

Quarterly Statement 2015 (January – March)

To Shareholders:

The operations of CLP Holdings Limited (the Company) for the three months ended 31 March 2015 are summarised in this Quarterly Statement.

Hong Kong Electricity Business

In the first quarter of 2015, local sales of electricity were 6,483GWh, representing a slight decrease of 0.2% over the same period of last year. The Residential sector recorded a significant decrease of 7.1%, mainly due to a lower heating load as a result of the warmer weather. This offsets the increase 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	(123GWh)	(7.1%)	25%
Commercial	36GWh	1.3%	42%
Infrastructure & Public Services	42GWh	2.4%	27%
Manufacturing	35GWh	9.9%	6%

Sales to the Mainland amounted to 167GWh, a decrease of 46.5% over the same period of last year, because we did not have any electricity sales to Guangdong Power Grid Co., Ltd. during the quarter.

Total electricity sales in the period, including both local sales and sales to the Mainland, decreased by 2.3% to 6,650GWh.

The HKSAR Government launched a three-month public consultation on the Future Development of the Electricity Market on 31 March 2015. The consultation paper includes an analysis of the current electricity industry, concluding that the current Scheme of Control regulatory framework has been able to achieve the four energy policy objectives in the areas of safety, reliability, affordability and environmental performance. The consultation paper has proposed some possible options to further improve regulatory arrangements. It also presented the results of last year's public consultation on Hong Kong's future fuel mix for electricity generation, showing that the majority of respondents supported local generation by natural gas.

The future development of the electricity sector and its regulatory regime has far-reaching impacts on customers and the community as well as the electricity industry. A number of complex issues are involved and it is important that the public is clear on the objectives to ensure that a safe and reliable supply of electricity is delivered at reasonable prices while environmental impact is minimised.

CLP will actively engage in close dialogue with the community during the consultation and provide information to facilitate a thorough understanding of relevant issues and implications of the proposals put forward. CLP will also submit its own response before the end of the consultation period.

In order to meet growing electricity demand and to maintain a safe, adequate and reliable supply, additional generation capacity is expected to be required approaching 2020. An Environmental Impact Assessment, which forms part of the feasibility study on additional gas-fired generation facilities at Black Point Power Station, was launched on 22 April 2015. Subject to a number of factors including technical and economic feasibility, the project, if approved, will enable CLP to contribute further reductions in emissions and would increase the percentage of local gas generation to around 50% of the total fuel mix in 2020, as proposed in the consultation on Future Development of the Electricity Market.

To promote energy saving in the community and show our care to the needy, CLP announced the launch of two new community programmes in 2015. "Power Your Love" aims to encourage our residential customers to save energy. For every unit of electricity saved in June and July 2015 by CLP customers registered in the campaign, the Company will donate the equivalent amount of money to the electricity accounts of needy households. In addition, the public can support the programme through direct donation, which will be matched by donation from CLP. In the "Elderly Yum Cha" programme, CLP will partner with 14 District Council members and four major catering associations to distribute 120,000 restaurant coupons to some 30,000 needy elderly people from June to August. CLP is committing a total of HK\$10 million of shareholders' funds to support the programmes.

Regional Businesses

Mainland China

Coal prices continued on a downward trend in the international and domestic markets in the three-month period. This has benefitted our coal-fired power stations. Whilst China has announced a reduction in on-grid tariff rates for coal power plants by an average of about RMB2 fens per kilowatt hour effective 20 April 2015, we expect its impact to be offset by the lower coal price. However, the slowing Chinese economy has affected power demand. We are closely monitoring the situation as it has the potential to impact the utilisation rate of our projects, in particular the larger ones such as Fangchenggang Power Station (FCG).

In March, CLP sealed a RMB3.56 billion (HK\$4.45 billion) long term non-recourse project financing agreement for FCG Phase II. Construction of the project is continuing on schedule for planned commissioning in 2016.

At the request of Beijing municipal authorities, Beijing Yire Power Station ceased operation on 20 March 2015. The power station is owned by CSEC Guohua International Power Company Limited, in which CLP has a 30% interest. The closure was part of the city's effort to combat air pollution by reducing coal-fired generation, despite the power station having complied fully with regulatory emissions requirements.

In the quarter, progress was made on the renewables front. In wind, full-scale construction for Sandu I in Guizhou commenced in January 2015, whilst preparatory works for construction of Xundian I in Yunnan are underway. The projects have a total generation capacity of about 150MW and are targeted for commissioning by the end of this year. Furthermore, CLP Laizhou I in Shandong is scheduled to commence operation in the first half of 2016. We also plan to commence preparatory works for Laiwu II in Shandong before the end of 2015. These two projects will add about 100MW to our renewable generation capacity in Shandong. In solar, Sihong Solar Power Station in Jiangsu (93MW) commenced commercial operation on 1 February 2015.

2015 marks the 30th anniversary of our partnership with CGN Group in Guangdong Daya Bay Nuclear Power Station (GNPS). In first quarter 2015, GNPS continued to operate smoothly with no Licensing Operational Events.

India

Performance of Jhajjar Power Station (Jhajjar) remained strong. It recorded a slight drop of availability from about 80% in 2014 to 77.4% in the quarter, primarily due to an extension of a planned outage for one of the units and several boiler tube leaks. The utilisation rate, however, improved from 54.1% in 2014 to 61.4% in the three-month

period. There has been an improvement in the supply of domestic coal to the plant in this quarter, with 229 rakes supplied, as opposed to 170 rakes in the previous quarter. In April, CLP became one of the first power companies in India to issue an asset-specific corporate bond, raising Rs.4.76 billion (HK\$591 million) for Jhajjar at competitive rates.

Paguthan Power Station (Paguthan) continued to declare full availability mainly based on spot re-gasified liquefied natural gas (RLNG) and small volumes of domestic gas. However, since imported RLNG is expensive, our customer Gujarat Urja Vikas Nigam Limited (GUVNL) only dispatched power from Paguthan intermittently on low volumes of domestic gas, resulting in a low utilisation rate of 3.71%. To revive India's gas power generation, the Ministry of Power has issued a scheme for better utilisation of gas-based generation capacities that are currently either stranded or running at sub-optimal levels due to paucity of domestic gas. CLP is currently studying this scheme along with our customer to find a mutually beneficial way to incorporate this scheme within the framework of our existing power purchase agreement (PPA).

In this quarter, about 50MW of wind generation capacity was commissioned across two of our wind farms – Tejuva in Rajasthan (25.2MW) and Chandgarh in Madhya Pradesh (24MW), taking CLP's installed wind generation capacity to about 780MW. Average wind farm generation was lower than expected due to low wind. However, we expect to make up for this shortfall through increased generation in the forthcoming high wind monsoon period.

Southeast Asia and Taiwan

During the period, both Ho-Ping Power Station in Taiwan (20% owned by CLP) and the Lopburi solar project in Thailand (one-third owned by CLP) operated reliably and safely.

In Vietnam, we continued the development of our two coal-fired projects, Vung Ang II and Vinh Tan III. Decisions by the Vietnamese government on tariffs and a number of key provisions of the government agreements will be the next milestone.

Australia

In Australia, the wholesale market remained difficult. Whilst demand in the National Electricity Market showed little change overall, it contracted in Victoria and South Australia, remained flat in New South Wales (NSW), and grew in Queensland. Temperatures in Victoria and South Australia were milder than average and with the closure of Point Henry Smelter in mid-2014, demand in these two states was down 7.5% on the prior year. In Queensland, the ramp up of major LNG projects along with hot and humid weather conditions drove an approximately 7.5% year-on-year increase in demand.

EnergyAustralia continued to make changes to its asset portfolio. In April, without changing the operational profile of Waterloo Wind Farm, EnergyAustralia sold its 25% ownership to the project's current owner of 75%. EnergyAustralia remains Waterloo's operator under an asset management agreement and will continue to buy 50% of generation from the project through a long-term PPA.

Retail competition was again strong with increased advertising by retailers, deeper discounting and more aggressive retention offers. In spite of this, EnergyAustralia managed to increase its customer numbers thanks to the success of a number of campaigns targeting our two main markets in Victoria and NSW.

As reported in the Company's 2014 Annual Report, EnergyAustralia successfully completed the integration of its two major customer bases onto a single billing system in November 2014. The system has now completed a full billing cycle without any significant process issues and operational standards have been achieved. In addition, further improvements were made to the system's software in the first quarter of 2015. The most significant upgrade was to enable remotely-controlled power supplies to Victorian consumers with smart meters. This change will reduce costs and improve customer experience by speeding up the process and time required to switch meters on or off.

Annual General Meeting (AGM)

The seventeenth AGM of the Company was held on 7 May 2015 and the results of the poll were published on the websites of the Company and The Stock Exchange of Hong Kong Limited on the same day. Minutes of the AGM and the proceedings of the Meeting will be available at the Investors Information section on the Company's website at www.clpgroup.com as soon as practicable.

Dividend

Directors today declared the first interim dividend for 2015 of HK\$0.55 per share payable on 15 June 2015 to Shareholders registered as at 4 June 2015. The dividend of HK\$0.55 per share (2014: HK\$0.54 per share) is payable on the existing 2,526,450,570 shares in issue.

The Register of Shareholders will be closed on 4 June 2015. To rank for this dividend, all transfers should be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 3 June 2015.



The Hon Sir Michael Kadoorie
Chairman of the Board of Directors

Hong Kong, 8 May 2015

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 Dr Rajiv Lall

Executive Director:

Mr Richard Lancaster

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

Choice of language and means of receipt of corporate communications

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

If you prefer to receive a printed copy of this Quarterly Statement in another language (English or Chinese), please write to the Company or the Company's Registrars, Computershare Hong Kong Investor Services Limited or via e-mail to cossec@clp.com.hk or clp.ecom@computershare.com.hk. The Quarterly Statement of your choice of language in printed form will be sent to you promptly free of charge. In case you have previously chosen (or have been deemed to have consented) to receive the Company's corporate communications by electronic means, but for any reason you have difficulty in receiving or gaining access to the Quarterly Statement, we will promptly, upon your request, send the Quarterly Statement of your choice of language in printed form to you free of charge.

Note: Corporate communications refer to Interim/Annual Reports, Quarterly Statements, notices, documents or other publications of the Company (including any "corporate communication" as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).