) reserve accounts	*19*	**2,259**	3,094
Asset decommissioning liabilities and retirement obligations		**4,476**	4,375
Other non-current liabilities		**2,751**	2,848
		75,567	75,871
Equity and non-current liabilities		**191,197**	191,565

Andrew Brandler
Vice Chairman

Richard Lancaster
Chief Executive Officer

Nicolas Tissot
Chief Financial Officer

Hong Kong, 7 August 2023

The notes on pages 38 to 54 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 2023

	Attributable to Shareholders			Perpetual	Other Non-	
	Share Capital HK$M	Reserves HK$M	Total HK$M	Capital Securities HK$M	controlling Interests HK$M	Total Equity HK$M
Balance at 1 January 2023	23,243	82,255	105,498	3,887	6,309	115,694
Profit for the period	–	5,060	5,060	70	418	5,548
Other comprehensive income for the period	–	(384)	(384)	–	(20)	(404)
Transfer to fixed assets	–	9	9	–	4	13
Dividends paid						
2022 fourth interim	–	(3,057)	(3,057)	–	–	(3,057)
2023 first interim	–	(1,592)	(1,592)	–	–	(1,592)
Distributions to perpetual capital securities holders	–	–	–	(70)	–	(70)
Dividends paid to other non-controlling interests	–	–	–	–	(502)	(502)
Balance at 30 June 2023	**23,243**	**82,291**	**105,534**	**3,887**	**6,209**	**115,630**
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

The notes on pages 38 to 54 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Cash Flows – Unaudited

for the six months ended 30 June 2023

	2023		2022	
	HK$M	**HK$M**	HK$M	HK$M
Operating activities				
Net cash inflow / (outflow) from operations	**7,500**		(1,698)	
Interest received	**76**		47	
Income tax paid	**(1,654)**		(1,127)	
Net cash inflow / (outflow) from operating activities		**5,922**		(2,778)
Investing activities				
Capital expenditure	**(5,573)**		(6,598)	
Capitalised interest and other finance costs paid	**(309)**		(170)	
Proceeds from disposal of fixed assets	**10**		5	
Additions of other intangible assets	**(328)**		(152)	
Prepayment for purchase of a property	**–**		(338)	
Increase in other financial assets	**(37)**		(42)	
Increase in investments in and loans to joint ventures	**(245)**		(578)	
Decrease in investments in and loans to joint ventures	**5**		–	
Proceeds from sale of a joint venture	**1,623**		–	
Dividends received from				
Joint ventures	**50**		230	
Associates	**1,022**		1,022	
Equity investments	**1**		–	
Decrease in bank deposits with maturities of more than three months	**–**		54	
Net cash outflow from investing activities		**(3,781)**		(6,567)
Net cash inflow / (outflow) before financing activities		**2,141**		(9,345)
Financing activities				
Proceeds from long-term borrowings	**8,397**		14,991	
Repayment of long-term borrowings	**(4,487)**		(5,164)	
(Decrease) / increase in short-term borrowings	**(1,631)**		2,140	
Payment of principal portion of lease liabilities	**(143)**		(132)	
Interest and other finance costs paid	**(806)**		(877)	
Settlement of derivative financial instruments	**(139)**		(21)	
Increase in advances from other non-controlling interests	**9**		147	
Distributions paid to perpetual capital securities holders	**(70)**		(69)	
Dividends paid to shareholders	**(4,649)**		(4,649)	
Dividends paid to other non-controlling interests	**(502)**		(488)	
Net cash (outflow) / inflow from financing activities		**(4,021)**		5,878
Net decrease in cash and cash equivalents		**(1,880)**		(3,467)
Cash and cash equivalents at beginning of period		**4,251**		8,199
Effect of exchange rate changes		**(32)**		(161)
Reclassification to disposal group held for sale		**–**		(917)
Cash and cash equivalents at end of period		**2,339**		3,654

The notes on pages 38 to 54 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 and Australia, and investment holding of power projects in Mainland China, India, Taiwan Region and Thailand.

The financial operations of the Company's major subsidiaries, CLP Power Hong Kong Limited (CLP Power) and Castle Peak Power Company Limited (CAPCO) (collectively referred to as the 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 305 and 306 of the 2022 Annual Report.

The condensed consolidated interim financial statements were approved for issue by the Board of Directors on 7 August 2023.

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 2022, except for the adoption of the amendments to HKASs and Hong Kong Financial Reporting Standards (HKFRS) for the current accounting period as set out below:

- Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies
- Amendments to HKAS 8 Definition of Accounting Estimates
- Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 financial information relating to the year ended 31 December 2022 that is included in the 2023 Interim Report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with Section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 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 2022 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. 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	
	2023	2022
	HK$M	HK$M
Revenue from contracts with customers		
Sales of electricity in Hong Kong	**23,637**	21,876
Transfer for SoC to revenue (note)	**492**	592
SoC sales of electricity	**24,129**	22,468
Sales of electricity outside Hong Kong	**15,259**	20,368
Sales of gas in Australia	**2,742**	2,273
Sales of properties in Hong Kong	**498**	–
Others	**515**	626
	43,143	45,735
Other revenue		
Power purchase agreements		
Capacity charge	**–**	369
Energy charge	**–**	1,308
Others	**159**	182
	159	1,859
	43,302	47,594

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.

4. Segment Information

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

	Hong Kong HK$M	Mainland China HK$M	Australia HK$M	India (Note 5(a)) HK$M	Taiwan Region and Thailand HK$M	Unallocated Items HK$M	Total HK$M
Six months ended 30 June 2023							
Revenue from contracts with customers	25,059	927	17,154	–	2	1	43,143
Other revenue	67	42	45	–	–	5	159
Revenue	25,126	969	17,199	–	2	6	43,302
EBITDAF	8,759	825	481	(7)	(3)	(501)	9,554
Share of results, net of income tax							
Joint ventures	(10)	136	–	429	105	–	660
Associates	–	1,271	–	–	–	–	1,271
Consolidated EBITDAF	8,749	2,232	481	422	102	(501)	11,485
Depreciation and amortisation	(2,780)	(408)	(1,147)	–	–	(23)	(4,358)
Fair value adjustments	(15)	–	44	–	–	–	29
Finance costs	(653)	(108)	(258)	–	–	(13)	(1,032)
Finance income	96	6	9	4	–	14	129
Profit / (loss) before income tax	5,397	1,722	(871)	426	102	(523)	6,253
Income tax (expense) / credit	(790)	(225)	312	(1)	(1)	–	(705)
Profit / (loss) for the period	4,607	1,497	(559)	425	101	(523)	5,548
Earnings attributable to							
Perpetual capital securities holders	(70)	–	–	–	–	–	(70)
Other non-controlling interests	(413)	(5)	–	–	–	–	(418)
Earnings / (loss) attributable to shareholders	4,124	1,492	(559)	425	101	(523)	5,060
Excluding: Items affecting comparability	(88)	–	–	–	–	–	(88)
Operating earnings	4,036	1,492	(559)	425	101	(523)	4,972
At 30 June 2023							
Fixed assets, right-of-use assets and investment property	134,451	8,988	12,969	–	–	164	156,572
Goodwill and other intangible assets	5,652	3,252	9,391	–	–	–	18,295
Interests in and loans to joint ventures	2,144	4,919	–	3,580	1,661	–	12,304
Interests in associates	–	8,480	–	–	–	–	8,480
Deferred tax assets	5	78	1,963	–	–	–	2,046
Other assets	14,894	5,152	16,175	4	94	918	37,237
Total assets	157,146	30,869	40,498	3,584	1,755	1,082	234,934
Bank loans and other borrowings	51,164	5,003	5,061	–	–	–	61,228
Current and deferred tax liabilities	15,865	1,239	14	–	31	–	17,149
Other liabilities	25,638	980	13,943	–	2	364	40,927
Total liabilities	92,667	7,222	19,018	–	33	364	119,304

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 discontinuation of cash flow hedges.

4. Segment Information (continued)

	Hong Kong HK$M	Mainland China HK$M	Australia HK$M	India (Note 5(a)) HK$M	Taiwan Region and Thailand 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 31 December 2022							
Fixed assets, right-of-use assets and investment property	132,791	9,158	13,628	–	–	181	155,758
Goodwill and other intangible assets	5,545	3,396	9,510	–	–	–	18,451
Interests in and loans to joint ventures	1,910	5,138	–	3,106	1,594	–	11,748
Interests in associates	–	9,090	–	–	–	–	9,090
Deferred tax assets	3	83	2,046	–	–	–	2,132
Other assets	14,446	6,510	16,489	632	72	698	38,847
Total assets	154,695	33,375	41,673	3,738	1,666	879	236,026
Bank loans and other borrowings	48,559	5,531	5,127	–	–	–	59,217
Current and deferred tax liabilities	16,586	1,191	14	–	32	–	17,823
Other liabilities	26,856	931	15,002	3	2	498	43,292
Total liabilities	92,001	7,653	20,143	3	34	498	120,332

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, change in law and 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 5.

5. Operating Profit / (Loss)

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

	Six months ended 30 June	
	2023	2022
	HK$M	HK$M
Charging		
Retirement benefits costs	**236**	244
Variable lease expenses	**21**	10
Cost of properties sold	**392**	–
Net losses on disposal of fixed assets	**57**	85
Impairment of trade receivables	**128**	74
Revaluation loss on investment property	**–**	23
Loss on measurement of the disposal group [a]	**–**	1,635
Crediting		
Rental income from investment property	**(12)**	(12)
Dividends from equity investments	**(15)**	(14)
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	**(9)**	(336)
Fuel and other operating expenses	**(854)**	(772)
Ineffectiveness of cash flow hedge	**(15)**	64
Not qualified for hedge accounting	**794**	11,752
Fair value gains on investments at fair value through profit or loss	**(19)**	(16)
Net exchange (gains) / losses	**(7)**	365

Note:

(a) Upon entering into an agreement to sell 10% shareholding in Apraava Energy Private Limited (Apraava Energy), Apraava Energy was presented as a disposal group held for sale at 30 June 2022 and losses of HK$1,635 million (CLP's share: HK$986 million) on measurement of the disposal group to the lower of its carrying amount and its fair value less costs to sell were recognised as other charge in the statement of profit or loss. The transaction was completed in late December 2022, Apraava Energy then ceased to be a subsidiary and became a joint venture of the Group.

Net fair value gains / losses on derivative financial instruments not qualified for hedge accounting mainly related to the energy contracts of EnergyAustralia. For details, please refer to Financial Review on pages 6 and 8.

6. Finance Costs and Income

	Six months ended 30 June	
	2023	2022
	HK$M	HK$M
Finance costs		
Interest expenses on		
Bank loans and overdrafts	**518**	315
Other borrowings	**525**	569
Tariff Stabilisation Fund (note)	**45**	3
Customers' deposits	**21**	–
Lease liabilities	**21**	25
Net fair value changes on debt related derivative financial instruments		
Cash flow hedge		
Reclassified from cash flow hedge reserve	**67**	227
Reclassified from cost of hedging reserve	**(14)**	(8)
Ineffectiveness of cash flow hedges	**(7)**	(2)
Fair value hedge		
Net fair value losses	**63**	476
Reclassified from cost of hedging reserve	**1**	7
Ineffectiveness of fair value hedges	**(4)**	1
Not qualified for hedge accounting	**7**	(29)
Net fair value gains on hedged items in fair value hedges	**(63)**	(476)
Net exchange losses / (gains) on financing activities	**6**	(168)
Finance charges	**156**	112
	1,342	1,052
Less: amount capitalised	**(310)**	(183)
	1,032	869
Finance income		
Interest income on		
Bank deposits	**32**	20
Loans to joint ventures and others	**97**	57
	129	77

Note: In accordance with the provisions of the SoC Agreement, CLP Power 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.

7. Income Tax (Expense) / Credit

	Six months ended 30 June	
	2023	2022
	HK$M	HK$M
Current income tax expense	**(896)**	(750)
Deferred tax credit	**191**	3,544
	(705)	2,794

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 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.

8. Dividends

	Six months ended 30 June			
	2023		2022	
	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 7 August 2023, the Directors declared the second interim dividend of HK$0.63 per share (2022: HK$0.63 per share). The second interim dividend is not reflected as a dividend payable in the interim financial statements.

9. Earnings / (Loss) per Share

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

	Six months ended 30 June	
	2023	2022
Earnings / (loss) attributable to shareholders (HK$M)	**5,060**	(4,855)
Weighted average number of shares in issue (thousand shares)	**2,526,451**	2,526,451
Earnings / (loss) per share (HK$)	**2.00**	(1.92)

Basic and fully diluted earnings / (loss) per share are the same as the Company did not have any dilutive equity instruments throughout the six months ended 30 June 2023 and 2022.

10. Fixed Assets

	Freehold Land HK$M	**Buildings HK$M**	**Plant, Machinery and Equipment HK$M**	**Total HK$M**
Net book value at 1 January 2023	296	22,433	124,538	147,267
Additions	–	524	4,782	5,306
Transfers and disposals	–	(5)	(80)	(85)
Depreciation	–	(438)	(3,432)	(3,870)
Exchange differences	(5)	(84)	(451)	(540)
Net book value at 30 June 2023	**291**	**22,430**	**125,357**	**148,078**
Cost	367	38,451	235,881	274,699
Accumulated depreciation and impairment	(76)	(16,021)	(110,524)	(126,621)
Net book value at 30 June 2023	**291**	**22,430**	**125,357**	**148,078**

11. 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 2023	6,475	554	553	7,582
Additions	211	3	1	215
Depreciation	(104)	(52)	(25)	(181)
Exchange differences	(12)	(9)	(10)	(31)
Net book value at 30 June 2023	**6,570**	**496**	**519**	**7,585**

12. 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 2023	13,888	3,362	1,201	18,451
(Adjustments) / Additions	–	(1)	329	328
Amortisation	–	(141)	(166)	(307)
Exchange differences	(154)	–	(23)	(177)
Net carrying value at 30 June 2023	**13,734**	**3,220**	**1,341**	**18,295**
Cost	19,905	5,746	5,904	31,555
Accumulated amortisation and impairment	(6,171)	(2,526)	(4,563)	(13,260)
Net carrying value at 30 June 2023	**13,734**	**3,220**	**1,341**	**18,295**

Notes:

(a) Goodwill mainly arose from the acquisitions of energy retail business in Australia of HK$8,119 million (31 December 2022: HK$8,271 million) and the acquisition of CAPCO under Hong Kong electricity business of HK$5,545 million (31 December 2022: 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.

13. 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 2023 HK$M	2022 HK$M
Group's share of profit and total comprehensive income		
Apraava Energy (Note 5(a))	**429**	–
CSEC Guohua International Power Company Limited (CSEC Guohua)	**27**	51
OneEnergy Taiwan Ltd (OneEnergy Taiwan)	**90**	(130)
ShenGang Natural Gas Pipeline Company Limited (SNGPC)	**68**	88
Others	**46**	24
	660	33

	Apraava Energy HK$M	CSEC Guohua HK$M	HKLTL HK$M	OneEnergy Taiwan HK$M	SNGPC HK$M	Others HK$M	Total HK$M
At 30 June 2023							
Group's share of net assets	**3,580**	**2,204**	**–**	**1,482**	**979**	**1,947**	**10,192**
Goodwill	**–**	**–**	**–**	**–**	**–**	**30**	**30**
Interests in joint ventures	**3,580**	**2,204**	**–**	**1,482**	**979**	**1,977**	**10,222**
Loans to joint ventures	**–**	**–**	**2,064** (note)	**–**	**–**	**18**	**2,082**
	3,580	**2,204**	**2,064**	**1,482**	**979**	**1,995**	**12,304**
At 31 December 2022							
Group's share of net assets	3,106	2,255	–	1,404	1,087	1,994	9,846
Goodwill	–	–	–	–	–	35	35
Interests in joint ventures	3,106	2,255	–	1,404	1,087	2,029	9,881
Loans to joint ventures	–	–	1,850 (note)	–	–	17	1,867
	3,106	2,255	1,850	1,404	1,087	2,046	11,748

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. At 30 June 2023, outstanding committed shareholder's loan facilities by the Group as 70% shareholder of HKLTL amounted to HK$218 million (31 December 2022: HK$296 million).

The Group's capital, lease and other commitments in relation to its interests in joint ventures are disclosed in Notes 21(C) and (D).

14. Interests in Associates

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

	Six months ended 30 June 2023 HK$M	2022 HK$M
Group's share of profit and total comprehensive income		
Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC)	**547**	490
Yangjiang Nuclear Power Co., Ltd. (Yangjiang Nuclear)	**724**	645
	1,271	1,135

	30 June 2023 HK$M	31 December 2022 HK$M
Group's share of net assets		
GNPJVC	**1,330**	1,796
Yangjiang Nuclear	**7,150**	7,294
	8,480	9,090

The Group's share of capital commitments in relation to its interests in associates are disclosed in Note 21(D).

15. Derivative Financial Instruments

	30 June 2023		31 December 2022	
	Assets HK$M	**Liabilities HK$M**	Assets HK$M	Liabilities HK$M
Cash flow hedges				
Forward foreign exchange contracts	**48**	**109**	3	207
Cross currency interest rate swaps	**–**	**1,352**	33	1,011
Interest rate swaps	**65**	**–**	59	–
Energy contracts	**4,734**	**577**	3,152	599
Fair value hedges				
Cross currency interest rate swaps	**2**	**445**	6	377
Interest rate swaps	**–**	**70**	–	80
Not qualified for hedge accounting				
Forward foreign exchange contracts	**13**	**82**	20	83
Energy contracts	**654**	**3,698**	777	4,358
	5,516	**6,333**	4,050	6,715
Current	**3,737**	**4,969**	2,107	5,310
Non-current	**1,779**	**1,364**	1,943	1,405
	5,516	**6,333**	4,050	6,715

16. Trade and Other Receivables

	30 June 2023 HK$M	31 December 2022 HK$M
Trade receivables	**14,281**	10,504
Deposits, prepayments and other receivables #	**2,830**	6,499
Dividend receivables from		
Joint ventures	**214**	76
An associate	**805**	228
Equity investments	**14**	–
Current accounts with		
Joint ventures	**7**	6
An associate	**1**	1
	18,152	17,314

Including EnergyAustralia's futures margin account of HK$1.0 billion (31 December 2022: HK$3.4 billion) and the consideration receivable from the sale of CLP Guangxi Fangchenggang Power Company Limited of HK$0.1 billion (31 December 2022: HK$1.7 billion).

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

	30 June 2023 HK$M	31 December 2022 HK$M
30 days or below *	**13,208**	9,257
31 – 90 days	**442**	585
Over 90 days	**631**	662
	14,281	10,504

* Including unbilled revenue

17. Trade Payables and Other Liabilities

	30 June 2023 HK$M	31 December 2022 HK$M
Trade payables (a)	**6,048**	6,511
Other payables and accruals	**8,119**	8,868
Lease liabilities (b)	**225**	229
Advances from non-controlling interests	**869**	860
Current accounts with		
Joint ventures	**2**	2
An associate	**724**	359
Deferred revenue	**2,410**	2,798
	18,397	19,627

17. Trade Payables and Other Liabilities (continued)

Notes:

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

	30 June 2023 HK$M	31 December 2022 HK$M
30 days or below	**5,799**	6,345
31 – 90 days	**197**	144
Over 90 days	**52**	22
	6,048	6,511

(b) At 30 June 2023, the non-current portion of lease liabilities of HK$634 million (31 December 2022: HK$726 million) was included under other non-current liabilities.

18. Bank Loans and Other Borrowings

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

	Bank Loans		**Other Borrowings ***		**Total**	
	30 June 2023 HK$M	31 December 2022 HK$M	**30 June 2023 HK$M**	31 December 2022 HK$M	**30 June 2023 HK$M**	31 December 2022 HK$M
Within one year	**11,429**	8,275	**1,419**	3,039	**12,848**	11,314
Between one and two years	**6,296**	5,728	**2,666**	880	**8,962**	6,608
Between two to five years	**6,566**	5,866	**9,392**	11,742	**15,958**	17,608
Over five years	**3,556**	3,870	**19,904**	19,817	**23,460**	23,687
	27,847	23,739	**33,381**	35,478	**61,228**	59,217

* Representing Medium Term Notes

At 30 June 2023, the Group had undrawn bank loans and overdraft facilities of HK$31.2 billion (31 December 2022: HK$31.6 billion).

19. SoC Reserve Accounts

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

	30 June 2023 HK$M	31 December 2022 HK$M
Tariff Stabilisation Fund	**2,214**	2,928
Rate Reduction Reserve	**45**	40
Rent and Rates Refunds (note)	**–**	126
	2,259	3,094

Note: In settlement of the appeals against the amounts of Government rent and rates levied for the assessment years from 2001/02 to 2021/22, CLP Power had received refunds totalling HK$3,031 million from the Hong Kong Government. Using the total amount of refunds received, CLP Power provided customers with the Rent and Rates Special Rebate. At 30 June 2023, all the rent and rates refunds received have been provided to customers through the Rent and Rates Special Rebate.

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

20. 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 2023	(7,119)	2,233	(152)	2,194	85,099	82,255
Earnings attributable to shareholders	–	–	–	–	5,060	5,060
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	(634)	(54)	–	–	54	(634)
Joint ventures	(164)	–	–	–	–	(164)
Associates	(240)	–	–	–	–	(240)
Cash flow hedges						
Net fair value gains	–	1,804	–	–	–	1,804
Reclassification to profit or loss	–	(792)	–	–	–	(792)
Tax on the above items	–	(344)	–	–	–	(344)
Costs of hedging						
Net fair value losses	–	–	(14)	–	–	(14)
Reclassification to profit or loss	–	–	8	–	–	8
Tax on the above items	–	–	1	–	–	1
Fair value gains on investments	–	–	–	4	–	4
Remeasurement losses on defined benefit plans	–	–	–	–	(13)	(13)
Release of revaluation gains upon sale of properties	–	–	–	(266)	266	–
Total comprehensive income attributable to shareholders	(1,038)	614	(5)	(262)	5,367	4,676
Transfer to fixed assets	–	9	–	–	–	9
Appropriation of reserves	–	–	–	33	(33)	–
Dividends paid						
2022 fourth interim	–	–	–	–	(3,057)	(3,057)
2023 first interim	–	–	–	–	(1,592)	(1,592)
Balance at 30 June 2023	**(8,157)**	**2,856**	**(157)**	**1,965**	**85,784**	**82,291**
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

21. Commitments

(A) Capital expenditure on fixed assets, leasehold land and intangible assets contracted for but not yet incurred at 30 June 2023 amounted to HK$9,745 million (31 December 2022: HK$9,686 million).

(B) At 30 June 2023, 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 2023, the expected undiscounted contractual lease payments under this agreement were approximately HK$1.9 billion (31 December 2022: HK$1.9 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 the second half of 2023. At 30 June 2023, the expected undiscounted contractual lease payments under these agreements were approximately HK$0.4 billion (31 December 2022: HK$0.4 billion).

(C) At 30 June 2023, equity contributions to be made for joint ventures and private equity partnerships were HK$193 million (31 December 2022: HK$199 million) and HK$130 million (31 December 2022: HK$163 million) respectively.

(D) At 30 June 2023, the Group's share of capital, lease and other commitments of its joint ventures and associates were HK$4,230 million (31 December 2022: HK$4,190 million) and HK$604 million (31 December 2022: HK$638 million) respectively.

22. Related Party Transactions

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

(A) For the six months ended 30 June 2023, the purchases of nuclear electricity from Guangdong Daya Bay Nuclear Power Station amounted to HK$3,731 million (2022: HK$3,324 million).

(B) The loans and shareholder's loan facilities to joint ventures are disclosed under Note 13. Other amounts due from and to the related parties at 30 June 2023 are disclosed in Notes 16 and 17 respectively. At 30 June 2023, the Group did not have any guarantees which were of a significant amount given to or received from these entities (31 December 2022: nil).

22. Related Party Transactions (continued)

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

	Six months ended 30 June 2023 HK$M	2022 HK$M
Fees	**7**	7
Recurring remuneration items (note)		
Base compensation, allowances & benefits	**30**	30
Performance bonus		
Annual incentive	**21**	26
Long-term incentive	**20**	25
Provident fund contribution	**6**	6
Non-recurring remuneration items (note)		
Other payments	**–**	8
	84	102

Note: Refer to remuneration items on page 27 under Corporate Governance.

Key management personnel at 30 June 2023 comprised thirteen (30 June 2022: twelve) Non-executive Directors, one (30 June 2022: one) Executive Director and nine (30 June 2022: nine) senior management personnel.

23. 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 2023				
Financial assets				
Investments at fair value through other comprehensive income	**269**	**–**	**35**	**304**
Investments at fair value through profit or loss	**2**	**–**	**725**	**727**
Forward foreign exchange contracts	**–**	**61**	**–**	**61**
Cross currency interest rate swaps	**–**	**2**	**–**	**2**
Interest rate swaps	**–**	**65**	**–**	**65**
Energy contracts	**2,199**	**781**	**2,408**	**5,388**
	2,470	**909**	**3,168**	**6,547**
Financial liabilities				
Forward foreign exchange contracts	**–**	**191**	**–**	**191**
Cross currency interest rate swaps	**–**	**1,797**	**–**	**1,797**
Interest rate swaps	**–**	**70**	**–**	**70**
Energy contracts	**3,204**	**1,010**	**61**	**4,275**
	3,204	**3,068**	**61**	**6,333**

23. 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 2022				
Financial assets				
Investments at fair value through other comprehensive income	265	–	35	300
Investments at fair value through profit or loss	2	–	676	678
Forward foreign exchange contracts	–	23	–	23
Cross currency interest rate swaps	–	39	–	39
Interest rate swaps	–	59	–	59
Energy contracts	252	1,596	2,081	3,929
	519	1,717	2,792	5,028
Financial liabilities				
Forward foreign exchange contracts	–	290	–	290
Cross currency interest rate swaps	–	1,388	–	1,388
Interest rate swaps	–	80	–	80
Energy contracts	3,702	1,155	100	4,957
	3,702	2,913	100	6,715

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 2023 and 2022, there were no transfers between Level 1 and Level 2.

You may refer to page 301 of the 2022 Annual Report for the definitions of Levels 1, 2 and 3.

(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
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	Brokers' quotes and observable exchange traded swap and cap price curves; and long term forward electricity price and cap price curves

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

(B) Valuation techniques used to determine fair values (continued)

The significant unobservable inputs of energy contracts used for fair value measurement included long term forward electricity price and cap price curve. 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 an internally generated long term forward electricity price and cap price curve which is 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 curve is performed by the CFO-EA and ARC-EA annually due to the lack of market liquidity. 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 2023			Six months ended 30 June 2022		
	Investments HK$M	**Energy Contracts HK$M**	**Total HK$M**	Investments HK$M	Energy Contracts HK$M	Total HK$M
Opening balance	**711**	**1,981**	**2,692**	565	847	1,412
Total gains / (losses) recognised in						
Profit or loss and presented in fuel and other operating expenses (note)	**16**	**192**	**208**	19	533	552
Other comprehensive income	**(5)**	**438**	**433**	(2)	3,819	3,817
Purchases	**38**	**–**	**38**	37	–	37
Settlements	**–**	**(264)**	**(264)**	–	(900)	(900)
Closing balance	**760**	**2,347**	**3,107**	619	4,299	4,918

Note: Out of which, unrealised gains recognised in profit or loss relating to the assets and liabilities held at 30 June 2023 was HK$289 million (2022: HK$307 million).

The valuation of long tenure energy contracts is sensitive to electricity pool price assumptions. The sensitivities to the balance of the energy contracts, with all other variables held constant, are disclosed as follows:

	30 June 2023 HK$M	31 December 2022 HK$M
Balance of Level 3 energy contracts would increase if		
Electricity prices were 15% higher (31 December 2022: 15%)	**837**	836
Electricity prices were 30% higher (31 December 2022: 30%)	**1,673**	1,688
Balance of Level 3 energy contracts would decrease if		
Electricity prices were 15% lower (31 December 2022: 15%)	**(820)**	(844)
Electricity prices were 30% lower (31 December 2022: 30%)	**(1,638)**	(1,677)

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 32 to 54 which comprise the consolidated statement of financial position of CLP Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2023 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 material accounting policy information 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, 7 August 2023

Scheme of Control Statement – Unaudited

The electricity related operations of CLP Power and CAPCO have been governed by the SoC Agreement with the Hong Kong Government, a summary of which is set out on pages 305 and 306 of the 2022 Annual Report. The calculations shown below are in accordance with the SoC and the agreements between the SoC Companies.

	Six months ended 30 June	
	2023	2022
	HK$M	HK$M
SoC revenue	**23,712**	21,940
Expenses		
Operating costs	**2,408**	2,413
Fuel	**10,217**	8,926
Purchases of nuclear electricity	**2,954**	2,738
Provision for asset decommissioning	**53**	61
Depreciation	**2,737**	2,771
Operating interest	**493**	369
Taxation	**788**	741
	19,650	18,019
Profit after taxation	**4,062**	3,921
Interest on increase in customers' deposits	**15**	–
Interest on borrowed capital	**728**	499
Profit for SoC	**4,805**	4,420
Transfer from Tariff Stabilisation Fund	**545**	653
Permitted return	**5,350**	5,073
Deduct interest on		
Increase in customers' deposits as above	**15**	–
Borrowed capital as above	**728**	499
Tariff Stabilisation Fund to Rate Reduction Reserve	**45**	3
	788	502
Net return	**4,562**	4,571
Divisible as follows:		
CLP Power	**3,014**	3,033
CAPCO	**1,548**	1,538
	4,562	4,571
CLP Power's share of net return		
CLP Power	**3,014**	3,033
Interest in CAPCO	**1,084**	1,077
	4,098	4,110

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 as well as key business operations [1] in each CLP market as of 30 June 2023.

Hong Kong	Mainland China	Australia	India	Taiwan Region and Thailand	Total
8,268MW	7,036MW	5,789MW	1,699MW	285MW	23,077MW

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 over **2.77 million customer accounts** in Kowloon, the New Territories and most of Hong Kong's outlying islands	Hong Kong	100%	–	–
Transmission and Distribution				
555 km of 400kV lines, 1,657 km of 132kV lines, 22 km of 33kV lines and 14,593 km of 11kV lines 68,778 MVA transformers, 241 primary and 15,479 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 of 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 of a 20 km pipeline (including subsea portion of 19 km) 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 liquified natural gas terminal in Hong Kong 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 purposes	Hong Kong	70%	300MW	300MW
West New Territories Landfill Gas Power Generation Project, comprising of 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. Assets in the Hong Kong section are under the Scheme of Control Agreement (except Hong Kong Branch Line).

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 [5]	Shandong	45%	37.5MW	17MW
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
Xundian II Wind Farm [6]	Yunnan	100%	50MW	50MW
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 [7]				
Jinchang Solar Power Station	Gansu	100%	85MW	85MW
Meizhou Solar Power Station	Guangdong	100%	36.1MW	36.1MW
Huai'an Solar Power Station	Jiangsu	100%	12.8MW	12.8MW
Sihong Solar Power Station	Jiangsu	100%	93.4MW	93.4MW
Yangzhou Gongdao Solar Power Station [8]	Jiangsu	100%	80MW	80MW
Lingyuan Solar Power Station	Liaoning	100%	17MW	17MW [1]
Xicun I Solar Power Station	Yunnan	100%	42MW	42MW [1]
Xicun II Solar Power Station	Yunnan	100%	42MW	42MW
Coal				
Beijing Yire Power Station [9]	Beijing	30%	–	–
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 [10]	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 March 2022.

5 The gross capacity of Huadian Laizhou I project was reduced to 37.5MW from 40.5MW in 2023 following the decommissioning of two wind turbines.

6 Xundian II Wind Farm commenced commercial operation in March 2023.

7 Gross / CLP Equity MW of solar power projects are expressed on an alternating current (AC) basis unless specified otherwise.

8 Preparation work for construction of Yangzhou Gongdao Solar Power Station commenced in December 2022. The greenfield project was acquired by CLP in 2022 with registered capacity of up to 80MW.

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

10 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 Yangzhou Gongdao Solar Power Station	Jiangsu	100%	8MW	8MW
Battery energy storage system co-located with Qian'an III Wind Farm	Jilin	100%	5MW	5MW
Battery energy storage system co-located with Xundian II Wind Farm	Yunnan	100%	5MW	5MW
Others				
Fangchenggang Incremental Distribution Network [11]	Guangxi	22.05%	–	–
Po Park Centralised Cooling System	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 **2.44 million customer accounts**	New South Wales, Queensland, South Australia and Victoria	100%	–	–
Wind				
Cathedral Rocks Wind Farm [12]	South Australia	50%	62MW	31MW
Gas				
Tallawarra Gas-fired Power Station [13], including the Tallawarra B plant under construction	New South Wales	100%	740MW	740MW
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	1,430MW
Yallourn Coal-fired Power Station and Brown Coal Open-cut Mine	Victoria	100%	1,480MW	1,480MW
Renewable Energy Long-term Purchase [14]				
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 [15]	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%	–	–

11 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.

12 The gross capacity of Cathedral Rocks Wind Farm was reduced to 62MW from 64MW following fire damage to a wind turbine in January 2023.

13 Construction of the Tallawarra B plant, with generation capacity of 320MW, is expected to be completed in time for the 2023/24 Australian summer.

14 Relates to long-term power purchase from wind and solar farms in which CLP has neither equity nor operational control.

15 EnergyAustralia's power purchase agreement on the Mortons Lane Wind Farm ended on 30 June 2023.

India [16]

Assets and Services	Location	CLP's Equity Interest	Gross Capacity	CLP's Equity Capacity
Wind				
Mahidad Wind Farm	Gujarat	50%	50.4MW	25.2MW
Samana I Wind Farm	Gujarat	50%	50.4MW	25.2MW
Samana II Wind Farm	Gujarat	50%	50.4MW	25.2MW
Sidhpur Wind Farm [17]	Gujarat	50%	251MW	125.4MW
Harapanahalli Wind Farm	Karnataka	50%	39.6MW	19.8MW
Saundatti Wind Farm	Karnataka	50%	72MW	36MW
Chandgarh Wind Farm	Madhya Pradesh	50%	92MW	46MW
Andhra Lake Wind Farm	Maharashtra	50%	106.4MW	53.2MW
Jath Wind Farm	Maharashtra	50%	60MW	30MW
Khandke Wind Farm	Maharashtra	50%	50.4MW	25.2MW
Bhakrani Wind Farm	Rajasthan	50%	102.4MW	51.2MW
Sipla Wind Farm	Rajasthan	50%	50.4MW	25.2MW
Tejuva Wind Farm	Rajasthan	50%	100.8MW	50.4MW
Theni I Wind Farm	Tamil Nadu	50%	49.5MW	24.8MW
Theni II Wind Farm	Tamil Nadu	50%	48MW	24MW
Solar [7]				
Gale Solar Farm	Maharashtra	50%	50MW	25MW
Tornado Solar Farm	Maharashtra	50%	20MW	10MW
Cleansolar Renewable Energy Private Limited	Telangana	50%	30MW	15MW
Divine Solren Private Limited	Telangana	50%	50MW	25MW
Veltoor Solar Farm	Telangana	50%	100MW	50MW
Gas				
Paguthan Power Station [18], a combined-cycle gas-fired power plant designed to run on natural gas with naphtha as alternate fuel	Gujarat	50%	655MW	327.5MW
Coal				
Jhajjar Power Station, comprising two 660MW supercritical coal-fired units	Haryana	50%	1,320MW	660MW
Transmission				
Satpura Transco Private Ltd., which runs a 240 km 400kV double circuit intra-state transmission line	Madhya Pradesh	50%	–	–
Kohima-Mariani Transmission Ltd., which runs a 254 km 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	37%[19]	–	–

Taiwan Region and Thailand

Assets and Services	Location	CLP's Equity Interest	Gross Capacity	CLP's Equity Capacity
Solar [7]				
Lopburi Solar Farm	Thailand	33.3%	63MW	21MW
Coal				
Ho-Ping Power Station	Taiwan Region	20%	1,320MW	264MW

16 CLP completed the divestment of an additional 10% equity in Apraava Energy in December 2022. Following the transaction, CLP and CDPQ each have 50% ownership of Apraava Energy.

17 Commissioning of the Sidhpur wind project began in phases starting from April 2023.

18 Paguthan Power Station did not undertake any significant commercial generation in 2023.

19 Apraava Energy increased its ownership of Kohima-Mariani Transmission Ltd. to 74% after acquiring a further 25% stake in February 2023.

Information for Our Investors

Key Dates for 2023 Interim Results and Second Interim Dividend

Publication dates

Interim results and second interim dividend announcement	7 August 2023
Interim report available online:	14 August 2023

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

Interim report posted to shareholders	22 August 2023

Dividend-related dates

Ex-dividend date	4 September 2023
Latest time for lodging share transfer documents for registration	5 September 2023 (Not later than 4:30 p.m.)
Book close date	6 September 2023
Payment date	15 September 2023

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

Company's Registrars

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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.

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