中電控股有限公司
CLP Holdings Limited
(incorporated in Hong Kong with limited liability)
(Stock Code: 00002)

Quarterly Statement 2024 (January – March)

To Shareholders:

The operations of CLP Holdings Limited (the Company) for the three months ended 31 March 2024 are summarised in this Quarterly Statement.

Hong Kong

Electricity sales by CLP Power Hong Kong Limited (CLP Power) increased to 7,279 gigawatt hours (GWh) in the first quarter, 3.7% higher than during the same period in 2023. Warmer weather lifted power demand and a leap year day in February contributed to increased year-on-year consumption in all sectors. The following table shows sales by sector and year-on-year changes:

	Sales by Sector (GWh)	Increase	% of Total Sales
Residential	1,841	2.8%	25%
Commercial	2,915	3.7%	40%
Infrastructure and Public Services	2,183	5.0%	30%
Manufacturing	340	1.8%	5%

As Hong Kong's economy continues its recovery from the impacts of the pandemic, CLP Power maintained prudent cost controls and a diversified fuel strategy to ensure customers continue to have access to electricity at a reasonable cost. International fuel prices have continued to fall from their peak and CLP Power lowered its monthly Fuel Cost Adjustment to 43.9 cents per unit of electricity in May 2024, driving a further 1.7% reduction in the Average Net Tariff since the beginning of this year, following a 7.4% drop between January 2023 and January 2024. To provide additional relief to customers in need, support measures including electricity subsidies will be provided to underprivileged groups such as elderly people, low-income families, people with disabilities and tenants of subdivided units, backed by over HK$200 million allocated from the CLP Community Energy Saving Fund (CESF) in 2024. Another support measure is the HK$58 million CLP Retail and Catering Coupons programme to provide nearly 580,000 households with coupons of HK$100 each to spend at over 2,500 participating retail and catering outlets, helping to boost local consumer spending. CLP Power will also leverage the coupons programme as part of its ongoing efforts to promote energy saving and decarbonisation to customers and the wider public in Hong Kong.

At Black Point Power Station, the new 600 megawatt (MW) D2 gas-fired generation unit went into operation in April after completing construction. This will further accelerate the decarbonisation of Hong Kong's power supply and support the gradual retirement of coal-fired units at Castle Peak A Power Station. CLP Power is also upgrading the Clean Energy Transmission System (CETS) overhead line circuits connecting Hong Kong and Mainland China, enabling the potential increased imports of zero-carbon energy when work is completed in mid-decade. Under the 2024-2028 Development Plan, CLP Power is continuing to invest in its electricity supply systems in support of the Government's infrastructure and housing development plans in Hong Kong.

CLP Power continued its support for the development of renewable energy in Hong Kong with the launch of the new CLP Solar Grant Programme this year. The CESF-backed initiative will provide subsidies of up to HK$100,000 for schools and non-governmental organisations to install solar energy systems, while promoting the importance of decarbonisation and sustainable lifestyles to students and young people. Meanwhile, power capacity approved under the existing Renewable Energy Feed-in Tariff scheme rose to 387MW by the end of March, equivalent to the annual electricity consumption of 95,500 households.

To support the continued growth of electric vehicles (EVs), which now account for around 9% of all vehicles on Hong Kong roads, CLP Power has provided technical support to applicants for funding to install EV charging-enabled infrastructure for around 136,000 parking spaces in private residential premises under the Government's EV-charging at Home Subsidy Scheme before applications closed in December 2023.

CLP Power continued to provide professional support and technical advice to commercial and industrial customers to decarbonise their operations through electrification and energy-saving projects. These projects result in energy efficiency improvements that may give customers access to lower-cost capital through sustainability-linked loans from organisations that partner with CLP Power.

Digitalisation is a priority for CLP Power. Smart meters are being installed for all residential and small-medium enterprise customers, giving them access to timely consumption data and more personalised energy services. By the end of the first quarter, more than 2.33 million smart meters were connected, accounting for 81% of homes and businesses in the CLP Power supply area. Customers can meanwhile learn about sustainable living through a new metaverse-based platform called CLP TomorroVerse.

In recent months, there have been some operational events including short power interruptions and interference to our high-voltage overhead power supply system in the New Territories resulting in momentary voltage dips. CLP Power is committed to providing a safe and reliable electricity supply and makes every effort to minimise the impact of any power incidents on customers. Any such incidents are intensively investigated, and necessary improvement actions are in place to help minimise the chance of similar incidents from happening in the future.

CLP*e*, the Group's energy infrastructure and solutions subsidiary, supported the Hong Kong Sports Institute to implement an intelligent building information management system to improve facilities maintenance. CLP*e* also won a project to provide smart home technology for a new residential development in Hong Kong, enabling users to manage energy consumption from home appliances including lighting and air-conditioners.

Mainland China

CLP China posted stable performance in its non-carbon energy portfolio in the first quarter. Daya Bay Nuclear Power Station and Yangjiang Nuclear Power Station in Guangdong province maintained safe and reliable electricity generation. Output from Yangjiang was lower than a year earlier after more scheduled outages were carried out in the first quarter. Following the completion of a large-scale planned outage at one of its two generation units in January 2024, Daya Bay started similar maintenance works at the other unit as the plant entered its 30th year of service.

Wind energy generation increased compared with the same period last year thanks to contributions from the new Xundian II plant in Yunnan province, while wind resources improved for assets in Shandong. Solar energy output remained stable, with hydro generation benefitting from improved water resources in Guangdong.

Development of CLP China's renewable energy projects maintained momentum in the first quarter with construction starting at the 100MW Sandu II Wind Farm in Guizhou province, while works on the 100MW Yixing and 100MW Huai'an Caoyun solar projects in Jiangsu province are scheduled to begin in the second quarter. The 150MW Bobai Wind Farm in Guangxi Zhuang Autonomous Region is due to go into service by the end of the year.

The Chinese Government unveiled new measures to accelerate green economic development at the National People's Congress in March, including initiatives to drive energy conservation and consumption of low-carbon energy. The favourable policy environment continues to generate opportunities for CLP China and CLP*e* to grow their sustainable energy businesses as the Chinese economy decarbonises.

Australia

The operations of EnergyAustralia's generation portfolio continued to improve. Generation at Mount Piper Power Station in New South Wales rose from the same period in 2023, as first quarter utilisation increased to 47% from 38% a year earlier. The plant benefitted from improved fuel deliveries after reaching a new agreement with the coal supplier last year.

Availability at Yallourn Power Station in Victoria increased slightly from a year earlier, benefitting from an ongoing two-year maintenance programme that began in 2023 to ensure the plant operates efficiently until its retirement in 2028. Two of Yallourn's four generation units have completed major planned outages under the programme and similar maintenance works are scheduled for the other two units this year. Margins at both Mount Piper and Yallourn improved due to higher realised prices for electricity sales with the roll-off of lower-priced forward contracts.

EnergyAustralia's gas-fired generation assets maintained high levels of reliability and availability, although output was lower due to weak market demand. Commissioning works are materially complete at Tallawarra B Power Station. The 320MW fast-start peaking generator in New South Wales is designed to be capable of running on a mixture of natural gas and hydrogen, bolstering supply reliability in the electricity market. An upgrade of the adjacent Tallawarra A Power Station will be carried out this year to increase its generation capacity from 440MW to 480MW and enable the plant to support the use of hydrogen.

Customer accounts at EnergyAustralia declined by about 16,000, or around 0.7%, in the first quarter, reflecting intense competition in the retail energy market. Margins in the Customer business were also affected by increased bad and doubtful debt expenses. EnergyAustralia's customer churn rate remained below the market average, and the business is committed to providing competitive retail energy services while supporting customers affected by cost-of-living challenges.

In a widely publicised and warmly welcomed initiative, EnergyAustralia announced in March a two-year partnership with Sydney Zoo including a 271 kilowatt solar energy system, comprising more than 600 solar panels. The solar system will help reduce energy costs and drive the transition to renewable energy by one of the city's most popular tourist attractions.

India

Apraava Energy, CLP's joint venture with CDPQ in India, continued to expand its presence in the country's low-carbon energy sectors. Following the success of securing the development rights for a 250MW solar project in the state of Rajasthan last year, Apraava Energy won the rights to develop another 300MW solar project in the state in the first quarter, with the power purchase agreement (PPA) expected to be signed in the first half. Construction work for the 250MW solar project, meanwhile, will commence in the second half after a PPA was signed in April.

After winning an auction to build a 300MW wind farm in the state of Karnataka in 2023, Apraava Energy is finalising land purchase arrangements before construction begins, with the plant expected to go into service in 2026. The 251MW Sidhpur wind farm in Gujarat state, meanwhile, has commissioned about 90% of its capacity with the remainder of the project due to enter service before June.

Generation from Apraava Energy's existing wind energy portfolio fell marginally year-on-year because of lower wind resources. Solar energy generation was stable with assets performing well. The Kohima-Mariani Transmission Limited interstate transmission line in northeast India and the Satpura Transco Private Limited intrastate line in Madhya Pradesh state both reported healthy operations.

In March, Apraava Energy won a project to build and operate an interstate transmission project in Rajasthan, comprising more than 190 kilometers of transmission lines and a 6,000 megavolt ampere substation, with construction due to begin in the second half. Apraava Energy continued to progress the development of three greenfield transmission projects it secured in 2023, including two projects in Rajasthan where construction is underway, while construction for the Madhya Pradesh project is scheduled to start in the second half.

In addition, Apraava Energy signed a new advanced metering infrastructure (AMI) contract to install more than 770,000 smart meters in the state of West Bengal. Apraava Energy was also awarded two new AMI projects in the states of Madhya Pradesh and Himachal Pradesh, each involving around 1 million smart meters. Meanwhile, the business continued to execute two other AMI projects involving the installation of more than 3 million smart meters in the states of Assam and Gujarat.

Apraava Energy previously signed an agreement with a local conglomerate to acquire a 250MW solar project in Rajasthan upon commissioning, subject to obtaining the necessary regulatory approvals from the Indian Government. Apraava Energy was recently notified that its request for approval was declined, and is working with the authorities to understand the nature of their concerns to find a satisfactory way forward.

Jhajjar Power Station, the only coal-fired asset owned by Apraava Energy, continued to perform well.

Taiwan Region and Thailand

Ho-Ping Power Station in the Taiwan region operated steadily through the first quarter and benefitted from lower coal costs. The plant has been affected by the earthquake that struck the east coast of Taiwan in April while there were no injuries to staff. One of Ho-Ping's two generation units has resumed operations following repairs, and the other unit is expected to return to service shortly. In Thailand, Lopburi Solar Farm continued its stable operations.

Annual General Meeting (AGM)

The twenty sixth AGM of the Company was held on 3 May 2024 and the results of the poll were published on the websites of the Company and The Stock Exchange of Hong Kong Limited on the same day. Minutes of the AGM and the proceedings of the meeting will be available at the Investor Relations section on the Company's website at www.clpgroup.com as soon as practicable.

First Interim Dividend

Today, the Board of Directors of the Company declared the first interim dividend for 2024 of HK$0.63 per share, same as the 2023 first interim dividend, payable on 14 June 2024 to Shareholders registered as at 4 June 2024. The dividend of HK$0.63 per share is payable on the existing 2,526,450,570 shares in issue.

The Register of Shareholders will be closed on 4 June 2024. To rank for the first interim dividend, all transfers should be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 3 June 2024.

The Hon Sir Michael Kadoorie
Chairman of the Board of Directors

Hong Kong, 13 May 2024

The Directors of the Company as at the date of this Quarterly Statement are:

Non-executive Directors:	The Hon Sir Michael Kadoorie, Mr Andrew Brandler, Mr Philip Kadoorie, Mrs Yuen So Siu Mai Betty and Mr Diego González Morales
Independent Non-executive Directors:	Sir Rod Eddington, Mr Nicholas C. Allen, Ms May Siew Boi Tan, Ms Christina Gaw, Mr Chunyuan Gu, Mr Chan Bernard Charnwut and Ms Wang Xiaojun Heather
Executive Director:	Mr Chiang Tung Keung

This Statement is also available at the Investor Relations section on the Company's website at www.clpgroup.com.

Choice of language and means of receipt of corporate communications[1]
You can, at any time, free of charge, ask for this Quarterly Statement in printed form (English and/or Chinese); and change[2] your choice of language and/or means of receipt of the Company's future corporate communications.

You can make the above request(s) by completing and returning the Request Form (available on the Company's website under "Shareholder Services" in the "Investor Relations" section) to the Company's Registrars by post or by email to clp.ecom@computershare.com.hk.

Please refer to the Corporate Communications Arrangement on CLP website for more information.

Notes: 1. Corporate communications refer to Interim/Annual Reports, Quarterly Statements, notice(s) of meeting, proxy form(s) 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.