

CLP Holdings 2017 Interim Results Analyst Briefing

7 August 2017

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Agenda












Focus • Delivery • Growth

- ✓ New SoC lays strong foundation for future investment
- ✓ Dependable performance in Hong Kong
- ✓ Challenging market conditions in Mainland China and Australia
- ✓ Focus • Delivery • Growth strategy continues to position us to actively address evolving market trends and the energy transition
- ✓ Strong financial structure

Satisfactory performance in challenging markets - dividend increased

Earnings and Dividends	1H2017	1H2016	Change	
Operating earnings (HK\$M)	5,914	6,149		4%
Total earnings (HK\$M)	5,909	6,125		4%
Operating earnings per share (HK\$)	2.34	2.43		4%
Total earnings per share (HK\$)	2.34	2.42		4%
Dividends per share (HK\$)				
First interim dividend	0.59	0.57		4%
Second interim dividend	0.59	0.57		4%
Total interim dividends	1.18	1.14		4%

Operating performance

Operating Information	1H2017	1H2016	Change
Safety (Total Recordable Injury Rate)	0.26	0.13	 0.13
Electricity sent out (TWh) ⁽¹⁾	38.4	38.5	 0.1
Generation Capacity (GW) ⁽²⁾			
Total in Operation	22.9	21.8	 1.1
Non-Carbon Emitting ⁽³⁾	4.6	4.4	 0.2
Committed / Under Construction	0.8	1.4	 0.6
Customer Accounts (Thousand)			
Hong Kong	2,541	2,500	 41
Australia	2,650	2,640	 10
Hong Kong local electricity sales (TWh)	15.1	15.5	 2.6%
Reliability in Hong Kong (minutes lost pa) ⁽⁴⁾	1.36	1.49	 8.7%

(1) Equity basis and capacity purchase arrangements. Also includes long-term power contracts from facilities in which we hold an equity interest

(2) Equity basis and capacity purchase arrangements






(3) Non-carbon emitting includes wind, hydro, solar and nuclear

(4) Unplanned customer minutes lost - average of the past 36 months



Group Financial Performance



Satisfactory performance in challenging markets

HK\$M	1H2017	1H2016	Change
<u>Revenue</u>	43,337	38,671	 12%
<u>Operating Earnings</u>			
Hong Kong and related activities	4,467	4,432	 1%
Local electricity business	4,356	4,276	
Hong Kong related	148	113	
Others	(37)	43	
Outside Hong Kong	1,718	2,057	 16%
Mainland China	637	841	
India	242	200	
Southeast Asia and Taiwan	81	119	
Australia	758	897	
Others, net	(271)	(340)	
<u>Operating Earnings</u>	5,914	6,149	 4%
Items affecting comparability [#]	(5)	(24)	
<u>Total Earnings</u>	5,909	6,125	 4%

[#] Items affecting comparability in 1H2017 primarily include revaluation losses on investment properties.

1H2016 mainly represented revaluation losses on investment properties and reversal of over-provision of capital gain tax

Adjusted Current Operating Income (ACOI)

HK\$M	1H2017	1H2016	Change
Operating Earnings (Attributable to CLP)	5,914	6,149	 4%
Exclude:			
Fair value adjustments	(206)	61	
Net finance costs #	(1,155)	(1,142)	
Income tax expense	(1,337)	(1,424)	
Non-controlling interests	(420)	(423)	
ACOI	9,032	9,077	 -

Included the distribution to perpetual capital securities holders

Adjusted Current Operating Income or ACOI

- ACOI equals EBIT excluding items affecting comparability and fair value adjustments, and includes Group's share in net earnings from joint ventures and associates

Fair value adjustments

- Predominantly energy derivative contracts in EnergyAustralia reflecting a significant increase in wholesale prices

Net finance costs

- Unfavourable fair value movements of financial instruments
- Offset by lower debt balance in Australia and India, and less bank charges

Income tax expense

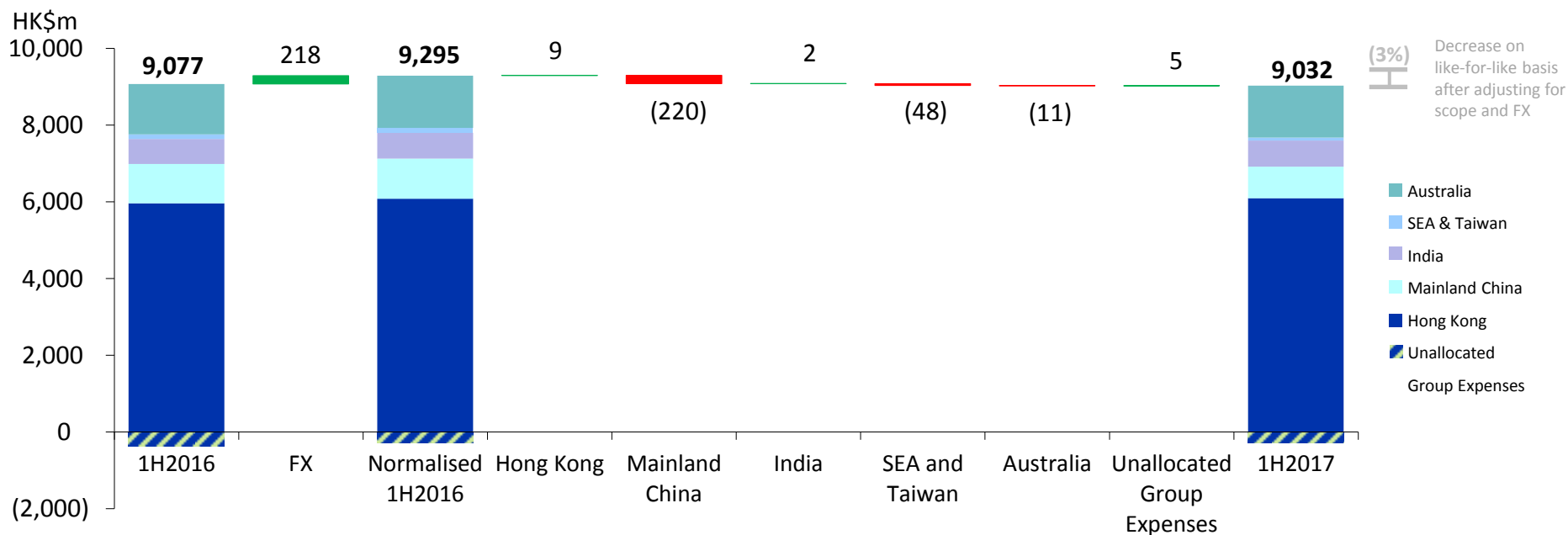
- Decrease in line with decrease in operating profits

Non-controlling interests

- CSG's 30% share of CAPCO

Adjusted Current Operating Income (ACOI)

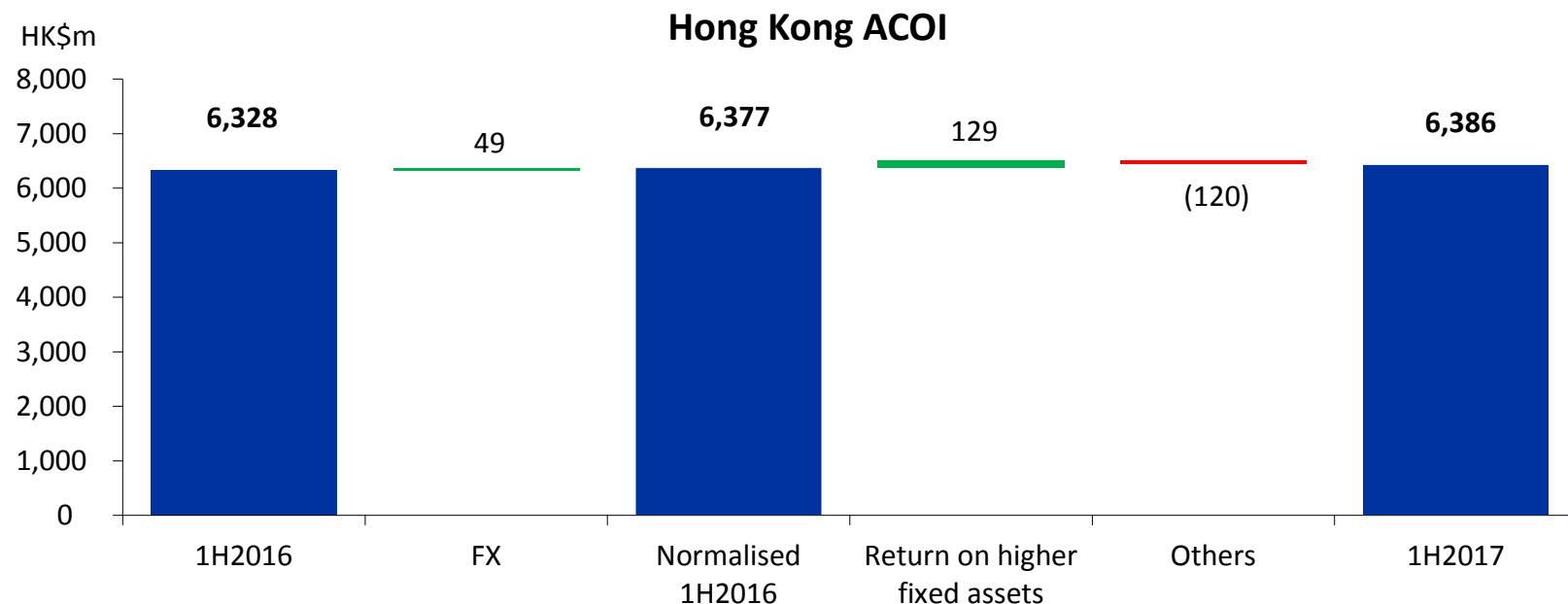
HK\$M	1H2017	1H2016	
Hong Kong and related activities	6,386	6,328	Reliable performance and ongoing capital investments
Mainland China	820	1,029	Higher earnings from non-carbon but lower from coal
India	681	648	Stable asset performance
Southeast Asia and Taiwan	79	118	High coal cost and lower energy tariff at Ho-Ping
Australia	1,350	1,317	Challenging wholesale conditions offset strength in retail
Unallocated Group expenses	(284)	(363)	Stable cost control and exchange benefits
Total	9,032	9,077	No change (or -3% normalised for scope and FX)





Performance
by
Business Units

Dependable performance and new opportunities in Hong Kong



Operational Performance

Local sales 15.1 TWh, down 2.6%

Total sales 15.6 TWh, down 2.7%

2017 Tariff maintained at 2016 level with a special rebate paid in 1H2017

Supply reliability > 99.999% ⁽¹⁾

Financial Performance

Higher earnings reflecting

- Growth in fixed assets
 - T&D + Retail capex HK\$1.9 bn
 - Generation capex HK\$1.6 bn
- Others primarily relate to favourable one-off property-related transactions in previous year and new expenditure on innovation

Outlook

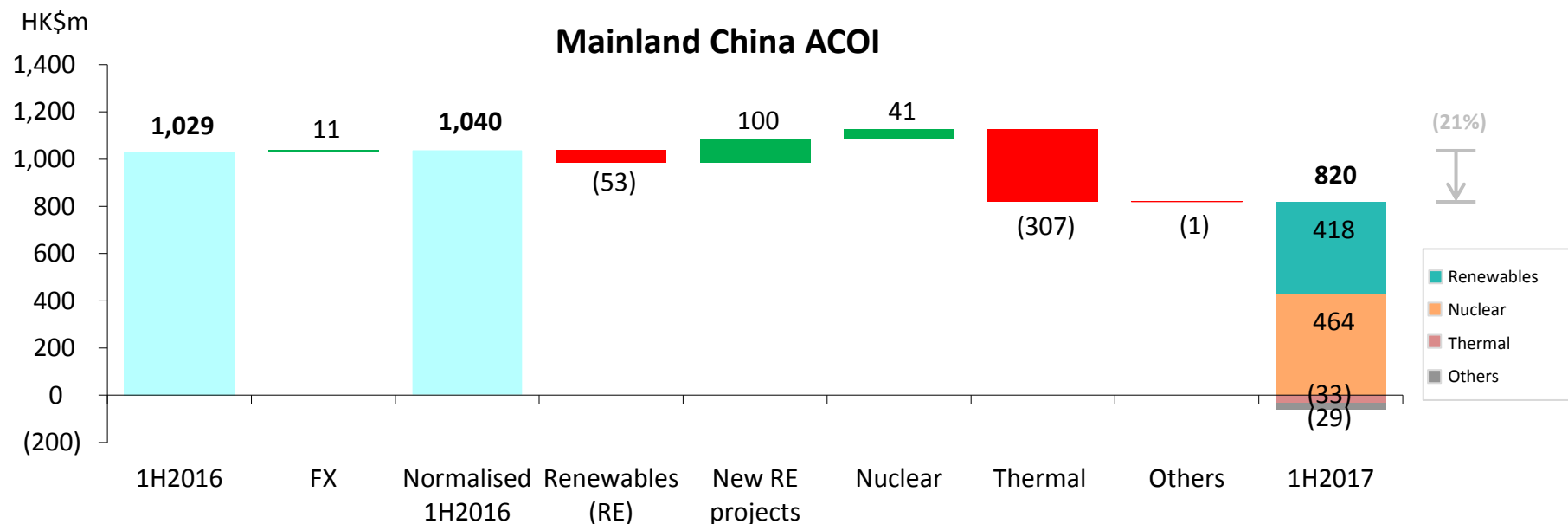
Prepare new 5-year Development Plan for 2018-2023

Construction of 550MW CCGT

Submit Environmental Impact Assessment Report for offshore LNG terminal

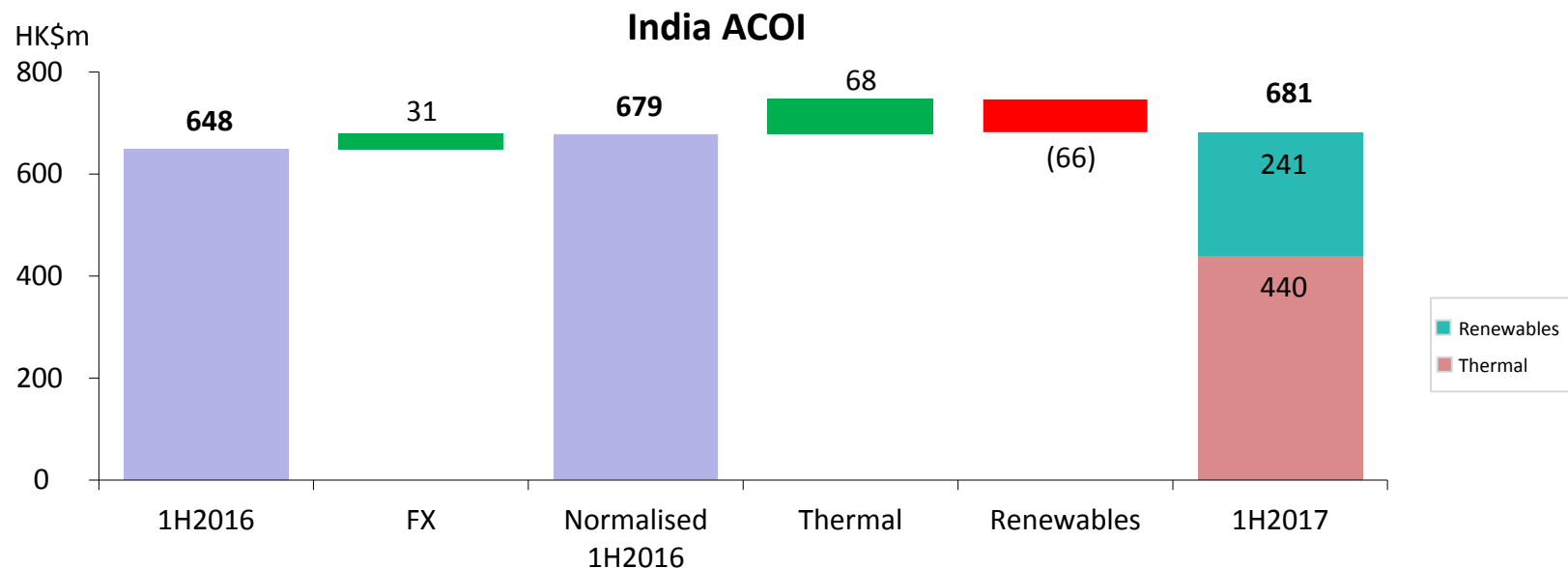
Engage with suppliers for long-term gas requirements

Higher earnings from non-carbon assets & lower from coal assets



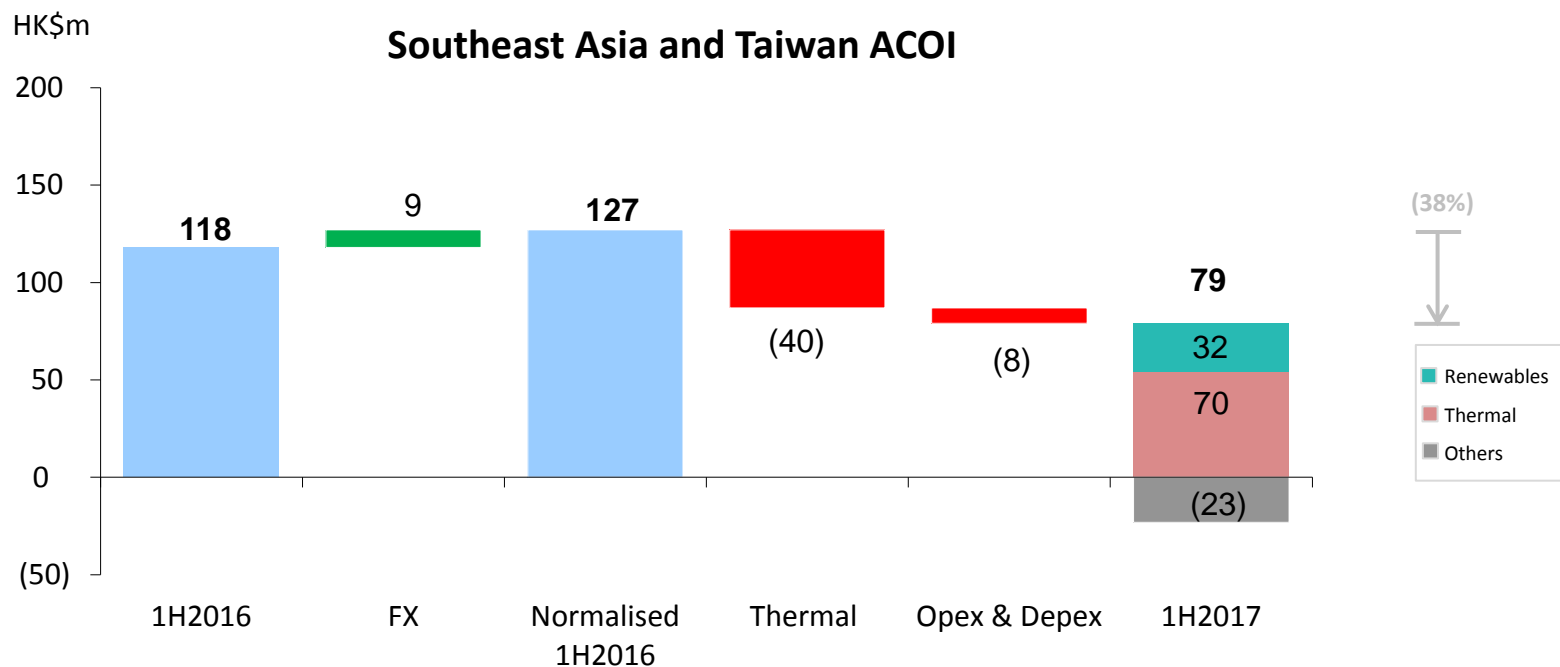
Operational Performance	Financial Performance	Outlook
<p>Renewables performed well</p> <ul style="list-style-type: none"> Existing projects: solar stable, increase in wind dispatch, lower hydro flows New projects added 58MW of solar and 148MW of wind since July 2016 <p>Nuclear</p> <ul style="list-style-type: none"> More output from Daya Bay in 1H2017 reflecting refueling outage in 1H2016 <p>Thermal</p> <ul style="list-style-type: none"> Reliable operation with lower utilisation in Shandong and FCG 	<p>Renewables (including New Projects)</p> <ul style="list-style-type: none"> Contributions from new projects Lower contribution from hydro Discounted tariffs for some projects as market sales reforms are introduced <p>Nuclear</p> <ul style="list-style-type: none"> Higher earnings from higher Daya Bay output <p>Thermal</p> <ul style="list-style-type: none"> Earnings impacted by adverse market conditions including higher coal prices, lower output from existing units, increased practice of market sales 	<p>Complete Yangjiang acquisition</p> <p>Further increase of contribution from non-carbon generation</p> <p>Engage with regulators and customers to pursue new opportunities as markets evolve</p>

Reliable operations across the portfolio



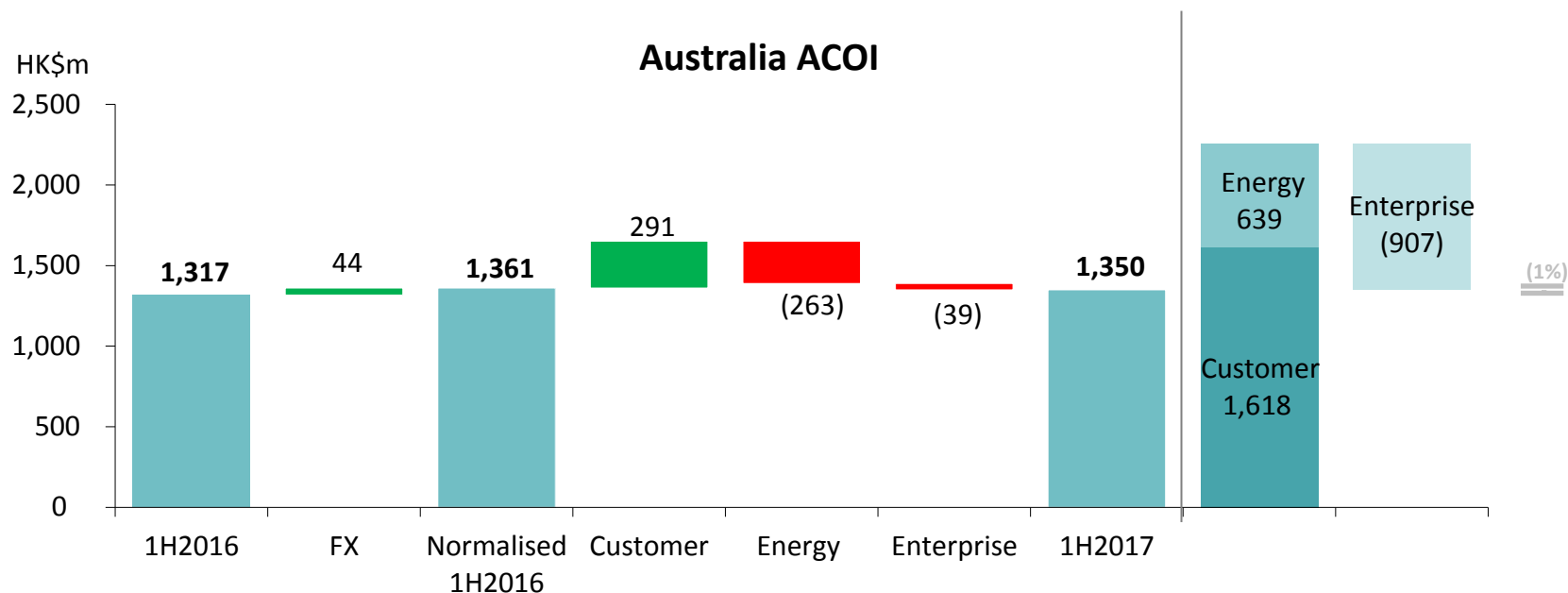
Operational Performance	Financial Performance	Outlook
<p>Thermal - plant availability:</p> <ul style="list-style-type: none"> Paguthan >90% Jhajjar >90% for fiscal year (Apr 16 - Mar 17), but ~60% in June Quarter due to scheduled major outage of one unit <p>Renewables</p> <ul style="list-style-type: none"> Higher availability and lower grid restriction Progress construction of Veltoor Solar, commissioning expected in 2H2017 	<p>Thermal - Jhajjar</p> <ul style="list-style-type: none"> Recalibration of coal stock-take Incentive received for fiscal year availability Partially offset by lower availability in June Quarter <p>Renewables</p> <ul style="list-style-type: none"> Stable earnings from assets Negative variance reflects one time cancellation cost of Yermala project 	<p>Focus on operational excellence of existing fleet</p> <p>Complete Veltoor Solar</p> <p>Continue to engage Coal India to improve coal quality at Jhajjar</p> <p>Continue to pursue diversification of portfolio</p>

Steady operational performance in Southeast Asia and Taiwan



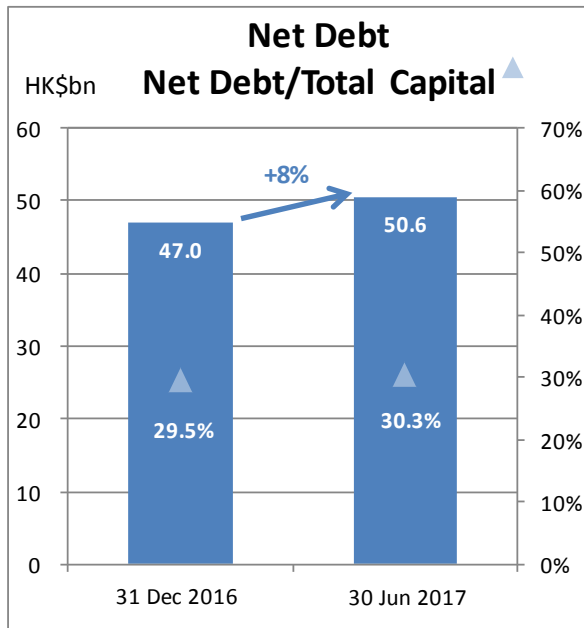
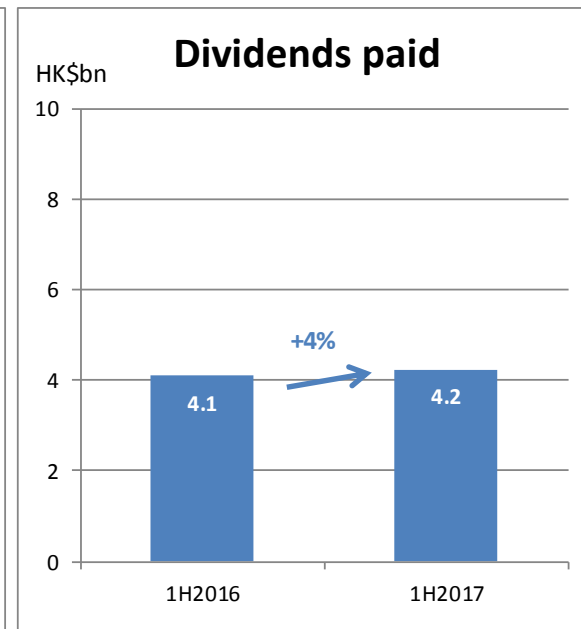
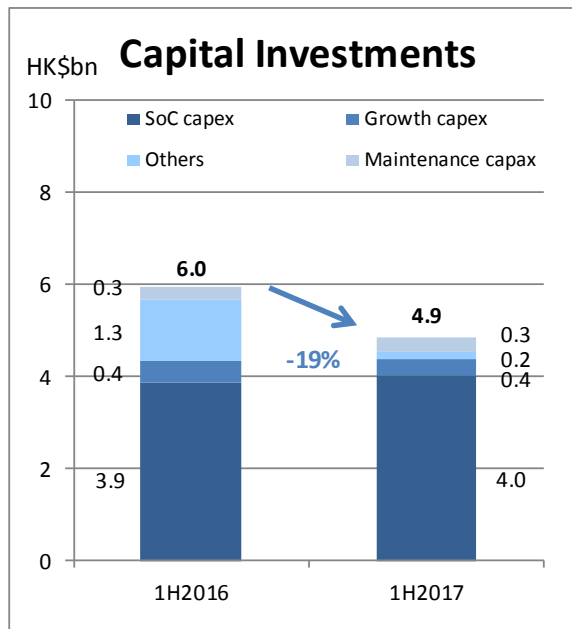
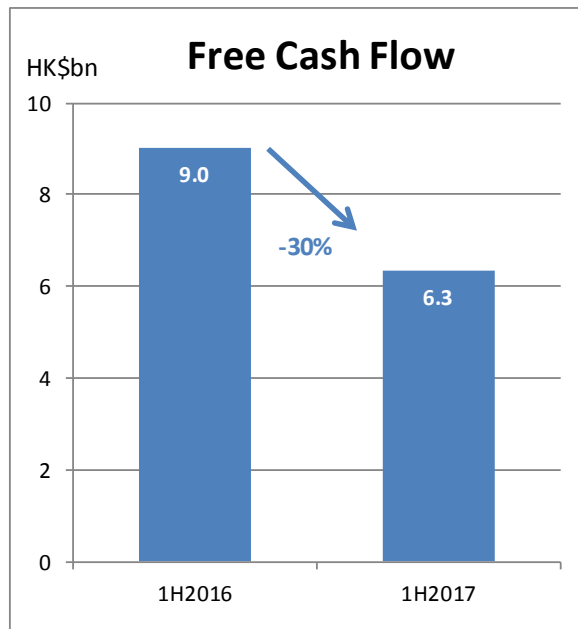
Operational Performance	Financial Performance	Outlook
Thermal - Ho-Ping (Coal) <ul style="list-style-type: none"> High plant availability and high usage with shorter planned outage Renewables - Lopburi (Solar) <ul style="list-style-type: none"> Good performance and high utilisation 	Thermal - Ho-Ping (Coal) <ul style="list-style-type: none"> Lower earnings mainly impacted by higher coal cost in 1H2017, reduction in unit margin reflecting lagging adjustment for last year's lower coal cost, partially offset by more generation Renewables - Lopburi (Solar) <ul style="list-style-type: none"> Stable solar resource Opex and Depex <ul style="list-style-type: none"> Higher expenses progressing Vietnam projects 	<p>Ongoing engagement with Vietnamese Government on Vinh Tan III and Vung Ang II projects</p> <p>Explore development opportunities in other Southeast Asian countries</p>

Challenging Energy wholesale conditions offset strength in Customer



Operational Performance	Financial Performance	Outlook
Customer <ul style="list-style-type: none"> Higher mass market usage attributable to weather Churn below market average Further increase in service levels "Light the Way" brand refresh Energy <ul style="list-style-type: none"> Wholesale energy market prices higher and more volatile for both gas and electricity Mt Piper impacted by coal quality issues 	Customer <ul style="list-style-type: none"> Higher earnings primarily reflecting higher usage across mass market customers Energy <ul style="list-style-type: none"> Higher energy procurement costs for mass market customers due to higher volume and extreme weather Higher gas wholesale cost with gas supply prices reset Higher Yallourn coal royalty costs Enterprise <ul style="list-style-type: none"> Investment in business transformation and digitisation 	<p>Focus on customer service & retention in competitive market</p> <p>Seek to optimise wholesale position as electricity market volatility and gas market tightness continues</p> <p>Engage with all stakeholders as Governments respond to market conditions through reviews and interventions</p>

Working capital increases drive reduction in FCF



Financing initiatives

- Launched CLP Climate Action Finance Framework (CAFF)
- CAPCO executed a HK\$1.4bn export credit agency supported loan agreement and issued US\$500m energy transition bond for the new CCGT under CAFF
- Jhajjar achieved cost-effective refinancing

Credit Ratings

Standard
& Poor's

Moody's

CLP Holdings

A
Stable ↑

A2
Stable

CLP Power
Hong Kong

A+
Stable ↑

A1
Stable

CAPCO #

AA-
Stable

A1
Stable

EnergyAustralia

BBB+
Stable ↑

-

Arrows indicate recent changes. Details on Page 27
First time ratings obtained in June 2017



Outlook

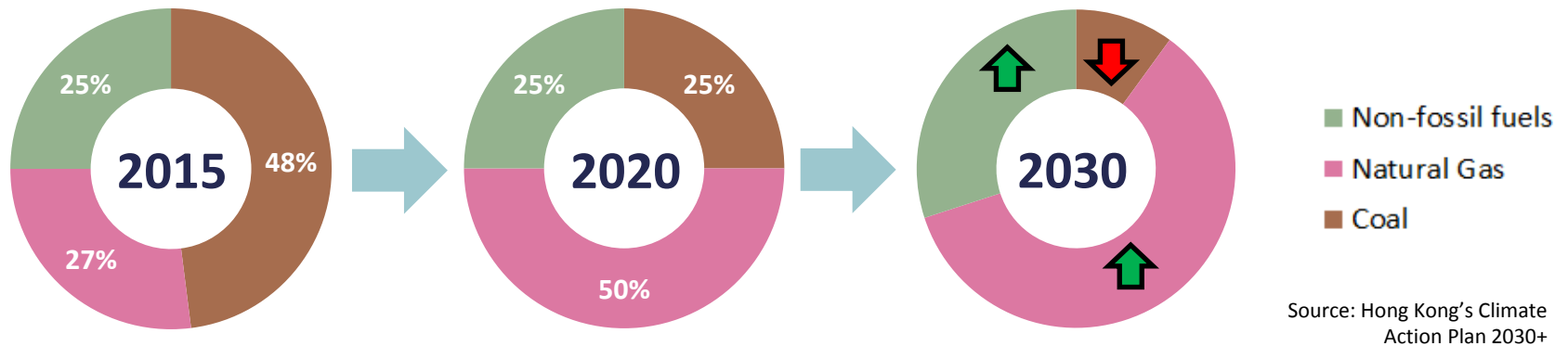
New SoC lays stable foundation
for the Hong Kong business to 2033

Hong Kong – New Scheme of Control (SoC)

- ✓ New Hong Kong SoC secured for a further 15 years
- ✓ Fixed term from 1 October 2018 to 31 December 2033
- ✓ 8% return on average net fixed assets
- ✓ Fuel cost adjustment to be revised more frequently
- ✓ Enhanced incentive schemes around operational performance, energy saving and renewable energy
- ✓ Continuing investment as Hong Kong grows and transitions to a low carbon economy

Hong Kong Climate Action Plan 2030+

Hong Kong's Climate Action Plan 2030+ outlines HKSAR Government's ambition for changes in fuel mix...



... requiring investments for gas generation and infrastructure to meet the energy security, environmental and growth objectives for Hong Kong



Source: Hoegh LNG



New initiatives under new SoC

- ✓ Promoting renewable energy development
 - ✓ Feed-in-Tariff
 - ✓ Renewable Energy Certificates
 - ✓ Connection of renewable energy systems to the grid
- ✓ Energy saving incentive scheme
 - ✓ Energy audits, energy saving, new Eco-Building Fund, Community Energy Saving Fund and demand response
- ✓ Incentive and Penalty scheme for operational performance
 - ✓ Supply reliability, operational efficiency, customer services and grid supply restoration



Transition to a low carbon economy

Market Status	Our response
Hong Kong <ul style="list-style-type: none">• Regulatory clarity and certainty• Clear Climate Action Plan 2030+	<ul style="list-style-type: none">• Concluded new SoC to 2033• Invest to meet policy objectives• Balance cost, environmental performance and reliability
Mainland China <ul style="list-style-type: none">• Extensive power market reforms with clear direction for energy transition• Slower demand growth	<ul style="list-style-type: none">• Maintain diversified portfolio• Capture opportunities in renewables and nuclear
Australia <ul style="list-style-type: none">• Energy policy under review• Market volatility and rising energy costs	<ul style="list-style-type: none">• Focus on excellence in customer products and services supported by diversified portfolio• Contracting for renewable energy• Work with Governments, regulators and customers to address the energy trilemma

CLP embraces a low carbon future and will continue to participate in the energy transition pathways chosen by the stakeholders of the respective markets where we operate

Looking forward



India

Exploring renewables and other growth opportunities along the energy supply chain

Mainland China

Challenging environment particularly for coal generation.
Continue to invest in nuclear and renewables

Hong Kong

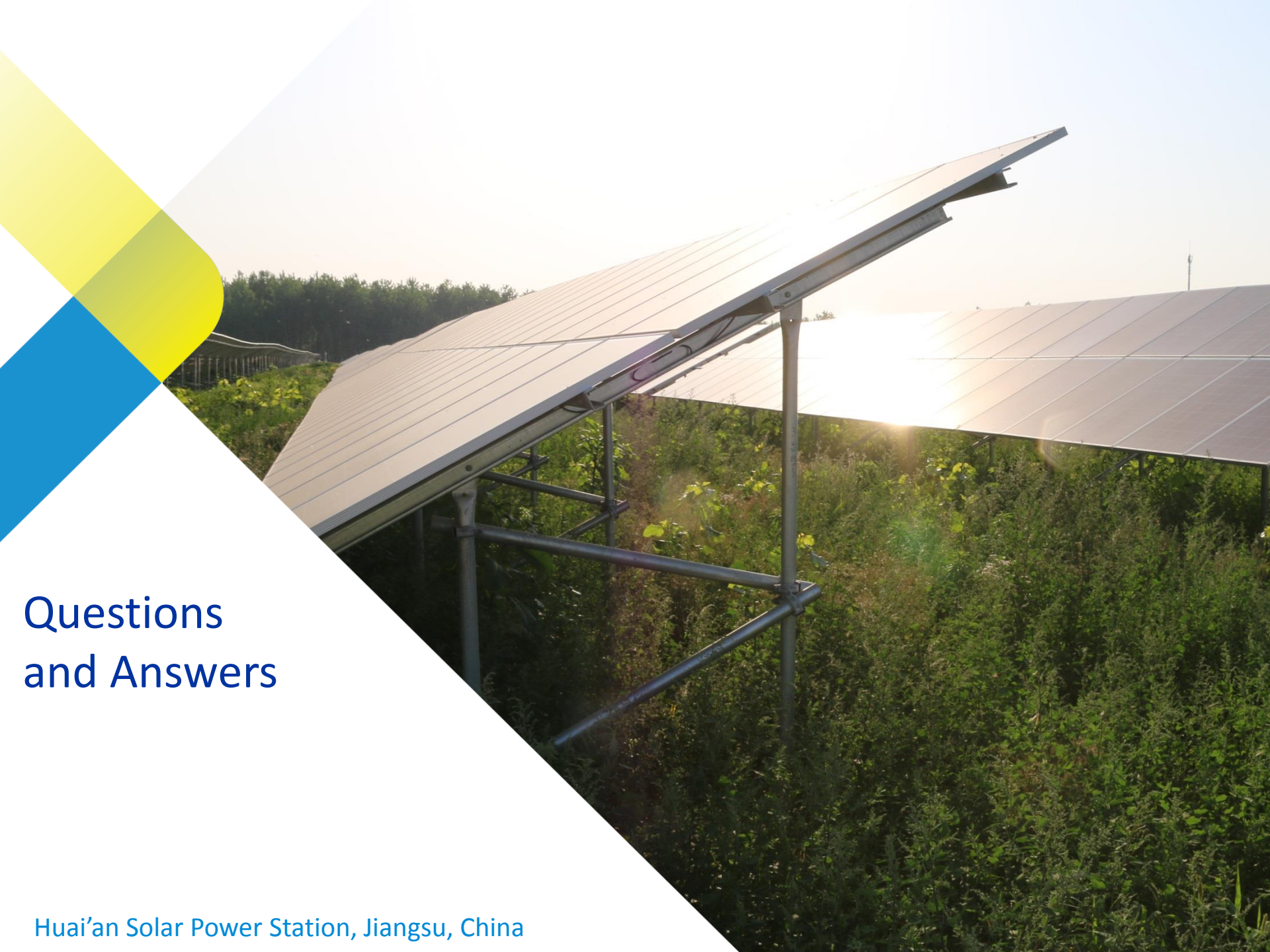
New 15-year SoC provides certainty to invest for energy transition and to meet changing customer needs

Southeast Asia and Taiwan

Steady operations for existing projects
Continue to progress opportunities in Vietnam

Australia

Focus on customers, energy transition and value restoration in a challenging and volatile market



Questions and Answers

Huai'an Solar Power Station, Jiangsu, China

Appendices











CLP Group – Financial Obligations at a Glance

	30 Jun 2017	31 Dec 2016
HONG KONG	HK\$M	HK\$M
Total borrowings of CLPH, CLP Power Hong Kong, CAPCO & PSDC	40,685	38,013
Minus: Bank balances and liquid funds	(1,230)	(2,683)
Net Debt	39,455	35,330
 OUTSIDE HONG KONG		
Total borrowings of EnergyAustralia, India and Mainland China subsidiaries (non-recourse to CLPH)	13,263	13,633
Minus: Bank balance and liquid funds	(2,125)	(1,984)
Net debt	11,138	11,649
 CONSOLIDATED total borrowings of CLP Group	53,948	51,646
Minus: Consolidated bank balance and liquid funds	(3,355)	(4,667)
Consolidated Net debt	50,593	46,979
 Total Debt/Total Capital	31.7%	31.5%
Net Debt/Total Capital	30.3%	29.5%

Increase in net debt amount and net debt/total capital mainly related to additional loans supporting capital expenditure for long term growth

CLP Group – Credit Ratings

	CLP Holdings		CLP Power		CAPCO		EnergyAustralia
	S&P	Moody's	S&P	Moody's	S&P	Moody's	S&P
Long term Rating							
Foreign Currency	A 	A2	A+ 	A1	AA-	A1	BBB+ 
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Local Currency	A 	A2	A+ 	A1	AA-	A1	BBB+ 
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Short term Rating							
Foreign Currency	A-1 	P-1	A-1	P-1	A-1+	P-1	-
Local Currency	A-1 	P-1	A-1	P-1	A-1+	P-1	-

Arrows indicate recent changes. In 2017, S&P upgraded the ratings of CLPH, CLP Power Hong Kong and EnergyAustralia to A (from A-), A+ (from A) and BBB+ (from BBB) respectively. CAPCO received AA- and A1 from S&P and Moody's respectively for the first time

CLP Group – Highlights of Financing Activities

CLP Holdings

- **Ample liquidity** with undrawn facilities of HK\$8.8bn and HK\$961m cash as at 30 June 2017
- Adequate funding commitments obtained for settlement of prospective acquisition of 17% equity stake in Yangjiang project
- CLP Climate Action Finance Framework was established to facilitate the arrangement of socially responsible and sustainable financings (e.g. green/new energy bonds and energy transition/emission reduction bonds) by CLP Group business units and represents a significant step towards achieving the goals set out in our Climate Vision 2050

For more information
on CLP Climate
Action Finance
Framework



CLP Power Hong Kong

- **New financing obtained at cost effective interest rates.** CLP Power Hong Kong arranged HK\$1.3bn three-year bank loan facilities and a HK\$300m 15-year private placement bond under Medium Term Note (MTN) Programme

CAPCO

- **Financing for CCGT project was completed** with HK\$1.4 bn 15-year export credit agency supported loan and HK\$4.3bn five-year commercial loan. In July 2017, CAPCO issued US\$500m (HK\$3.9bn) 10-year fixed rate Energy Transition Bond under a newly established CLP Climate Action Finance Framework and MTN Programme to refinance a majority portion of the commercial loan for CCGT project
- MTN Programme established for the first time which carries AA-/A1 credit ratings from S&P/Moody's and allows bonds issuance up to US\$2bn

Mainland China

- **Continued financing at competitive terms.** Tapping from diversified resources including offshore RMB bank facilities

India

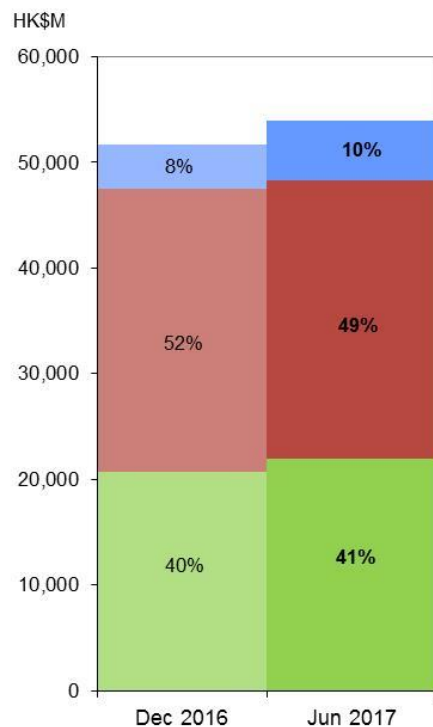
- **Lower interest margins** after successful refinancing and negotiation with lenders. Jhajjar Power Limited issued INR2.7 bn (HK\$326m) five and six-year corporate bonds to refinance an existing U.S. dollar loan

EnergyAustralia

- **Stronger balance sheet and greater financing flexibility** upon continued deleveraging

CLP Group – Loan Balances by Type and Maturity

Loan Balance - Type



■ Money Market Line

■ Medium Term Notes / Private Placement / Bonds

■ Term Loans

Loan Balance - Maturity



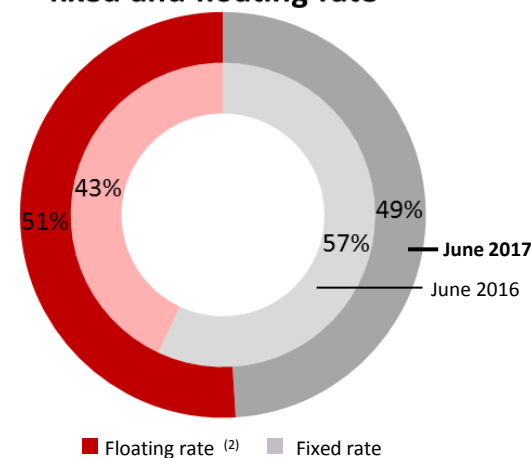
■ Within 1 year

■ 1 - 2 years

■ 2 - 5 years

■ Beyond 5 years

Proportion of debt on fixed and floating rate



■ Floating rate (2) ■ Fixed rate

- 1) The maturity of revolving loans is in accordance with the maturity dates of the respective facilities instead of the current loan drawdown tenors
- 2) For floating rate borrowings, if assuming 1% increase in interest rate and based on outstanding debt balance as at 30 June 2017, the additional interest payment is around HK\$276m per annum

CLP Group – Reconciliation of Operating Earnings and ACOI

HK\$M	Hong Kong	Mainland China	India	SEA & Taiwan	Australia	Unallocated Items	Group total
2017 Interim results							
Operating earnings	4,467	637	242	81	758	(271)	5,914
Add back							
Non-controlling interests	412	9	(1)	-	-	-	420
Net finance costs/(income) *	675	110	332	(2)	53	(13)	1,155
Income tax expense	840	64	108	-	325	-	1,337
Fair value adjustments #	(8)	-	-	-	214	-	206
ACOI	6,386	820	681	79	1,350	(284)	9,032
2016 Interim results							
Operating earnings	4,432	841	200	119	897	(340)	6,149
Add back							
Non-controlling interests	407	16	-	-	-	-	423
Net finance costs/(income) *	609	86	358	(1)	113	(23)	1,142
Income tax expense	876	86	90	-	372	-	1,424
Fair value adjustments #	4	-	-	-	(65)	-	(61)
ACOI	6,328	1,029	648	118	1,317	(363)	9,077
* Including net fair value loss/(gain) on financing related derivative financial instruments, and other net exchange loss/(gain) on financing activities and distribution to perpetual capital securities holders							
# Including net fair value loss/(gain) on derivative financial instruments relating to transactions not qualifying as hedges and ineffectiveness of cash flow hedges							

CLP Group – Cash Flow and Financial Structure

HK\$M	1H2017	1H2016
Cash Flow		
EBITDAF	12,600	12,301
Less: Items affecting comparability	5	107
Recurring EBITDAF	12,605	12,408
Less: Movement in SoC items	(1,756)	124
Less: Movement in working capital & others	(3,862)	(3,037)
Funds from operations	6,987	9,495
Less: Tax paid	(581)	(557)
Less: Net finance costs paid	(1,126)	(1,178)
Less: Maintenance capex	(314)	(301)
Add: Dividends from joint ventures & an associate	1,379	1,579
Free Cash Flow	6,345	9,038
Capital Investments ⁽¹⁾		
• SoC capex ⁽²⁾	4,016	3,886
• Growth capex ⁽²⁾	364	439
• Maintenance capex ⁽²⁾	314	301
• Others ⁽³⁾	164	1,341
Total	4,858	5,967
Dividend paid	4,245	4,093
End of period	30 Jun 2017	31 Dec 2016
Net Debt ⁽⁴⁾ (HK\$M)	50,593	46,979
Net Debt/Total Capital (%)	30.3%	29.5%

Cash Flow

- Free cash flow decreased by HK\$2.7 billion primarily due to decrease in inflows from SoC and unfavourable working capital movements in Australia

Capital Investments

- HK\$4.0 billion SoC capex on cash basis related to enhancing transmission and distribution networks, generation and customer services in Hong Kong
- Growth capex mainly related to our renewable projects in Mainland China
- Maintenance capex mainly represented capital expenditure on existing power plants in Australia

Net Debt/Total Capital

- Increase in net debt amount and net debt/total capital mainly related to additional loans supporting capital expenditure for long term growth

(1) Capital investments include fixed assets, leasehold land and land use rights, investment properties, intangible assets and investments in and advances to joint ventures and associates

(2) Capital expenditure on fixed assets and leasehold land and land use rights are further analysed into

- SoC capex - capital expenditure related to the SoC business
- Growth capex - capital expenditure for additional generation capacity
- Maintenance capex - capital expenditure other than the above

(3) Capital investments on investment properties and intangibles assets and investments in and advances to joint ventures and associates

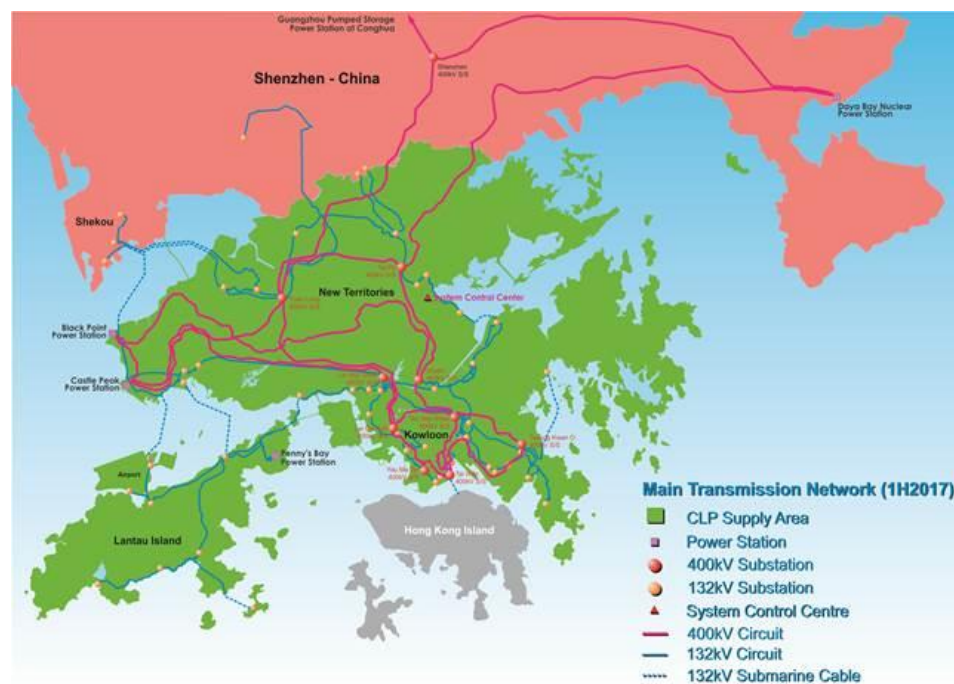
(4) Net of bank balance, cash and other liquid funds

Hong Kong – Growing Business Scale

Generation	Transmission	Distribution	Retail
8,913 MW of installed capacity	> 15,400 km of transmission and high voltage distribution lines	231 primary and > 14,300 secondary substations	15,115 GWh sold and 2.54 million customer accounts

During 1H2017:

- Local electricity sales decreased 2.6% to 15,115 GWh as compared with 1H2016
- No. of customer accounts increased by 41k to 2,541k as compared with 1H2016
- Major infrastructure projects ongoing
- Construction of a new 550MW gas-fired generation unit at Black Point Power Station in progress with the main civil works commenced in July
- Commissioned a new 132kV substation to provide a power supply to the new border control point at Heung Yuen Wai in the northeast of Hong Kong and developments in nearby areas
- Over 140 km of new transmission and high voltage distribution lines & over 80 new substations added
- Opened a Smart Energy Experience Centre and launched a revamped mobile app to enhance customer engagement



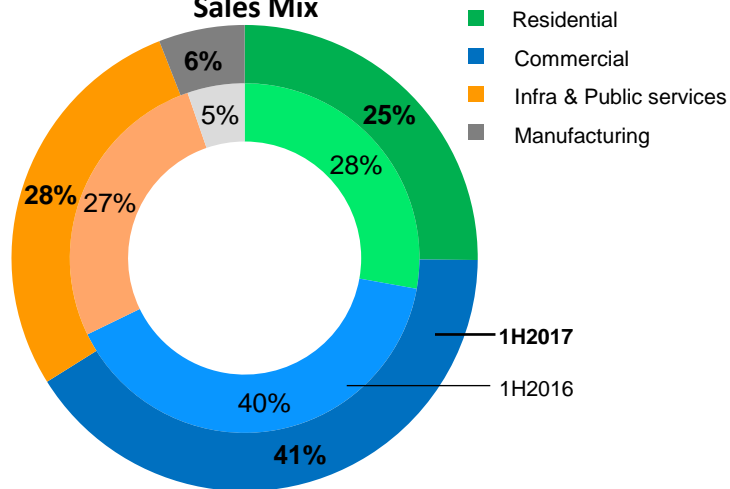
We generate, transmit and distribute electricity to over 80% of Hong Kong's population in Kowloon, the New Territories and on Lantau Island

Hong Kong – Electricity Sales and Capex

Electricity Sales

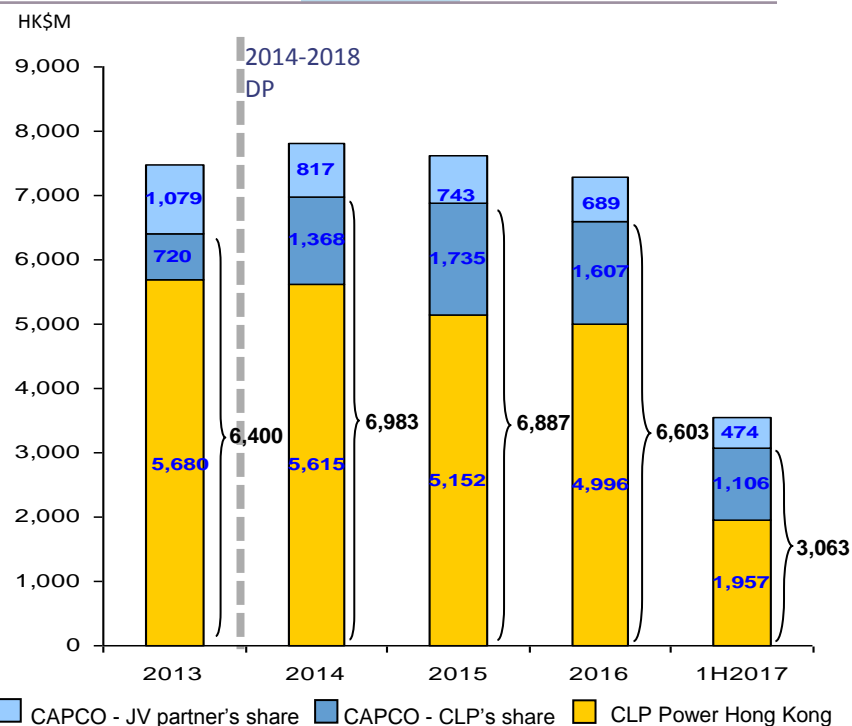
GWh	1H2017	1H2016	Change
Residential	3,820	4,244	(10.0%)
Commercial	6,226	6,246	(0.3%)
Infrastructure & Public Services	4,246	4,202	1.0%
Manufacturing	823	827	(0.5%)
Total Local Sales	15,115	15,519	(2.6%)
Export Sales	483	516	(6.4%)
Total Sales	15,598	16,035	(2.7%)

Sales Mix



Capital Expenditure

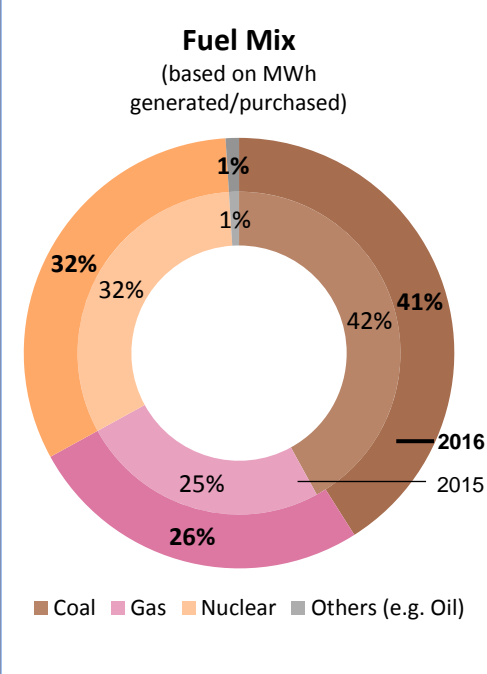
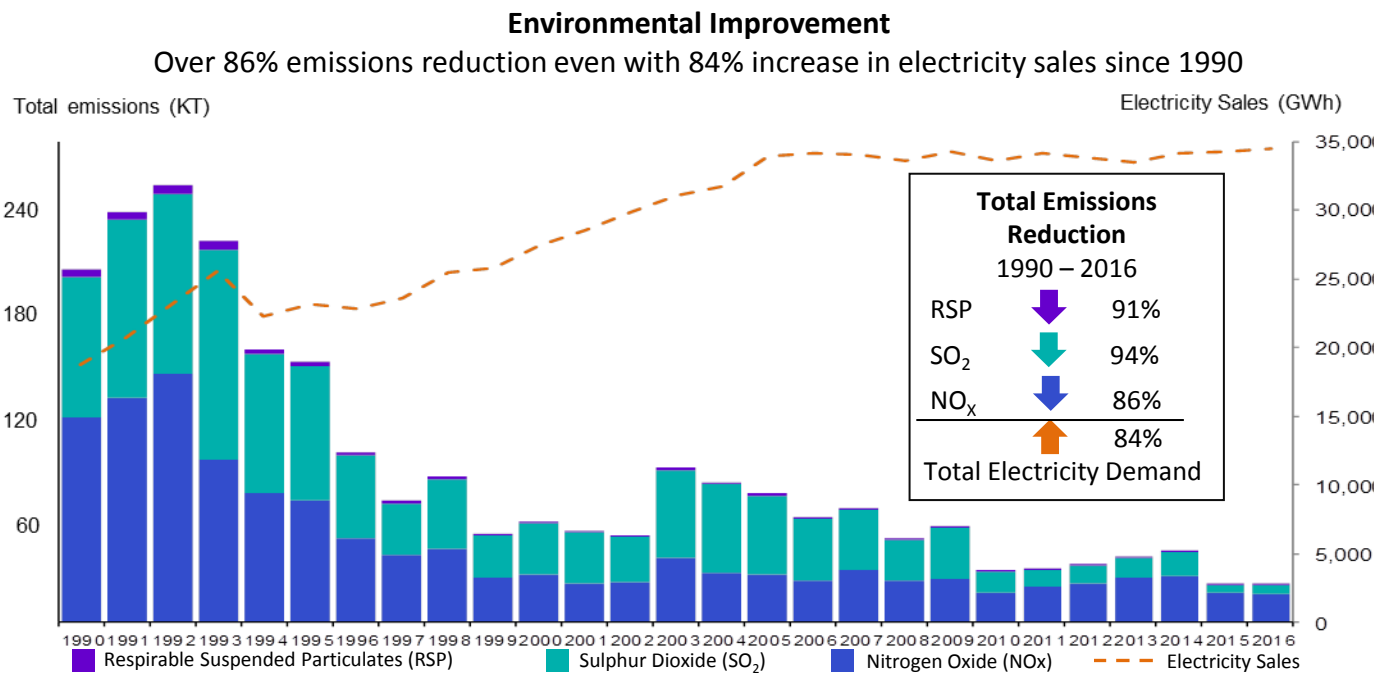
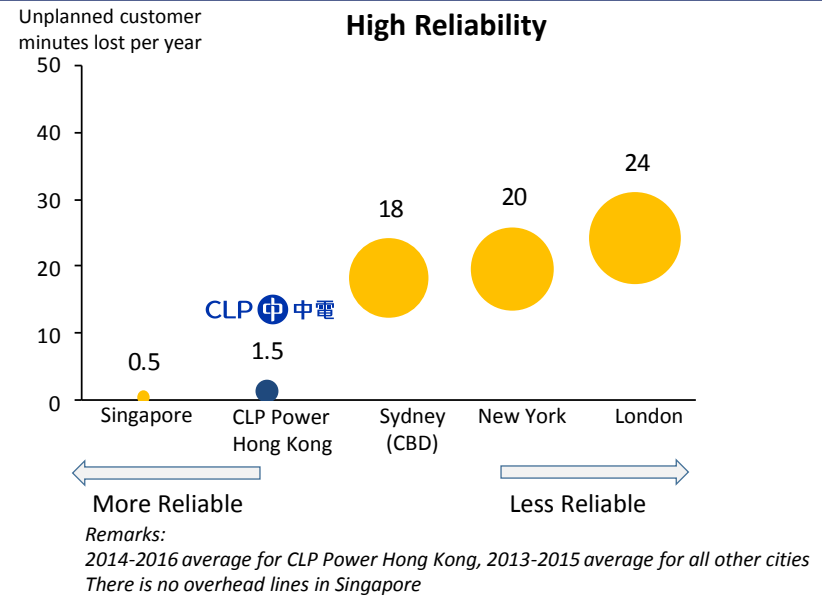
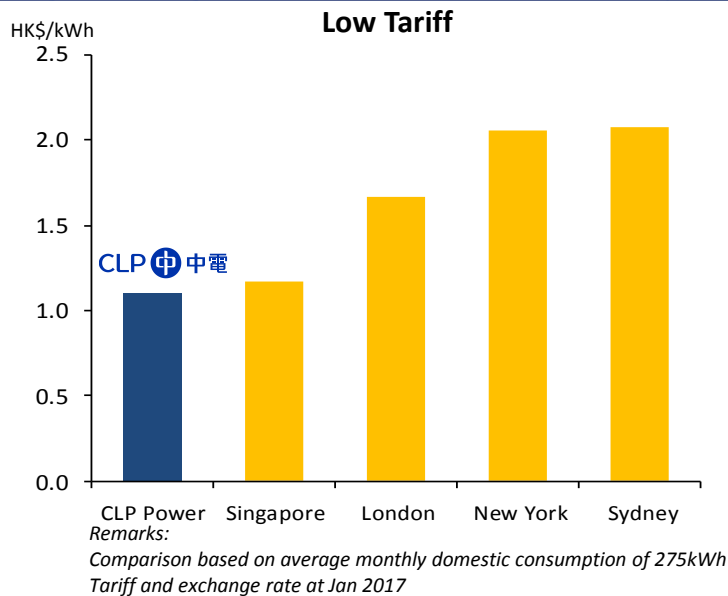
HK\$M	1H2017	1H2016	Change
CLP Power Hong Kong	1,957	2,146	(8.8%)
CAPCO	1,580	933	69.3%
Total Capex	3,537	3,079	14.9%



Total Capital Expenditure in line with Development Plan

Capex incurred up to June 2017 of HK\$26.2bn,
vs. Development Plan from January 2014 to September 2018: HK\$37.1bn

Hong Kong – Tariff, Reliability, Fuel Mix & Environmental Improvement



Mainland China – Financials (HK\$)

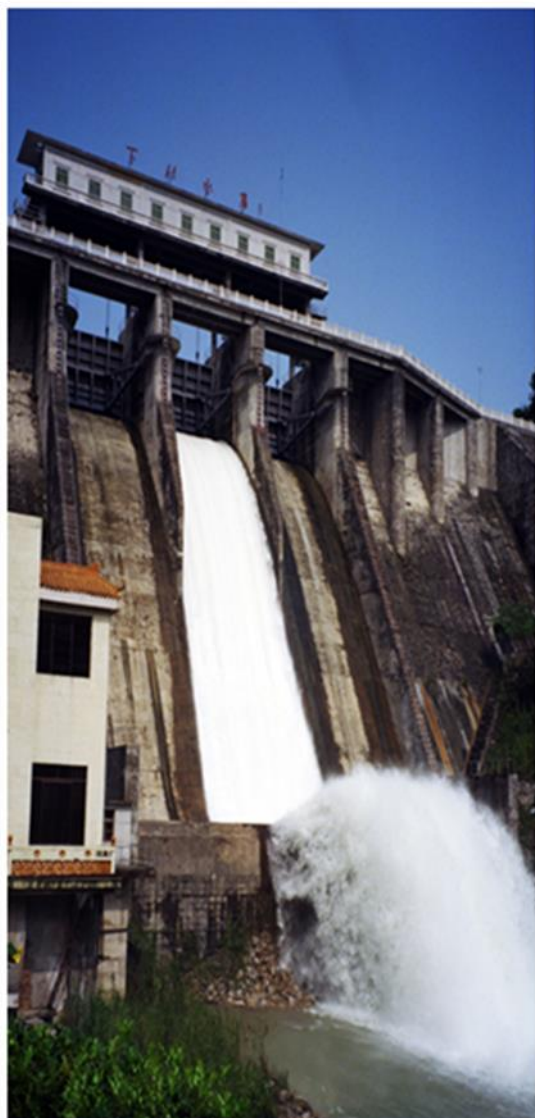


Mainland China

HK\$M	Operating/Total Earnings		ACOI	
	1H2017	1H2016	1H2017	1H2016
Renewable	262	233	418	386
- Wind	161	111	215	145
- Hydro	42	71	109	169
- Solar	59	51	94	72
Nuclear	441	401	464	422
Thermal	(35)	273	(33)	287
- Shandong	2	169	3	179
- Guohua	13	100	14	103
- Fangchenggang	(50)	4	(50)	5
Operating expenditure	(59)	(51)	(57)	(51)
Earnings from operations	609	856	792	1,044
Development expenditure	(1)	(6)	(1)	(6)
RMB exchange gain/(loss)	29	(9)	29	(9)
Operating earnings /ACOI	637	841	820	1,029
Reversal of over-provision on capital gain tax	-	83		
Total earnings	637	924		

The average foreign exchange rates used to convert Mainland China Segment earnings to Hong Kong dollars are 1.18594 for 1H2016 and 1.13518 for 1H2017. Note that in the ACOI variance analysis presented in the body of the presentation 1H2016 earnings are adjusted for changes in scope and foreign exchange before period on period variance in underlying performance is illustrated.

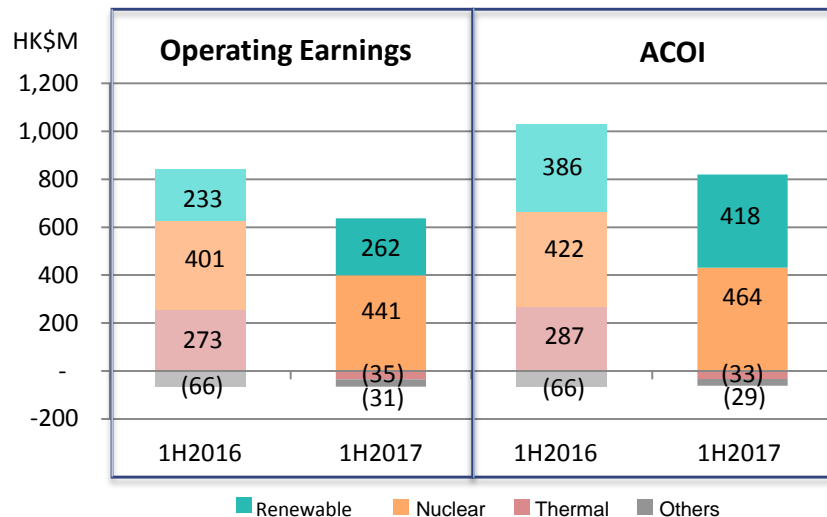
Mainland China – Financials (Local Currency)



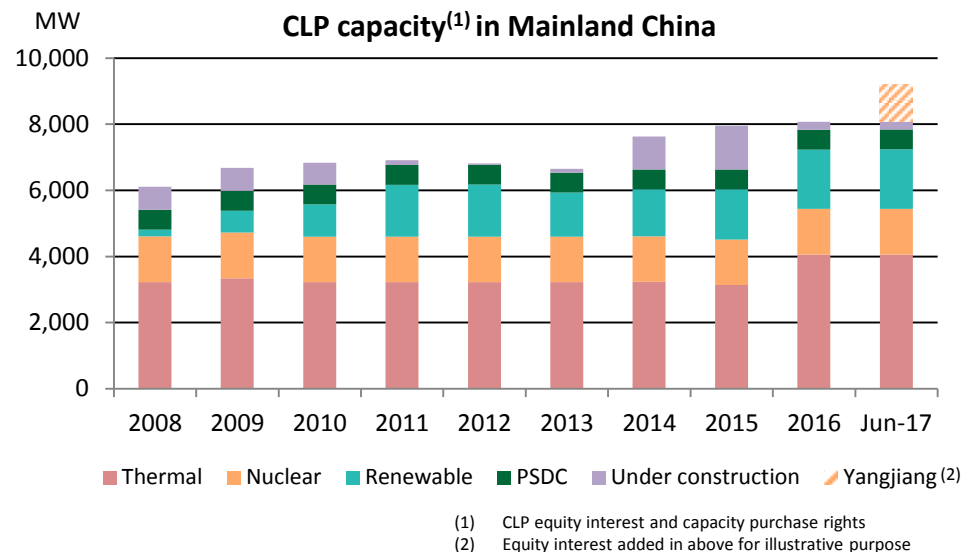
Mainland China

RMB'M	Operating/Total Earnings		ACOI	
	1H2017	1H2016	1H2017	1H2016
Renewable	231	197	368	325
- Wind	142	94	189	122
- Hydro	37	60	96	142
- Solar	52	43	83	61
Nuclear	388	338	409	356
Thermal	(31)	230	(29)	242
- Shandong	2	143	3	151
- Guohua	11	84	12	87
- Fangchenggang	(44)	3	(44)	4
Operating expenditure	(52)	(43)	(50)	(43)
Earnings from operations	536	722	698	880
Development expenditure	(1)	(5)	(1)	(5)
Operating earnings /ACOI	535	717	697	875
Reversal of over-provision on capital gain tax	-	70		
Total earnings	535	787		

Mainland China – Renewables and Generation



Contributions of renewables were higher than 1H2016



- Mainland China remains a primary growth market for CLP
- Government support for a reduction in carbon intensity within the Five Year Plan, Power Sector Reform and from COP21 provides strong impetus to investors such as CLP to make selective investments in renewables and nuclear
- Our focus on development of non-fossil fuel generation means we are well-positioned to capitalise on these opportunities
- In 1H2017, CLP has commenced commercial operation of Huai'an Solar (13MW, Jun) in Jiangsu
- CLP has committed to or commenced construction of the following projects
 - Laiwu II Wind (49.5MW) and CLP Laizhou II Wind (49.5MW) in Shandong, Sandu II Wind (99MW) in Guizhou and Lingyuan Solar (17MW) in Liaoning
- In November 2016, CLP has entered into a Conditional Equity Transfer Agreement with CGN Power to acquire a 17% equity stake in Yangjiang Nuclear, the transaction is targeted to be completed in the coming months

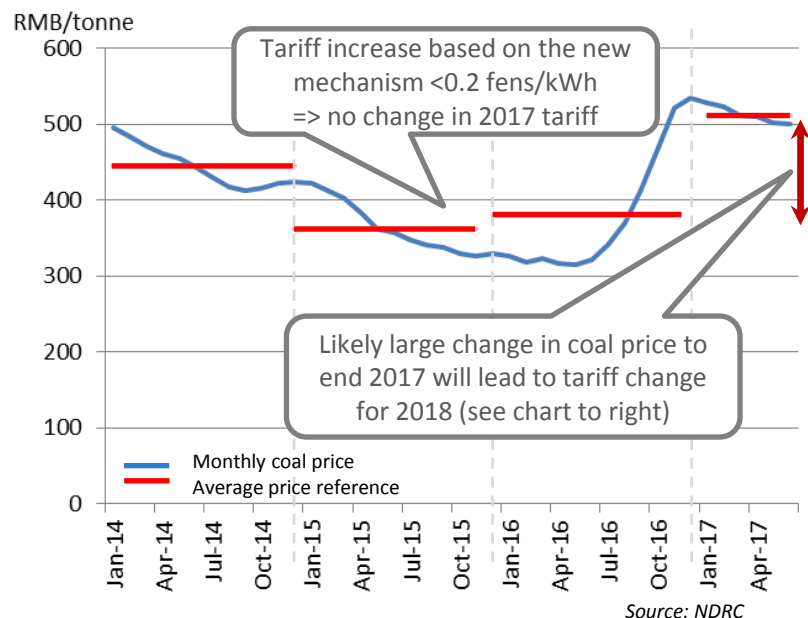
Mainland China – Yangjiang Nuclear

- On 30 November 2016, CLP entered into a conditional equity transfer agreement to acquire a 17% interest in 6,516 MW Yangjiang nuclear facility in Guangdong (1,108 equity MW)
- Aligned with our long term “Focus • Delivery • Growth” strategy
- Close to major load centres in Guangdong
- Safe, reliable and economic second generation nuclear facility with four out of six units operational
- Earnings accretive from Completion (equity accounting) and financed using existing internal resources and third party debt
- Purchase Consideration
 - RMB5.0 billion (around HK\$5.7 billion) plus audited completion payment
 - CLP total Investment : Approximately RMB7.0 billion (around HK\$8.0 billion) to full COD of 6 Units by 2019
- Project schedule
 - Operational : Units 1, 2, 3 & 4
 - Under Construction: Units 5 & 6
- Awaiting approval from Mainland’s regulatory authority
- Completion of transaction targeted in the coming months



Mainland China – Market updates

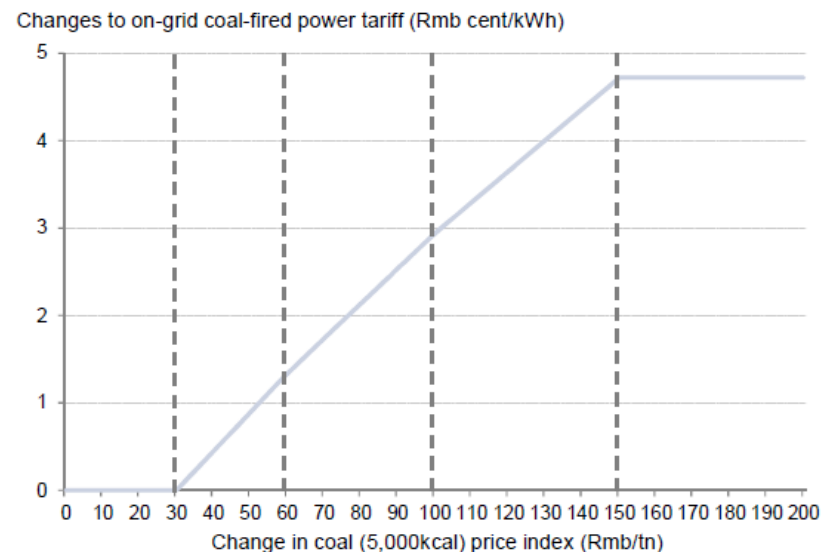
NDRC Coal Price Index



Recent policy development

- Green certificates issuance
- Carbon trading
- Ban on coal imports at certain ports
- Increase on grid coal-fired tariff by cancelling or reducing Government charges
- Open-up the power market by increasing market bidding of coal-fired power
- Announcement of 7th Batch of Renewable Subsidy
- Minimum utilisation hours for nuclear power

Tariff setting mechanism



Source: Goldman Sachs report

- In December 2015, NDRC announced a new fuel cost pass through policy for power producers
- Annual adjustment on power tariff based on the average coal price index in the preceding year on a tiered structure
 - If coal price increase less than RMB30/ton, there would be no fuel cost pass through
 - If coal price increase between RMB30-150, fuel cost will be passed through based on different pass through factors
 - If coal price increase more than RMB150/ton, that portion will not have any pass through
- Minimum tariff change threshold: If the calculated tariff change in a given cycle (one year) is below 0.2 fens/kWh, the tariff change would be postponed from the current cycle to the next cycle

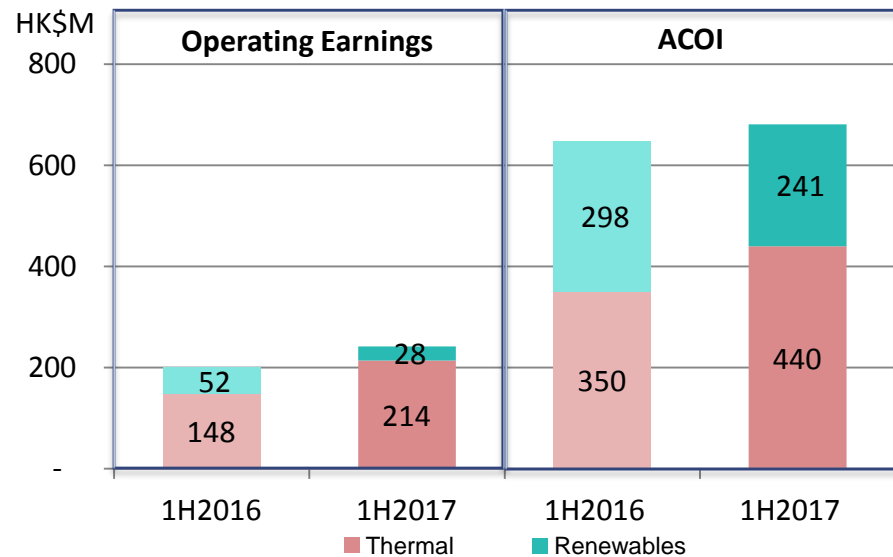
India - Financials



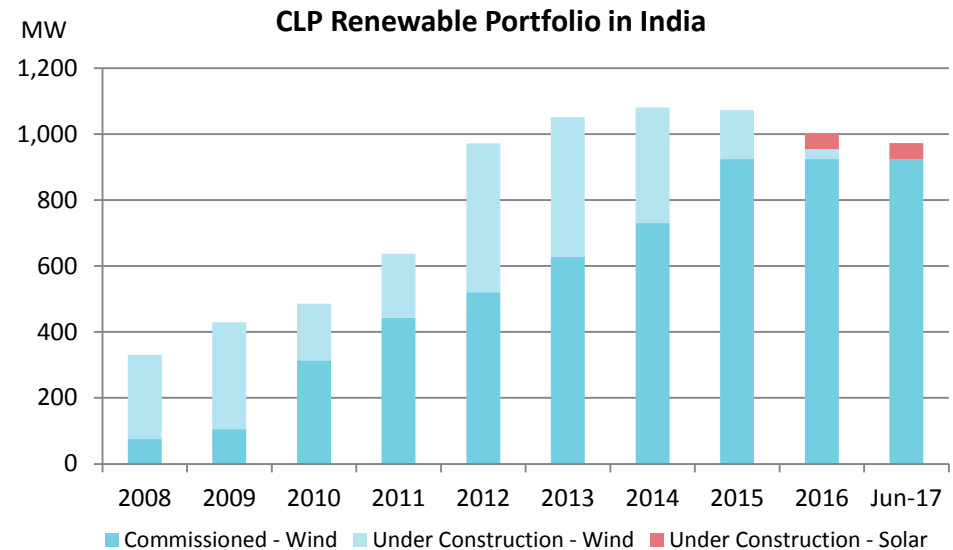
	HK\$		Local Currency	
	1H2017	1H2016	1H2017	1H2016
	HK\$M	HK\$M	INR'M	INR'M
ACOI				
Thermal (Jhajjar)	284	235	2,391	2,037
Thermal (Paguthan)	156	115	1,313	997
Renewables	241	298	2,029	2,584
Total	681	648	5,733	5,618
Operating earnings				
Thermal (Jhajjar)	94	51	791	442
Thermal (Paguthan)	120	97	1,010	841
Renewables	28	52	236	451
Total	242	200	2,037	1,734

The average foreign exchange rates used to convert Indian Segment earnings to Hong Kong dollars are 0.11534 for 1H2016 and 0.11878 for 1H2017. Note that in the ACOI variance analysis presented in the body of the presentation 1H2016 earnings are adjusted for changes in scope and foreign exchange before period on period variance in underlying performance is illustrated.

India - Renewable Generation



Lower renewables earnings in 1H2017 reflects one-off cancellation cost of Yermala wind



- We are one of the largest foreign investors in the power sector, and one of the largest developers of wind power in India
- The renewable generation portfolio in India has been diversified with our first solar project Veltoor targeted commissioning in second half of 2017. Lower wind capacity over 2016 and 1H2017 reflects the cancellation of the Yermala project
- India's economic growth has softened recently, which has had a negative impact on power demand. However, we remain confident of the long-term prospects of India's power industry
- We will continue our prudent approach in exploring new opportunities in renewable areas in support of India's goal of increasing the share of its clean electricity supply and look for growth opportunities along the energy supply chain

Southeast Asia & Taiwan – Financials

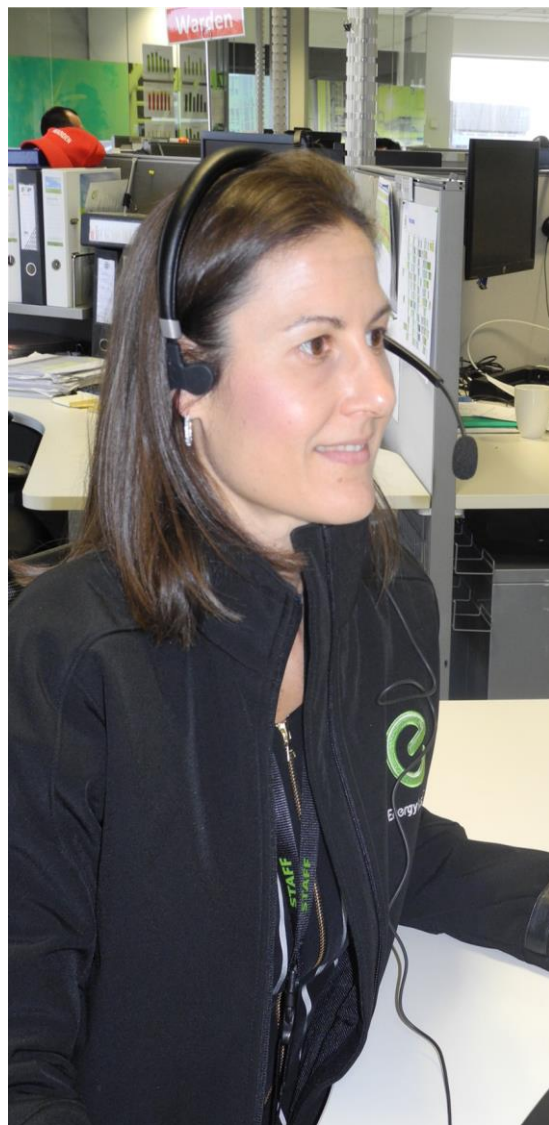


SEA & Taiwan

	HK\$		Local Currency	
	1H2017 HK\$M	1H2016 HK\$M	1H2017 M	1H2016 M
ACOI				
Thermal	70	102	NT\$276	NT\$431
Renewables	32	31	THB143	THB141
Operating expenditure	(9)	(6)	-	-
Development expenditure	(14)	(9)	-	-
Total	79	118		
Operating earnings				
Thermal	70	102	NT\$276	NT\$431
Renewables	32	31	THB143	THB141
Operating expenditure	(9)	(6)	-	-
Development expenditure	(12)	(8)	-	-
Total	81	119		

The average foreign exchange rates used to convert SEA & Taiwan Segment earnings to Hong Kong dollars are 0.2192 and 0.2376 for 1H2016 and 0.2251 and 0.2547 for 1H2017 for Thai Baht and New Taiwan Dollars respectively. Note that in the ACOI variance analysis presented in the body of the presentation 1H2016 earnings are adjusted for changes in scope and foreign exchange before period on period variance in underlying performance is illustrated

Australia – Financials



Australia

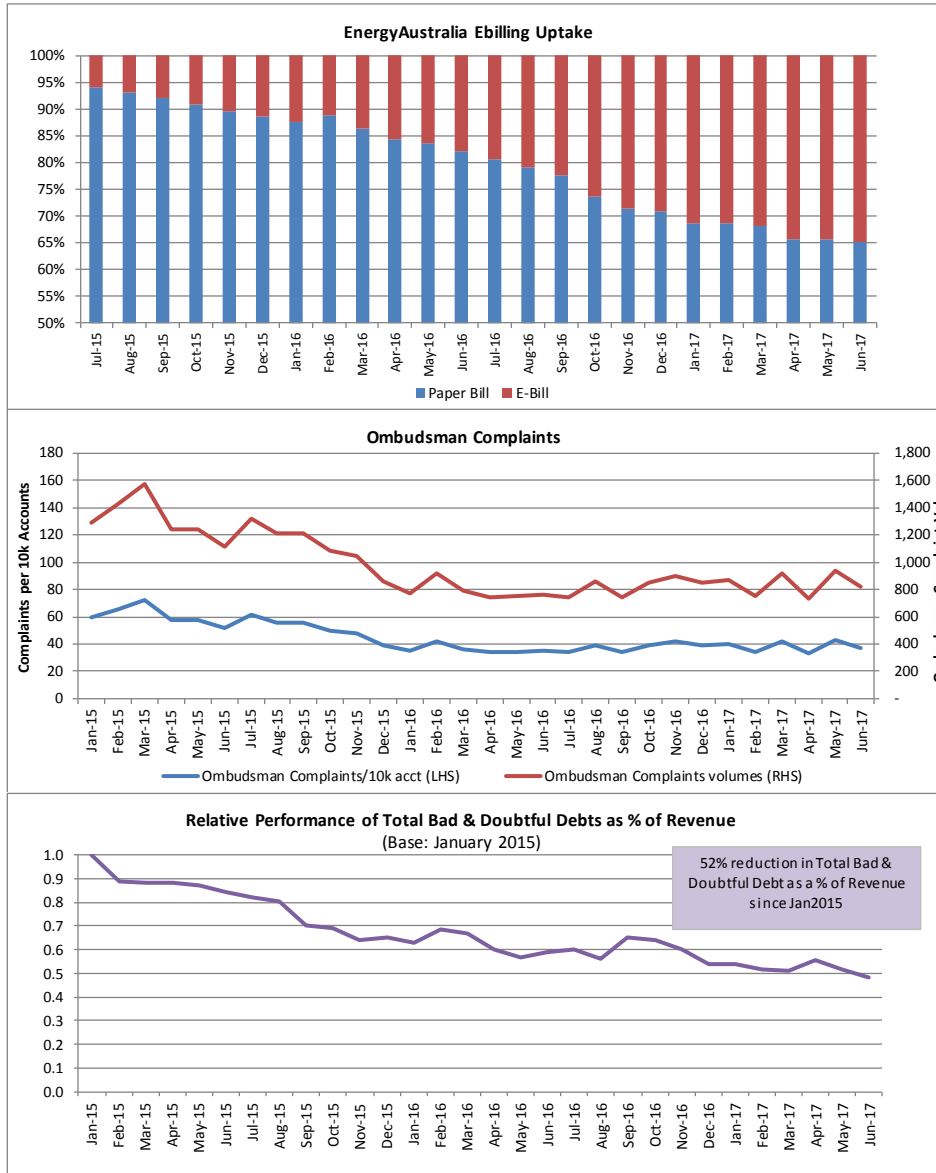
	HK\$		Local Currency	
	1H2017	1H2016	1H2017	1H2016
	HK\$M	HK\$M	A\$M	A\$M
EBITDAF	1,955	1,907	331	334
Depreciation & Amortisation	(605)	(590)	(102)	(103)
ACOI				
Customer (Retail)	1,618	1,285	274	225
Energy (Wholesale)	639	874	109	153
Enterprise (Corporate)	(907)	(842)	(154)	(147)
Total	1,350	1,317	229	231
Fair value adjustments ⁽¹⁾	(214)	65	(36)	11
Net finance costs	(53)	(113)	(9)	(20)
Income tax expense	(325)	(372)	(55)	(65)
Operating/Total earnings	758	897	129	157

(1) Fair value loss in the current period is mainly driven by significant increases in wholesale prices which has favourably impacted the contracts to buy energy including our windfarm offtake contracts, however adversely impacted our contracts to sell energy, together with roll-off of energy contracts. A gain was recorded in prior period as a result of close-out of certain energy contracts.

The average foreign exchange rates used to convert Australian Segment earnings to Hong Kong dollars are 5.7131 for 1H2016 and 5.8977 for 1H2017. Note that in the ACOI variance analysis presented in the body of the presentation 1H2016 earnings are adjusted for changes in scope and foreign exchange before period on period variance in underlying performance is illustrated.

Australia – Customer Operations

Improved Customer Experience and Reduced Costs

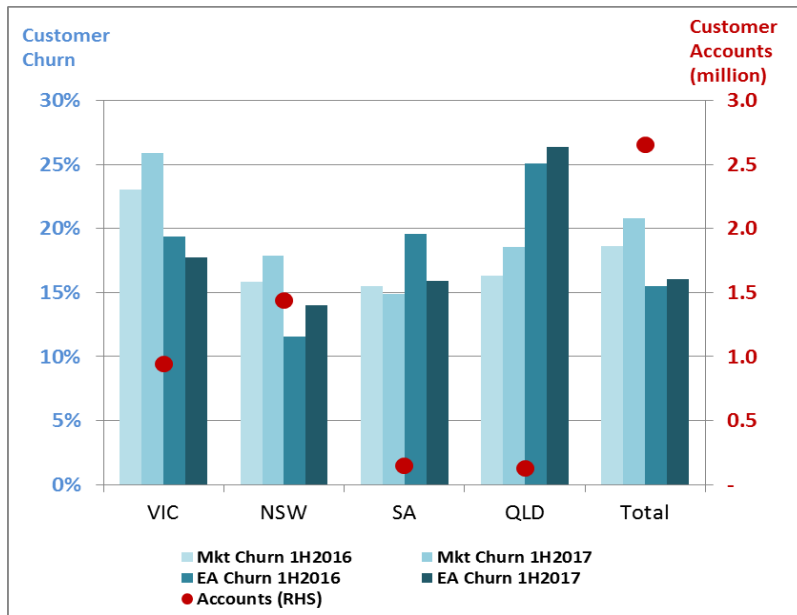


- While the retail environment remains competitive, focus has been on improving customer experience and reducing costs.
- Ombudsman complaints and Net Promoter score continue to be a focus, particularly against rising concern among customers relating to energy affordability and price.
- Successful transition of a significant proportion of customer service to the newly established centre in Manila, and closure of the Mill Park centre in Australia.
- Digitisation of activities continue with significant progress on electronic billing and webchat.
- Total Bad and Doubtful Debt as a % of Revenue has continued to improve as a result of significant advancement in debtor management and collections.
- Initiated programs to further reduce costs and increase our ability to respond to changing customer demands.
- With increasing energy price pressures on Australian households, EnergyAustralia announced A\$10m increase to its Hardship Program to provide more support to its Vulnerable customers.

Australia – Customer Operations

Customer Account numbers ('000)	1H2017			1H2016		
	Electricity	Gas	Total	Electricity	Gas	Total
Mass Market	1,758.3	876.5	2,634.8	1,774.7	848.1	2,622.8
Commercial & Industrial	15.1	0.5	15.5	16.9	0.4	17.4
Total Account Numbers	1,773.4	877.0	2,650.4	1,791.6	848.5	2,640.2
Weighted Average Mass Market ⁽¹⁾	1,754.9	865.8	2,620.7	1,775.9	846.0	2,621.9

Sales Volumes and Revenue	1H2017		1H2016	
	Electricity (TWh)	Gas (PJ)	Electricity (TWh)	Gas (PJ)
Mass Market	5.4	15.3	5.2	14.1
Commercial & Industrial	4.0	11.2	4.9	15.5
Total Sales Volume	9.5	26.5	10.1	29.6
Sales Revenue (A\$m)	2,003.2	473.7	1,911.7	459.5

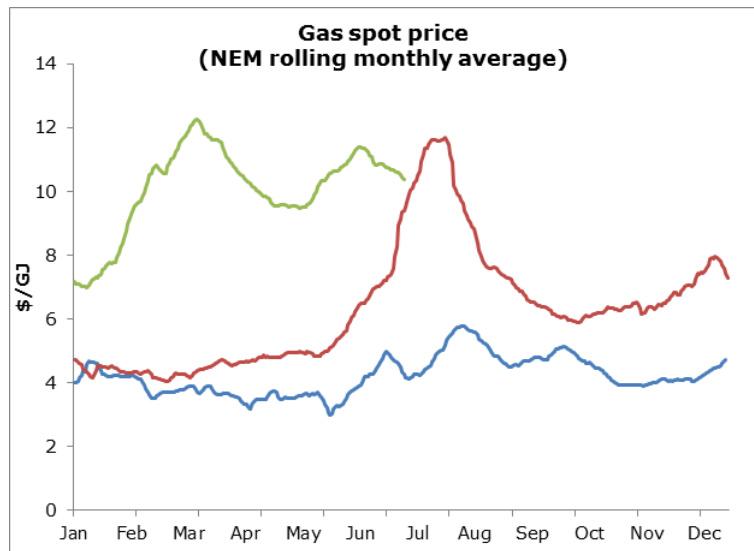
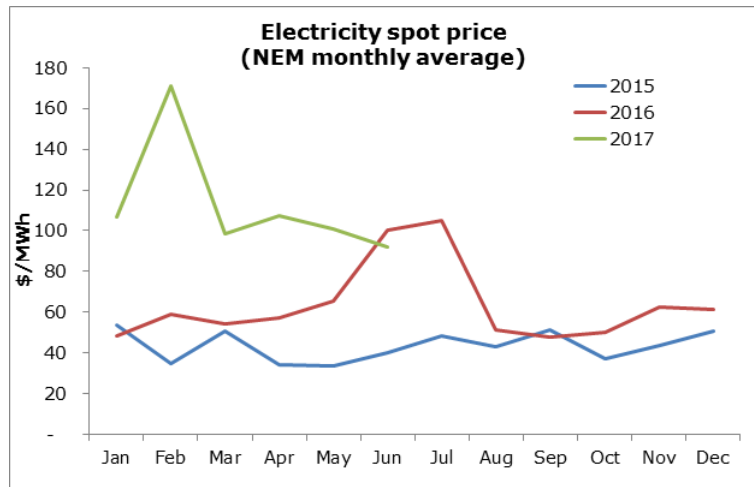


- Mass Market Customer accounts have increased despite strong competition in the retail market
- Decreased sales volume driven by lower sales to lower margin Commercial & Industrial customers
- EnergyAustralia continues to have below market churn rates (blended across electricity and gas) in the key states of Victoria and New South Wales

¹Weighted Average Mass Market is the average accounts of our mass market customer base during the year

Note: Individual items and totals are rounded to the nearest appropriate number. Some totals may not add down the page due to rounding of individual components

Australia – Wholesale Market Conditions



- High wholesale prices and volatility in 1H2017
 - Baseload reduction with Hazelwood exit
 - High peak demand events in NSW and QLD from extreme weather
 - More gas powered generation at high gas fuel cost
 - New renewable energy capacity
- Government action targeting reliability, affordability and lower emissions
 - Interventions in SA and QLD
 - Restrictions on LNG exports to counter domestic shortages
 - Snowy Hydro expansion proposal
 - Potential for further regulatory change from industry reviews including from Australia's chief Scientist Dr Alan Finkel
- In the short term prices are likely to remain high and volatile pending increased investment certainty

CLP Group – Generation Portfolio – 30 Jun 2017

18,608 Equity MW and 5,159MW Capacity Purchase (total 23,768MW)

AUSTRALIA	total	4,966MW*
<u>Operational</u>		
Yallourn	1,480 / 1,480	(c)
Mount Piper	1,400 / 1,400	(c)
Hallett	203 / 203	(g)
Ecogen	966 / 966*	(g)
Tallawarra	420 / 420	(g)
Wind Projects	602 / 494*	(w)
Wilga Park	16 / 3	(g)

INDIA	total	2,948 MW
<u>Operational</u>		
Jhajjar	1,320 / 1,320	(c)
Paguthan	655 / 655	(g)
Wind Projects	924 / 924	(w)
<u>Under Construction/ Committed</u>		
Solar Project #	100 / 49	(s)

TAIWAN	total	264 MW
<u>Operational</u>		
Ho-Ping	1,320 / 264	(c)

THAILAND	total	21 MW
<u>Operational</u>		
Lopburi Solar #	63 / 21	(s)



HONG KONG	total	7,483MW*
<u>Operational</u>		
Castle Peak	4,108 / 4,108*	(c)
Black Point	2,525 / 2,525*	(g)
Penny's Bay	300 / 300*	(d)
<u>Under Construction/ Committed</u>		
Black Point - D1 (a)	550 / 550*	(g)

MAINLAND CHINA	total	8,086* MW
<u>Operational</u>		
Daya Bay (b)	1,968 / 1,380*	(n)
Pumped Storage	1,200 / 600*	(h)
Fangchenggang I & II	2,580 / 1,806	(c)
SZPC	3,060 / 900	(c)
Guohua & Shenmu	7,660 / 1,350	(c)
Hydro Projects	509 / 489	(h)
Wind Projects	1,331 / 798	(w)
CGN Wind	1,993 / 282	(w)
Solar Projects #	275 / 234	(s)
<u>Under Construction/ Committed</u>		
Wind Projects	198 / 198	(w)
CGN Wind	200 / 32	(w)
Solar Project #	17 / 17	(s)
Yangjiang (c)		

Fuel Source: (c) – coal-fired (g) – gas-fired (w) – wind (h) – hydro (n) – nuclear (d) – diesel (s) – solar

• Station Name Gross MW / CLP Equity MW

* including capacity purchase

Solar projects in AC output

- (a) A new gas-fired generation unit of 550MW at Black Point Power Station is targeted to be put in commercial operation before 2020.
- (b) Agreement has been reached to increase proportion of supply to Hong Kong to about 80% from 2015 to 2018, with the remainder continuing to be sold to Guangdong.
- (c) Conditional Equity Transfer Agreement was entered with CGN Power to acquire a 17% equity stake in Yangjiang Nuclear.

CLP Group – Renewable Generation Portfolio – 30 Jun 2017

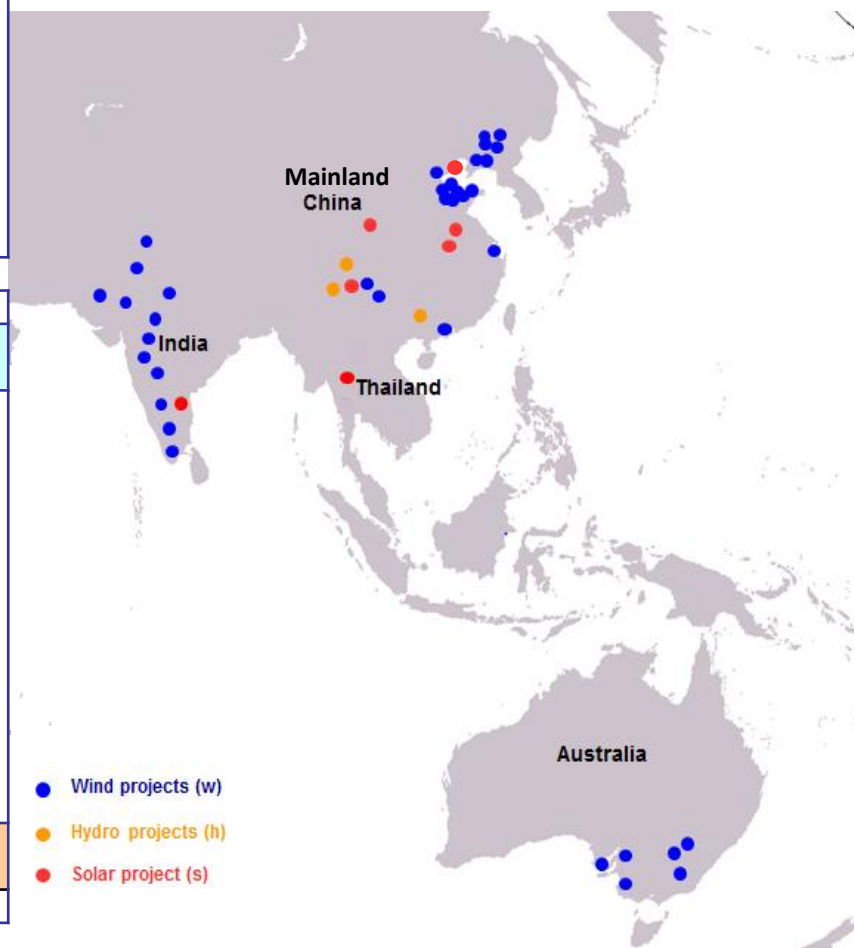
3,077 Equity MW and 461MW Capacity Purchase (total 3,538MW)

- 17% of CLP total equity generation portfolio

AUSTRALIA	total	494 MW
Operational		
Waterloo	131 / 56*	
Cathedral Rocks	66 / 33	
Boco Rock	113 / 113*	
Taralga	107 / 107*	
Mortons Lane	20 / 20*	
Gullen Range	166 / 166*	

INDIA	total	973 MW
Operational		
Wind	924 MW	
Khandke	50 / 50	
Samana I & II	101 / 101	
Saundatti	72 / 72	
Theni I	50 / 50	
Theni II	50 / 50	
Harapanahalli	40 / 40	
Andhra Lake	106 / 106	
Sipla	50 / 50	
Bhokrani	102 / 102	
Mahidad	50 / 50	
Jath	60 / 60	
Tejuva	101 / 101	
Chandgarh	92 / 92	
Under Construction/ Committed		
Solar	49 MW	
Veltoor Solar # (a)	100 / 49	

THAILAND	total	21 MW
Operational		
Lopburi Solar #	63 / 21	



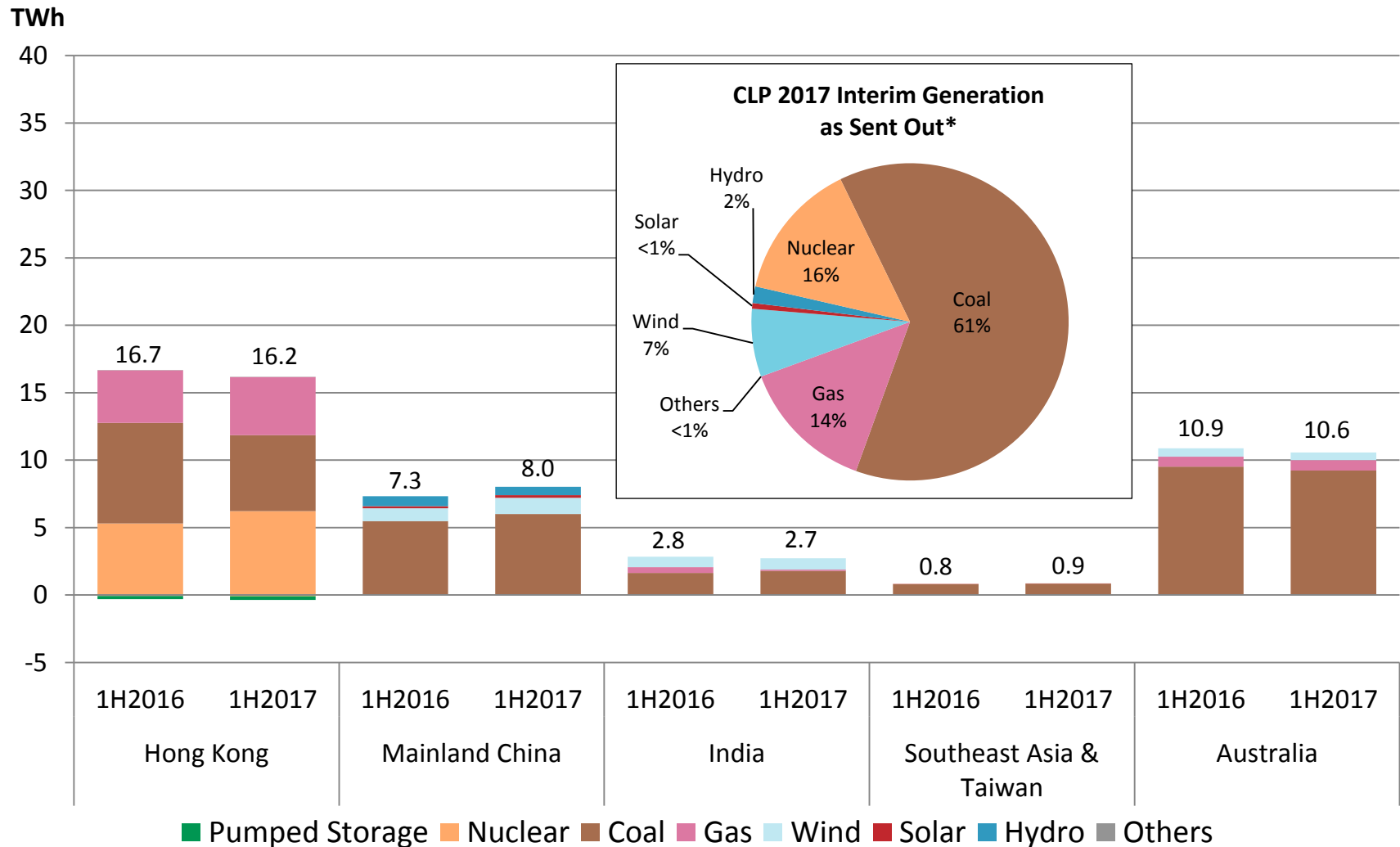
• Station Name Gross MW / CLP Equity MW
 * including capacity purchase
 # Solar projects in AC output

MAINLAND CHINA	total	2,050 MW
Operational		
Wind	1,080 MW	
Hydro	489 MW	
Solar	234 MW	
Changdao	27 / 12	
Weihai I & II	69 / 31	
Nanao II & III	60 / 15	
Shuangliao I & II	99 / 48	
Datong	50 / 24	
Laizhou I	41 / 18	
Changling II	50 / 22	
Guohua Wind	395 / 194	
Qujiagou	49 / 12	
Mazongshan	49 / 12	
Qian'an I & II	99 / 99	
CGN Wind	1,993 / 282	
Penglai I	48 / 48	
Chongming I	48 / 14	
Laiwu I	50 / 50	
Xundian I	50 / 50	
Sandu I	99 / 99	
CLP Laizhou I	50 / 50	
Jiangbian Hydro	330 / 330	
Huaiji Hydro	129 / 110	
Dali Yang_er Hydro	50 / 50	
Jinchang Solar #	85 / 43	
Xicun I & II Solar #	84 / 84	
Sihong Solar #	93 / 93	
Huai'an Solar #	13 / 13	
Under Construction/ Committed		
Wind	230 MW	
Solar	17 MW	
Sandu II	99 / 99	
Laiwu II	50 / 50	
CLP Laizhou II	50 / 50	
CGN Wind	200 / 32	
Lingyuan Solar #	17 / 17	

(a) CLP India has the option to acquire the remaining 51% in the future.

CLP Group – Energy Sent Out – 1H 2017

Energy Sent Out*



* Equity basis and including capacity purchase arrangements

CLP Group – Equity MW by Fuel Mix – 30 Jun 2017

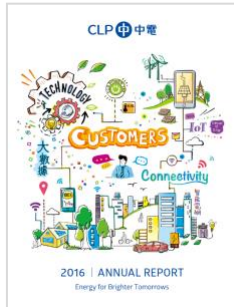
18,608 Equity MW Attributable to CLP Group

<i>Capacity by Energy Type</i>	Total Equity MW		<i>Equity MW in operation</i>		<i>MW under construction and development/ financially committed</i>	
	(a) + (b)	%	(a)	%	(b)	%
Coal	11,396	61%	11,396	61%	-	-
Gas	3,434	18%	3,049	16%	385	2%
Nuclear ¹	492	3%	492	3%	-	-
Diesel	210	1%	210	1%	-	-
Wind	2,267	12%	2,037	11%	229	1%
Hydro	489	3%	489	3%	-	-
Solar	321	2%	255	1%	66	<1%
Total operating	18,608	100%	17,927	96%	680	4%

Note 1: CLP owns 25% of GNPJVC which owns Daya Bay units 1 and 2

Additional Resources

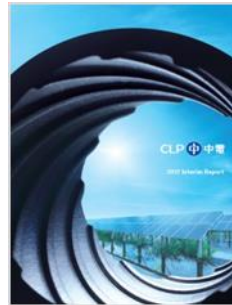
**Annual Report
2016**



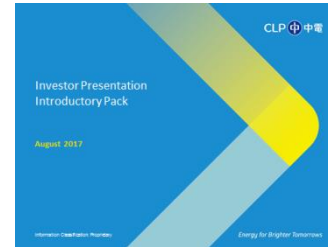
**Sustainability
Report
2016**



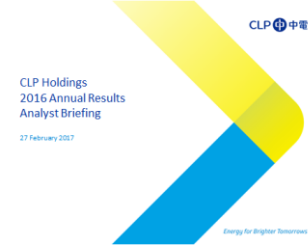
**Interim Report
2017**



**Introductory Pack
August 2017**



**Analyst Presentation
Feb 2017**



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Website: www.clpgroup.com

Investor Relations contact: ir@clp.com.hk

CLP Holdings

Thank you