中 電 控 股 有 限 公 司

CLP Holdings Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 00002)

Announcement of Interim Results as from 1 January 2019 to 30 June 2019, Dividend Declaration and Closure of Books

Financial Highlights

- Group operating earnings of HK$5,474 million were down 30.6% reflecting the impact of the lower permitted rate of return in Hong Kong and lower contribution from Australia in a challenging market.
- Total earnings reported a loss of HK$907 million after an impairment of EnergyAustralia’s retail goodwill of HK$6,381 million.
- Second interim dividend declared of HK$0.63 per share, a 3.3% increase from 2018.
- Long-term outlook supported by diversified opportunities and strong financial position.

CHAIRMAN’S STATEMENT

At CLP, it is our desire to deliver secure, affordable and sustainable energy for the Asia-Pacific region. By delivering on this wish we will also create long-term value for shareholders. Our results for the first half of 2019 reflect both the impact of the decisions we are taking to support this objective, and the influence of significant external challenges.

The Group’s operating earnings were HK$5,474 million, a decrease of 30.6% compared with the first half of 2018. This was due to a lower permitted rate of return in Hong Kong, the partial sale of our operations in India and very challenging conditions in Australia in the first half of 2019 particularly relative to the unusually strong results from EnergyAustralia in the first half of 2018. Total earnings decreased by HK$8,343 million to a loss of HK$907 million after an impairment of goodwill attributable to EnergyAustralia’s retail business.

The reduction in book value of goodwill in EnergyAustralia is a non-cash item. The Board is confident in the Company's long-term, diversified opportunities, alongside the strength of our balance sheet, and has increased the level of our first and second interim dividends from HK$0.61 per share in 2018 to HK$0.63 per share this year.

In the first half of 2019, we continued our effort to transform into a Utility of the Future, progressively reducing carbon from our portfolio and putting customers and communities at the heart of everything we do.

In **Hong Kong**, we have great confidence in our home market for the next five years and beyond. This is thanks to the stability of the regulatory environment underpinned by the new Scheme of Control (SoC) Agreement running until 2033, and our Development Plan covering 2018 to 2023 that sees us investing HK$52.9 billion to secure future energy supplies for Hong Kong in support of the Government's decarbonisation policies.

Hong Kong's energy security comes through diversity, and we offer a resilient combination of nuclear power and varied sources of gas, as well as our current coal assets. Gas represents an important bridge to a carbon-free future. To expand Hong Kong's gas-fired generation capacity and diversify our gas supplies, we continue to progress the construction of modern and highly efficient gas-fired generation facilities at Black Point Power Station and to begin development of the offshore LNG terminal project.

We welcome the Hong Kong Government's announcement of a public engagement on decarbonisation strategy in June 2019 as it puts to the community for consideration the core question of how to secure a low-carbon future for Hong Kong. We believe engaging the community in important long-term decisions such as this is crucial in finding the best solutions for Hong Kong's sustainable future.

Back in the 1990s, we took steps to diversify our fuel mix in Hong Kong including the introduction of nuclear and gas-fired power generation. The use of these cleaner fuels has helped us reduce carbon and other emissions while electricity demand continues to grow. This reflects the importance of long-term decisions that can enable a secure and green future for our home city.

Australia is an important but challenging market and after a period of strong growth, EnergyAustralia has seen softer results in this period. This has been largely due to lower electricity production from our major power plants and intense competition in our retail business.

While constraints on electricity production from EnergyAustralia's power plants are likely to ease in the second half, as we announced in June, the new regulatory regime introduced for electricity tariffs on 1 July will result in a decrease in the second half earnings from the retail segment. This is likely to be a headwind for our business for some time. Nonetheless, our work over the last five years to restructure the company, appoint strong management and focus intensely on the customer gives us a good platform for maintaining a valuable and robust presence in the market.

We know that the Australian public has seen retail prices rise due to a reduction in the country's overall generation capacity. In this regard, we will continue to support the development of a long-term, stable integrated national energy policy to drive a secure, low-emission energy future.

EnergyAustralia is ready to be part of the solution to the triple challenge of rising electricity prices, the need to cut emissions and the objective of developing a modern, efficient energy supply system. As well as supporting vulnerable customers, we are investing in flexible, clean generation and are working with the Government to ensure Australia's energy future is delivered.

In **Mainland China**, zero-carbon assets are now the mainstay of our business generating 90% of our profits in the country. This year, Yangjiang's nuclear plant added further capacity, new solar projects increased our renewable assets, and wind and hydro reported solid performance.

India is a market where we see significant opportunities for growth. The reduced earnings in the period reflect the sale of 40% of our operations to Caisse de dépôt et placement du Québec (CDPQ), a step which brings the long-term strategic backing and additional resources of one of Canada's largest pension fund managers that will support efforts to expand our business in the country. A pleasing first step in our new partnership took place recently with CLP India signing agreements to acquire power transmission assets. These investments, once completed, will further diversify our interests in India and open up a new area of business for CLP India which supports the continued growth of renewable energy in the Indian system.

There were further efficiencies found in both the wind and solar portfolios in India, thanks to a combination of operational and technological improvements, a testament to the abilities of our people to maximise our assets. We are also actively exploring further opportunities to grow our renewable portfolio.

Safety is CLP's top priority and we have begun to use drones to conduct exterior checks on some of our assets, avoiding the need for our people to climb scaffolding, reducing the risk of this important work. In some of our power stations, we use robots for the inspection of culverts and boilers, and cleaning of dust silos. There could be no better use for our significant technological abilities than achieving greater safety for our people.

Technology also allows us to make better use of existing resources. In addition to introducing Smart Energy Connect, an energy management app store, we have increased our investment in Silicon Valley's AutoGrid Systems, Inc., an innovative company that develops energy-management software.

The complexities and challenges of our industry are matched by the desire of everyone at CLP to deliver a lower-carbon energy future. I am pleased to say that later this year we will share our plans to meet the stronger targets in our renewed Climate Vision 2050. More recently, we have become the first Hong Kong company to join the EV100 initiative, committing CLP to move our fleet of more than 1,000 cars to electric vehicles by 2030.

At this exciting, dynamic and challenging time for the energy industry, we are as committed as ever to growing shareholder value, and delivering the reliable, affordable and environmentally sustainable energy to the communities we are proud to serve.

The Honourable Sir Michael Kadoorie

FINANCIAL PERFORMANCE

Group operating earnings of HK$5,474 million were down 30.6% reflecting the impact of the lower permitted rate of return in Hong Kong and lower contribution from Australia in a challenging market. Total earnings reported a loss of HK$907 million after an impairment of EnergyAustralia's retail goodwill of HK$6,381 million.

	Six months ended 30 June		**Increase/**
	2019	2018	**(Decrease)**
	HK$M	HK$M	**%**
Hong Kong electricity business	**3,587**	4,497	(20.2)
Hong Kong electricity business related*	**102**	131	
Mainland China	**1,174**	1,116	5.2
India	**120**	251	(52.2)
Southeast Asia and Taiwan	**140**	63	122.2
Australia	**824**	2,257	(63.5)
Other earnings in Hong Kong	**(82)**	(3)	
Unallocated net finance costs	**(34)**	(19)	
Unallocated Group expenses	**(357)**	(407)	
Operating earnings	**5,474**	7,886	(30.6)
Items affecting comparability			
Impairment of retail goodwill	**(6,381)**	-	
Provision for deemed generation receivables	**-**	(450)	
Total earnings	**(907)**	7,436	N/A

* Hong Kong electricity business related includes PSDC, Hong Kong Branch Line and sales to Guangdong from Hong Kong

The financial performance of individual business segment is analysed as below:

Hong Kong : Reflecting the impact of lower permitted rate of return, slightly offset by higher permitted return on higher average net fixed assets

Mainland China : Higher shares of results of Yangjiang (commissioning of unit 5 in July 2018), Daya Bay (higher output) and Fangchenggang (higher sent-out and lower coal prices despite lower tariff), higher hydro profit mainly from Huaiji with more rainfall, offset by lower contribution from wind projects with lower wind resources

India : 40% share of earnings by CDPQ and loss incurred by Paguthan after expiry of power purchase agreement (2018: profit of HK$115 million), partly compensated by higher contribution from Jhajjar on higher cumulative availability, higher wind resources and more solar projects in operation in 2019

Southeast Asia and Taiwan : Higher share of result from Ho-Ping due to higher energy tariff in 2019 and unfavourable tax adjustment in 2018, and the recovery of development expenses in Vung Ang II

Australia : Lower energy (wholesale) contribution due to lower generation from Mount Piper (resulted from coal supply issues) and higher energy procurement costs; lower customer (retail) contribution resulting from more discounts, lower customer accounts and unfavourable change in customer mix; unfavourable (2018: favourable) fair value movements on EnergyAustralia's energy contracts with net sell position in Victoria as a result of increase in forward energy prices

Items affecting comparability : An impairment of HK$6,381 million on goodwill attributable to energy retail business in Australia was made in 2019. Details are set out in Note 5 to the Financial Information.

BUSINESS PERFORMANCE AND OUTLOOK

Hong Kong

Sales of electricity in Hong Kong in the first half of 2019 were 15,916GWh, 0.5% higher than the same period in 2018. Driven by various major infrastructure developments in Hong Kong, sales in the Commercial sector and the Infrastructure & Public Services sector recorded year-on-year increases of 1% and 2.9% respectively, offsetting lower sales in the Residential sector caused by a significantly warmer winter and cooler than normal temperatures in May. A breakdown by sector of the changes in local sales is as follows:

	Increase / (Decrease)		% of Total Local Sales
Residential	(100GWh)	(2.5%)	25%
Commercial	63GWh	1.0%	41%
Infrastructure & Public Services	130GWh	2.9%	29%
Manufacturing	(8GWh)	(1.0%)	5%

No sales to Mainland China were recorded during the period as the Shekou electricity supply agreement expired in June 2018. Total electricity sales, which included local sales and sales to Mainland China, were 2.8% lower than in the first half of 2018.

We continued our efforts to reduce Hong Kong's carbon intensity and increase the proportion of natural gas used in power generation, as well as enhance the cross border transmission overhead line circuits connecting Hong Kong and Mainland China known as the Clean Energy Transmission System (CETS). While continuing construction of the new 550MW Combined Cycle Gas Turbine (CCGT) unit at Black Point Power Station, which is due to go into operation by early 2020, we embarked on the development of a second new CCGT unit on an adjacent site. Front-End Engineering Design (FEED) has begun and the unit is targeted for completion in 2023. The additional gas-fired capacity from the two new CCGT units, together with upgrades being undertaken to the existing gas-fired generation units at Black Point, will help to facilitate the gradual retirement of coal-fired units at Castle Peak A Power Station when they reach the end of their operating lives by the mid-2020s.

We made significant progress, meanwhile, with our offshore LNG terminal project. After the issuing of an environmental permit last year, we commenced the FEED process for the offshore jetty facility and the subsea pipelines that will connect the facility to Black Point and Lamma Island. At the same time, Hong Kong LNG Terminal Limited, the joint venture established by Castle Peak Power Company Limited (CAPCO) and The Hongkong Electric Company, Limited., entered into a hire agreement with Mitsui O.S.K. Lines, Ltd. (MOL) for a Floating Storage and Regasification Unit (FSRU) vessel on a long-term time charter basis. When the terminal begins operations, the FSRU vessel will berth at the jetty to receive, store, and regasify LNG for power generation. An agreement has also been entered into by CAPCO with Shell Eastern Trading (Pte.) Ltd., a subsidiary of Royal Dutch Shell, for a long-term LNG supply. Construction is due for completion before the end of 2021, and the terminal will allow us to diversify our gas supply, access competitive international LNG pricing and enhance fuel supply security to the long-term benefit of our customers. At the same time, we will continue to receive gas supplies from PetroChina's Second West-East Gas Pipeline and CNOOC's subsea pipeline in the South China Sea.

Our new generation plant at West New Territories Landfill, comprising five 2MW units fired by landfill gas, is on track to start producing waste-to-energy electricity by the end of 2019.

As part of the new SoC Agreement that came into effect in October 2018, CLP has introduced new initiatives to promote the development of renewable energy and energy efficiency. Our Feed-in Tariff scheme, encouraging customers to install small scale renewable generation systems on their premises, has received positive responses. We received over 3,900 applications to the end of June 2019, with around 80% of the projects representing a total capacity of around 57MW already approved or connected to our grid. Our new Eco Building Fund, which provides subsidies for customers installing energy-efficient equipment in residential and commercial buildings, received over 260 applications from customers by the same date. There has also been positive feedback to our Renewable Energy Certificates, which since January have allowed customers to buy electricity generated from renewable energy sources in Hong Kong.

The Council for Sustainable Development began a three-month public engagement programme on Hong Kong's long-term decarbonisation strategy in mid-June. We are studying the public engagement document in detail and will submit our views at a later stage. It has been our long-standing commitment to address climate change by changing our fuel mix to reduce carbon emissions, while maintaining a highly reliable electricity supply. With the help of our CCGT units and CETS, we are on track to play an important role in support of the Government's decarbonisation objectives. In addition to efforts by the power industry, however, all sectors of the society can contribute to the effort by improving energy efficiency and living greener lifestyles.

Digitalisation of our power system is an important factor in creating a smarter, greener customer experience, as well as ensuring a more secure and reliable power supply. In the first half of 2019, we continued the rollout of smart meters with a target of providing smart meters for all our 2.6 million customers by 2025. The meters not only provide improved information on electricity consumption to users, but also access to more energy management services and faster maintenance in the event of incidents. By the end of June, 196,000 smart meters had already been installed and connected with priority installations at remote villages which are more prone to typhoon disruptions, in order to improve our supply reliability.

To deliver service innovations and improve energy efficiency, we continued to offer new energy-management tools and services to customers in industries including hospitality and elderly care. In May, we set up the CLP 6 Senses Experience Zone during HOFEX 2019, Asia's leading food and hospitality trade show, to promote a low-carbon catering culture and showcase the latest electric kitchen equipment and technology. We also conducted an Elderly Home Experience Day to showcase green technology and innovations to help improve energy efficiency in homes for the elderly. The opening of our SmartHub@CLP exhibition centre was another initiative to engage the community and industry partners and encourage them to support energy efficiency and smart city development in Hong Kong.

The data centre industry is expanding rapidly in Hong Kong. We provide operators with one-stop services in design and build solutions, infrastructural construction and management, energy efficiency, and renewable energy solutions, as well as guaranteeing the reliable, world-class power supply critical for data centre operations which is important for the development of Hong Kong as a regional data hub.

Outlook

In the second half of the year, we will continue to focus on implementing initiatives under the SoC Agreement and our five-year Development Plan in support of the Government's goals on renewable energy, energy efficiency, and long-term decarbonisation. We will also closely monitor our new investments such as the offshore LNG terminal and the new CCGTs units, and continue to focus on developing innovative, technology-enabled services. These efforts will be significant factors in driving Hong Kong's transition to a smarter, greener, low-carbon future.

Mainland China

Our zero-carbon portfolio was a key driver of CLP's solid performance in Mainland China in the first half of 2019 as a result of our long-standing strategy to focus on low-carbon investments. Our nuclear and renewable energy businesses continued to account for most of our earnings in the country. This also means that the earnings from our portfolio in China will likely become more stable as nuclear is subject to less dispatch and cost volatilities compared with our coal or renewable energy projects.

Yangjiang Nuclear Power Station delivered higher contributions as output increased following the commissioning of the fifth generating unit in July 2018. The sixth and final unit was commissioned in July this year, with the entire project completed within budget. Daya Bay Nuclear Power Station continued to perform safely and reliably.

Our solar energy portfolio benefitted from the addition of new projects such as the Lingyuan plant in Liaoning Province, commissioned in July 2018, and our newly-acquired plant in Meizhou, Guangdong Province. The Meizhou project is CLP's first acquisition of an operating renewable project in Mainland China.

Our wind assets reported a stable performance. During the first half, we commenced commercial operations of CLP Laizhou II in Shandong Province, and began construction of Laiwu III in the same province.

Our hydro portfolio benefitted from the strong generation performance of Huaiji in Guangdong due to plentiful rainfall.

The utilisation level at Fangchenggang Power Station improved from the economic growth in the Guangxi Zhuang Autonomous Region and easing competition from hydro power generation due to low rainfall in the first half. In the meantime, the plant continued its evolution into an integrated energy provider by also supplying steam and carbon dioxide to a nearby factory, thereby securing more generation hours. The approval of our application for direct unloading of imported coal at the Fangchenggang Power Station jetty also helped reduce fuel costs.

TUS-CLP Smart Energy Technology Co. Ltd. (TUS-CLP), our joint venture with Beijing's TUS-Holdings Co., Ltd., was awarded a contract in February to build and operate an incremental distribution network (IDN) at Fangchenggang High-Tech Zone. TUS-CLP formed a project company with several joint venture partners and are working together on power network and smart energy planning. The IDN project is CLP's first investment in distribution grids in Mainland China.

Outlook

We believe the Central Government's efforts to shift the country's energy mix in favour of cleaner generation will lead to growth in this sector over the long term. CLP will therefore continue to look for opportunities to expand our low-carbon portfolio. Following the award of the IDN project in Fangchenggang, we will explore similar opportunities in southern China as reform of the electricity sector continues.

The Outline Development Plan for the Greater Bay Area released by the Central Government in February makes the development of smart cities in the region a key focus for city-level administrations. CLP will work closely with our partners to pursue opportunities in this important emerging sector.

India

CLP India benefitted from the good operational performance of our renewable energy assets and the steady performance of the Jhajjar coal-fired plant in the first half of the year. A strategic partnership with CDPQ has strengthened our ability to capture new investment opportunities across the value chain in India's power sector. In July, we entered into agreements for the acquisition of three power transmission assets, expanding our geographical reach in India and broadening our portfolio into a new segment of the country's electricity value chain. These agreements remain subject to certain regulatory approvals.

The Veltoor solar plant continued to perform well following technology upgrades and operational enhancements. Operations at the Gale and Tornado solar plants stabilised after rectifying technical issues that had earlier hampered output, and the performance of both plants fulfilled expectations. The Veltoor and Gale plants became wholly-owned assets of CLP India after the acquisitions of the equity interests previously held by Suzlon Energy Limited in March.

Improved operational efficiencies and higher wind resources saw CLP India's wind portfolio increase output.

Jhajjar reported a higher level of commercial availability compared with the first half of 2018 due to an increased coal supply and a better performance of the plant. It also reduced its sulphur dioxide (SO_2) emissions after the flue gas desulfurisation unit became fully operational in February 2019.

Following the expiry of the previous power purchase agreement for Paguthan in December 2018, we have continued to explore new commercial avenues for the plant including short-term sales on the Indian Energy Exchange. However, the plant did not undertake any significant commercial generation in the first half.

The Indian administration was re-elected at the national elections in May. CLP India remains committed to working closely with the Government and stakeholders to support the country's economic development by meeting its demand for reliable, low-carbon, affordable energy.

Outlook

CLP India will continue to maintain and strengthen the operational excellence of our existing assets in the second half of 2019. Meanwhile, our alliance with CDPQ has brought long-term strategic backing and additional resources to support our continuing growth. Our expansion into power transmission opens up a new area of growth for the business which supports the continued growth of renewable energy in India. We are actively exploring further potential opportunities for acquisitions and investments in renewable energy and transmission, as the Government continues to implement energy industry reforms.

Southeast Asia and Taiwan

Both the Ho-Ping coal-fired power station in Taiwan and the Lopburi solar plant in Thailand reported stable operations in the first half of 2019.

In Vietnam, we continued our discussions with our partners and the Government over the Vung Ang II and Vinh Tan III legacy coal-fired projects.

Outlook

We will continue to focus on enhancing the operation of our assets in Taiwan and Thailand, and continue our efforts to support the Vietnamese Government to explore options to meet the country's future energy needs.

Australia

The six months ended 30 June 2019 were challenging for EnergyAustralia, reflected by operating earnings before one-off items of HK$824 million, compared with an exceptional first half in 2018 of HK$2,257 million. This performance reflects the impact of operational issues experienced at our generation assets and the continuing competition in the retail business. In addition, a non-cash change to the fair value of energy derivatives used for economic hedges that arose from an increase in the price of forward energy contracts further affected the results. We nevertheless made good progress with ongoing programmes to improve customer service and support the modernisation of Australia's energy system.

EnergyAustralia began the year by pledging commitment to an Energy Charter, a world-first customer initiative aimed at uniting the energy industry to deliver better service for Australians. Meanwhile, work throughout the first half meant that on 1 July 2019 we were well prepared to implement new government safety-net prices for our customers, the most significant regulatory change to energy retailing for several years.

The regulations, known as the Default Market Offer and the Victorian Default Offer, effectively cap retail prices at new, lower levels. To comply, EnergyAustralia has transferred about 173,000 customers – around 10% of our electricity retail customer base – to the new tariffs. At the same time, we approached the disruption caused by the regulatory changes as an opportunity to enhance our competitive standing in the market, launching a new product suite comprising simple, lower-cost energy plans to existing and new customers.

A survey by consumer advocacy group CHOICE of energy offers for the 12 months to April 2019 confirmed our customer-first approach. The survey found that EnergyAustralia offered the most competitively-priced deals of any retailer in our largest market, New South Wales (NSW), and also in South-East Queensland.

The retail market in Australia remains intensely competitive. While our retail business reduced customer churn in line with the overall market, our account numbers decreased by around 50,300, or about 2%, in the first half.

Meanwhile, we continued to implement and assess projects to provide additional capacity and reliability for customers and the national electricity grid. The Hallett Repower project is in progress in South Australia adding 30MW to our existing gas-fired generation capacity. In early July, we announced a 60MW turbine upgrade at Mount Piper Power Station in NSW. Potential projects under assessment include pumped-hydro in South Australia and Queensland and flexible gas generation in NSW. EnergyAustralia also has demand-response measures and battery storage in its project portfolio.

In our generation business, electricity production from EnergyAustralia's power plants was lower due to coal supply issues affecting Mount Piper and maintenance requirements at Yallourn Power Station in Victoria. This resulted in lower contributions to the energy segment. In addition to planned outages, operations at Yallourn were restricted as a fatal incident in late 2018 was investigated and new measures were introduced to enhance safety.

Coal supply issues hampered generation at Mount Piper, although the plant managed to maintain availability during peak demand periods.

The anticipated reduction in future earnings related to our retail business, announced in June, led EnergyAustralia to record a one-off, non-cash impairment of goodwill of HK$6,381 million as part of the Group's interim results. This impacts EnergyAustralia's earnings in the first half.

In a Federal election held in May, the governing Liberal-National Coalition was re-elected. EnergyAustralia remains committed to working with Federal and State Governments on a long-term, stable, integrated national policy framework that supports the investment needed to ensure supply reliability and affordability as the country moves towards cleaner energy sources.

Outlook

In an intensely competitive retail market, customer service remains our priority. Our new retail approach is aimed at better serving and retaining customers as the market evolves under the new default price safety nets. Early indications are that the new, simple EnergyAustralia offers are performing well with customers. Heightened competitive activity, and the changes to our product portfolio, are expected to have an ongoing negative impact on earnings.

In the wholesale market, the recent reduction in baseload capacity and the ongoing addition of intermittent renewable energy generation are likely to result in continued volatility and elevated prices. For our existing generation assets, we will focus on enhancing their availability to safeguard the reliability of our supply. We expect operations at Yallourn to return to normal during the second half of 2019 as we complete operational and safety improvements. At Mount Piper, EnergyAustralia is working closely with the NSW Government, as well as the mine owner Centennial, to find alternative sources of coal. We are confident a solution will be reached. We will continue to use the gas-peaking generator at Tallawarra to supplement supply.

As part of our commitment to support Australia's transition to a cleaner and more modern energy system and to better manage volatility in the wholesale electricity market, we will continue to explore innovative solutions and evaluate new projects that can deliver flexible, fast-response generation capacity in this high-price and volatile market environment.

Human Resources

The Group employed 7,716 people as of 30 June 2019, compared with 7,562 at the same time in 2018. Of those, 4,221 were employed in our Hong Kong electricity and related businesses, 3,148 by our businesses in Mainland China, India, Southeast Asia and Taiwan, and Australia, and 347 by CLP Holdings. Total remuneration for the six months to 30 June 2019 was HK$2,992 million, compared with HK$2,994 million for the same period a year earlier, including retirement benefit costs of HK$290 million, compared with HK$284 million in 2018.

Providing a family-friendly working environment and competitive remuneration and benefits help us to attract and retain a diverse workforce. Recognising that buying a home in Hong Kong is difficult for many people, this year we introduced an innovative home loan scheme to provide eligible employees in Hong Kong with financial support for the purchase of their home. The take-up rate has been encouraging, and we are pleased to see relatively junior members of staff receive what could be a life changing benefit for them.

Investors and consumers are increasingly concerned about the impact of labour practices on sustainable organisations and supply chains. As we have a large number of contractors supporting our business operations, this is a relevant issue for us as well.

In the first half, we continued to progress our human rights initiatives following the principles set out in the United Nations Guiding Principles on Business and Human Rights. We revised our Human Rights Policy Statement and developed a set of labour standards covering all key aspects of the employment relationship to put this policy into practice. We will progressively incorporate these standards into our procurement requirements.

Health & Safety

CLP is committed to a goal of zero harm to all employees, contractors, and members of the public in all our activities and operations. We want everyone to go home safe and well at the end of each working day.

Tragically, a fatal incident resulted in the death of a subcontractor's worker of our subsidiary CLP*e* Solutions in Hong Kong in February. We carried out an improvement review following the incident, and we are continuing our unrelenting efforts to prioritise safety in our operations.

We made progress in the first half of 2019 in the implementation of the Group-wide Health, Safety and Environment (HSE) Improvement Strategy across our regional operations, following a multi-year action plan developed in each of our markets to map out key programmes and milestones. Surveys on safety culture were conducted among employees and contractors in our regions to help us identify strengths and areas of improvement. To assess the effectiveness of the strategy's implementation, an audit will be conducted in the second half of the year.

We have also begun internal consultations over the introduction of a new Health and Wellbeing Strategy for employees as the Group promotes more positive attitudes and innovations in occupational health management that go beyond regulatory compliance.

In the first half of the year, a reduction in the Total Recordable Injury Rate (TRIR) was reported among employees compared with the same period last year. We are liaising with our contractors to ensure they comply with CLP standards in their work, as we noted an increase in TRIR when contractors are included in our measurements. We saw a year-on-year reduction in our Lost Time Injury Rate (LTIR) in the first half of the year. The TRIR and LTIR figures are detailed in the table below:

	Employees		Employees and Contractors	
	Jan – Jun 2019	Jan – Jun 2018	Jan – Jun 2019	Jan – Jun 2018[1]
LTIR	0.02	0.09	0.08	0.08
TRIR	0.12	0.14	0.34	0.21

Note:
1 Figures for 2018 were revised to reflect the reclassification of two cases along with some minor adjustments to the number of hours worked.

We focus on learning from incidents where there was a potential exposure to serious injury or fatality, as rethinking risk is a key pillar in our HSE Improvement Strategy. For instance, we are reviewing our management of tasks involving lifting activities and working at height, and are piloting some new equipment and techniques in Australia and Hong Kong. In addition, we organised forums on zero harm for executives of our subcontractors.

Environment

CLP remained committed to managing and minimising the environmental impact of our operating assets and projects under development and construction. We continued to strengthen the synergies between the markets in which we operate and explored ways to better fulfil our environmental commitments. We also initiated a review on emerging regulations to ensure we are well prepared for new requirements and challenges.

Compliance

CLP had no environmental regulatory non-compliance incidents resulting in fines or prosecutions in the first half of 2019.

Air Quality

Regulatory requirements on air emissions are necessarily becoming more stringent in all of our markets. We continued to explore technological solutions to ensure we meet or exceed our compliance requirements.

In India, we made further improvements to the SO_2 emission performance of Jhajjar Power Station. We also pushed forward with preparations to meet the new nitrogen oxide emission limits by the end of this year.

In Hong Kong, we began measuring and reporting the new mercury emission limit for Castle Peak Power Station from April onwards. All readings to date have been well below the limit. Two new 550MW CCGT units being developed at Black Point Power Station are set to help further improve Hong Kong’s air quality.

In Australia, we continued to monitor the introduction of tightened new emissions requirements for per- and polyfluoroalkyl substances (PFAS), a group of man-made chemicals found in many consumer products.

Water Usage & Risk

We are committed to using water resources responsibly and sustainably in all our operations, and to ensuring our assets withdraw water according to licence entitlements.

In India, we continued to explore the possibility of building an additional reservoir for Jhajjar Power Station to improve its future water resilience.

In Australia, the construction of a new water transfer pipeline and water facility at Mount Piper is due for completion later this year to support the plant's long-term operation. This project, being provided by consortium led by a contractor, will augment cooling water supplies to the power station, and source water from the nearby Springvale mine, which faces new environmental requirements to cease dewatering into the local river system.

Climate Change

We continued to decarbonise our asset portfolio in the first half of 2019 by investing in new non-carbon generation capacity and securing access to clean energy sources through long-term purchase agreements. With these ongoing initiatives in Mainland China, India and Australia, we are on course to increase our proportion of non-carbon generation sources in line with the Group's Climate Vision 2050, which was updated in 2018.

We seek to disclose transparent and consistent climate-related information to our stakeholders, including capital providers. In response to the increasing interest in climate-related information, we are working with our industry peers to implement recommendations from the Task Force on Climate-related Financial Disclosures that are relevant and appropriate to the electricity utilities sector. We are also undertaking internal studies to help us further improve our disclosure in future.

Sustainability Performance

Our latest Sustainability Report, published in March 2019, adopted a new approach, structuring our reporting around the environmental, social and governance (ESG) issues that are most important to the Group. The chosen issues were determined following a rigorous assessment based on feedback from our stakeholders to the megatrends affecting our industry and markets. This new, focused approach is designed to offer stakeholders detailed insight into our strategies to meet opportunities and challenges critical to our business in a changing operating environment.

Our sustainability performance continued to gain recognition from major international indices and we have been identified as one of the leading companies in Asia Pacific in integrating sustainability into business strategies based on a survey of more than 800 experts conducted by consultancy GlobeScan.

Innovation

As part of our commitment to transform into a Utility of the Future, we continued to invest in our digitalisation capabilities and strengthen partnerships with companies around the world, speeding up the innovation of smarter, more customer-centric products and services and engaging with new technologies to enhance our operations.

In the first half of 2019, we introduced Smart Energy Connect (SEC), an energy app store allowing users to access the latest energy management applications developed by CLP and our partners. SEC harnesses digital technologies including artificial intelligence and the Internet of Things to provide new tools for customers to manage their energy usage, enabling businesses and organisations to become more efficient and sustainable.

In June, CLP hosted the Free Electrons global energy start-up accelerator programme in Hong Kong. Free Electrons provides a platform for utility companies to go into partnership with start-up companies and fast-track the development of new energy technologies and solutions. This was the first time the event had been held in Hong Kong and provided an opportunity for businesses, investors, entrepreneurs and policymakers to forge partnerships to speed up the development of smarter and cleaner energy technologies in Hong Kong, the Greater Bay Area and beyond.

We continued to invest in energy innovators to support our ongoing efforts to identify technologies with strong commercial potential. In March, we set up a joint venture with Other Sources Energy Group, which has a proven investment track record in clean energy technologies in Israel. This partnership allows us to explore investment opportunities in next-generation technologies in the country. In May, we made an additional investment of approximately HK$100 million (US$12.7 million) in AutoGrid Systems, Inc., the California-based energy management software developer in which we first invested US$5 million last year.

EnergyAustralia has continued to develop innovative technologies aimed at stabilising the electricity grid and putting customers in control of their energy use, and has already delivered in excess of 50MW of demand response capacity for users in Australia. With the largest grid-scale battery portfolio of any Australian energy retailer, we are assessing opportunities in energy recovery and renewables in NSW, South Australia and Queensland. We have continued our partnership with Startupbootcamp on an incubator programme to bring smart energy ideas to life, to help customers save money and protect the environment.

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 & Risk 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	
		2019	2018
	Note	**HK$M**	HK$M
Revenue	*3*	**43,838**	46,464
Expenses			
Purchases of electricity, gas and distribution services		**(17,819)**	(17,285)
Staff expenses		**(2,263)**	(2,219)
Fuel and other operating expenses		**(12,885)**	(13,042)
Depreciation and amortisation		**(4,007)**	(4,004)
		(36,974)	(36,550)
Other charge	*5*	**(6,381)**	-
Operating profit	*5*	**483**	9,914
Finance costs		**(973)**	(1,006)
Finance income		**102**	92
Share of results, net of income tax			
Joint ventures		**425**	357
Associates		**915**	786
Profit before income tax		**952**	10,143
Income tax expense	*6*	**(1,320)**	(2,141)
(Loss)/profit for the period		**(368)**	8,002
(Loss)/earnings attributable to:			
Shareholders		**(907)**	7,436
Perpetual capital securities holders		**125**	125
Other non-controlling interests		**414**	441
		(368)	8,002
(Loss)/earnings per share, basic and diluted	*8*	**HK$(0.36)**	HK$2.94

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

	Six months ended 30 June	
	2019	2018
	HK$M	HK$M
(Loss)/profit for the period	**(368)**	8,002
Other comprehensive income		
Items that can be reclassified to profit or loss		
Exchange differences on translation	**(194)**	(2,905)
Cash flow hedges	**679**	699
Costs of hedging	**29**	5
Share of other comprehensive income of joint ventures	**-**	1
	514	(2,200)
Items that cannot be reclassified to profit or loss		
Fair value changes on equity investments	**41**	(13)
Remeasurement (losses)/gains on defined benefit plans	**(10)**	6
	31	(7)
Other comprehensive income for the period, net of tax	**545**	(2,207)
Total comprehensive income for the period	**177**	5,795
Total comprehensive income attributable to:		
Shareholders	**(392)**	5,239
Perpetual capital securities holders	**125**	125
Other non-controlling interests	**444**	431
	177	5,795

Consolidated Statement of Financial Position – Unaudited

	Note	30 June 2019 HK$M	Audited 31 December 2018 HK$M
Non-current assets			
Fixed assets	*9*	**142,068**	141,309
Leasehold land and land use rights under operating leases	*9*	**-**	5,432
Right-of-use assets	*10*	**6,045**	-
Investment property		**1,204**	1,204
Goodwill and other intangible assets	*5*	**20,291**	26,910
Interests in and loan to joint ventures		**9,571**	9,674
Interests in associates		**7,931**	7,746
Deferred tax assets		**613**	835
Derivative financial instruments		**1,683**	1,000
Equity investments		**341**	300
Other non-current assets		**660**	604
		190,407	195,014
Current assets			
Inventories – stores and fuel		**3,202**	2,840
Renewable energy certificates		**560**	847
Property under development		**2,971**	2,971
Trade and other receivables	*11*	**17,373**	15,917
Derivative financial instruments		**1,255**	799
Short-term deposits and restricted cash		**2,260**	4,761
Cash and cash equivalents		**4,307**	7,365
		31,928	35,500
Current liabilities			
Customers' deposits		**(5,592)**	(5,476)
Fuel clause account		**(728)**	(901)
Trade payables and other liabilities	*12*	**(17,355)**	(19,061)
Income tax payable		**(957)**	(1,399)
Bank loans and other borrowings		**(15,419)**	(13,535)
Derivative financial instruments		**(1,612)**	(1,262)
		(41,663)	(41,634)
Net current liabilities		**(9,735)**	(6,134)
Total assets less current liabilities		**180,672**	188,880

Consolidated Statement of Financial Position – Unaudited (continued)

	Note	**30 June 2019 HK$M**	Audited 31 December 2018 HK$M
Financed by:			
Equity			
Share capital		**23,243**	23,243
Reserves	*14*	**80,830**	85,810
Shareholders' funds		**104,073**	109,053
Perpetual capital securities		**5,791**	5,791
Other non-controlling interests		**10,036**	10,088
		119,900	124,932
Non-current liabilities			
Bank loans and other borrowings		**38,546**	41,763
Deferred tax liabilities		**14,816**	14,650
Derivative financial instruments		**1,528**	1,547
Scheme of Control (SoC) reserve accounts	*13*	**711**	998
Asset decommissioning liabilities and retirement obligations		**3,673**	3,558
Other non-current liabilities		**1,498**	1,432
		60,772	63,948
Equity and non-current liabilities		**180,672**	188,880

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 2018, except for the adoption of HKFRS 16 Leases as described in Note 2 below. Other amendments to standards and new interpretation that are effective for the first time for this interim period did not have any material impact to the Group's accounting policies.

The financial information relating to the year ended 31 December 2018 that is included in the 2019 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 has delivered the financial statements for the year ended 31 December 2018 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 the 31 December 2018 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 6 August 2019.

2. Adoption of HKFRS 16

The Group has adopted HKFRS 16 from 1 January 2019. HKFRS 16 establishes new accounting requirements on leases which lead to the recognition of lease transactions in lessees' financial statements. HKFRS 16 focuses on whether an arrangement contains a lease or a service agreement and introduces a substantial change to lessee accounting. The previous distinction between operating and finance leases is eliminated for lessee. A right-of-use asset (representing the right to use the leased asset for the lease term) and a lease liability (representing the obligation to pay rentals) are recognised for all leases. The lessor accounting largely remains unchanged.

2. Adoption of HKFRS 16 (continued)

In accordance with the transition provisions of HKFRS 16, the Group has adopted the modified retrospective application for existing leases at 1 January 2019 with certain transition reliefs, and under which comparative figures are not restated.

For leases previously classified as operating leases, the Group has elected to measure the right-of-use assets at the amounts equal to the lease liabilities adjusted by any prepaid or accrued lease payments. For those leases previously classified as finance leases, the right-of-use assets and lease liabilities are measured at the date of initial application at the same amounts as under HKAS 17 immediately before the date of initial application. Accordingly, no adjustments were recognised to the opening balance of retained profits at the date of initial application.

The Group reassessed all lease contracts as well as contracts which did not satisfy the definition of a lease under the previous accounting standard (HKAS 17) at 1 January 2019. For these lease contracts, the Capacity Purchase Contract entered into by Hong Kong Pumped Storage Development Company, Limited which was previously classified as an operating lease when applying HKAS 17 does not meet the definition of a lease under HKFRS 16. All other existing lease contracts, which mainly relate to leases for land and buildings, remain their lease classification.

There were no existing contracts that were not classified as a lease under HKAS 17 but satisfy the definition of a lease under HKFRS 16. The Group has identified that an existing water treatment service contract in Australia meets the definition of a lease. This asset is currently under construction and it will be accounted for according to HKFRS 16 upon the commercial operation of the water treatment plant.

The Group applied the following practical expedients on transition to HKFRS 16 for those leases which were previously classified as operating leases under HKAS 17.

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the recognition exemption for leases for which the lease term ends within 12 months of the date of initial application
- Applied the recognition exemption for leases of low value assets
- Excluded the initial direct costs from the measurement of the right-of-use assets
- Used hindsight in determining lease term if the contract contained an option to extend or terminate the lease

Upon the adoption of HKFRS 16, the Group reclassified the assets under finance leases (mainly leasehold land) from fixed assets and leasehold land and land use rights under operating leases to right-of-use assets for presentation purpose.

2. Adoption of HKFRS 16 (continued)

The table below explains the difference between operating lease commitments disclosed at 31 December 2018 by applying HKAS 17 and lease liabilities recognised at 1 January 2019 by applying HKFRS 16:

	HK$M
Operating lease commitments at 31 December 2018	2,337
Less:	
Contract reassessed as service agreement	(1,592)
Exemption for short term leases	(5)
Leases committed but not yet commenced	(556)
Operating lease liabilities before discounting at 31 December 2018	184
Effect from discounting at incremental borrowing rate at 1 January 2019*	(6)
Operating lease liabilities recognised at 1 January 2019	178
Finance lease liabilities at 31 December 2018	79
Total lease liabilities at 1 January 2019	257

* The weighted average incremental borrowing rate was 3.1%.

The table below summarises the impact on the adoption of HKFRS 16:

	At 1 January 2019 HK$M
Decrease in fixed assets	(413)
Decrease in leasehold land and land use rights under operating leases	(5,432)
Increase in right-of-use assets	6,000
Increase in trade payables and other liabilities	60
Increase in other non-current liabilities	95

	Six months ended 30 June 2019 HK$M
Decrease in fuel and other operating expenses	(39)
Increase in depreciation and amortisation	46
Increase in finance costs	3
Decrease in income tax expense	(3)
Decrease in earnings attributable to shareholders	(7)

3. Revenue

The Group's revenue primarily represents sales of electricity and gas, which is recognised over time, and is disaggregated as follows:

	Six months ended 30 June	
	2019	2018
	HK$M	HK$M
Revenue from contracts with customers		
Sales of electricity in Hong Kong	**18,876**	19,542
Transfer for SoC to revenue [(a)]	**129**	232
SoC sales of electricity	**19,005**	19,774
Sales of electricity outside Hong Kong	**19,615**	20,657
Sales of gas in Australia	**2,733**	3,063
Others	**474**	661
	41,827	44,155
Other revenue		
Operating lease income under Power Purchase Agreement (PPA) [(b)]		
Fixed payments	**547**	514
Variable payments	**1,312**	1,358
Finance lease income under PPA	**-**	52
Lease service income under PPA	**-**	233
Others	**152**	152
	2,011	2,309
	43,838	46,464

Notes:

(a) Under the SoC Agreements, 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 a revenue adjustment to the extent that the return and charges under the SoC are recognised in the profit or loss.

(b) The operating lease income under PPAs relate to the 25-year PPAs between Jhajjar Power Limited (JPL) and its offtakers. Under the PPAs, the contract price mainly comprises of capacity charge and energy charge. Capacity charge is payable for maintaining availability of the plant for dispatch of electricity, regardless of actual dispatch. Energy charge is a variable amount that depends on actual fuel consumption.

4. Segment Information

The Group operates, through its subsidiaries, joint ventures and associates, in five major geographical regions – Hong Kong, Mainland China, India, Southeast Asia and Taiwan, and Australia. 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.

4. Segment Information (continued)

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 2019							
Revenue from contracts with customers	19,301	830	611	6	21,079	-	41,827
Other revenue	61	29	1,883	-	32	6	2,011
Revenue	19,362	859	2,494	6	21,111	6	43,838
EBITDAF*	7,616	742	861	15	(3,736)	(348)	5,150
Share of results, net of income tax							
Joint ventures	(9)	299	-	125	10	-	425
Associates	-	915	-	-	-	-	915
Consolidated EBITDAF	7,607	1,956	861	140	(3,726)	(348)	6,490
Depreciation and amortisation	(2,403)	(366)	(322)	-	(907)	(9)	(4,007)
Fair value adjustments	(2)	-	-	-	(658)	-	(660)
Finance costs	(465)	(140)	(267)	-	(55)	(46)	(973)
Finance income	-	14	34	-	42	12	102
Profit/(loss) before income tax	4,737	1,464	306	140	(5,304)	(391)	952
Income tax expense	(770)	(175)	(122)	-	(253)	-	(1,320)
Profit/(loss) for the period	3,967	1,289	184	140	(5,557)	(391)	(368)
Earnings attributable to							
Perpetual capital securities holders	(125)	-	-	-	-	-	(125)
Other non-controlling interests	(337)	(13)	(64)	-	-	-	(414)
Earnings/(loss) attributable to shareholders	3,505	1,276	120	140	(5,557)	(391)	(907)
Excluding: Items affecting comparability	-	-	-	-	6,381	-	6,381
Operating earnings	3,505	1,276	120	140	824	(391)	5,474
At 30 June 2019							
Fixed assets, right-of-use assets and investment property	116,909	9,149	11,120	-	12,083	56	149,317
Goodwill and other intangible assets	5,545	4,317	27	-	10,402	-	20,291
Interests in and loan to joint ventures	33	7,750	-	1,708	80	-	9,571
Interests in associates	-	7,931	-	-	-	-	7,931
Deferred tax assets	-	92	136	-	385	-	613
Other assets	11,458	4,122	5,303	265	13,414	50	34,612
Total assets	133,945	33,361	16,586	1,973	36,364	106	222,335
Bank loans and other borrowings	39,095	5,933	5,900	-	134	2,903	53,965
Current and deferred tax liabilities	14,103	1,246	342	-	82	-	15,773
Other liabilities	20,410	1,059	517	2	10,440	269	32,697
Total liabilities	73,608	8,238	6,759	2	10,656	3,172	102,435

* EBITDAF refers to earnings before interest, taxes, 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 2018							
Revenue from contracts with customers	20,258	731	522	8	22,636	-	44,155
Other revenue	74	31	2,185	-	16	3	2,309
Revenue	20,332	762	2,707	8	22,652	3	46,464
EBITDAF	9,032	719	521	(4)	3,915	(390)	13,793
Share of results, net of income tax							
Joint ventures	(9)	293	-	66	7	-	357
Associates	-	795	-	-	(9)	-	786
Consolidated EBITDAF	9,023	1,807	521	62	3,913	(390)	14,936
Depreciation and amortisation	(2,515)	(344)	(310)	-	(818)	(17)	(4,004)
Fair value adjustments	(6)	-	-	-	131	-	125
Finance costs	(481)	(129)	(313)	-	(45)	(38)	(1,006)
Finance income	-	17	23	1	32	19	92
Profit/(loss) before income tax	6,021	1,351	(79)	63	3,213	(426)	10,143
Income tax expense	(952)	(127)	(106)	-	(956)	-	(2,141)
Profit/(loss) for the period	5,069	1,224	(185)	63	2,257	(426)	8,002
Earnings attributable to							
Perpetual capital securities holders	(125)	-	-	-	-	-	(125)
Other non-controlling interests	(422)	(5)	(14)	-	-	-	(441)
Earnings/(loss) attributable to shareholders	4,522	1,219	(199)	63	2,257	(426)	7,436
Excluding: Items affecting comparability	-	-	450	-	-	-	450
Operating earnings	4,522	1,219	251	63	2,257	(426)	7,886
At 31 December 2018							
Fixed assets, leasehold land and land use rights and investment property	115,631	8,997	11,287	-	11,922	108	147,945
Goodwill and other intangible assets	5,545	4,453	27	-	16,885	-	26,910
Interests in and loan to joint ventures	42	7,689	-	1,866	77	-	9,674
Interests in associates	-	7,746	-	-	-	-	7,746
Deferred tax assets	-	94	130	-	611	-	835
Other assets	10,206	4,128	6,698	67	14,354	1,951	37,404
Total assets	131,424	33,107	18,142	1,933	43,849	2,059	230,514
Bank loans and other borrowings	38,636	6,080	6,182	-	-	4,400	55,298
Current and deferred tax liabilities	13,641	1,282	307	-	819	-	16,049
Other liabilities	21,088	1,494	552	18	10,643	440	34,235
Total liabilities	73,365	8,856	7,041	18	11,462	4,840	105,582

5. Operating Profit

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

	Six months ended 30 June	
	2019	2018
	HK$M	HK$M
Charging		
Retirement benefits costs	**221**	212
Net loss on disposal of fixed assets	**253**	10
Impairment of		
Trade receivables	**148**	661
Goodwill (note)	**6,381**	-
Variable lease payments expenses	**33**	32
Net fair value loss/(gain) on non-debt related derivative financial instruments		
Reclassified from cash flow hedge reserve and costs of hedging reserves to		
Purchases of electricity, gas and distribution services	**253**	27
Fuel and other operating expenses	**(17)**	(64)
Transactions not qualifying as hedges	**660**	(125)
Net exchange loss	**8**	16
Crediting		
Rental income from investment property	**(17)**	(21)
Dividends from equity investments	**(13)**	(13)

Note: During the first half of 2019, the Default Market Offer and the Victorian Default Offer (collectively, the "default offers") were released in Australia. The default offers serve as a price cap for electricity for those previously paying the highest prices on contracts known as "standing offers". The default offers impact gross margin by stipulating a new, lower standing offer. This resets the market baseline for future market offers, providing an indicator that the value of the energy retail business goodwill, which is included in EnergyAustralia's Retail cash generating unit (CGU) could be impaired.

Given these regulatory changes and the expected resulting change to the market, an assessment of the value in use of the Retail CGU was performed to determine the recoverable amount. The carrying value of the Retail CGU cannot be supported by the value in use. As a result, the Group has recognised an impairment on Retail goodwill of HK$6,381 million (A$1,176 million) as other charge in the profit and loss.

6. Income Tax Expense

	Six months ended 30 June	
	2019	2018
	HK$M	HK$M
Current income tax	**1,231**	1,873
Deferred tax	**89**	268
	1,320	2,141

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 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.

7. Dividends

	Six months ended 30 June			
	2019		2018	
	HK$ per Share	**HK$M**	HK$ per Share	HK$M
First interim dividend paid	**0.63**	**1,592**	0.61	1,541
Second interim dividend declared	**0.63**	**1,592**	0.61	1,541
	1.26	**3,184**	1.22	3,082

At the Board meeting held on 6 August 2019, the Directors declared the second interim dividend of HK$0.63 per share (2018: HK$0.61 per share). The second interim dividend is not reflected as a dividend payable in the interim financial statements.

8. (Loss)/Earnings per Share

The (loss)/earnings per share are computed as follows:

	Six months ended 30 June	
	2019	2018
(Loss)/earnings attributable to shareholders (HK$M)	**(907)**	7,436
Weighted average number of shares in issue (thousand shares)	**2,526,451**	2,526,451
(Loss)/earnings per share (HK$)	**(0.36)**	2.94

Basic and fully diluted (loss)/earnings per share are the same as the Company did not have any dilutive equity instruments throughout the six months ended 30 June 2019 and 2018.

9. Fixed Assets and Leasehold Land and Land Use Rights under Operating Leases

	Fixed Assets					Leasehold Land and Land Use Rights under Operating Leases
	Land			Plant, Machinery and		
	Freehold HK$M	Leased HK$M	Buildings HK$M	Equipment HK$M	Total HK$M	HK$M
Net book value at 1 January 2019, as previously reported	1,203	357	20,562	119,187	141,309	5,432
Effects of the adoption of HKFRS 16 (Note 2)	-	(357)	-	(56)	(413)	(5,432)
Net book value at 1 January 2019, as restated	1,203	-	20,562	119,131	140,896	-
Acquisition of a subsidiary (note)	-	-	5	333	338	-
Additions	-	-	675	3,797	4,472	-
Transfers and disposals	-	-	(27)	(257)	(284)	-
Depreciation	-	-	(348)	(3,024)	(3,372)	-
Exchange differences	7	-	9	2	18	-
Net book value at 30 June 2019	**1,210**	**-**	**20,876**	**119,982**	**142,068**	**-**
Cost	1,306	-	34,461	215,880	251,647	-
Accumulated depreciation and impairment	(96)	-	(13,585)	(95,898)	(109,579)	-
Net book value at 30 June 2019	**1,210**	**-**	**20,876**	**119,982**	**142,068**	**-**

Note: In January 2019, the Group acquired all the shares in Pingyuan Litian New Energy Power Co., Ltd. (Meizhou Solar), which owns and operates a 42.5MW solar farm in Guangdong Province, China, for a consideration of HK$26 million (RMB23 million).

10. Right-of-Use Assets

	Prepaid Leasehold Land HK$M	Land and Buildings HK$M	Machinery and Equipment HK$M	Total HK$M
Net book value at 1 January 2019, as previously reported	-	-	-	-
Effects of the adoption of HKFRS 16 (Note 2)	5,789	165	46	6,000
Net book value at 1 January 2019, as restated	5,789	165	46	6,000
Acquisition of a subsidiary	2	-	-	2
Additions	136	18	34	188
Depreciation	(96)	(45)	(3)	(144)
Exchange differences	-	-	(1)	(1)
Net book value at 30 June 2019	**5,831**	**138**	**76**	**6,045**

11. Trade and Other Receivables

	30 June 2019 HK$M	31 December 2018 HK$M
Trade receivables	**13,660**	11,229
Deposits, prepayments and other receivables	**2,607**	3,547
Dividend receivables from		
Joint ventures	**408**	57
Associates	**559**	949
Loan to and current accounts with		
Joint ventures	**138**	134
Associates	**1**	1
	17,373	15,917

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

	30 June 2019 HK$M	31 December 2018 HK$M
30 days or below*	**11,538**	8,992
31 – 90 days	**672**	820
Over 90 days	**1,450**	1,417
	13,660	11,229

* Including unbilled revenue

12. Trade Payables and Other Liabilities

	30 June 2019 HK$M	31 December 2018 HK$M
Trade payables	**5,716**	6,653
Other payables and accruals	**6,250**	7,273
Lease liabilities	**101**	21
Advances from non-controlling interests	**1,553**	1,522
Current accounts with		
Joint ventures	**1**	1
Associates	**667**	517
Deferred revenue	**3,067**	3,074
	17,355	19,061

12. Trade Payables and Other Liabilities (continued)

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

	30 June 2019 HK$M	31 December 2018 HK$M
30 days or below	**5,426**	6,404
31 – 90 days	**156**	145
Over 90 days	**134**	104
	5,716	6,653

13. SoC Reserve Accounts

The Tariff Stabilisation Fund, Rate Reduction Reserve and Rent and Rates 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 2019 HK$M	31 December 2018 HK$M
Tariff Stabilisation Fund	**704**	941
Rate Reduction Reserve	**7**	11
Rent and Rates Refunds (note)	**-**	46
	711	998

Note: CLP Power Hong Kong has been challenging the amount of Government rent and rates levied dating back to the year of assessment 2001/02. While the appeals up to 2007/08 were settled, final resolution for the remaining appeals for rating years from 2008/09 remains subject to the application of the Lands Tribunal judgments, which were in favour of CLP Power Hong Kong, to the rent and rates amounts for each of these years.

Interim refunds of HK$757 million have been paid by the Hong Kong Government on a without prejudice basis for the appeal years 2008/09 to 2012/13. Using the refunds received (totalling HK$2,054 million including the interim refunds), CLP Power Hong Kong has provided customers with the Rent and Rates Special Rebate. In 2019 a rebate of HK$46 million was paid to customers. The refunds have now been fully expended and the Rent and Rates Special Rebate ceased in February 2019.

CLP Power Hong Kong maintains that it will recover no less than the interim refunds received to date for the remaining years under appeal in the final outcome of these appeals. The rent and rates refunds are classified within the SoC reserve accounts, and the Rent and Rates Special Rebate to customers was offset against the refunds received.

In the event that the final amount recovered on conclusion of the remaining appeals is less than the total amount rebated to customers in respect of these years, 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 for the remaining years exceeds the special rebates paid out, the additional amounts will be returned to customers.

14. Reserves

	Translation Reserves HK$M	Cash Flow Hedge Reserve HK$M	Costs of Hedging Reserves HK$M	Other Reserves HK$M	Retained Profits HK$M	Total HK$M
Balance at 1 January 2019	(7,429)	404	(43)	1,567	91,311	85,810
Loss attributable to shareholders	-	-	-	-	(907)	(907)
Other comprehensive income						
Exchange differences on translation of						
Subsidiaries	(206)	(10)	-	-	10	(206)
Joint ventures	(28)	-	-	-	-	(28)
Associates	3	-	-	-	-	3
Cash flow hedges						
Net fair value gains	-	793	-	-	-	793
Reclassification to profit or loss	-	198	-	-	-	198
Tax on the above items	-	(298)	-	-	-	(298)
Costs of hedging						
Net fair value losses	-	-	(11)	-	-	(11)
Amortisation/reclassification to profit or loss	-	-	39	-	-	39
Tax on the above items	-	-	(6)	-	-	(6)
Fair value gain on equity investments	-	-	-	41	-	41
Remeasurement losses on defined benefit plans	-	-	-	-	(10)	(10)
Total comprehensive income attributable to shareholders	(231)	683	22	41	(907)	(392)
Appropriation of reserves	-	-	-	(15)	15	-
Dividends paid						
2018 fourth interim	-	-	-	-	(3,006)	(3,006)
2019 first interim	-	-	-	-	(1,592)	(1,592)
Acquisition of non-controlling interests	-	-	-	10	-	10
Balance at 30 June 2019	**(7,660)**	**1,087**	**(21)**	**1,603**	**85,821**	**80,830**

15. Commitments

(A) Capital expenditure on fixed assets, leasehold land, investment property as well as intangible assets contracted for at the end of the period but not yet incurred amounted to HK$5,768 million at 30 June 2019 (31 December 2018: HK$5,497 million).

(B) As at 30 June 2019, the total future lease payments for leases committed and not yet commenced in relation to land and building and water treatment plant were HK$543 million and HK$697 million respectively.

(C) At 30 June 2019, equity contribution to be made for joint ventures and private equity partnerships were HK$94 million (31 December 2018: HK$27 million) and HK$122 million (31 December 2018: HK$136 million) respectively.

(D) At 30 June 2019, the Group's share of capital and other commitments of its joint ventures and associates were HK$3,003 million (31 December 2018: HK$422 million) and HK$1,466 million (31 December 2018: HK$1,526 million) respectively.

16. Contingent Liabilities

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

This is a dispute between CLP India Private Limited (CLP India) and its offtaker Gujarat Urja Vikas Nigam Limited (GUVNL) under the PPA for Paguthan Plant (Paguthan). GUVNL is required to make a "deemed generation incentive" payment to CLP India when plant availability is above a set threshold. 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 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 Rs7,260 million (HK$822 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 PPA. 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 Rs830 million (HK$94 million) (31 December 2018: Rs830 million (HK$93 million)).

In February 2009, the GERC found in favour of GUVNL on the "deemed generation incentive" but held that GUVNL's claim up to 14 September 2002 was time-barred under the Limitations Act of India. The GERC also dismissed GUVNL's claim to recover interest on the "deemed loans". CLP India appealed the GERC's decision to the Appellate Tribunal for Electricity (APTEL). GUVNL also filed an appeal against the orders of the GERC which went against GUVNL. In January 2010, the APTEL upheld the decisions of the GERC. Both CLP India and GUVNL have filed further appeals in the Supreme Court of India. The appeal petitions have been admitted. Since the matter has been pending before the Supreme Court for a long period of time, an application of early hearing was filed before the court, which was allowed. The matter could be listed for hearing in the coming months.

While CLP India has not altered its view regarding the legal merits of the claim, in view of the expiry of the PPA in December 2018 and uncertainty on the timing of recoverability, a provision of Rs3,796 million (HK$430 million) was made in 2018 against the amounts withheld by GUVNL. This will not prejudice the stance CLP India has taken all along and CLP India remains committed to pursuing this case and closing it successfully. If this is eventually achieved and the monies are recovered from GUVNL, the provision would be reversed.

16. Contingent Liabilities (continued)

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

At 30 June 2019, the time-barred portion of the claim plus interest and tax with respect to the "deemed generation incentive" amounted to Rs4,737 million (HK$536 million) (31 December 2018: Rs4,737 million (HK$530 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 the time-barred portion of the claim plus interest and tax.

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

CLP India and its subsidiaries (CLP India group) has invested in approximately 533MW of wind power projects developed with Wind World India Limited (WWIL). WWIL's major shareholder, Enercon GmbH, 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. As at 30 June 2019, 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

JPL has disputes with its offtakers over applicable tariff of capacity charges and energy charges relating to transit loss. Total disputed amounts were Rs2,958 million (HK$335 million) at 30 June 2019 (31 December 2018: Rs2,719 million (HK$305 million)). The Group considers that JPL has a strong case and hence, no provision has been made.

JPL 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 and its offtakers have filed appeals to APTEL.

16. Contingent Liabilities (continued)

(D) EnergyAustralia – Disposal of Iona Gas Plant

In December 2015, EnergyAustralia completed the disposal of its entire interest in the Iona Gas Plant for a total consideration of A$1,780 million (HK$9,991 million). On 19 May 2017, EnergyAustralia received a Statement of Claim issued by Lochard Energy (Iona Operations Holding) Pty Ltd, the purchaser of the Iona Gas Plant, and certain related entities, commencing formal legal proceedings seeking A$967 million (approximately HK$5,291 million) or alternatively A$780 million (approximately HK$4,268 million) in damages. The claims allege that certain information regarding the technical performance of the Iona Gas Plant, and on which the consortium claims to have relied to make its offer, were incomplete or misleading. On 6 May 2019, an amended Statement of Claim was issued by the plaintiff which introduced (as a third alternative method of quantifying its damages) a damages claim based on the cost to fix the alleged issues with the plant as well as alleged associated losses and costs. EnergyAustralia has rejected the claims and is vigorously defending the legal proceedings. On the basis of currently available information, the Directors' view is that a material outflow of economic benefits is unlikely and no provision has been made in the financial statements.

SUPPLEMENTARY INFORMATION ON TREASURY ACTIVITIES

The Group engaged in new financing activities in support of the operation and growth of its electricity business in the first half of 2019. Going into the second half of the year, CAPCO issued a HK$170 million 25-year New Energy Bond at 2.8% coupon in July to fund the construction of West New Territories landfill gas generation project. This is an inaugural green financing for our SoC business under the CLP Climate Action Finance Framework. In the same month, CLP Power Hong Kong issued a HK$200 million 15-year private bond at 2.74% coupon to further enhance its diversified, cost-effective debt portfolio.

Overall, CLP Group maintained strong liquidity with undrawn bank facilities of HK$19.9 billion and bank balances of HK$6.6 billion as at the end of June.

Both CLP Power Hong Kong and CAPCO have Medium Term Note programmes in place under which bonds in aggregate amounts of up to US$4.5 billion and US$2 billion may be issued respectively. As of 30 June 2019, notes with an aggregate nominal value of around HK$26 billion were issued by CLP Power Hong Kong and HK$3.9 billion by CAPCO.

Our businesses outside Hong Kong maintained healthy liquidity positions. In April, EnergyAustralia paid back A$285 million (HK$1.6 billion) to CLP Holdings in the form of shareholder's loan repayment and interest payment.

In India, we refinanced bank loan facilities totalling Rs4.3 billion (HK$483 million) for renewable energy projects at interest rates that were reduced by between 0.55 and 0.7 percentage points. Following the signing of the conditional sale and purchase agreement between CLP and CDPQ in September 2018 for the transfer of 40% shareholding in CLP India Private Limited to CDPQ, CLP received total consideration proceeds equivalent to HK$2.9 billion in December 2018 and June 2019.

In China, we arranged RMB350 million (HK$398 million) 2-year offshore revolving bank loan facility at competitive terms.

The Group is committed to maintaining a diversified, cost-effective portfolio of debt funding and a strong financial structure. As at 30 June 2019, the Group maintained HK$73.9 billion in financing facilities, including HK$14.4 billion for subsidiaries in Mainland China and India. Of the facilities available, HK$54 billion had been drawn down, of which HK$11.8 billion related to subsidiaries in Mainland China and India. The Group's net debt to total capital ratio was 28.1% (end 2018: 25.5%) and fixed-rate debt as a proportion of total debt was 53% (end 2018: 53%) without perpetual capital securities or 57% (end 2018: 57%) with perpetual capital securities. For the six months ended 30 June 2019, the FFO (Funds from operations) interest cover was 8 times (January – June 2018: 10 times).

Both Standard & Poor's and Moody's kept their credit ratings for CLP Holdings (A and A2) unchanged in June 2019 with stable outlooks following the announcement related to EnergyAustralia's retail business. The credit rating agencies decided our ratings were not impacted as CLP Holdings had adequate financial capacity to accommodate both the goodwill impairment and reduced profit contribution from its Australian operations. In May and June 2019, Moody's affirmed its credit ratings for CLP Holdings (A2), CLP Power Hong Kong (A1) and CAPCO (A1) with stable outlooks. The credit ratings reflect the earnings contribution from CLP Power Hong Kong, the continuation of predictable cash flow supported by a highly stable regulatory environment, the Group's strong financial profile, well-managed debt maturities, sound liquidity profile and good access to domestic and international banks and capital markets, despite rising business exposure outside Hong Kong and a reduced rate of permitted return under the new Scheme of Control Agreement.

As at 30 June 2019, the Group had gross outstanding derivative financial instruments for hedging of foreign exchange and interest rate risks amounting to HK$60.3 billion, and hedging of energy price risk totalling 156,365GWh. The fair value of these derivative instruments was a net deficit of HK$202 million, representing the net amount payable if these contracts were closed out on 30 June 2019.

CORPORATE GOVERNANCE

Highlights for the First Half of 2019

We have always emphasised that our corporate governance practices should evolve as we continuously look for opportunities to improve.

- Hybrid Annual General Meeting (AGM): Our 2019 AGM was broadcasted live online for our shareholders, providing them with the option of attending or joining our AGM online in addition to the traditional physical attendance at our AGM. As a pilot programme, (a) our registered shareholders attended our 2019 AGM online with the right to vote and submit questions online and (b) our non-registered shareholders joined our 2019 AGM online as observers and were invited to submit questions online. Electronic voting system was also introduced in the 2019 AGM for enhancing efficiency in the vote counting process.

- Continuous Disclosure in 2019: Our Continuous Disclosure Committee conducts regular assessment of potential inside information and considers the appropriate timing for making relevant announcements. Following the regulatory changes that took place in Australia subsequent to the publication of our Quarterly Statement 2019 (January – March), we have issued a profit warning announcement regarding the impairment of goodwill in respect of the EnergyAustralia Retail Business on 20 June 2019.

- Board Refreshment: At the 2019 AGM, the refreshment of the Board received strong support from the shareholders with the election of Ms May Tan and Mr Philip Kadoorie. At the same time, Dr Y. B. Lee stepped down from the Board through retirement.

- Consultation Response on ESG: We shared our views on ESG Reporting by responding to the consultation paper on "Review of the ESG Reporting Guide and Related Listing Rules" issued by The Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange).

Corporate Governance Practices

The "CLP Code on Corporate Governance" (CLP Code) is our own unique code on corporate governance (available on our website or from the Company Secretary on request). Our Code incorporates and goes beyond the principles of good corporate governance, and the two levels of recommendations in The Corporate Governance Code and Corporate Governance Report (the Stock Exchange Code), Appendix 14 of the Rules Governing the Listing of Securities (the Listing Rules) issued by the Hong Kong Stock Exchange.

During the six months ended 30 June 2019, the Company has met the Code Provisions and applied all the principles in the Stock Exchange Code. CLP deviates from only one Recommended Best Practice in the Stock Exchange Code – that an issuer should announce and publish quarterly financial results. We do not issue quarterly financial results, but we issue quarterly statements which set out key financial and business information such as electricity sales, dividends and progress in major activities. Our considered reasons for not issuing quarterly financial results have been set out in the Corporate Governance Report on page 110 of our 2018 Annual Report.

The Audit & Risk 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 2019.

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 2018 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 AGM in 2022 (see page 163 of the Company's 2018 Annual Report). At our 2019 AGM, the proposed fees were approved by our shareholders with strong support of over 99.96% of the votes.

Risk Management and Internal Control

The Audit & Risk Committee has the delegated responsibility from the Board to assure that effective risk management and internal control systems are in place and followed. The Audit & Risk Committee has continued to oversee CLP Group's risk management and internal control approaches and the internal audit reports submitted by Group Internal Audit. Details of CLP's risk management and internal control systems were set out in the Corporate Governance Report on pages 130 to 132 of the Company's 2018 Annual Report.

During the six-month period ended 30 June 2019, Group Internal Audit issued a total of seven opinion audit and four special review reports and all the opinion audit reports carried satisfactory audit opinion. No significant areas of concern that might affect shareholders were identified.

Interests in CLP Holdings' Securities

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 our own Code for Securities Transactions (CLP Securities Code) throughout the period from 1 January to 30 June 2019. CLP Securities Code is largely based on the Model Code set out in Appendix 10 of the Listing Rules and is on terms no less exacting than those in the Model Code.

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 2019.

INTERIM DIVIDEND

Today, the Board of Directors of the Company declared the second interim dividend for 2019 of HK$0.63 per share (2018: HK$0.61 per share) payable on 13 September 2019 to Shareholders registered as at 4 September 2019. The dividend of HK$0.63 per share is payable on the existing 2,526,450,570 shares in issue.

The Register of Shareholders will be closed on 4 September 2019. To rank for this second interim dividend, all transfers should be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 3 September 2019.

By Order of the Board
David Simmonds
Company Secretary

Hong Kong, 6 August 2019

The Company's 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 13 August 2019 and despatched to shareholders on 21 August 2019.

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 J. A. H. Leigh, Mr Andrew Brandler and Mr Philip Kadoorie
Independent Non-executive Directors:	Mr V. F. Moore, Sir Rod Eddington, Mr Nicholas C. Allen, Mr Vincent Cheng, Mrs Fanny Law, Mrs Zia Mody and Ms May Siew Boi Tan
Executive Directors:	Mr Richard Lancaster and Mr Geert Peeters

Energy for Brighter Tomorrows