Announcement of Interim Results as from 1 January 2016 to 30 June 2016, Dividend Declaration and Closure of Books

Financial Highlights

- Group operating earnings for the first half of 2016 increased by 11.3% over the corresponding period in 2015 to HK$6,149 million, driven by a 23.5% rise in the contributions from overseas businesses.
- Operating earnings from our local electricity business in Hong Kong rose by 5.5% to HK$4,276 million.
- Total earnings increased by 7.0% to HK$6,125 million; earnings per share increased to HK$2.42 per share.
- Consolidated revenue down by 3.3% to HK$38,671 million.
- Second interim dividend of HK$0.57 per share.

CHAIRMAN'S STATEMENT

In our 2015 Annual Report, I presented CLP Holdings' solid performance last year following the successful execution of our "Focus · Delivery · Growth" strategy. I am pleased to report to you that we have continued to deliver a steady increase in earnings in the first six months of 2016, building on our success in 2015.

During this period, the Group's operating earnings were HK$6,149 million, an increase of 11% compared with the corresponding period in 2015. This reflected growth in both our core business in Hong Kong and our overseas operations. The Group's total earnings for the first half of 2016 were HK$6,125 million, a rise of 7% from the same period of last year. These positive results have enabled us to raise the level of both our first and second interim dividends from HK$0.55 per share a year ago to HK$0.57 per share in 2016.

In the first half of 2016, our local electricity business in Hong Kong continued to grow steadily, resulting in a 5.5% increase in operating earnings to HK$4,276 million. Our overseas businesses increased by 23.5% in aggregate to HK$2,057 million. In Mainland China, operating earnings were down by 11% to HK$841 million due to a combination of lower regulated tariffs, increasing supply in the market from the addition of new generation capacity together with the impact of higher rainfall on hydro-electric facilities, and slower economic growth in Guangxi affecting demand for electricity. Operating earnings from Southeast

Asia and Taiwan also dropped slightly to HK$119 million. Meanwhile, operating earnings from our businesses in Australia and India improved significantly from HK$493 million to HK$897 million and from HK$92 million to HK$200 million respectively.

In our 2015 Annual Report, I outlined our thinking on the Hong Kong Government's ongoing review of the Scheme of Control, better known as SoC Agreement, which regulates our business in Hong Kong. We have already begun discussions with the government on a post-2018 SoC. I would like to take this opportunity to re-emphasise my views about the Agreement and its importance to Hong Kong.

For over half a century, the SoC Agreement has served Hong Kong well. Over the years, we have been able to deliver a safe, reliable and clean energy supply to Hong Kong at reasonable cost. This is no small feat and was achieved in large part because the Agreement has provided us with a stable regulatory environment and the flexibility to adapt to the changing needs of our society.

As I have said on many occasions, the electricity business is capital intensive and requires long-term commitment from its capital providers. A reasonable return is therefore essential to attract capital so that we can make the investments required to continue powering Hong Kong's dynamic economy and meet our social and economic development needs.

We will continue to work constructively with the government to reach a new agreement that will enable us to continue to build on our excellent services for the benefits of our customers, our shareholders and the community at large.

In recent reports, I have paid a great deal of attention to the issue of climate change and its importance not only to our industry, but to humankind. As I have noted previously, the transition to a low-carbon economy requires efforts from all stakeholders, including businesses and governments. As a business, CLP is committed to working closely with governments in the markets in which we operate to ensure a smooth transition.

As we invest in cleaner fuels in power generation and strengthen the resilience of our power supply system in Hong Kong, we continue to expand our low-carbon portfolio across the Group – especially in the solar field. I am particularly pleased about our new solar project in India. In June, we announced our first entry into India's solar-energy sector with a 100MW solar farm in the state of Telangana in the south of the country. In China, we acquired an additional stake in our solar project in Jiangsu province from our partner in July. The new investments bring our solar capacity across CLP Group to about 300MW. Our total portfolio of renewables on an equity basis also increased to over 3,000MW, or about 17% of our total generation capacity.

These initiatives are a testament to our ability to grow our solar portfolio, leveraging the experiences gained over the years through investments in different greenfield projects. We will continue to explore opportunities in low-carbon energy as China and India continue to meet their ambitious emissions reduction targets.

While the contributions from our low-carbon projects will rise over time, the shift in balance between clean energy and fossil-fuel projects will be a long-term process, and the pace will vary from market to market. Nevertheless, clean energy projects will play an increasingly significant role in our growth plans, and I can assure you of our best efforts to meet this challenge.

The energy business is one that rewards expertise, patience, commitment and innovation. When I visit our operations, I am always impressed with the talents of our diverse management and workforce. It is this depth of talent that, in combination with the scale, nature and diversity of our portfolio, will give us the resilience and confidence to maintain steady growth in our business as we move forward and address the energy transition. We will continue to work towards a smarter and cleaner tomorrow.

The Honourable Sir Michael Kadoorie

FINANCIAL PERFORMANCE

Operating earnings increased by 11.3% to HK$6,149 million mainly due to improved performance for certain regions we operate. Taking into account the items affecting comparability, total earnings were up 7.0%.

	Six months ended 30 June					
	2016		2015#		**Increase**	
	HK$M	**HK$M**	HK$M	HK$M	**HK$M**	**%**
Hong Kong		**4,276**		4,052	224	5.5
Hong Kong related*	**113**		106			
Mainland China	**841**		941			
India	**200**		92			
Southeast Asia and Taiwan	**119**		140			
Australia	**897**		493			
Other earnings	**43**		(28)			
Earnings from other investments/operations		**2,213**		1,744	469	26.9
Unallocated net finance income		**23**		1		
Unallocated Group expenses		**(363)**		(272)		
Operating earnings		**6,149**		5,525	624	11.3
Items affecting comparability						
Revaluation (loss)/gain on Argyle Street site		**(107)**		198		
Reversal of over-provision on capital gain tax		**83**		-		
Total earnings		**6,125**		5,723	402	7.0

Comparative figures have been restated in accordance with the transitional provisions of HKFRS 9 (2014) Financial Instruments about certain requirements of hedge accounting. Details are set out in Note 2 to the attached financial information.

* Hong Kong related included PSDC, Hong Kong Branch Line and sales to Guangdong from Hong Kong

Hong Kong

Earnings from Hong Kong increased by 5.5% mainly due to higher average net fixed assets and favourable fair value movement on forward foreign exchange contracts used to hedge the perpetual capital securities.

Mainland China

Earnings from Mainland China decreased mainly due to lower contributions from our coal-fired projects. Despite lower coal prices, the reduction in tariff and lower dispatch from Fangchenggang and CSEC Guohua (mainly due to lower demand) explained the decrease. On the other hand, earnings from renewables increased resulting from more rainfall at Huaiji and the commissioning of Xicun Solar II and Xundian Wind in November 2015 and January 2016 respectively. Earnings from GNPJVC increased as a result of more units generated in the first half of 2016.

India

Higher earnings from India were mainly attributable to Jhajjar as a result of higher capacity charges and lower interest expenses and refinancing charges. Earnings from wind projects were also higher due to the commissioning of Tejuva and Chandgarh wind farms. Paguthan's performance remained stable.

Southeast Asia and Taiwan

Lower earnings from Southeast Asia and Taiwan were mainly due to lower earnings from Ho-Ping as a result of less generation from longer planned outage and lower tariff, despite lower coal costs. The Lopburi solar farm in Thailand continued to achieve stable earnings because of high availability and efficiency.

Australia

Earnings from EnergyAustralia rose despite a 5.1% decrease in the Australian dollar exchange rate during the period. The increase in earnings was mainly due to more generation from Yallourn, Mount Piper and Ecogen, lower finance costs after repaying most of its borrowings in December 2015 and lower depreciation and amortisation. The increase, however, was partially offset by lower electricity retail margin, as well as additional gas storage expenses and no external storage revenue after the sale of Iona Gas Plant in December 2015.

PERFORMANCE AND BUSINESS OUTLOOK

Hong Kong

During the first half of the year, local sales of electricity were 15,519GWh, up 0.6% over the same period last year. The Residential sector recorded an increase of 5.3%, mainly due to a higher heating and dehumidifying load driven by cooler weather and higher humidity. The increase in residential sales offset the decreases in sales in the Commercial, Infrastructure & Public Services, 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	213GWh	5.3%	28%
Commercial	(62GWh)	(1.0%)	40%
Infrastructure & Public Services	(19GWh)	(0.5%)	27%
Manufacturing	(44GWh)	(5.1%)	5%

Sales to Mainland China amounted to 516GWh, an increase of 26.8% over the same period last year. The increase was 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 1.2% to 16,035GWh.

In the first six months of the year, we continued our efforts in transitioning to low-carbon power generation and further strengthening energy security. To support the Hong Kong Government's policy of increasing the share of gas in the fuel mix to around 50% by 2020, we submitted a Development Plan to the government in December 2015 for the construction of additional gas-fired generation capacity at Black Point Power Station. That was followed by an environmental impact assessment study report in February 2016. The government subsequently approved the report, which was made available for public inspection, and issued the Environmental Permit in June. We target to commission the new gas-fired generation unit before 2020, subject to satisfactory project economics and the government's approval.

We mentioned in our 2015 Annual Report that our natural-gas supply through the Second West-East Gas Pipeline to Hong Kong had been suspended temporarily because of a landslide in Shenzhen in December 2015. We worked closely with PetroChina on the repair work, and the gas supply to CLP resumed on 29 February 2016. Nevertheless, the incident underscores the importance and urgency for Hong Kong to strengthen its energy security.

Taking that into account, CLP continues to pursue new sources of gas supply as stated under the memorandum of understanding on energy cooperation signed between the Hong Kong Government and the Central People's Government in 2008. In February, we entered into an agreement with CNOOC Limited to purchase gas from the Wenchang Gas Field in the South China Sea. The gas is expected to reach Hong Kong beginning in 2018, providing an additional medium-term supply for CLP. In the meantime, we continue our engagement with potential suppliers in order to secure the additional gas required for 2020 and beyond to support the government's environmental policy.

We have also moved forward with our proposal to build an offshore liquefied natural gas terminal in Hong Kong that will allow CLP and other natural-gas users to access international LNG supplies and secure the most competitive sources of gas. A detailed environmental impact assessment study is currently underway to examine the impact of the project on the environment and marine ecology during the construction and operation of the terminal.

In the first half of 2016, we invested HK$3.1 billion in our generation, transmission and distribution networks as well as our customer services and supporting facilities. To reinforce our transmission network, we commissioned the second 400kV Yuen Long – Lai Chi Kok circuit during the period. We are also building a new 132kV substation at the West Kowloon Cultural District to safeguard the timely provision of electricity supply to this new development area. In addition, we rolled out the online home energy assessment platform "Eco Power 360" in April, which provides our customers with greater information so that they can use energy more efficiently and lower their energy bills. These investments support our pursuit of innovation and new technologies to bring smarter and greener products and services to our customers.

Following last year's success of the first-of-its-kind "Power Your Love" programme, which encouraged more than 200,000 of our customers to save 9.5 million units of electricity and help pay the electricity bills of 20,000 underprivileged households, we are ramping up our efforts to sign up more participants this year. Additional details of the programme and our other energy efficiency initiatives can be found in the "Stakeholder Engagement & Social Performance" section in the 2016 Interim Report.

Since relocating our headquarters to Laguna Mall in Hung Hom four years ago, CLP has been searching for a new permanent head office. After an extensive search process and considerable evaluation, we decided that our best option is to remain in our current location. Laguna Mall is the site of one of CLP's earlier power stations and carries a historic meaning for us. We plan to upgrade our existing offices with a vision to create a modern workplace that will meet our organisational needs, improve our working environment, ensure the health and well-being of our staff and reflect our brand identity. At the same time, we plan to upgrade the building exterior and retail space of Laguna Mall and to introduce smarter, greener and more access-friendly design elements, all of which will add value to the local neighbourhood. To give us more flexibility in implementing this upgrade project, CLP acquired the commercial interest of the retail portion of the Laguna Mall in the first half of 2016. We plan to start the renovation work by mid-2018, subject to the necessary approval processes. We will work closely with the Laguna Verde community to ensure the plan's smooth execution.

Outlook

We will continue our dialogue with the Hong Kong Government and other stakeholders on the proposed additional gas-fired generation capacity at Black Point Power Station. We aim to finalise government approval on the project during 2016. Subject to satisfactory project economics, we expect to make a final decision on the investment soon so that we can commission the new unit before 2020 in support of the government's environmental objective.

CLP will also continue to pursue the offshore LNG terminal proposal and develop measures, as needed, to minimise the environmental impact of the project based on the outcome of the assessment study. We will closely communicate with the relevant government departments and stakeholders to better understand their views on the proposed project.

In order to continue to serve our customers with the best products and services possible, we intend to introduce new features and improve the online portal "Eco Power 360" with additional personalised settings in the fourth quarter of 2016.

Looking ahead, we are committed to maintaining our supply reliability, environmental and safety performance, and excellent services for our customers. We will continue to invest in new energy efficiency initiatives, advanced and innovative technology, as well as other conservation efforts in order to build a smarter and greener Hong Kong.

Mainland China

Our renewable projects performed well in the first half of 2016 despite the slower growth of electricity demand in China.

In the first six months of this year, our hydro projects reported strong overall performance. Huaiji in Guangdong province increased power generation significantly due to abundant rainfall. In Sichuan province, our project in Jiangbian was also able to increase generation with the signing of a number of direct sales contracts with large users.

Generation from our solar facilities in China increased by 29% compared with the first six months of last year, reflecting the completion of Xicun II (42MW) solar project in Yunnan province in the second half of 2015. Generation at our solar project in Jinchang in Gansu province, which has been affected by grid curtailment, improved after its participation, since 2015, in a direct sales scheme. To take advantage of Jiangsu province's strong market demand, we acquired the remaining 49% shareholding in the Sihong project from our joint-venture partner in July 2016, adding 45MW of capacity to our solar portfolio.

Generation of our wind projects also increased year on year. The commissioning of Xundian (49.5MW) in January not only heralded a good six months for our wind projects in China, but it also represented a milestone for our renewable portfolio in Yunnan, which now encompasses hydro, solar and wind. In Guizhou province, all the wind turbines of our Sandu I (99MW) wind project were connected to the grid and began operation on 1 July 2016. This was the first time that we commissioned a project of such type and scale in a single phase. Meanwhile, construction of our wind projects in Shandong province, CLP Laizhou I and Laiwu II, continued. These two projects will add about 99MW of combined capacity after they start operation, which is targeted for the second half of 2016.

Applicable tariff rates for our three projects in Yunnan, namely Dali Yang_er hydro, Xundian wind and Xicun solar, have been adjusted downwards based on tariff levels set by monthly competitive biddings from coal-fired and hydro generation companies since the beginning of the year. We expect that the financial performance of these projects will be affected slightly in the second half of 2016 as a result of the lower tariffs.

During the period, our coal-fired projects continued to benefit from low coal prices. However, they were also affected by lower average utilisation hours and a reduction of on-grid benchmark tariff rates for coal-fired power plants by an average of about RMB3 fens per kilowatt hour nationwide beginning 1 January 2016.

Performance of the Fangchenggang coal-fired power station was affected by economic slowdown, new capacity and high hydro generation in the Guangxi Zhuang Autonomous Region. Under the recent power-sector reform policies in Guangxi, power generation companies are permitted to sell electricity directly to large electricity users through direct sales agreements, and we signed a number of agreements with large local electricity users in the first half of the year. This allows efficient coal-fired power generators to partly mitigate the decrease in generation hours. Meanwhile, construction of Fangchenggang II, which uses clean ultra-supercritical technology, is on schedule, and completion is expected in the second half of 2016.

We were recently invited by the Guangxi government to participate in the Guangxi Power Exchange Center as one of its founding members. The exchange was established as a non-profit organisation to provide, operate and manage an electricity trading platform in Guangxi.

Guangdong Daya Bay Nuclear Power Station continued to operate smoothly in the first half of the year. Production in the six-month period was higher compared with the same period last year as a result of fewer days of outages in the regular, planned maintenance and refuelling cycle.

Outlook

In the near term, we expect that the transition to cleaner and more efficient sources of energy, reform of the power sector, and implementation of China’s Belt and Road initiative will bring new opportunities to power producers such as CLP. However, it is likely that the performance of our coal-fired projects will come under further pressure as the energy transition continues.

We will continue to expand our non-carbon energy portfolio as a key focus for our business in China. We are currently evaluating a number of solar and wind projects in China’s more developed regions.

We expect coal prices to remain weak due to a surplus in coal supply; this will continue to benefit our coal-fired power plants. Although Fangchenggang has been affected by the slowing of the economy and oversupply in the local market, we have confidence in the long-term demand and supply balance in Guangxi. In addition, we will continue to participate in various direct sales schemes to increase generation hours of our projects. As power grids reduce planned generation of power plants due to slower growth in demand and an increase in supply, our participation in direct sales schemes will help mitigate the impact.

India

In the first half of 2016, we broke new ground on the renewable front, and our thermal projects continued to achieve good performance.

In June, CLP made its first investment in solar energy in India through our partnership with Suzlon Group to develop a 100MW solar farm in the southern state of Telangana. CLP owns a 49% interest in the project, with an option to acquire the remaining 51%. The project is expected to start operation by mid-2017. This consolidated CLP's position as one of the largest renewable energy producers in India with operational and committed capacity of about 1,100MW in wind and solar energy.

Wind power generation was higher during the first six months compared with a year earlier due to additional capacity coming into operation. Recently, we have also been seeing better wind resources because of the arrival of the monsoon season.

Our conventional projects reported good performance in the first half of the year. Availability of our coal-fired power station in Jhajjar was at well above the 80% contractual target level. In Paguthan, availability of our gas-fired power plant stood at more than 91% during the first half. Utilisation reached about 15% in the six-month period as a result of the availability of subsidised gas from the federal government's imported gas auction in the first quarter and higher demand in April. Nevertheless, the government cancelled the auction of subsidised imported gas in March 2016 due to a lack of competition. While we anticipate Paguthan's generation level to fall in the coming months, this should not affect its financial performance, which is based on plant availability.

Outlook

India has announced an ambitious goal of installing 100GW of solar power capacity and 60GW of wind capacity by 2022. Renewable sector projects such as these present numerous opportunities for CLP. We will remain focused and selective when investing in new projects, underlining our commitment to disciplined growth of renewable energy as we contribute to the global efforts of tackling climate change. In addition, we will continue to explore investment opportunities in the transmission sector.

Southeast Asia and Taiwan

Ho-Ping Power Station in Taiwan operated safely and reliably in the first half of 2016. However, earnings decreased from a year ago due to less generation and lower tariffs.

We previously reported that Ho-Ping was involved in litigation with the Taiwan Fair Trade Commission regarding Ho-Ping's alleged violation of the Fair Trade Act during the tariff negotiations with Taiwan Power Company (Taipower) from 2008 to 2012. After the Taipei High Administrative Court ruled in Ho-Ping's favour, the Commission filed an appeal to the Supreme Administrative Court, which rejected the lower-court ruling. The case is now being re-examined by the Taipei High Administrative Court. Meanwhile, Ho-Ping continued to defend its positions against a claim by Taipower relating to its alleged losses over the tariff negotiations.

In Vietnam, substantial progress has been made on finalising contracts with the Vietnamese government for two new coal-fired development projects, Vung Ang II and Vinh Tan III. Negotiations have been ongoing since late 2015 on some key outstanding terms of the power purchase agreements and government guarantees. Efforts to securing non-recourse project financing for the projects are underway. We will use the latest high-efficiency and low-emission technologies for both projects in order to provide Vietnam with a competitively priced and an environmentally friendly electricity supply. We expect to make our final investment decisions depending on the outcome of negotiations and progress on financing.

The Lopburi solar farm in Thailand continued to achieve high availability and efficiency.

Outlook

We will continue to focus on managing our existing investments in Taiwan and Thailand and work towards finalising the government contracts and financing arrangements for Vung Ang II and Vinh Tan III in Vietnam.

In line with our investment strategy, we will monitor opportunities in the power industry in Southeast Asia and Taiwan with a focus on expanding or pursuing our existing projects and investing in the clean energy sector.

Australia

EnergyAustralia's performance continued to improve in the first half of 2016, consolidating gains made in 2015.

On 25 May 2016, the business marked the first year of the launch of its new strategy, which has led to a significantly sharper focus on customers and improvements in the performance of our power generation portfolio.

Our interaction with customers has increased with the introduction of a Net Promoter Score (NPS) in January to collect customers' feedback and gauge their satisfaction. Insights gained from the NPS are used to evaluate our products, processes and services so that they align with customer expectations. The NPS has improved since its introduction, reflecting fewer customer complaints. At the same time, customer churn rates have continued to decrease and mass-market customer-account numbers have remained stable, despite strong competition in the retail market.

Next Generation, a new business unit established in 2015 to identify and develop new products and services, announced its entry into two new markets in the first half of the year: battery storage and embedded networks. On battery storage, we have begun sales consistent with the early adopter nature of the market and are positioned for growth as public awareness increases. The embedded networks business has also started with multiple sites that are expected to go live in the fourth quarter. This new business is dedicated to establishing and operating private electricity networks for customers in multi-tenanted premises such as apartment buildings, shopping centres, retirement villages and commercial parks.

In line with its goal to adopt a sustainable and low-cost operating base, EnergyAustralia announced in November 2015 that it would close the Mill Park call centre in Victoria and relocate its operations to centres in Melbourne and Geelong as well as Manila in the Philippines. The Manila call centre opened on schedule in March and is ramping up operations ahead of the closing of Mill Park in September.

Our generation and wholesale portfolio delivered a strong performance in the first half of 2016, driven by the reliable availability of generation units during periods of high pricing.

Conditions in wholesale energy markets have been more favourable this year, compared with 2015. Demand for centralised electricity has stabilised, ending a six-year downward trend. Meanwhile, wholesale prices have increased. For example, the average New South Wales spot price was A$60/MWh in the first half of 2016, up A$25/MWh from the same period a year ago.

Factors contributing to a firmer market can be broken into both long-term and short-term influences. Short-term factors that have buoyed prices include hot summer weather in the first quarter in Queensland and New South Wales, the six-month outage of the Basslink cable from Victoria to Tasmania, and ongoing planned and unplanned maintenance across the National Electricity Market. In terms of systemic changes, we have seen increased demand from LNG operations in Queensland, the reduction in supply following the closure of Alinta Energy's Northern and Playford power stations in South Australia, and the rising cost of gas that has seen gas-fired generation offering power at higher prices. In response to the changing market, AGL Energy announced in June that it would postpone its planned mothballing of four units at its gas-fired Torrens Island power station in South Australia.

While near-term trading conditions are more favourable than the previous comparison period, long-term challenges remain for the generation sector. Oversupply remains a potential driver of reduced prices and returns, particularly as large volumes of renewables enter the market in response to the Australian government's Renewable Energy Target and emerging state-based policies. A price on carbon is likely to return in some form, with the impact on the sector highly dependent on what action is taken. In Victoria, the coal royalty rate charged per gigajoule of energy will rise from A$0.076 to A$0.228 beginning 1 January 2017. This will increase the operating costs for brown coal generators.

Standard & Poor's revised EnergyAustralia's credit rating to BBB with positive outlook from BBB- with stable outlook, reflecting S&P's views of EnergyAustralia's improved capital structure and operating performance.

Following Australia's recent federal election, the Liberal-National Coalition has been returned to government with a small majority. However, to pass legislation the government will rely on the support of minor parties in the Senate, the parliamentary upper house. EnergyAustralia maintains good relationships with both the government and opposition, and will continue to work with both major and minor parties. Certainty to energy policy will be essential to build the confidence needed to invest in transitioning Australia's energy sector to lower emissions, while ensuring reliable and affordable energy for consumers.

Outlook

EnergyAustralia has continued to build on the progress it made in 2015 towards restoring value to the business by focusing on improving customer service, operating more efficiently and reducing costs. In the second half of 2016, EnergyAustralia will continue to invest in the transformation of the business, put priority on customer service and efficiency, and manage its generation position.

Human Resources

As at 30 June 2016, the Group employed 7,339 people (2015: 7,278), of whom 4,192 were employed in the Hong Kong electricity and related business, 2,884 by our businesses in Mainland China, India, Southeast Asia, Taiwan and Australia, as well as 263 by CLP Holdings. Total remuneration for the six months ended 30 June 2016 amounted to HK$2,545 million (2015: HK$2,463 million), including retirement benefit costs of HK$215 million (2015: HK$198 million).

Safety

Safety is CLP's core value and our goal is to achieve zero injuries amongst all of our employees, contractors and customers. Unfortunately, a fatal incident took place in April 2016 at Sihong Solar Power Station in Mainland China involving a contract security guard. An independent investigation panel looked into the cause and completed a report on the incident. The lessons learnt from the investigation have been communicated across the Group to prevent a recurrence of similar incidents. In the first half of 2016, the Lost Time Injury Rate (LTIR) [1] and Total Recordable Injury Rate (TRIR) [2] improved from a year ago (see table below).

	Employees		Employees and Contractors	
	Jan – Jun 2016	Jan – Jun 2015	Jan – Jun 2016	Jan – Jun 2015
LTIR [1]	0.02	0.10	0.05	0.07
TRIR [2]	0.10	0.22	0.13	0.22

Notes:

1. The number of lost time injuries measured over 200,000 working hours of exposure
2. The number of total recordable injuries measured over 200,000 working hours of exposure

Since the successful launch of the Health, Safety, Security and Environment Management System Standard two years ago, we have continued to conduct regular site inspections and peer reviews to provide assurance to the CLP Group and share best practices to continuously improve our overall standard. A Group taskforce currently is studying the scope of potential significant incident and significant near-miss cases, with the objective of reducing the risk of serious incidents.

In June 2016, CLP was bestowed with the prestigious "Hong Kong Duty of Care" award from the International SOS Foundation and Employers' Federation of Hong Kong. The award recognises organisations in Hong Kong that have taken a proactive approach in addressing risks associated with employee travel. As we continue to grow our business overseas, an increasing number of our employees will travel and work across borders. This award is a strong endorsement of our preventive approach to reduce travel, health and security risks and in ensuring the safety of our workers travelling for business.

Environment

In our 2015 Annual Report, we reiterated our environmental management approach and commitment to strive for environmental excellence. In the first half of 2016, we made abundant use of our wealth of knowledge gained through our regional experience to create the best synergy within the CLP Group and continued to look for better ways to fulfil our commitment.

Compliance

CLP had no environmental regulatory non-compliance incidents in the first half of 2016 that resulted in fines or prosecutions although we did experience licence limit exceedances at one of our power stations. These exceedances were generally associated with plant start-up/shut down activities. While there is no regulatory sanction involved, we are investigating these exceedances to apply technical solutions and good industry practice to minimise the duration and frequency of such incidents.

Climate Change

Our carbon intensity remained steady during the first half of 2016 at our 2015 level of around 0.81kg CO_2/kWh as there have been no major changes in our portfolio or operational conditions.

On 22 April 2016, the Paris Agreement, delivered by 195 nations at the 21st Conference of the Parties (COP21) to the United Nations Framework on Climate Change in Paris in December 2015, opened for ratification until 21 April 2017. The interim targets outlined in our Climate Vision 2050 remain challenging as we anticipate our carbon intensity to continue to fluctuate into the foreseeable future. CLP hopes that more governments will ratify the agreement so that it can enter into force and inspire businesses and governments to come together on behalf of the communities they serve to bring about an orderly transition to a low-carbon economy. Our renewable energy and nuclear power projects produce virtually zero carbon emissions and will therefore play an increasingly important role in our growth plans. Under our investment strategy, we are planning for 50% of our investments outside Hong Kong to be in low-carbon generating capacity over the next 10 years.

Air Quality

Regulatory requirements on air emissions are becoming more stringent. We have already reported the tightening of air emissions requirements for power stations in Mainland China. India has also released requirements for sulphur dioxide (SO_2) and nitrogen oxides (NO_x), on top of the current limit on particulates for coal-fired power stations to be effective by December 2017. Our Jhajjar Power Station is well-equipped with flue gas desulphurisation facilities to meet the new sulphur dioxide emissions requirements. We are considering a range of options for nitrogen oxides emissions reductions.

In Hong Kong, we are committed to working diligently towards the government's emissions caps set for 2016 against a projected growth in electricity demand in the period. We have taken steps to meet the stringent emissions caps (over 60% reduction in sulphur dioxide and over 30% reduction in nitrogen oxides and respirable suspended particulates compared with the 2010's levels).

Our goal is to meet the emissions caps while maintaining the fuel costs, and hence our tariff, at a reasonable level. We will continue to work closely with the government to comply with the tightened emissions caps and contribute to improving Hong Kong's air quality, while providing a safe and reliable power supply at a reasonable cost.

Water Usage & Risk

CLP's thermal power stations require a certain amount of cooling water to operate, and our hydro power stations rely on water to generate electricity. We have in recent years increased our efforts in reviewing water-related usage and risks in our operations. Study of our power stations has confirmed that the water availability issues are well managed. We are also vigilant in ensuring waste water from our power stations has been treated properly before being discharged. We are committed under our Sustainability Principles to use water as a resource efficiently and conservatively, and we will continue our efforts to carefully manage our water usage.

Sustainability Performance

We published our 2015 Sustainability Report in March 2016, which supplements our integrated Annual Report with additional information on our environmental and social performance. The content of our 2015 Sustainability Report was prepared in accordance with the “core” option of the Global Reporting Initiative’s G4 Guidelines and its Electric Utilities Sector Supplement, and the requirements of the Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide. In line with previous years, the Sustainability Report also includes a set of quantitative key environmental, social, governance and financial performance indicators which have been verified by third parties. These indicators were also included in our Annual Report.

To help us understand our sustainability performance relative to other companies, we respond to a selection of investor surveys and indices on an annual basis. In the first half of 2016, we responded to the Carbon Disclosure Project (a UK-based organisation that works with businesses on climate-change disclosures), the Dow Jones Sustainability Index and the Hang Seng Corporate Sustainability Index. Results of these indices will be available in the second half of 2016.

FINANCIAL INFORMATION

The financial information set out below in this announcement represents an extract from the condensed consolidated interim financial statements, which are unaudited but have been reviewed by the Group's external auditor, PricewaterhouseCoopers (PwC), in accordance with Hong Kong Standard on Review Engagements 2410 and by the Audit Committee. PwC's unmodified review report is included in the Interim Report to be sent to shareholders.

Consolidated Statement of Profit or Loss – Unaudited

		Six months ended 30 June	
		2016	2015
	Note	**HK$M**	HK$M (Restated)*
Revenue	*3*	**38,671**	39,985
Expenses			
Purchases of electricity, gas and distribution services		**(15,671)**	(15,904)
Staff expenses		**(1,925)**	(1,862)
Fuel and other operating expenses		**(9,736)**	(11,040)
Depreciation and amortisation		**(3,331)**	(3,362)
		(30,663)	(32,168)
Operating profit	*5*	**8,008**	7,817
Finance costs	*6*	**(1,094)**	(1,553)
Finance income	*6*	**75**	83
Share of results, net of income tax			
Joint ventures		**602**	861
An associate		**421**	371
Profit before income tax		**8,012**	7,579
Income tax expense	*7*	**(1,341)**	(1,314)
Profit for the period		**6,671**	6,265
Earnings attributable to:			
Shareholders		**6,125**	5,723
Perpetual capital securities holders		**123**	123
Other non-controlling interests		**423**	419
		6,671	6,265
Earnings per share, basic and diluted	*9*	**HK$2.42**	HK$2.27

* Comparative figures have been restated in accordance with the transitional provisions of HKFRS 9 (2014) Financial Instruments (HKFRS 9) about certain requirements of hedge accounting. Details are set out in Note 2.

Consolidated Statement of Profit or Loss and Other Comprehensive Income – Unaudited

	Six months ended 30 June	
	2016	2015
	HK$M	HK$M
		(Restated)*
Profit for the period	**6,671**	6,265
Other comprehensive income		
Items that can be reclassified to profit or loss		
Exchange differences on translation	**111**	(1,677)
Cash flow hedges	**243**	(262)
Cost of hedging	**23**	29
Fair value changes on equity investments	**-**	98
Reclassification adjustment upon sale of a joint venture	**-**	17
Share of other comprehensive income of joint ventures	**(1)**	(3)
	376	(1,798)
Items that cannot be reclassified to profit or loss		
Fair value changes on equity investments	**(107)**	-
Share of other comprehensive income of joint ventures	**(31)**	110
	(138)	110
Other comprehensive income for the period, net of tax	**238**	(1,688)
Total comprehensive income for the period	**6,909**	4,577
Total comprehensive income attributable to:		
Shareholders	**6,366**	4,035
Perpetual capital securities holders	**123**	123
Other non-controlling interests	**420**	419
	6,909	4,577

* Comparative figures have been restated in accordance with the transitional provisions of HKFRS 9 about certain requirements of hedge accounting. Details are set out in Note 2.

Consolidated Statement of Financial Position – Unaudited

	Note	**30 June 2016 HK$M**	(Audited) 31 December 2015 HK$M
Non-current assets			
Fixed assets	*10*	**128,033**	127,801
Leasehold land and land use rights under operating leases	*10*	**5,519**	5,542
Investment properties	*10*	**3,822**	2,669
Goodwill and other intangible assets		**28,389**	28,257
Interests in joint ventures		**10,820**	11,250
Interest in an associate		**1,197**	785
Finance lease receivables		**752**	799
Deferred tax assets		**1,618**	1,690
Derivative financial instruments		**1,603**	1,078
Equity investments		**1,531**	1,644
Other non-current assets		**148**	174
		183,432	181,689
Current assets			
Inventories – stores and fuel		**2,710**	3,110
Renewable energy certificates		**1,092**	902
Trade and other receivables	*11*	**15,228**	13,812
Finance lease receivables		**52**	52
Derivative financial instruments		**777**	600
Bank balances, cash and other liquid funds		**3,495**	3,799
		23,354	22,275
Current liabilities			
Customers' deposits		**(4,902)**	(4,829)
Trade and other payables	*12*	**(18,130)**	(19,023)
Income tax payable		**(1,186)**	(651)
Bank loans and other borrowings		**(14,169)**	(13,189)
Derivative financial instruments		**(593)**	(595)
		(38,980)	(38,287)
Net current liabilities		**(15,626)**	(16,012)
Total assets less current liabilities		**167,806**	165,677

Consolidated Statement of Financial Position – Unaudited (continued)

	Note	**30 June 2016 HK$M**	(Audited) 31 December 2015 HK$M
Financed by:			
Equity			
Share capital		**23,243**	23,243
Reserves	*14*	**72,148**	69,875
Shareholders' funds		**95,391**	93,118
Perpetual capital securities		**5,791**	5,791
Other non-controlling interests		**2,027**	2,023
		103,209	100,932
Non-current liabilities			
Bank loans and other borrowings		**43,158**	42,294
Deferred tax liabilities		**13,670**	13,476
Derivative financial instruments		**1,513**	2,802
Fuel clause account		**2,795**	2,226
Scheme of Control (SoC) reserve accounts	*13*	**497**	1,009
Asset decommissioning liabilities		**1,084**	1,025
Other non-current liabilities		**1,880**	1,913
		64,597	64,745
Equity and non-current liabilities		**167,806**	165,677

Notes:

1. Basis of Preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with HKAS 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants.

The interim financial statements have been prepared in accordance with the accounting policies which are consistent with those adopted in the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the early adoption of HKFRS 9 issued in July 2014 as described in Note 2 below. There are no other new standards and amendments to standards that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

The financial information relating to the year ended 31 December 2015 that is included in the 2016 Interim Report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company had delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

The condensed consolidated interim financial statements were approved for issue by the Board of Directors on 1 August 2016.

2. Effect on Adoption of HKFRS 9

The Group has early adopted HKFRS 9 with the date of initial application on 1 January 2016 which resulted in changes in accounting policies and adjustments to certain amounts recognised in the financial statements. The new accounting policies replaced the provisions of HKAS 39 Financial Instruments: Recognition and Measurement (HKAS 39) in relation to (i) recognition, classification and measurement of financial assets and financial liabilities; (ii) derecognition of financial instruments; (iii) impairment of financial assets; and (iv) hedge accounting. HKFRS 9 also significantly amends other standards dealing with financial instruments such as HKFRS 7 Financial Instruments: Disclosures. The new accounting policies provide more reliable and relevant information for users to assess the amounts, timing and uncertainty of future cash flows.

The changes in accounting policies for recognition, classification and measurement of financial instruments and the impairment of financial assets have had no significant impact on the results and financial position of the Group.

On adoption of HKFRS 9, the Group has applied the new hedge accounting model prospectively from 1 January 2016. All hedge accounting relationships designated under the previous HKAS 39 have continued to be valid hedge accounting relationships in accordance with HKFRS 9. The impact of changes in hedge effectiveness testing and in accounting for cash flow hedges was not material.

Under HKAS 39, the time value component of option instruments was recognised in profit or loss. Conversely, HKFRS 9 requires the option time value of a hedging relationship to be deferred in other comprehensive income for the duration of the relationship. Retrospective adjustment for the time value of option is required on transition to HKFRS 9. Upon adoption of HKFRS 9, this change has been applied retrospectively and resulted in a reclassification of reserves as of 1 January 2015.

2. Effect on Adoption of HKFRS 9 (continued)

Upon transition to HKFRS 9, the Group has elected the option to exclude forward elements of forward contracts and foreign currency basis spreads of financial instruments from the designation of hedging relationships retrospectively, resulting in a reclassification of reserves as of 1 January 2015.

The tables below summarise the adjustments made to reflect the adoption of HKFRS 9:

	1 January 2016			1 January 2015		
	Retained Profits HK$M	Hedging Reserves HK$M	Cost of Hedging Reserves HK$M	Retained Profits HK$M	Hedging Reserves HK$M	Cost of Hedging Reserves HK$M
As previously reported under HKAS 39 (Note 14)	72,953	360	-	63,994	561	-
Reclassification of cost of hedging						
Time value of options	(4)	-	4	(6)	-	6
Forward elements	-	(19)	19	-	29	(29)
Foreign currency basis spreads	(66)	(179)	245	(50)	(368)	418
Restated under HKFRS 9 (Note 14)	72,883	162	268	63,938	222	395

	Six months ended 30 June 2015		
	As previously reported under HKAS 39 HK$M	Adjustment HK$M	Restated under HKFRS 9 HK$M
Consolidated Statement of Profit or Loss			
Finance costs	(1,552)	(1)	(1,553)
Income tax expense	(1,315)	1	(1,314)
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Cash flow hedges	(233)	(29)	(262)
Cost of hedging	-	29	29

3. Revenue

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2016 HK$M	2015 HK$M
Sales of electricity	**32,863**	34,016
Sales of gas	**3,383**	3,055
Operating lease income under Power Purchase Agreement (PPA)	**1,151**	1,767
Finance lease income under PPA	**60**	69
Lease service income under PPA	**325**	221
Other revenue	**435**	579
	38,217	39,707
Transfer for SoC to revenue (note)	**454**	278
	38,671	39,985

Note: Under the SoC Agreement, if the gross tariff revenue in a period is less than or exceeds the total of the SoC operating costs, permitted return and taxation charges, such deficiency shall be deducted from, or such excess shall be added to, the Tariff Stabilisation Fund. In any period, the amount of deduction from or addition to the Tariff Stabilisation Fund is recognised as revenue adjustment to the extent that the return and charges under the SoC are recognised in profit or loss.

4. Segment Information

The Group operates, through its subsidiaries, joint ventures and an associate, in five major geographical regions – Hong Kong, Mainland China, India, Southeast Asia and Taiwan, and Australia. In accordance with the Group's internal organisation and reporting structure, the operating segments are based on geographical regions. Substantially all the principal activities of the Group in each region are for the generation and supply of electricity which are managed and operated on an integrated basis.

Information about the Group's operations by geographical region is as follows:

	Hong Kong HK$M	Mainland China HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Australia HK$M	Unallocated Items HK$M	Total HK$M
Six months ended 30 June 2016							
Revenue	**18,020**	**552**	**2,012**	**6**	**18,078**	**3**	**38,671**
EBITDAF [(a)] of subsidiaries	**8,311**	**478**	**932**	**(6)**	**1,906**	**(343)**	**11,278**
Share of results, net of income tax							
Joint ventures	**-**	**477**	**-**	**124**	**1**	**-**	**602**
An associate	**-**	**421**	**-**	**-**	**-**	**-**	**421**
EBITDAF of the Group	**8,311**	**1,376**	**932**	**118**	**1,907**	**(343)**	**12,301**
Depreciation and amortisation	**(2,167)**	**(270)**	**(284)**	**-**	**(590)**	**(20)**	**(3,331)**
Fair value adjustments	**(4)**	**-**	**-**	**-**	**65**	**-**	**61**
Finance costs	**(505)**	**(90)**	**(369)**	**-**	**(118)**	**(12)**	**(1,094)**
Finance income	**-**	**23**	**11**	**1**	**5**	**35**	**75**
Profit/(loss) before income tax	**5,635**	**1,039**	**290**	**119**	**1,269**	**(340)**	**8,012**
Income tax expense	**(867)**	**(12)**	**(90)**	**-**	**(372)**	**-**	**(1,341)**
Profit/(loss) for the period	**4,768**	**1,027**	**200**	**119**	**897**	**(340)**	**6,671**
Earnings attributable to							
Perpetual capital securities holders	**(123)**	**-**	**-**	**-**	**-**	**-**	**(123)**
Other non-controlling interests	**(407)**	**(16)**	**-**	**-**	**-**	**-**	**(423)**
Earnings/(loss) attributable to shareholders	**4,238**	**1,011**	**200**	**119**	**897**	**(340)**	**6,125**
Excluding: Items affecting comparability	**107**	**(83)**	**-**	**-**	**-**	**-**	**24**
Operating earnings	**4,345**	**928**	**200**	**119**	**897**	**(340)**	**6,149**
At 30 June 2016							
Fixed assets	**101,258**	**6,524**	**11,106**	**-**	**9,019**	**126**	**128,033**
Goodwill and other intangible assets	**5,545**	**5,072**	**28**	**-**	**17,744**	**-**	**28,389**
Interests in joint ventures	**17**	**9,147**	**-**	**1,630**	**26**	**-**	**10,820**
Interest in an associate	**-**	**1,197**	**-**	**-**	**-**	**-**	**1,197**
Deferred tax assets	**-**	**86**	**-**	**-**	**1,532**	**-**	**1,618**
Other assets	**16,732**	**3,716**	**5,071**	**98**	**9,228**	**1,884**	**36,729**
Total assets	**123,552**	**25,742**	**16,205**	**1,728**	**37,549**	**2,010**	**206,786**
Bank loans and other borrowings	**39,899**	**4,437**	**8,160**	**-**	**2,434**	**2,397**	**57,327**
Current and deferred tax liabilities	**13,052**	**1,238**	**231**	**-**	**335**	**-**	**14,856**
Other liabilities	**22,228**	**1,238**	**448**	**3**	**7,258**	**219**	**31,394**
Total liabilities	**75,179**	**6,913**	**8,839**	**3**	**10,027**	**2,616**	**103,577**

Note:

(a) EBITDAF refers to Earnings before interest, tax, depreciation and amortisation, and fair value adjustments.

4. Segment Information (continued)

	Hong Kong HK$M	Mainland China HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Australia HK$M	Unallocated Items HK$M	Total HK$M
Six months ended 30 June 2015, as restated							
Revenue	18,475	378	2,456	3	18,671	2	39,985
EBITDAF of subsidiaries	8,261	339	880	(7)	1,934	(250)	11,157
Share of results, net of income tax							
Joint ventures	-	714	-	146	1	-	861
An associate	-	371	-	-	-	-	371
EBITDAF of the Group	8,261	1,424	880	139	1,935	(250)	12,389
Depreciation and amortisation	(2,056)	(257)	(266)	-	(761)	(22)	(3,362)
Fair value adjustments	11	-	-	-	11	-	22
Finance costs	(579)	(101)	(412)	-	(440)	(21)	(1,553)
Finance income	1	31	20	1	8	22	83
Profit/(loss) before income tax	5,638	1,097	222	140	753	(271)	7,579
Income tax expense	(854)	(70)	(130)	-	(260)	-	(1,314)
Profit/(loss) for the period	4,784	1,027	92	140	493	(271)	6,265
Earnings attributable to							
Perpetual capital securities holders	(123)	-	-	-	-	-	(123)
Other non-controlling interests	(417)	(2)	-	-	-	-	(419)
Earnings/(loss) attributable to shareholders	4,244	1,025	92	140	493	(271)	5,723
Excluding: Items affecting comparability	(198)	-	-	-	-	-	(198)
Operating earnings	4,046	1,025	92	140	493	(271)	5,525
At 31 December 2015							
Fixed assets	100,508	6,473	11,542	-	9,139	139	127,801
Goodwill and other intangible assets	5,545	5,208	28	-	17,476	-	28,257
Interests in joint ventures	18	9,498	-	1,709	25	-	11,250
Interest in an associate	-	785	-	-	-	-	785
Deferred tax assets	-	90	-	-	1,600	-	1,690
Other assets	14,016	4,599	5,207	71	8,311	1,977	34,181
Total assets	120,087	26,653	16,777	1,780	36,551	2,116	203,964
Bank loans and other borrowings	40,976	4,402	8,835	-	964	306	55,483
Current and deferred tax liabilities	12,408	1,452	215	-	52	-	14,127
Other liabilities	24,232	1,411	540	3	7,005	231	33,422
Total liabilities	77,616	7,265	9,590	3	8,021	537	103,032

5. Operating Profit

Operating profit is stated after charging/(crediting) the following:

	Six months ended 30 June	
	2016	2015
	HK$M	HK$M
Charging		
Staff costs		
Salaries and other costs	**1,764**	1,709
Retirement benefits costs	**161**	153
Net fair value (gain)/loss on non-financing related derivative financial instruments		
Reclassified from hedging reserves and cost of hedging reserves to		
Purchases of electricity, gas and distribution services	**(94)**	(130)
Fuel and other operating expenses	**(32)**	(102)
Transactions not qualifying as hedges	**(61)**	(22)
Net loss on disposal of fixed assets	**52**	118
Impairment loss on trade receivables	**169**	248
Net exchange loss/(gain)	**84**	(15)
Revaluation loss/(gain) on investment property	**107**	(198)
Crediting		
Dividends from equity investments	**(8)**	(1)

6. Finance Costs and Income

	Six months ended 30 June	
	2016	2015
	HK$M	HK$M
		(Restated)
Finance costs		
Interest expenses on		
Bank loans and overdrafts	**489**	647
Other borrowings	**401**	489
Tariff Stabilisation Fund	**1**	1
Customers' deposits and fuel clause over-recovery	**64**	69
Finance charges under finance leases	**1**	1
Other finance charges	**162**	150
Net fair value (gain)/loss on financing related derivative financial instruments		
Reclassified from hedging reserves and cost of hedging reserves	**(654)**	118
Fair value hedges	**(460)**	(7)
Transactions not qualifying as hedges	**(128)**	45
Ineffectiveness of cash flow hedges	**(6)**	(5)
Ineffectiveness of fair value hedges	**18**	1
Loss on hedged items in fair value hedges	**460**	7
Other net exchange loss on financing activities	**872**	182
	1,220	1,698
Less: amount capitalised	**(126)**	(145)
	1,094	1,553
Finance income		
Interest income on short-term investments, bank deposits and loan to a joint venture	**75**	83

7. Income Tax Expense

	Six months ended 30 June	
	2016	2015
	HK$M	HK$M
		(Restated)
Current income tax	**1,099**	890
Deferred tax	**242**	424
	1,341	1,314

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits for the period. Income tax on profits assessable outside Hong Kong has been provided at the rates prevailing in the respective jurisdictions.

8. Dividends

	Six months ended 30 June			
	2016		2015	
	HK$ per Share	**HK$M**	HK$ per Share	HK$M
First interim dividend paid	**0.57**	**1,440**	0.55	1,390
Second interim dividend declared	**0.57**	**1,440**	0.55	1,390
	1.14	**2,880**	1.10	2,780

At the Board meeting held on 1 August 2016, the Directors declared the second interim dividend of HK$0.57 per share (2015: HK$0.55 per share). The second interim dividend is not reflected as a dividend payable in the interim financial statements.

9. Earnings per Share

The earnings per share are computed as follows:

	Six months ended 30 June	
	2016	2015
Earnings attributable to shareholders (HK$M)	**6,125**	5,723
Number of shares in issue (thousand shares)	**2,526,451**	2,526,451
Earnings per share (HK$)	**2.42**	2.27

Basic and fully diluted earnings per share are the same as the Company did not have any dilutive equity instruments throughout the six months ended 30 June 2016 and 30 June 2015.

10. Fixed Assets, Leasehold Land and Land Use Rights under Operating Leases and Investment Properties

Fixed assets, leasehold land and land use rights under operating leases and investment properties totalled HK$137,374 million at 30 June 2016 (31 December 2015: HK$136,012 million). Movements in the accounts are as follows:

	Fixed Assets					Leasehold Land and Land Use Rights under Operating Leases	Investment Properties [(a)]
	Land						
	Freehold HK$M	Leased HK$M	Buildings HK$M	Plant, Machinery and Equipment HK$M	Total HK$M	HK$M	HK$M
Net book value at 1 January 2016	642	473	19,606	107,080	127,801	5,542	2,669
Acquisition of a subsidiary [(b)]	32	-	-	-	32	-	-
Additions	-	-	267	3,169	3,436	66	1,260
Revaluation loss	-	-	-	-	-	-	(107)
Transfers and disposals	-	(23)	(18)	(119)	(160)	-	-
Depreciation/amortisation	-	(7)	(309)	(2,558)	(2,874)	(85)	-
Exchange differences	(2)	-	(68)	(132)	(202)	(4)	-
Net book value at 30 June 2016	**672**	**443**	**19,478**	**107,440**	**128,033**	**5,519**	**3,822**
Cost/valuation	772	565	31,399	192,012	224,748	6,334	3,822
Accumulated depreciation/ amortisation and impairment	(100)	(122)	(11,921)	(84,572)	(96,715)	(815)	-
Net book value at 30 June 2016	**672**	**443**	**19,478**	**107,440**	**128,033**	**5,519**	**3,822**

Notes:

(a) During the period, the Group acquired the commercial interest of the retail portion of the Laguna Mall. The Group's another investment property is located at Argyle Street, Kowloon.

(b) In June 2016, the Group acquired 49% interest in SE Solar Limited, with an option to acquire the remaining 51% interest one year after commissioning, to develop a 100MW solar farm in Telangana, India. SE Solar Limited is treated as a subsidiary because the Group has control over the company.

11. Trade and Other Receivables

	30 June 2016 HK$M	31 December 2015 HK$M
Trade receivables (note)	**12,286**	10,061
Deposits, prepayments and other receivables	**2,553**	2,613
Dividend receivables from		
Joint ventures	**170**	80
An associate	**-**	877
Equity investments	**7**	-
Loan to and current accounts with		
Joint ventures	**211**	180
An associate	**1**	1
	15,228	13,812

11. Trade and Other Receivables (continued)

Note: The Group has established credit policy for customers in each of its retail business. In Hong Kong, customers are allowed to settle their electricity bills within two weeks after issue. Customers' receivable balances are generally secured by cash deposits or bank guarantees from customers for an amount not exceeding the highest expected charge for 60 days of consumption. In Australia, customers are allowed to settle their electricity bills within 7 to 45 days after issue. Trade receivables arising from sales of electricity to the offtakers in India and Mainland China are due for settlement within 15 to 60 days and 30 to 90 days after bills issue respectively.

The ageing analysis of the trade receivables based on invoice date is as follows:

	30 June 2016 HK$M	31 December 2015 HK$M
30 days or below	**10,210**	7,788
31 − 90 days	**594**	744
Over 90 days	**1,482**	1,529
	12,286	10,061

12. Trade and Other Payables

	30 June 2016 HK$M	31 December 2015 HK$M
Trade payables (note)	**5,709**	5,904
Other payables and accruals	**4,716**	5,599
Advances from non-controlling interests	**6,876**	6,720
Current accounts with		
Joint ventures	**1**	1
An associate	**632**	577
Deferred revenue	**196**	222
	18,130	19,023

Note: The ageing analysis of the trade payables based on invoice date is as follows:

	30 June 2016 HK$M	31 December 2015 HK$M
30 days or below	**5,573**	5,759
31 − 90 days	**100**	106
Over 90 days	**36**	39
	5,709	5,904

13. SoC Reserve Accounts

The Tariff Stabilisation Fund, Rate Reduction Reserve and Rent and Rates Interim Refunds of the Group's major subsidiary, CLP Power Hong Kong Limited (CLP Power Hong Kong), are collectively referred to as SoC reserve accounts. The respective balances at the end of the period/year are:

	30 June 2016 HK$M	31 December 2015 HK$M
Tariff Stabilisation Fund	**424**	935
Rate Reduction Reserve	**1**	2
Rent and Rates Interim Refunds (note)	**72**	72
	497	1,009

Note: CLP Power Hong Kong is challenging the amount of Government rent and rates levied dating back to the year of assessment 2001/02. While the original Lands Tribunal judgment, and the subsequent judgment on the review of valuation matters, as well as the Court of Appeal judgment on a point of law were received in CLP Power Hong Kong's favour, the final resolution of the case will be subject to the outcome of a further appeal to the Court of Final Appeal by the Hong Kong Government against the Court of Appeal judgment.

Interim refunds totalling HK$1,713 million were received by CLP Power Hong Kong from the Hong Kong Government during 2012 to 2014. These interim refunds were made by the Hong Kong Government without prejudice to the final outcome of the appeals which means that these amounts will be adjusted by reference to the decisions of the Lands Tribunal and the subsequent appeals.

Based on the latest development of the case, CLP Power Hong Kong maintains that it would recover no less than interim refunds received to date in the final outcome of these appeals. The interim refunds continued to be classified within the SoC reserve accounts. The Rent and Rates Special Rebate provided to customers during 2012 and 2013 with the amounts of interim refunds received in 2012 and 2013 of HK$1,641 million had been offset against the interim refunds received.

In the event that the final amount recovered on conclusion of these appeals is less than the total amount rebated to customers, CLP Power Hong Kong will seek to recover any shortfall in the amounts of Rent and Rates Special Rebate already paid to customers. Similarly, if the final amount recovered exceeds the special rebates paid out, these additional amounts will be returned to customers.

14. Reserves

	Translation Reserves HK$M	Hedging Reserves HK$M	Cost of Hedging Reserves HK$M	Other Reserves HK$M	Retained Profits HK$M	Total HK$M
Balance at 1 January 2016, as previously reported	(6,221)	360	-	2,783	72,953	69,875
Effect on adoption of HKFRS 9 (net of tax) (Note 2)	-	(198)	268	-	(70)	-
Balance at 1 January 2016, as restated	(6,221)	162	268	2,783	72,883	69,875
Earnings attributable to shareholders	-	-	-	-	6,125	6,125
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	280	-	-	-	-	280
Joint ventures	(167)	-	-	-	-	(167)
An associate	1	-	-	-	-	1
Cash flow hedges						
Net fair value gains	-	1,106	-	-	-	1,106
Reclassification to profit or loss	-	(805)	-	-	-	(805)
Tax on the above items	-	(58)	-	-	-	(58)
Cost of hedging						
Net fair value gains	-	-	8	-	-	8
Amortisation/reclassification to profit or loss	-	-	25	-	-	25
Tax on the above items	-	-	(10)	-	-	(10)
Fair value loss on equity investments	-	-	-	(107)	-	(107)
Share of other comprehensive income of joint ventures	-	(1)	-	(31)	-	(32)
Total comprehensive income attributable to shareholders	114	242	23	(138)	6,125	6,366
Revaluation reserve realised due to depreciation of fixed assets	-	-	-	(1)	1	-
Appropriation of reserves of subsidiaries	-	-	-	62	(62)	-
Dividends paid						
2015 fourth interim	-	-	-	-	(2,653)	(2,653)
2016 first interim	-	-	-	-	(1,440)	(1,440)
Balance at 30 June 2016	**(6,107)**	**404**	**291**	**2,706**	**74,854**	**72,148**
Balance at 1 January 2015, as previously reported	(2,536)	561	-	2,751	63,994	64,770
Effect on adoption of HKFRS 9 (net of tax) (Note 2)	-	(339)	395	-	(56)	-
Balance at 1 January 2015, as restated	(2,536)	222	395	2,751	63,938	64,770
Earnings attributable to shareholders	-	-	-	-	5,723	5,723
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	(1,671)	-	-	-	-	(1,671)
Joint ventures	(6)	-	-	-	-	(6)
Cash flow hedges						
Net fair value losses	-	(206)	-	-	-	(206)
Reclassification to profit or loss	-	(104)	-	-	-	(104)
Tax on the above items	-	48	-	-	-	48
Cost of hedging						
Net fair value gains	-	-	69	-	-	69
Amortisation/reclassification to profit or loss	-	-	(10)	-	-	(10)
Tax on the above items	-	-	(30)	-	-	(30)
Fair value gain on equity investments	-	-	-	98	-	98
Reclassification adjustment upon sale of a joint venture	39	(22)	-	-	-	17
Share of other comprehensive income of joint ventures	-	(2)	-	109	-	107
Total comprehensive income attributable to shareholders	(1,638)	(286)	29	207	5,723	4,035
Revaluation reserve realised due to depreciation of fixed assets	-	-	-	(1)	1	-
Appropriation of reserves of subsidiaries	-	-	-	2	(2)	-
Dividends paid						
2014 fourth interim	-	-	-	-	(2,526)	(2,526)
2015 first interim	-	-	-	-	(1,390)	(1,390)
Balance at 30 June 2015	(4,174)	(64)	424	2,959	65,744	64,889

15. Commitments

(A) Capital expenditure on fixed assets, leasehold land and land use rights under operating leases, investment properties as well as intangible assets contracted but not recorded in the statement of financial position amounted to HK$4,697 million at 30 June 2016 (31 December 2015: HK$4,586 million).

(B) The Group has entered into a number of joint arrangements to develop power projects. At 30 June 2016, equity contributions required to be made by the Group amounted to HK$86 million (31 December 2015: HK$106 million).

(C) At 30 June 2016, the Group's share of capital commitments of its joint ventures was HK$761 million (31 December 2015: HK$1,587 million).

16. Contingent Liabilities

(A) CLP India – Deemed Generation Incentive Payment and Interest on Deemed Loans

Under the original power purchase agreement between CLP India Private Limited (CLP India) and its offtaker Gujarat Urja Vikas Nigam Limited (GUVNL), GUVNL was required to make a "deemed generation incentive" payment to CLP India when the plant availability of Paguthan Plant (Paguthan) was above 68.5% (subsequently revised to 70% in 2003 and 80% in 2013). GUVNL has been making such payments since December 1997.

In September 2005, GUVNL filed a petition before the Gujarat Electricity Regulatory Commission (GERC) claiming that the "deemed generation incentive" payment should not be paid for the periods when Paguthan is declared with availability to generate on "naphtha" as fuel rather than on "gas". GUVNL's contention is based on a 1995 Government of India notification which disallowed "deemed generation incentive" for naphtha-based power plants. The total amount of the claim plus interest calculated up to June 2005 amounts to about Rs.7,260 million (HK$836 million). CLP India's position, amongst other arguments, is that Paguthan is not naphtha-based and therefore the Government of India notification does not apply to disallow the payments of the "deemed generation incentive".

GUVNL also claimed that CLP India has wrongly received interest on "deemed loans" under the existing power purchase agreement. GUVNL's claim rests on two main grounds: (i) CLP India had agreed that interest paid by GUVNL for the period from December 1997 to 1 July 2003 was to be refunded; and (ii) interest was to be calculated on a reducing balance rather than on the basis of a bullet repayment on expiry of the loan term. The total amount of the claim plus interest for the "deemed loans" amounts to a further Rs.830 million (HK$96 million) (31 December 2015: Rs.830 million (HK$97 million)).

On 18 February 2009, the GERC made an adjudication on GUVNL's claims. On the issue related to the payment to CLP India of "deemed generation incentive", the GERC decided that the "deemed generation incentive" was not payable when Paguthan was declared with availability to generate on naphtha. However, the GERC also decided that GUVNL's claim against CLP India in respect of "deemed generation incentive" up to 14 September 2002 was time-barred under the Limitations Act of India. Hence, the total amount of the claim allowed by the GERC was reduced to Rs.2,523 million (HK$290 million). The GERC also dismissed GUVNL's claim to recover interest on the "deemed loans".

16. Contingent Liabilities (continued)

(A) CLP India – Deemed Generation Incentive Payment and Interest on Deemed Loans (continued)

CLP India filed an appeal with the Appellate Tribunal for Electricity (APTEL) against the decision of the GERC. GUVNL also filed an appeal in the APTEL against an order of the GERC rejecting GUVNL's claims on interest on "deemed loans" and the time barring of the deemed generation claim to 14 September 2002. On 19 January 2010, the APTEL dismissed both CLP India and GUVNL's appeals and upheld the decision of the GERC. CLP India has filed an appeal against the APTEL order in the Supreme Court of India. The appeal petition was admitted on 16 April 2010 but the next date of hearing has not yet been fixed by the court. GUVNL has also filed a cross appeal challenging those parts of the APTEL judgment which held that GUVNL's claims before September 2002 were time barred and which disallowed its claims for interest on "deemed loans".

Following the issue of the APTEL's judgment, GUVNL deducted Rs.3,731 million (HK$429 million) from January to March 2010 invoices after adjustment for a previous deposit of Rs.500 million (HK$58 million), which included tax on incentive relating to deemed generation on naphtha, and delayed payment charges on associated incentive calculated up to March 2010.

Subsequent to the above deduction, CLP India represented to GUVNL that, during April 2004 to March 2006, gas was available for generation and therefore should not be considered as availability (deemed generation) on naphtha. GUVNL accepted the representation and refunded the base amount of Rs.292 million (HK$34 million) and interest of Rs.150 million (HK$17 million) in March 2011. However, during the first and last quarter of 2011, with the spot gas availability being constrained, Paguthan was forced to declare availability on naphtha for certain periods, which resulted in deduction of incentive revenue by GUVNL under deemed generation of Rs.17 million (HK$2 million). At 30 June 2016, the total amount of the claim plus interest and tax with respect to the "deemed generation incentive" amounted to Rs.8,543 million (HK$983 million) (31 December 2015: Rs.8,543 million (HK$1,000 million)).

On the basis of legal advice obtained, the Directors are of the opinion that CLP India has a strong case on appeal to the Supreme Court. In consequence, no provision has been made in the financial statements at this stage in respect of these matters.

(B) Indian Wind Power Projects – WWIL's Contracts

CLP Wind Farms (India) Private Limited, CLP India and its subsidiaries (CLP India group) have invested (or are committed to invest) in around 681MW of wind power projects to be developed with Wind World India Limited (WWIL). WWIL's major shareholder, Enercon GmbH, has commenced litigation against WWIL claiming infringement of intellectual property rights. CLP India group, as a customer of WWIL, has been named as a defendant. Enercon GmbH is also seeking an injunction restraining CLP India group's use of certain rotor blades acquired from WWIL. At 30 June 2016, the Group considered that CLP India group has good prospects of defending these claims and the legal proceedings are unlikely to result in any material outflow of economic benefits from the Group.

(C) JPL – Disputed Charges with Offtakers

Jhajjar Power Limited (JPL) has disputes with its offtakers over applicable tariff of capacity charges and energy charges relating to transit loss. Total disputed amounts were Rs.1,900 million (HK$219 million) at 30 June 2016 (31 December 2015: Rs.1,860 million (HK$218 million)). The Group considered that JPL has a strong case and hence, no provision has been made.

JPL has filed a petition to Central Electricity Regulatory Commission (CERC) against its offtakers in September 2013. On 25 January 2016, CERC pronounced its judgment in favour of JPL, which supports the Group's decision that no provision should be made. JPL has filed a caveat to APTEL to avoid doing any action without informing JPL. JPL and its offtakers have filed appeals to APTEL. The next hearing date is expected on 10 August 2016.

SUPPLEMENTARY INFORMATION ON TREASURY ACTIVITIES

The Group engaged in new financing activities in the first half of 2016 in support of the operation and growth of its electricity business. CLP Holdings maintained adequate liquidity with undrawn bank facilities of HK$4.3 billion and bank balances of HK$1.9 billion as at the end of June 2016 to meet business growth and contingencies. CLP Holdings has less financing requirement in 2016 in view of higher earnings in subsidiaries and cash inflow from Iona asset sale. Up to June 2016, CLP Holdings and CLP Power Hong Kong arranged HK$2.5 billion two-year and HK$4.65 billion five-year bank facilities respectively at attractive interest rates when the financial market remained borrower-friendly. CLP Power Hong Kong's Medium Term Note (MTN) Programme was set up by its wholly-owned subsidiary CLP Power Hong Kong Financing Limited in 2002. Under the MTN Programme, bonds in an aggregate amount of up to US$4.5 billion may be issued and will be unconditionally and irrevocably guaranteed by CLP Power Hong Kong. As of 30 June 2016, notes with an aggregate nominal value of approximately HK$25.7 billion have been issued under the MTN Programme.

The Group's project entities outside Hong Kong continue to maintain healthy liquidity. In Mainland China, CLP continued to solicit onshore debt financing at competitive terms and tap into the offshore Renminbi bank market in Hong Kong, which has been proven as an effective bridging tool, to fund construction and early operation of renewable energy projects. In India, CLP Wind Farms (India) Private Limited (CLPWF) and Jhajjar Power Limited (JPL) successfully arranged refinancings to reduce interest rate margins by 0.2% to 1.6%. JPL completed arrangement of Rs.2.5 billion (HK$288 million) additional working capital facilities to support the operation. CLPWF arranged Rs.1 billion (HK$115 million) nine-year bank loan to replace short term loans of three commissioned wind projects. In Australia, EnergyAustralia has achieved stronger balance sheet and greater financing flexibility after material deleveraging by using a major portion of proceeds from Iona asset sale to early repay significant external debt in December 2015 and repay A$426.5 million (HK$2.4 billion) shareholder's loan to CLP Holdings in February 2016. EnergyAustralia reduced the syndicated loan facility amount by A$450 million (HK$2.6 billion) to further economise finance cost.

As at 30 June 2016, the Group maintained HK$80.4 billion financing facilities, including HK$21.5 billion for EnergyAustralia and subsidiaries in India. Of the facilities available, HK$57.3 billion had been drawn down, of which HK$10.6 billion related to EnergyAustralia and subsidiaries in India. The Group's total debt to total capital ratio as at 30 June 2016 was 34.2%, decreasing to 32.8% after netting off bank balances, cash and other liquid funds. Earnings before interest and taxes (EBIT) interest cover for the period ended 30 June 2016 was 10 times.

CLP always strives to maintain good investment grade credit ratings. In May 2016, Standard & Poor's (S&P) revised the rating outlooks for CLP Holdings and CLP Power Hong Kong to positive from stable, and affirmed their credit ratings at A- and A respectively. This rating action recognised the further strengthening of CLP Holdings' financial profile (lower debt gearing, more robust financial ratios) after EnergyAustralia's Iona asset sale in 2015, more robust operations of CLP Power Hong Kong and higher earnings from overseas businesses.

In May 2016 and March 2016, Moody's affirmed the A2 and A1 credit ratings of CLP Holdings and CLP Power Hong Kong respectively with stable outlooks. Moody's opined that CLP Holdings' financial profile will be supported by predictable operating cash flows from its Hong Kong operations, higher earnings in India and Mainland China, and modest leveraging. CLP Holdings' sound liquidity profile is supported by the stable cash flows from the Scheme of Control business, good access to the domestic and international banks and capital markets, and the availability of sizeable committed bank facilities. At the same time, CLP Holdings' credit rating is constrained by the weak but steady performance of its Australian operations.

In July 2016, S&P upgraded the rating of EnergyAustralia to BBB from BBB- with outlook revised to positive from stable. This reflects the strengthening of EnergyAustralia's financial risk profile after the significant pay-down of external debt with proceeds from Iona asset sale and a target capital structure that EnergyAustralia would like to sustain. The positive outlook reflects S&P's expectations that EnergyAustralia's rating could move higher if it can resolve fuel supply issues at Mount Piper, maintain operational stability and sustain target leverage.

The Group's investments and operations have resulted in exposures to foreign currency risk, interest rate risk, credit risk, as well as energy portfolio risk associated with the sale and purchase of electricity in Australia. We actively manage these risks by using different derivative instruments with the objective of minimising the impact of rate and price fluctuations on earnings, reserves and tariff charges to customers. In meeting the risk management objectives, we always prefer simple, cost-efficient and Hong Kong Financial Reporting Standards hedge-effective instruments. For instance, we prefer forward foreign exchange contracts or cross currency interest rate swaps to structured products for managing financial risks. We also monitor our risk exposures with the assistance of "Earnings-at-Risk" (EaR) and "Value-at-Risk" (VaR) methodologies. Other than very limited price discovery trading activities engaged by our Australia business, all derivative instruments are employed solely for hedging purposes.

As at 30 June 2016, the Group had gross outstanding derivative financial instruments amounted to HK$102.6 billion. The fair value of these derivative instruments was a net surplus of HK$274 million, representing the net amount receivable if these contracts were closed out on 30 June 2016.

CORPORATE GOVERNANCE

Corporate Governance Practices

CLP have our own unique "CLP Code on Corporate Governance". This incorporates, save for an exception outlined below, all of the Code Provisions and Recommended Best Practices in the Corporate Governance Code and Corporate Governance Report (the Stock Exchange Code) issued by the Stock Exchange of Hong Kong Limited (the Stock Exchange) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the Listing Rules) on the Stock Exchange.

The exception to the Recommended Best Practices of the Stock Exchange Code relates to the recommendation that an issuer should announce and publish quarterly financial results. The considered reasons for this deviation have been explained in the Corporate Governance Report on page 110 of the Company's 2015 Annual Report. Although we do not issue quarterly financial results, we issue quarterly statements which set out key financial and business information such as electricity sales, dividends and progress in major activities.

During the six months ended 30 June 2016, the Company met the Code Provisions and Recommended Best Practices, other than the exception explained above, set out in the Stock Exchange Code.

We remain committed to the continuing evolution of CLP's corporate governance practices, and for the first half of 2016 we have undertaken or implemented the following:

(a) reviewed and updated CLP Holdings' Company Management Authority Manual which is the Group's holding company manual for delegation of authority. This refined the alignment of the governance process for the operational and strategic aspects of the business with the focus and strategy of the Group;

(b) engaged an independent external consultant to conduct an evaluation of the Board and Board Committees, with an aim at finalising the exercise in the last quarter of 2016;

(c) in addition to our fourth Environmental, Social and Governance (ESG) webcast held on 22 March 2016 (available on our CLP website), we have supplemented our ESG engagement with the hosting of ESG discussion with institutional investors by our Chief Executive Officer; and

(d) enhancing the cyber security initiatives of the CLP Group focusing on awareness and governance aspects.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2016.

Further information of CLP's corporate governance practices is set out in the "About CLP" and "Investors Information" sections of the CLP website.

Remuneration - Non-executive Directors

In our 2015 Annual Report, we set out the proposed fees for our Non-executive Directors (including Independent Non-executive Directors) who serve on the Board and on the Board Committees of the Company for the ensuing three years ending on the date of the Annual General Meeting (AGM) in 2019 (see page 150 of the Company's 2015 Annual Report). At our 2016 AGM, the proposed fees were approved by our shareholders with strong support of over 99.98% of the votes.

Internal Control

The Audit Committee has the delegated responsibility from the Board to assure that adequate internal controls are in place and followed, and the Audit Committee has continued to review the CLP Group's internal control approach and the internal audit reports submitted by Group Internal Audit. Details of the CLP's internal control system were set out in the Corporate Governance Report on pages 124 to 127 of the Company's 2015 Annual Report.

During the six-month period ended 30 June 2016, eight out of a total of nine reports issued by Group Internal Audit carried satisfactory audit opinion. One report is non-satisfactory, and the issues identified in this report related to one of our subsidiaries' payroll systems and processes. No significant impact on the interim financial statements resulted from these findings. To address these issues in a comprehensive manner, mitigating measures are being implemented by management. No significant areas of concern that might affect shareholders were identified.

Interests in CLP Holdings' Securities

Since 1989, the Company has adopted its own CLP Securities Code. This is on terms no less exacting than the required standard set out in the Model Code, Appendix 10 of the Listing Rules, and has been updated from time to time. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and CLP Securities Code throughout the period from 1 January to 30 June 2016.

We have voluntarily extended the ambit of the CLP Securities Code to cover Senior Management and other "Specified Individuals", such as other managers in the CLP Group.

All members of the Senior Management have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and CLP Securities Code throughout the period from 1 January to 30 June 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the six months ended 30 June 2016.

INTERIM DIVIDEND

Directors today declared the second interim dividend of HK$0.57 per share (2015: HK$0.55 per share) which will be payable on 15 September 2016 to shareholders registered as at the close of business on 5 September 2016. The dividend of HK$0.57 per share is payable on the existing 2,526,450,570 shares in issue.

The Register of Shareholders will be closed on 6 September 2016. To rank for the second interim dividend of HK$0.57 per share, 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 September 2016.

By Order of the Board
David Simmonds
Company Secretary

Hong Kong, 1 August 2016

The Interim Report containing financial statements and notes to the financial statements will be published on the Company's website www.clpgroup.com and the website of the Stock Exchange of Hong Kong by 8 August 2016 and despatched to shareholders on 16 August 2016.

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

(Stock Code: 00002)

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