

Quarterly Statement 2016 (January – September)

To Shareholders:

The operations of CLP Holdings Limited (the Company) for the nine months ended 30 September 2016 are summarised in this Quarterly Statement.

Hong Kong Electricity Business

Our Hong Kong electricity business performed well in the first nine months of 2016 as we continued to consistently deliver a reliable, safe and reasonably priced electricity supply with improved environmental performance. In August, we commissioned the Mongkok West 132kV Substation to provide traction power for the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link.

In the first nine months of 2016, local sales of electricity were 25,637GWh, up 0.5% over the same period last year. The Residential sector rose 2.2% mainly due to a higher heating and dehumidifying load in the start of the year. The Infrastructure & Public Services sector recorded slight improvement in the period. Increases in these two sectors offset the decreases in sales in the Commercial and Manufacturing sectors. A breakdown of the changes in local sales during the period by sector is as follows:

	Increase/(Decrease)	% of Total	Local Sales
Residential	160GWh	2.2%	30%
Commercial	(25GWh)	(0.3%)	39%
Infrastructure & Public Services	30GWh	0.4%	26%
Manufacturing	(45GWh)	(3.3%)	5%

Sales to the Mainland increased by 10.5% over the same period last year to 935GWh due to earlier purchase of electricity by Guangdong Power Grid Co., Ltd. this year.

Total electricity sales during the period, including local sales and sales to the Mainland, increased by 0.8% to 26,572GWh.

To support the government's environmental policy of increasing the share of gas in the fuel mix to around 50% in 2020, CLP targets to commission a new gas-fired generation unit at the Black Point Power Station before 2020, subject to satisfactory project economics and the government's approval. In addition, we have continued our engagement with potential gas and liquefied natural gas (LNG) suppliers to ensure stable gas supply. We have also entered into discussions with the government and different stakeholders regarding our proposal of building an offshore LNG terminal in Hong Kong, which will enable direct access to a variety of gas supply sources at competitive prices. At the same time, we are conducting various studies under the environmental impact assessment for the project.

We signed an agreement with CNOOC China Limited in February 2016 to purchase gas from the Wenchang Gas Field in the South China Sea. The agreement aims to secure stable gas supply in the medium term. We have been working closely with

CNOOC China to implement the agreement to ensure the supply of gas from Wenchang to Hong Kong in the beginning of 2018.

In August, the Company and HKT Limited announced the formation of an equal joint venture, Smart Charge, to offer total electric vehicle charging solutions to meet increasing market demand in Hong Kong. Smart Charge will develop comprehensive network coverage in public and private car parks to offer one-stop charging services for electric car users, a service to further enable the development of green driving in Hong Kong.

Regional Businesses

Mainland China

Electricity demand in China picked up in the third quarter. However, the slowing Chinese economy continued to put pressure on power consumption.

With abundant rainfall in Huaiji in Guangdong and stronger water inflow in Yang_er of Yunnan, our hydro projects performed better in the period than a year ago. In Jiangbian of Sichuan, generation in the nine-month period reduced compared with the same period last year because of higher grid restrictions.

Our solar portfolio performed satisfactorily during the period. Generation at Xicun in Yunnan increased with the completion of phase II of the project in November 2015.

Our wind projects in Xundian of Yunnan and Sandu I in Guizhou were commissioned in January and July 2016, respectively. CLP Laizhou I in Shandong started commercial operation in October 2016. Construction of Laiwu II in Shandong is expected to be completed by the end of 2016.

Dispatch from Fangchenggang Power Station continued to be affected by the economic slowdown and high hydro generation in the Guangxi Zhuang Autonomous Region. Construction of phase II is continuing for its planned commissioning later this year and we remain confident of the strength of the Guangxi market in the longer run.

India

During the period, generation of our wind farms increased compared with the same period last year. The increase is the result of a combination of factors including the commissioning of additional capacity at Chandgarh in Madhya Pradesh and strong wind resources. However, generation in the states of Rajasthan and Tamil Nadu was adversely affected by grid restrictions. We have actively engaged with other power producers and wind power associations to resolve the problem and our efforts have begun to show favourable results. Meanwhile, construction of our new solar project in Telangana has begun and it is expected to be ready for commissioning by the middle of next year.

Jhajjar Power Station achieved a record high availability of 92% during the period, and Paguthan Power Station was able to maintain availability at over 93%.

We are saddened by an unfortunate fatal accident at our Tejuva Wind Farm on 8 September 2016 when an employee of one of the project's contractors fell from height. We are working with the contractor to ensure assistance is provided to the family of the deceased. An independent panel has been set up to determine the cause of the accident. The need for much stronger safety standards at CLP India's wind sites has been reiterated to our contractors and corrective actions are being formulated to ensure such tragedies do not recur.

Southeast Asia and Taiwan

During the period, operation of the Ho-Ping Power Station in Taiwan was affected by a few minor technical issues which have been rectified. The Lopburi solar project in Thailand operated smoothly.

In Vietnam, development of the Vung Ang II and Vinh Tan III coal-fired projects continued, with active engagement with our prospective customer, Vietnam Electricity Group, and the Vietnamese government towards finalising the agreements for both projects. Vinh Tan III achieved a key milestone in September when it signed agreements with China Development Bank (CDB) to lay down the structure and major terms of financing and to appoint CDB to take a lead role in the arrangement of financing for the project.

Australia

In the third quarter, wholesale electricity forward prices remained high compared with the same period last year, reflecting outages at major generators and higher gas prices along the east coast of Australia, coupled with intermittent renewable energy generation. For the nine months to September, National Electricity Market (NEM) demand grew by 1.4% year-on-year, driven mainly by increase in demand from new LNG projects in Queensland and warmer weather in New

South Wales. However, the outlook for NEM demand remains flat with continued economic pressure on large electricity users.

While competition remained strong in the retail environment resulting in higher discounts and a slight decline in customer numbers year to date, our customer experience metrics continued to improve. EnergyAustralia continued to build on the progress it made in 2015 towards restoring value to the business by focusing on enhancing customer service, operating more efficiently and reducing costs. Our transformation programme is delivering efficiencies and we will continue to focus on improving our customer retention and acquisition activities.

Dividend

Directors today declared the third interim dividend for 2016 of HK\$0.57 per share payable on 15 December 2016 to Shareholders registered as at 6 December 2016. The dividend of HK\$0.57 per share (2015: HK\$0.55 per share) is payable on the existing 2,526,450,570 shares in issue.

The Register of Shareholders will be closed on 6 December 2016. To rank for this dividend, all transfers should be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 5 December 2016.



The Hon Sir Michael Kadoorie
Chairman of the Board of Directors

Hong Kong, 20 October 2016

The Directors of the Company as at the date of this quarterly statement are:

Non-executive Directors:	The Hon Sir Michael Kadoorie, Mr William Mocatta, Mr J. A. H. Leigh, Mr Andrew Brandler and Dr Y. B. Lee
Independent Non-executive Directors:	Mr V. F. Moore, Sir Rod Eddington, Mr Nicholas C. Allen, Mr Vincent Cheng, Mrs Fanny Law, Ms Irene Lee and Mrs Zia Mody
Executive Directors:	Mr Richard Lancaster and Mr Geert Peeters

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

Choice of language and means of receipt of corporate communications

You may change your choice of language (English and/or Chinese) and means of receipt (in printed form or in electronic form through our website) of the Company's future corporate communications^(Note), free of charge, at any time by reasonable notice in writing (not less than 7 days) to the Company or the Company's Registrars or via email (cosec@clp.com.hk or clp.ecom@computershare.com.hk), notwithstanding any wish to the contrary you have previously conveyed to the Company or the Company's Registrars.

If you have (a) received this Quarterly Statement electronically and would like to receive a printed copy or vice versa; or (b) received this Quarterly Statement in either English or Chinese only and would like to receive a printed copy of the other language version or to receive printed copies of both language versions in future, please write to the Company Secretary or the Company's Registrars, Computershare Hong Kong Investor Services Limited or via email to cosec@clp.com.hk or clp.ecom@computershare.com.hk. The Quarterly Statement of your choice of language in printed form will be sent to you promptly free of charge. In case you have previously chosen (or are deemed to have chosen) to receive all future corporate communications by electronic means, but for any reason you have difficulty in receiving or gaining access to the Quarterly Statement, we will promptly, upon your request, send the Quarterly Statement of your choice of language in printed form to you free of charge.

Note: 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).