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

Continuing Connected Transactions

Reference is made to the 2015 Announcement in relation to the ongoing transactions entered into between the CSG Group and the CLP Group, which constitute continuing connected transactions of the Company. Since the date of the 2015 Announcement, members of the CSG Group and members of the CLP Group have (a) renewed some of the continuing connected transactions announced in the 2015 Announcement which have fallen to be renewed since then and (b) entered into new agreements for both existing and new projects which constitute continuing connected transactions. These include the Power Sales Contract, the Energy Economy Interchange Agreement, a number of power purchase agreements (“PPAs”) and other related agreements for power purchase by the CSG Group. These renewals and the entering into of the new agreements were conducted in the ordinary and usual course of business of the CLP Group.

CAPCO is a subsidiary of the Company. CSG HK is a substantial shareholder of CAPCO as it holds a 30% interest in CAPCO. Accordingly, CSG HK, and thus each member of the CSG Group, is a connected person of the Company (at the subsidiary level) under the Listing Rules and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Each of the relevant percentage ratios under the Listing Rules in respect of the Transactions when aggregated, is more than 1% but less than 5% for the purpose of Rule 14A.33. Thus, the Transactions are only subject to the announcement requirements set out in Rules 14A.35 and 14A.68 and the annual review requirements set out in Rules 14A.55 to 14A.59 but are exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Particulars of the Transactions will be included in the relevant annual report of the Company for the purposes of Rules 14A.49 and 14A.71.

1. CONTINUING CONNECTED TRANSACTIONS BETWEEN THE CSG GROUP AND THE CLP GROUP

Reference is made to the 2015 Announcement in relation to the ongoing transactions entered into between the CSG Group and the CLP Group, which constitute continuing connected transactions of the Company. Since the date of the 2015 Announcement, members of the CSG Group and members of the CLP Group have (a) renewed some of the continuing connected transactions announced in the 2015 Announcement which have fallen to be renewed since then and (b) entered into new agreements for both existing and new projects which constitute continuing connected transactions. These include the Power Sales Contract, the Energy Economy Interchange Agreement, a number of PPAs and other related agreements for power purchase by the CSG Group. These renewals and the entering into of the new agreements were conducted in the ordinary and usual course of business of the CLP Group.

The principal terms of the Transactions are summarised in Table A below:-

Table A – Details of the Transactions

Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Start date of current contractual arrangement *	Nature and description of the transaction	Basis for determining the consideration
CLP Power electricity sales to Mainland China					
1. Power Sales Contract Date: 31 December 2015 Term: Extension from 31 December 2015 to 31 December 2016	CLP Power	Guangdong Power Grid Co., Ltd., a subsidiary of CSG (“CSG-GPG”) Guangdong Guang-hua Industry Import and Export Co., Ltd, as payment agent of CSG-GPG	10 February 2012	CLP Power sells electricity to CSG-GPG.	Payment is based on the number of GWh sold multiplied by an arm’s length tariff agreed between the parties. The tariff is determined after taking into account available market information and the relevant cost.
2. Energy Economy Interchange Agreement Date: 25 December 2015 Term: From 25 December 2015 to 24 December 2017 (potential extension for one year subject to mutual consent of both parties upon expiry of the agreement)	CLP Power	CSG-GPG	This is a new agreement.	Economic interchange of electricity from, on the one side, CLP Power to CSG-GPG and, on the other, from CSG-GPG to CLP Power, depending on which party is affected by an emergency incident resulting in interruption of normal electricity supply to its customers. The potential sale of electricity by CLP Power to CSG-GPG falls to be aggregated with the Transactions.	As in item 1 above

Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Start date of current contractual arrangement *	Nature and description of the transaction	Basis for determining the consideration
The Huaiji hydro project					
3. Zelian Hydro Station PPA (see Note (a)) Date: 28 September 2015 Term: From 28 September 2015 to 27 September 2016 (automatically renewable - see Note (c))	Guangdong Huaiji Xinlian Hydro-electric Power Company Limited, a subsidiary of the Company (“CLP-GHX”)	Zhaoqing Power Bureau of CSG-GPG, a subsidiary of CSG (“CSG-ZPB”)	23 July 2009	CLP-GHX sells electricity to CSG-ZPB.	Payment is based on the number of GWh sold multiplied by a state pre-determined tariff, determined by the Zhaoqing City Price Bureau. This tariff is published at Zhaoqing Price Bureau Document ZhaoJia [2012] No. 67 and is updated from time to time. The above pricing also applies to items 4-9.
4. Longzhongtan Hydro Station PPA (see Note (a)) Date: 28 September 2015 Term: From 28 September 2015 to 27 September 2016 (automatically renewable - see Note (c))	CLP-GHX	CSG-ZPB	23 July 2009	CLP-GHX sells electricity to CSG-ZPB.	As in item 3 above
5. Jiaoping Hydro Station PPA (see Note (a)) Date: 28 September 2015 Term: From 28 September 2015 to 27 September 2016 (automatically renewable - see Note (c))	CLP-GHX	CSG-ZPB	23 July 2009	CLP-GHX sells electricity to CSG-ZPB.	As in item 3 above
6. Xiazhu Hydro Station PPA (see Note (a)) Date: 28 September 2015 Term: From 28 September 2015 to 27 September 2016 (automatically renewable - see Note (c))	CLP-GHX	CSG-ZPB	23 July 2009	CLP-GHX sells electricity to CSG-ZPB.	As in item 3 above
7. Shuixia Hydro Station PPA (see Note (a)) Date: 28 September 2015 Term: From 28 September 2015 to 27 September 2016 (automatically renewable - see Note (c))	Guangdong Huaiji Weifa Hydro-electric Power Company Limited, a subsidiary of the Company (“CLP-GHW”)	CSG-ZPB	23 February 2012	CLP-GHW sells electricity to CSG-ZPB.	As in item 3 above

Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Start date of current contractual arrangement *	Nature and description of the transaction	Basis for determining the consideration
8. Niuqi Hydro Station PPA (see Note (a)) Date: 28 September 2015 Term: From 28 September 2015 to 27 September 2016 (automatically renewable - see Note (c))	CLP-GHX	CSG-ZPB	12 January 2009	CLP-GHX sells electricity to CSG-ZPB.	As in item 3 above
9. Baishuihe Four Hydro Stations PPA (see Note (a)) Date: 28 September 2015 Term: From 28 September 2015 to 27 September 2016 (automatically renewable - see Note (c))	Guangdong Huaiji Changxin Hydro-electric Power Company Limited (“CLP-GHC”) Guangdong Huaiji Gaotang Hydro-electric Power Company Limited (“CLP-GHG”) CLP-GHW CLP-GHX All of the above companies are subsidiaries of the Company.	CSG-ZPB	23 February 2012	CLP-GHC, CLP-GHG, CLP-GHW and CLP-GHX sell electricity to CSG-ZPB.	As in item 3 above
The Yang_er hydro project					
10. Yang_er Hydro Project PPA (see Note (a)) Term: From 1 January 2016 to 31 December 2016 (renewed by continued performance - see Note (d) and Section 4 of this announcement)	Dali Yang_er Hydropower Development Co., Ltd., a wholly-owned subsidiary of the Company (“CLP Dali Yang_er”)	Yunnan Power Grid Company Limited, a subsidiary of CSG (“CSG-YPG”)	19 August 2009	CLP Dali Yang_er sells electricity to CSG-YPG.	Payment is based on the number of GWh sold multiplied by a state pre-determined tariff, determined by the Yunnan Provincial Development and Reform Commission (“Yunnan PDRC”). This tariff is published at Yunnan Price Bureau Document YunJiaJiaGe [2013] No. 139 and is updated from time to time.
11. High Voltage Electricity Supply Contract (see Note (b)) Date: 1 September 2009 (continuingly valid - see Note (e))	CLP Dali Yang_er	Yangbi Electricity Supply Co., Ltd., a subsidiary of CSG (“CSG Yangbi”)	1 September 2009	CSG Yangbi supplies electricity to CLP Dali Yang_er for use by the facilities at the main dam.	Payment is based on the number of kWh sold multiplied by the industrial use tariff for bulk industrial users determined by Yunnan PDRC. This tariff is updated from time to time.

Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Start date of current contractual arrangement *	Nature and description of the transaction	Basis for determining the consideration
12. High Voltage Electricity Supply Contract (see Note (b)) Date: 1 September 2009 (continuingly valid - see Note (e))	CLP Dali Yang_er	CSG Yangbi	1 September 2009	CSG Yangbi supplies electricity (10kV) to CLP Dali Yang_er during overhaul related outages.	As in item 11 above
13. High Voltage Electricity Supply Contract (see Note (b)) Date: 4 November 2009 (continuingly valid - see Note (e))	CLP Dali Yang_er	Dali Power Bureau of CSG-YPG, a subsidiary of CSG (“CSG-DPB”)	4 November 2009	CSG-DPB supplies electricity (110kV) to CLP Dali Yang_er during overhaul related outages.	As in item 11 above
The Fangchenggang coal-fired project					
14. Fangchenggang Coal-fired Project PPA (see Note (a)) Term: From 1 January 2016 to 31 December 2016 (renewed by continued performance - see Note (f) and Section 4 of this announcement)	CLP Guangxi Fangchenggang Power Company Limited, a subsidiary of the Company (“CLP-FCG”)	Guangxi Power Grid Company Limited, a subsidiary of CSG (“CSG Guangxi”)	28 August 2007	CLP-FCG sells electricity to CSG Guangxi.	Payment is based on the number of GWh sold multiplied by a state pre-determined tariff, determined by the Guangxi Price Bureau. This tariff is published at Guangxi Price Bureau Document GuiJiaGe [2015] No. 35 and is updated from time to time.
15. Fangchenggang High Voltage Electricity Supply Contract Date: 27 September 2015 Term: From 27 September 2015 to 26 September 2017 (automatically renewable - see Note (g))	CLP- FCG	Fangchenggang Power Bureau of CSG Guangxi, a subsidiary of CSG (“CSG-FPB”)	9 December 2006	CSG-FPB supplies standby electricity to CLP-FCG.	As in item 14 above
16. Fangchenggang High Voltage Electricity Supply Contract Date: 1 June 2009 Term: From 1 June 2015 to 31 May 2017 (automatically renewable - see Note (g))	CLP- FCG	CSG Guangxi	1 June 2009	CSG Guangxi supplies standby electricity to CLP-FCG.	As in item 14 above

Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Start date of current contractual arrangement *	Nature and description of the transaction	Basis for determining the consideration
17. Fangchenggang Replacement and Generation Agreement Date: 28 August 2015 Term: From 1 September 2015 to 31 December 2015	CLP-FCG	CSG Guangxi	This is a new agreement entered into for 2015 only	CLP-FCG sells electricity to CSG Guangxi and the additional generation capacity was transferred to CLP-FCG from Guangxi Tiandong Power Plant.	Payment is based on the number of GWh sold pursuant to the agreement multiplied by the state pre-determined tariff determined by the Guangxi Price Bureau as applicable to Guangxi Tiandong Power Plant in 2008.
Xicun solar project (Phases I and II)					
18. Xicun Solar Project PPA (see Note (a)) Term: From 1 January 2016 to 31 December 2016 for Phases I and II (renewed by continued performance - see Note (h) and Section 4 of this announcement)	CLP Dali (Xicun) Solar Power Co., Ltd, a wholly-owned subsidiary of the Company (“ CLP Xicun ”)	CSG-YPG	24 September 2014	CLP Xicun sells electricity to CSG-YPG.	Payment is based on the number of GWh sold multiplied by a state pre-determined tariff, determined by the National Development and Reform Commission (“ NDRC ”). This tariff is published at Document FaGaiJiaGe [2013] No. 1638 and is updated from time to time.
19. Xicun Solar Project Electricity Supply Contract (10kV) (see Note (b)) Date: 11 December 2014 Term: From 11 December 2014 to 10 December 2017 (automatically renewable - see Note (i))	CLP Xicun	Binchuan Electricity Supply Company Limited, a subsidiary of CSG (“ CSG Binchuan ”)	11 December 2014	CSG Binchuan supplies electricity to CLP Xicun (for power consumption at the project site).	Payment is based on the number of kWh sold multiplied by the industrial use tariff for bulk industrial users determined by the Yunnan PDRC. This tariff is updated from time to time.
20. Xicun Solar Project Electricity Supply Contract (110kV) Date: 27 January 2015 Term: From 15 December 2014 to 14 December 2017 (automatically renewable - see Note (i))	CLP Xicun	CSG-DPB	This is a new agreement.	CSG-DPB supplies electricity to CLP Xicun (for start up purposes).	As in item 19 above
21. Xicun Solar Project High Voltage Power Supply Contract (for pump station) Date: 31 July 2015 Term: From 31 July 2015 to 30 July 2018 (automatically renewable - see Note (i))	CLP Xicun	CSG Binchuan	This is a new agreement.	CSG Binchuan supplies electricity to CLP Xicun (for watering facilities).	Payment is based on the number of kWh sold multiplied by the agricultural tariff for agricultural users determined by the Yunnan PDRC. This tariff is updated from time to time.

Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Start date of current contractual arrangement *	Nature and description of the transaction	Basis for determining the consideration
<p>22. Xicun Phase II Project Grid Connection System Technology Consultancy Contract</p> <p>Date: 12 October 2015</p> <p>Term: Valid until successful completion of the consultancy work which has been duly completed</p>	CLP Xicun	The Grid Plan & Research Center of CSG-YPG, a subsidiary of CSG (“CSG-GPRC”)	This is a new agreement.	Consultancy service provided by CSG-GPRC to CLP Xicun regarding grid connection system for Phase II of this project.	A fixed fee of RMB 60,000 (HK\$74,134.80)
Xundian wind project					
<p>23. Xundian Wind Project PPA (see Notes (a) and (j))</p> <p>Term: From 1 January 2016 to 31 December 2016 (renewed by continued performance - see Note (k) and Section 4 of this announcement)</p>	CLP (Kunming) Renewable Energy Co., Ltd., a wholly-owned subsidiary of the Company (“CLP Xundian”)	CSG-YPG	This is a new project and the first PPA was entered into on 2 December 2015.	CLP Xundian sells electricity to CSG-YPG.	Payment is based on the number of GWh sold multiplied by a state pre-determined tariff, determined by the NDRC. This tariff is published at Document FaGaiJiaGe [2014] No. 3008 and is updated from time to time.
<p>24. Xundian Wind Project Electricity Supply Contract</p> <p>Date: 30 November 2015</p> <p>Term: From 30 November 2015 to 29 November 2018 (automatically renewable - see Note (i))</p>	CLP Xundian	Kunming Power Bureau of CSG-YPG, a subsidiary of CSG (“CSG-KPB”)	This is a new agreement.	CSG-KPB supplies electricity via a 110kV line to CLP Xundian (for start up purposes).	Payment is based on the number of kWh sold multiplied by the industrial use tariff for bulk industrial users determined by the Yunnan PDRC. This tariff is updated from time to time.
<p>25. Xundian Wind Project Electricity Supply Contract (Interim)</p> <p>Date: 27 October 2015</p> <p>Term: From 27 October 2015 to 26 October 2018 (automatically renewable - see Note (l))</p>	CLP Xundian	Xundian Power Supply Company Limited, a subsidiary of CSG (“CSG-XPSC”)	This is a new agreement.	CSG-XPSC supplies electricity to CLP Xundian (for power consumption at the project site during project construction).	Payment is based on the number of kWh sold multiplied by the commercial and industrial use tariff determined by the Yunnan PDRC. This tariff is updated from time to time.
Sandu wind project					
<p>26. Sandu I Wind Project Electricity Supply Contract (220kV)</p> <p>Date: 8 December 2015</p> <p>Term: From 8 December 2015 to 7 December 2018 (automatically renewable - see Note (m))</p>	CLP (Sandu) Renewable Energy Limited, a wholly-owned subsidiary of the Company (“CLP Sandu”)	Sandu Power Bureau, a subsidiary of CSG (“CSG-SPB”)	This is a new agreement.	CSG-SPB supplies electricity to CLP Sandu (for power consumption at the project site).	Payment is based on the number of kWh sold multiplied by the industrial use tariff for bulk industrial users determined by the Guizhou Provincial Development and Reform Commission. This tariff is updated from time to time.

Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Start date of current contractual arrangement *	Nature and description of the transaction	Basis for determining the consideration
27. Sandu I Wind Project 220kV Metering Equipment Acceptance Test Technical Service Agreement Date: 7 December 2015 Term: From 7 December to 31 December 2015	CLP Sandu	Electric Power Research Institute of Guizhou Power Grid Company Limited, a subsidiary of CSG. ("CSG-EPRI")	This is a new agreement.	Technical service provided by CSG-EPRI for the acceptance test of the 220kV metering equipment used by CLP Sandu.	A fixed fee of RMB 24,000 (HK\$29,653.92)

Heading note:

* Where an agreement has been renewed automatically or by performance (as variously described in the following footnotes), this refers to the start date of the initial written agreement which has since been renewed and is now represented by the current agreement and term shown in the first column.

Notes:

- (a) The industry practice in the PRC is for each PPA to be accompanied by one or more GCCs or other ancillary agreements. The GCCs and ancillary agreements (such as metering or transmission line maintenance agreements) set out operational and technical provisions for allowing grid connection for the generation assets and are entered into by the same CLP party and CSG party (or another CSG Group Company) to the PPA. There is no transactional value in the GCCs or ancillary agreements. In practice, the GCCs and ancillary agreements are dependent on the PPAs and will fall away when the relevant PPA is terminated. Given their nature and for clarity of presentation, the table above does not include details of the GCCs and ancillary agreements as they are sufficiently summarised in this note. Nevertheless, Table A does include an ancillary agreement if that agreement carries transactional value separately from the PPA.
- (b) Agreements for items 11-13 and 19 remain ongoing but are not required to be set out in Table A above as these agreements were entered into before the date of the 2015 Announcement and were disclosed therein; however, they are included in Table A for completeness.
- (c) Automatically renewed and extended for a one year term if no party objects prior to the expiry of the current term. During the extended term, a party may object to the continuation of the extended term by giving a written notice of objection to the other party and if no agreement could be reached within 60 working days therefrom, the agreement terminates automatically (see also Section 4 of this announcement).
- (d) The Yang'er Hydro Project PPA was deemed renewed for one year by continued performance. A written agreement was last entered into on 25 March 2015 in respect of a one year period from 1 January to 31 December 2015 (see also Section 4 of this announcement).
- (e) The contract is continually valid unless terminated by any one of the parties (see also Note (b) above).
- (f) The Fangchenggang Coal-fired Project PPA was deemed renewed for one year by continued performance. A written agreement was last entered into on 16 April 2015 in respect of a one year period from 1 January to 31 December 2015 (see also Section 4 of this announcement).
- (g) Automatically renewed and extended for another two year period (and further successive two year period(s)) if no party objects.
- (h) The Xicun Solar Project PPA was deemed renewed for one year by continued performance. For Phase I of this project, a written agreement was last entered into on 6 May 2015 in respect of a one year period from 1 January to 31 December 2015. A supplemental agreement was entered into on 15 October 2015 in respect of both Phase I and the expansion of Phase II of this project (see also Section 4 of this announcement).
- (i) Automatically extended for subsequent three year term (and further successive three year period(s)) if the user continues to use the power supply and no party objects in writing to the terms and conditions of the agreement.
- (j) In connection with this PPA, there is a Renewable Replacement (coal-fired to wind generation) Settlement Agreement entered into between CLP Xundian and CSG-YPG whereby CSG-YPG will act as payment agent for CLP Xundian in respect of the applicable renewable replacement generation fees payable by CLP Xundian to an independent third party coal-fired generation plant determined in accordance with the mechanism set up by the provincial government. CSG-YPG, as the payment agent, will not be charging CLP Xundian for this payment arrangement and such replacement generation fees will be payable from the applicable tariff revenue that would otherwise be payable by CSG-YPG to CLP Xundian under the PPA.
- (k) The Xundian Wind Project PPA was deemed renewed for one year by continued performance. The first written agreement was entered into on 2 December 2015 in respect of the period from 2 December to 31 December 2015 (see also Section 4 of this announcement).

- (l) Automatically extended for subsequent three year term (and further successive three year period(s)) if no party objects in writing to the terms and conditions of the agreement one month prior to the expiry of the current term.
- (m) Automatically extended for a one year term (and further successive one year period(s)) if no party objects prior to the expiry of the current term.

2. HISTORICAL TRANSACTION VALUES AND PROPOSED NEW ANNUAL CAPS

The historical transaction values of the Transactions for the eleven months ended 30 November 2015 (based on the historical information available for the purpose of this announcement) and the two financial years ended 31 December 2013 and 2014, the proposed annual caps by project and the Aggregate Cap are set out in Table B below. As the Transactions have been aggregated under the Listing Rules, the total actual transaction values for all the Transactions will be compared against the Aggregate Cap when monitoring the annual cap for Listing Rules purposes. The cap for each project is set out in Table B for the purpose of deriving the Aggregate Cap. Projects may exceed or fall short of their individual caps as long as, on an aggregated basis, the value of all Transactions is within the Aggregate Cap. The Aggregate Cap, however, is not to be treated as a forecast of the actual revenues or expenses likely to be received or incurred by the Group, as the case may be, in respect of all the Transactions in the financial year for 2016.

The Aggregate Cap is set by reference to the Company's financial year ending 31 December, while most of the Transactions are annual agreements which are subject to renewal at various times during the year. For this reason, the Company has made an allowance within the Aggregate Cap for Projects under Development (as shown in Table B) to cater for any new Transactions which may be entered into during 2016, based on the Company's estimated commencement date of the relevant projects, which in turn, may be affected by factors beyond the Company's control in a given year.

For the purpose of monitoring compliance with the Aggregate Cap, the Company will calculate the value of the electricity (or other service) delivered under the relevant agreement at the PRC controlled tariff (or other contractual price) prevailing at the relevant time through the year, exclusive of VAT. Where any agreement expires and is renewed during any financial year, the value of the electricity (or other service) delivered during the financial year will be time apportioned under the expiring agreement and the renewed agreement respectively.

Table B – Historical transaction values, proposed annual caps by project and the Aggregate Cap

	Continuing Connected Transactions	Historical Transaction Values (excluding VAT) (HK\$ million)			Proposed annual caps (HK\$ million)
		For the year ended 31 December	For the year ended 31 December	For the eleven months ended 30 November	For the year ending 31 December
		2013	2014	2015	2016
CLP Power electricity sales to Mainland China					
1.	Power Sales Contract	448.97	185.85	120.57	
2.	Energy Economy Interchange Agreement (agreement term commenced in December 2015)	N/A	N/A	N/A	
	<i>Aggregate project cap (historical aggregate for reference only)</i>	448.97	185.85	120.57	533.00
The Huaiji hydro project					
3.	Zelian Hydro Station PPA	6.27	4.62	3.97	
4.	Longzhongtan Hydro Station PPA	3.56	2.73	2.36	
5.	Jiaoping Hydro Station PPA	0.81	2.05	1.87	
6.	Xiazhu Hydro Station PPA	9.65	8.36	4.46	
7.	Shuixia Hydro Station PPA	40.14	34.10	33.19	
8.	Niuqi Hydro Station PPA	30.19	28.57	21.59	
9.	Baishuihe Four Hydro Stations PPA	173.10	175.73	129.35	
	<i>Aggregate project cap (historical aggregate for reference only)</i>	263.72	256.16	196.79	262.56
The Yang_er hydro project					
10.	Yang_er Hydro Project PPA	34.71	36.00	29.38	
11.	High Voltage Electricity Supply Contract (see Note (n))	0.01	0.02	0.01	
12.	High Voltage Electricity Supply Contract (see Note (n))	0.01	0.01	-	

	Continuing Connected Transactions	Historical Transaction Values (excluding VAT) (HK\$ million)			Proposed annual caps (HK\$ million)
		For the year ended 31 December	For the year ended 31 December	For the eleven months ended 30 November	For the year ending 31 December
		2013	2014	2015	2016
13.	High Voltage Electricity Supply Contract (see Note (n))	0.01	0.01	0.01	
	<i>Aggregate project cap (historical aggregate for reference only)</i>	34.74	36.04	29.40	50.41
The Fangchenggang coal-fired project					
14.	Fangchenggang Coal-fired Project PPA	2,952.85	2,263.73	1,302.19	
15.	Fangchenggang High Voltage Electricity Supply Contract	3.87	8.43	6.23	
16.	Fangchenggang High Voltage Electricity Supply Contract	0.21	0.25	-	
17.	Fangchenggang Replacement and Generation Agreement (new agreement entered into for 2015 only)	N/A	N/A	9.97	
	<i>Aggregate project cap (historical aggregate for reference only)</i>	2,956.93	2,272.41	1,318.39	2,721.52
Xicun solar project (Phases I and II)					
18.	Xicun Solar Project PPA (see also Section 2 of this announcement)	N/A	14.73	95.66	
19.	Xicun Solar Project Electricity Supply Contract (10kV) (agreement term commenced in December 2014)	N/A	-	0.06	
20.	Xicun Solar Project Electricity Supply Contract (110kV) (new agreement with term commenced in December 2014)	N/A	-	0.26	
21.	Xicun Solar Project High Voltage Power Supply Contract (for pump station) (new agreement)	N/A	N/A	0.01	

	Continuing Connected Transactions	Historical Transaction Values (excluding VAT) (HK\$ million)			Proposed annual caps (HK\$ million)
		For the year ended 31 December	For the year ended 31 December	For the eleven months ended 30 November	For the year ending 31 December
		2013	2014	2015	2016
22.	Xicun Phase II Project Grid Connection System Technology Consultancy Contract (new agreement for 2015 only)	N/A	N/A	-	
	<i>Aggregate project cap (historical aggregate for reference only)</i>	N/A	14.73	95.99	185.24
Xundian wind project (all are new agreements)					
23.	Xundian Wind Project PPA (agreement term commenced in November 2015)	N/A	N/A	-	
24.	Xundian Wind Project Electricity Supply Contract (agreement term commenced in November 2015)	N/A	N/A	-	
25.	Xundian Wind Project Electricity Supply Contract (Interim) (agreement term commenced in October 2015)	N/A	N/A	-	
	<i>Aggregate project cap (historical aggregate for reference only)</i>	N/A	N/A	-	96.95
Sandu wind project (all are new agreements)					
26.	Sandu I Wind Project Electricity Supply Contract (220kV) (agreement term commenced in December 2015)	N/A	N/A	N/A	
27.	Sandu I Wind Project 220kV Metering Equipment Acceptance Test Technical Service Agreement (agreement term commenced in December 2015)	N/A	N/A	N/A	
	<i>Aggregate project cap</i>	N/A	N/A	N/A	0.19

Continuing Connected Transactions	Historical Transaction Values (excluding VAT) (HK\$ million)			Proposed annual caps (HK\$ million)	
	For the year ended 31 December	For the year ended 31 December	For the eleven months ended 30 November	For the year ending 31 December	
	2013	2014	2015	2016	
Projects under Development					
28.	Provision for new projects (see also Section 2 of this announcement)	N/A	N/A	N/A	605.74
Aggregate Cap (total of items 1-28)				4,455.61	

Notes:

- (n) The Company is not required to include the agreements for items 11-13 in this table (see Note (b) of Table A in respect of items 11-13). However, caps for these agreements have been set for the purposes of calculating the 2016 Aggregate Cap.
- (o) In the above table, the applicable average RMB:HK\$ exchange rate for the relevant period is used, being for the 12 months ended 31 December 2013 and 2014 respectively, and for the eleven months ended 30 November 2015.

CLP Power electricity sales to Mainland China

The aggregate project cap for 2016 in respect of the above category is HK\$533 million.

In relation to the Power Sales Contract, the annual cap for 2016 is HK\$333 million which has been determined according to the extended agreement whereby the expected volume of sales is different from the volume under the agreement prior to the extension in December 2015. The expected volume of supply represents the estimates of the parties to the extended agreement.

In relation to the Energy Economy Interchange Agreement, there are two aspects of this agreement, being the potential supply of electricity to the GPG grid system by CLP Power on the one hand, and on the other, the potential supply of electricity to the CLP Power grid system by GPG; both in the event of an emergency incident affecting the power system (for further details see section headed “**REASONS FOR ENTERING INTO THE TRANSACTIONS**”). The potential supply to the GPG grid system is the part of the Energy Economy Interchange Agreement that is being aggregated as a continuing connected transaction with the other Transactions for the purposes of this announcement and the associated annual cap for 2016 is HK\$200 million. This has been determined by reference to the expected total associated costs of electricity supply to be paid by the power importer in the event of an emergency incident affecting the power system. As regard any potential supply to the CLP Power grid system, this aspect will not be required to be aggregated with the rest of the Transactions as the nature of this is the sale or supply of electricity to CLP Power; as opposed to the sale or supply of electricity to the CSG Group, which is what the Transactions are primarily concerned with.

Power Projects in Mainland China

For the six projects in Mainland China, their aggregate project caps for 2016 have been determined by reference to the past years' performance of the respective projects and the long-term historical average of relevant resources in the respective regions for the hydro, wind and solar projects.

In relation to the Huaiji Hydro Project Transactions, the aggregate project cap for 2016 is HK\$262.56 million. The aggregate project cap in respect of the Yang_er Hydro Project Transactions for 2016 is HK\$50.41 million.

The aggregate project cap in respect of the Fangchenggang Coal-fired Project Transactions for 2016 is HK\$2,721.52 million. Despite a drop in 2015 due to sluggish power demand growth and a higher utilisation of hydro power stations in the Guangxi region where this plant is situated, the aggregate project cap is largely consistent with the average historical transaction values up to 2014. This reflects the expectation that power demand may resume to previous levels and that the revenue may increase back to a level closer to those in 2013.

The aggregate project cap in respect of the Xicun Solar Project Transactions for 2016 is HK\$185.24 million and the increase is largely attributed to the expansion of this project by the addition of Phase II that came into operation in 2015, as well as an increase in the performance of Phase I of the project due to better than expected solar resources in the region in which the project is located. The aggregate project cap for the Xicun solar project (Phase I) for 2015 was originally HK\$82.04 million. As a result of power sales being higher than expected due to the increase in the performance of the project with better than expected solar resources in the region, the aggregate project cap for the Xicun solar project (Phase I) for 2015 was revised to HK\$91.31 million in December 2015.

The aggregate project cap in respect of the Xundian Wind Project Transactions for 2016 is HK\$96.95 million. This is a new project and the aggregated project cap has been determined by reference to the long-term historical average of wind resources in the region in which the project is located.

The aggregate project cap in respect of the Sandu Wind Project Transactions for 2016 is HK\$0.19 million. This project has yet to be fully commissioned and no PPA has been signed for the sale of electricity to the CSG Group. Accordingly, the cap for this project is by reference to the supply of electricity by the relevant CSG Group Company to the project site and does not take into account the sale of electricity to the CSG Group.

In relation to the Projects under Development, the CLP Group is currently planning or developing a number of new projects in the PRC for which agreement(s) for the sale and supply of electricity together with the related agreements may be expected to be signed during 2016. This item represents an allowance within the Aggregate Cap for new projects which may be commissioned during the year and which is not included in the aggregate project caps for any of the existing projects listed above. This allowance is based on the estimated commencement date, the expected volume of electricity supply and sales, type of generation plants and capacity of the prospective projects, to which the

appropriate state pre-determined tariff or an arm's length negotiated tariff would be expected to be applied, as the case may be. Generally speaking, the Projects under Development are individually small or medium sized projects with an allowance that represents the expected apportioned sales of electricity (and associated transactions) on the basis of the estimated commencement date of the project during the year; these do not include larger projects which may cause one or more of the relevant percentage ratios under the Listing Rules to exceed 1% (on an individual basis) or 5% (on an individual or aggregated basis) thresholds. The Company will publish a separate announcement as and when the relevant percentage ratio is exceeded which will include, *inter alia*, details of these larger projects, as and when definitive agreements are signed up for these, to comply with the Listing Rules.

3. REASONS FOR ENTERING INTO THE TRANSACTIONS

Power Sales Contract by CLP Power to Mainland China: CLP Power first supplied power to Guangdong Province in 1979 to meet Guangdong's economic development. CLP Power has continued to supply electricity to Mainland China over the years and 80% of the profit derived from these sales goes to the Tariff Stabilisation Fund under the Scheme of Control to help relieve pressure on local tariffs. This also represents an additional source of revenue for the CLP Group.

Energy Economy Interchange Agreement: The purpose of this agreement is to enable CLP Power and GPG to maintain an uninterrupted supply of energy to their respective customers in case any party is affected by an emergency incident resulting in an interruption in normal electricity supply to its customers. Under this agreement, neither CLP Power nor GPG is obliged to deliver any electricity to the other requesting party; however, the underlying principle of this agreement is the mutual support (whilst being on an arm's length basis) for maintaining the operation and security of each other's power supply system.

Power Purchase Agreements: The CLP Group has been involved in the power industry in Mainland China since 1985 and is one of the largest external independent power producers in the Mainland's power sector, with installed capacity of over 5,300 equity megawatts. These activities are carried out through numerous power project companies which may be wholly-owned (as in the Yang_er hydro, Xicun solar, Xundian wind and Sandu wind projects), majority owned (as in the Huaiji hydro and Fangchenggang coal-fired projects), or minority owned by the CLP Group. Further details of each of these projects are contained in the Company's latest annual report and interim report, together with details of many other similar projects in which the CLP Group has interests.

The PPAs, usually associated with GCCs, and other related agreements are entered into individually by each power project company and are the only means by which the relevant power project company can connect to the local grid and obtain a source of revenue.

The Directors (including the independent non-executive Directors) consider that all of the Transactions are in the ordinary and usual course of business of the CLP Group, on normal commercial terms, and are fair and reasonable and in the interests of the Company and Shareholders as a whole.

4. LISTING RULES IMPLICATIONS

CAPCO is a subsidiary of the Company. CSG HK is a substantial shareholder of CAPCO as it holds a 30% interest in CAPCO. Accordingly, CSG HK, and thus each member of the CSG Group, is a connected person of the Company (at the subsidiary level) under the Listing Rules and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Aggregate Cap of HK\$4,455.61 million is used for monitoring the annual cap for Listing Rules purposes. Each of the relevant percentage ratios under the Listing Rules in respect of the Transactions, when aggregated, is more than 1% but less than 5% for the purposes of Rule 14A.33. Thus, the Transactions are only subject to the announcement requirements set out in Rules 14A.35 and 14A.68 and the annual review requirements set out in Rules 14A.55 to 14A.59 but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. More specifically, with the renewal of the Fangchenggang Coal-fired Project PPA along with the entering into agreements for other Transactions, the relevant percentage ratios under the Listing Rules in respect of the Transactions on an aggregated basis exceeded 1%, thereby triggering the announcement obligations under Rule 14A.35 of the Listing Rules. Particulars of the Transactions will be included in the relevant annual report of the Company for the purposes of Rules 14A.49 and 14A.71.

In accordance with PRC regulations and practices applicable to the power sector, the PPAs are required to be one-year agreements renewed annually. The CLP Group's PPAs are usually based on one of the following two models. The PPA may expressly provide that it will be renewed automatically and will continue unless and until terminated by either party. Alternatively, the PPA may be for a fixed term of one year with no expressed renewal provisions. In these cases, it is a common industry practice for the parties to enter into the renewal agreement a few months after the prior agreement has expired, but the parties continue to perform the original agreement as if it had been renewed. The Company takes the view that the continued performance by both parties of their respective obligations under the PPA has the effect, as a matter of PRC law and practice, of creating a renewed agreement for a further one year period on substantially the same terms.

In view of the foregoing, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement to have written agreements under Rule 14A.34 of the Listing Rules in respect of PPAs which are renewed in the manner set out above. This relates to transactions under items (10) (PPA for Yang_er hydro project), (14) (PPA for Fangchenggang coal-fired project), (18) (PPA for Xicun solar project) and (23) (PPA for Xundian wind project) in Table A above, all of which were renewed by continued performance on 1 January 2016.

5. INFORMATION ABOUT THE PARTIES

CLP Holdings is the holding company of the CLP Group. The CLP Group owns and operates a vertically integrated electricity generation, transmission and distribution business in Hong Kong (through CLP Power), and invests in the power sector in Mainland China, India, Southeast Asia, Taiwan and Australia.

CLP Power is a direct wholly-owned subsidiary of CLP Holdings and is the largest electricity utility in Hong Kong serving the business and domestic community in Kowloon, the New Territories, Lantau and most of the outlying islands. CLP Power supplies electricity to approximately 2.5 million customer accounts in its supply area.

CSG is a company established in the PRC with limited liability and is a state-owned enterprise principally engaged in the investment, construction and operation of power networks in Guangdong, Guangxi, Yunnan, Guizhou and Hainan provinces and regions in the PRC.

CSG HK is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of CSG.

6. DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following meanings:

“2015 Announcement”	the Company’s announcement dated 2 January 2015
“Aggregate Cap”	the total of all the aggregated project caps for all the “Transactions” and the provision for “Projects under Development” for 2016 as shown in Table B of this announcement
“CAPCO”	Castle Peak Power Company Limited, a company incorporated in Hong Kong with limited liability which is owned as to 70% and 30% by CLP Power and CSG HK, respectively, and is a subsidiary of CLP Holdings
“CLP Group”	CLP Holdings and its subsidiaries, and each of “CLP Group Company” and “CLP Group Companies” shall be construed accordingly
“CLP Holdings” or “Company”	CLP Holdings Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 00002)

“CLP Power”	CLP Power Hong Kong Limited, a company incorporated in Hong Kong with limited liability which is a direct wholly-owned subsidiary of CLP Holdings
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSG”	China Southern Power Grid Co., Ltd., a company established in the PRC with limited liability which is a state-owned enterprise
“CSG Group”	CSG and its subsidiaries, and each of “CSG Group Company” and “CSG Group Companies” shall be construed accordingly
“CSG HK”	China Southern Power Grid International (HK) Co., Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of CSG
“Directors”	the directors of the Company
“Energy Economy Interchange Agreement”	the energy economy interchange agreement entered into between CLP Power and GPG, details of which are set out in the transaction under item (2) in Table A and Section 3 of this announcement
“Fangchenggang Coal-fired Project Transactions”	each of the continuing connected transactions relating to the Fangchenggang coal-fired project, which are transactions under items (14) to (17) inclusive in Table A of this announcement
“GCC”	Grid Connection Contract
“GPG”	Guangdong Power Grid Co., Ltd., a company incorporated in the PRC which is a subsidiary of CSG
“GWh”	Gigawatt hours
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Huaiji Hydro Project Transactions”	each of the continuing connected transactions relating to the Huaiji hydro project, which are transactions under items (3) to (9) inclusive in Table A of this announcement
“kV”	Kilovolt
“kWh”	Kilowatt hours

“Listing Rules” or “Rule(s)”	the Rules Governing the Listing of Securities on the Stock Exchange
“Power Sales Contract”	the supplemental power sales contract entered into between CLP Power, GPG and Guangdong Guang-hua Industry Import and Export Co., Ltd (as payment agent), details of which are set out in the transaction under item (1) in Table A of this announcement
“PPA”	Power Purchase Agreement
“Projects under Development”	new projects in the PRC for which the PPAs and related agreements are expected to be signed during 2016
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sandu Wind Project Transactions”	each of the continuing connected transactions relating to the Sandu wind project, which are transactions under items (26) and (27) in Table A of this announcement
“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Transactions”	each of the continuing connected transactions as set out in Table A of this announcement relating to the Power Sales Contract, the Energy Economy Interchange Agreement, the Huaiji Hydro Project Transactions, the Yang_er Hydro Project Transactions, the Fangchenggang Coal-fired Project Transactions, the Xicun Solar Project Transactions, the Sandu Wind Project Transactions and the Xundian Wind Project Transactions entered into (or deemed to have been entered into) between members of the CSG Group and members of the CLP Group on various dates, and (where the context requires) includes Projects under Development
“VAT”	value added tax

“Xicun Solar Project Transactions”	each of the continuing connected transactions relating to the Xicun solar project, which are transactions under items (18) to (22) inclusive in Table A of this announcement
“Xundian Wind Project Transactions”	each of the continuing connected transactions relating to the Xundian wind project, which are transactions under items (23) to (25) inclusive in Table A of this announcement
“Yang_er Hydro Project Transactions”	each of the continuing connected transactions relating to the Yang_er hydro project, which are transactions under items (10) to (13) inclusive in Table A of this announcement
“%”	per cent

By Order of the Board
David Simmonds
Company Secretary

Hong Kong, 4 January 2016

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

The Directors of CLP Holdings as at the date of this announcement are:

Non-executive Directors:	The Hon Sir Michael Kadoorie, Mr William Mocatta, Mr Ronald J. McAulay, 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