

**Financial Information Covering Operating Costs and  
Capital Expenditures of the Power Companies**

HKE

HK\$ million	2019	2020	2021	2022	2023
<b><i>Average Net Fixed Assets</i></b>					
Average	52,815	55,302	58,378	61,515	
Year-on-year rates of change		+4.7%	+5.6%	+5.4%	
<b><i>Breakdown of Capital Expenditures</i></b>					
Power Generation System	2,802	3,380	3,765	3,649	
Transmission & Distribution System	1,543	1,791	1,909	1,820	
Customer and Corporate Services Development	275	314	327	265	
Total	4,620	5,485	6,001	5,734	
Year-on-year rates of change		+18.7%	+9.4%	-4.4%	
<b><i>Operating Costs (excluding fuel costs)</i></b>					
Total	5,517	5,584	5,556	5,426	
Year-on-year rates of change		+1.2%	-0.5%	-2.3%	

Notes

- (1) HKE already disclosed the above information in the Corporate Information Brochures of the respective years. According to HKE, the amount of money invested in repair and maintenance projects forms part of its financial accounts and is hence confidential information which cannot be made public.
- (2) Since HK Electric Investments and HK Electric Investments Limited, the holding entities of HKE, are a listed company, results for 2023 will be announced after floor trading in Hong Kong's securities market ends on 19 March 2024. In view of the fact that the information related to 2023 is price sensitive information at the current stage, if the information is not kept confidential, there may be a violation of the requirements under the Hong Kong Listing Rules and detriment to the interests of small shareholders.
- (3) As regards the ratios of various estimated expenditures (including repair and maintenance) to the total estimated expenditures between 2024 and 2028, except for certain breakdowns of the operating cost in 2024 submitted as supplementary

information in its five-year Development Plan and annual tariff review, HKE has never made public any other information on estimates due to the following reasons:

- a. Further disclosure of information related to projections of future business, including estimated expenditures, future operating revenue and future sales growth may indicate to suppliers HKE's underlying demands and enable the suppliers to easily assess its estimated expenditures of various areas, thereby increasing their bargaining power in prices, leading to higher costs and resulting in higher prices to be borne by Hong Kong citizens; and
- b. The information related to projections is only an estimation derived from the existing available information, and the disclosure of which may lead to false expectation. Take the staff costs as an example, HKE has a policy of pay for performance and adjustment of staff salaries will vary by individuals.

## CLP

HK\$ million	2019	2020	2021	2022	2023
<b><i>Average Net Fixed Assets</i></b>					
Average	115,226	118,840	123,175	129,310	135,725
Year-on-year rates of change		+3.1%	+3.6%	+5.0%	+5.0%
<b><i>Breakdown of Capital Expenditures</i></b>					
Power Generation System	4,513	4,354	6,353	6,566	4,911
Transmission and Distribution System	4,414	4,381	4,706	5,888	6,392
Customer and Corporate Services Development	170	147	163	119	367
Total	9,097	8,882	11,222	12,573	11,670
Year-on-year rates of change		-2.4%	+26.3%	+12.0%	-7.2%
<b><i>Operating Costs (excluding fuel costs and nuclear power purchase)</i></b>					
Total	12,808	13,202	13,688	13,137	13,923
Year-on-year rates of change		+3.1%	+3.7%	-4.0%	+6.0%

## Notes

- (1) The above information was already disclosed by CLP in the financial reports/ during tariff reviews. According to CLP, disclosure of expenditure on repair and maintenance projects and related information enables suppliers to easily assess the contribution of their products or services to CLP's current and future maintenance expenses. This will significantly undermine CLP's bargaining power in commercial negotiations, resulting in higher-than-necessary prices to be borne by customers.
- (2) As regards the ratios of various estimated expenditures (including repair and maintenance) to the total estimated expenditures between 2024 and 2028, except for certain breakdowns of the operating cost in 2024 submitted as supplementary information in its five-year Development Plan and annual tariff review, CLP has never made public any other information on estimates due to the following reasons:
  - a. Information related to projections of future business (e.g. breakdowns of projected operating expenditure) is non-public commercially sensitive information. Disclosure of such information enables the suppliers to easily assess the budget estimates of certain projects and increase their bargaining power. This may cause an increase in CLP's costs, affecting future tariff increases, and jeopardising the interests of the public. For example, disclosure of expenses on nuclear power purchase and pumped storage service and loan charges would materially affect CLP's effective bargaining power in the Mainland's zero-carbon energy market and materially affect CLP's borrowing cost respectively, leading to increased costs to Hong Kong citizens; and

- b. CLP's staff costs is based on the expected number of employees and salary adjustments. Inappropriate release of the information to the public before it is communicated to staff would jeopardise relations between CLP and its employees.