## 1. Basis of Preparation and Accounting Policies

(A) The unaudited condensed interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (SSAP) No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants. The accounting policies used in the preparation of the unaudited condensed interim accounts are consistent with those set out in the 2001 Annual Report, with suitable amendments to reflect the adoption of SSAP 34 - Employee Benefits which become effective from 1 January 2002.

(B) On 1 January 2002, the Group adopted SSAP 34 and classified its two retirement benefit schemes, which are established under trust with the assets held separately from those of the Group in trustee-administered funds, as defined benefit schemes.

Retirement benefit costs are assessed using the projected unit credit method. Under this method the cost of providing retirement benefits is charged to the profit and loss account so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out annual valuations of the two plans. The retirement benefit obligation is measured at the present value of the estimated future cash outflows by reference to market yields on high quality corporate bonds which have a similar term as the related liabilities. Plan assets are measured at fair value. Actuarial gains and losses are recognised over the average remaining service lives of employees. This is a change in accounting policy as in previous years the cost of providing retirement benefits was charged to the profit and loss account to the extent of contributions paid to the funds.

The excess of plan assets over the present value of benefit obligations, if recognised, has to be restricted to the present value of economic benefits currently available to the Group, as required by SSAP 34. Since the amount of these economic benefits is not considered to be material to the Group's financial position, no such excess asset has been recognised. This change in accounting policy also has not impacted the prior year profit and loss account as contributions paid during 2001 were in line with the charge required under SSAP 34.

## 2. Turnover and Segment Information

An analysis of the Group's turnover, contribution to operating profit and profit before financing and taxation for the period by principal activities is as follows:

| 6 months ended 30 June | Turnover | | Operating Profit/(Loss) (A) | | Profit/(Loss) Before Financing and Taxation (B) | |
|---|---|---|---|---|---|---|
| | 2002 HK$M | 2001 HK$M | 2002 HK$M | 2001 HK$M | 2002 HK$M | 2001 HK$M |
| Sales of electricity | **11,692** | 11,062 | **3,118** | 2,425 | **3,901** | 3,152 |
| Power projects outside Hong Kong | **–** | – | **(91)** | (99) | **701** | 261 |
| Telecom business | **57** | – | **(68)** | (74) | **(68)** | (74) |
| Other businesses | **55** | 93 | **(10)** | 3 | **149** | 29 |
| Unallocated Group expenses | **–** | – | **(59)** | (50) | **(59)** | (50) |
| | **11,804** | 11,155 | **2,890** | 2,205 | **4,624** | 3,318 |

Other than in relation to sales of electricity, none of the segment assets exceeded 10% of the operating assets attributable to all business segments.

(A) Operating Profit / (Loss) before taking into account the share of results of jointly controlled entities and associated company.

(B) Profit / (Loss) Before Financing and Taxation after taking into account the share of results of jointly controlled entities and associated company.

## 2. Turnover and Segment Information (continued)

The Group operates, through its subsidiaries, jointly controlled entities and associate, in three major geographical regions – Hong Kong, the Chinese mainland and the Asia-Pacific region (other than the Chinese mainland). Information about the Group's operations by geographical regions is as follows:

| **6 months ended 30 June 2002** | **Hong Kong HK$M** | **Chinese Mainland HK$M** | **Asia-Pacific Region HK$M** | **Unallocated Items HK$M** | **Total HK$M** |
|---|---|---|---|---|---|
| Turnover | 11,285 | 518 | 1 | – | **11,804** |
| Segment results | 3,014 | (26) | (39) | (59) | **2,890** |
| Hok Un redevelopment profit | 163 | – | – | – | **163** |
| Share of profits less losses of other jointly controlled entities | 764 | 537 | 186 | – | **1,487** |
| Share of profit of associated company | – | – | 84 | – | **84** |
| Profit/(loss) before financing and taxation | 3,941 | 511 | 231 | (59) | **4,624** |
| Finance costs | | | | | **(88)** |
| Finance income | | | | | **11** |
| Taxation | | | | | **(662)** |
| Profit after taxation | | | | | **3,885** |
| Transfers under Scheme of Control | | | | | **(440)** |
| Earnings for the period | | | | | **3,445** |
| Amortisation of goodwill and cost of investment | 2 | 22 | 10 | – | **34** |

| **6 months ended 30 June 2001** | **Hong Kong HK$M** | **Chinese Mainland HK$M** | **Asia-Pacific Region HK$M** | **Unallocated Items HK$M** | **Total HK$M** |
|---|---|---|---|---|---|
| Turnover | 10,835 | 320 | – | – | 11,155 |
| Segment results | 2,339 | (28) | (56) | (50) | 2,205 |
| Share of profits less losses of jointly controlled entities | 744 | 436 | (93) | – | 1,087 |
| Share of profit of associated company | – | – | 26 | – | 26 |
| Profit/(loss) before financing and taxation | 3,083 | 408 | (123) | (50) | 3,318 |
| Finance costs | | | | | (78) |
| Finance income | | | | | 18 |
| Taxation | | | | | (476) |
| Profit after taxation | | | | | 2,782 |
| Transfers under Scheme of Control | | | | | 6 |
| Earnings for the period | | | | | 2,788 |
| Amortisation of goodwill and cost of investment | – | 13 | 21 | – | 34 |

## 3. Operating Profit

| | 6 months ended 30 June 2002 HK$M | 2001 HK$M |
|---|---|---|
| Operating profit is stated after charging / (crediting) the following : | | |
| **Charging** | | |
| Staff costs (A) | | |
| Salaries and other costs | **610** | 639 |
| Retirement benefits costs | **49** | 51 |
| Loss on disposal of fixed assets | **25** | 30 |
| Auditors' remuneration | **1** | 1 |
| **Crediting** | | |
| Net rental income from properties | **(8)** | (9) |
| Capital gains on disposal of properties | **(5)** | (2) |
| Other exchange gains | **(20)** | – |

(A) Staff costs include amounts recharged to jointly controlled entities for services provided and amounts allocated to project development costs.

## 4. Finance Costs and Income

| | 6 months ended 30 June 2002 HK$M | 2001 HK$M |
|---|---|---|
| Finance costs: | | |
| Interest on bank loans and overdrafts | **55** | 32 |
| Interest on other loans | | |
| wholly repayable within five years | **82** | 82 |
| not wholly repayable within five years | **14** | – |
| Interest on customers' deposits and others | **10** | 36 |
| Finance charges | **30** | 5 |
| Exchange gains | **–** | (7) |
| | **191** | 148 |
| Less: amount capitalised within fixed assets | **(103)** | (70) |
| | **88** | 78 |
| Finance income: | | |
| Net interest income from investment securities | **4** | 3 |
| Interest income on bank deposits | **7** | 15 |
| | **11** | 18 |

## 5. Taxation

| | 6 months ended 30 June | |
|---|---|---|
| | 2002 | 2001 |
| | HK$M | HK$M |
| Company and subsidiary companies | | |
| – Hong Kong | | |
| current | **512** | 343 |
| deferred | **105** | 95 |
| – outside Hong Kong | | |
| current | **3** | – |
| | **620** | 438 |
| Share of jointly controlled entities | | |
| – Hong Kong | | |
| current | **130** | 126 |
| deferred | **(159)** | (130) |
| – outside Hong Kong | | |
| current | **71** | 42 |
| | **42** | 38 |
| | **662** | 476 |

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profit for the period. Taxation on profits assessable outside Hong Kong has been provided at the rates prevailing in the respective jurisdictions.

## 6. Non-Scheme of Control Operating Earnings

| | 6 months ended 30 June | |
|---|---|---|
| | 2002 | 2001 |
| | HK$M | HK$M |
| Sales to the Chinese mainland | **35** | 20 |
| Income from power projects outside Hong Kong | **632** | 215 |
| Telecom business | **(68)** | (74) |
| Other businesses | **(17)** | 34 |
| | **582** | 195 |

## 7. Dividends

| | 6 months ended 30 June | | | |
|---|---|---|---|---|
| | 2002 | | 2001 | |
| | HK$ per share | HK$M | HK$ per share | HK$M |
| First interim dividend paid | **0.38** | **915** | 0.35 | 874 |
| Second interim dividend | **0.38** | **915** | 0.35 | 874 |
| | **0.76** | **1,830** | 0.70 | 1,748 |

At the Board meeting held on 9 August 2002 the directors recommended a second interim dividend of HK$0.38 per share. The proposed dividend is not reflected as dividend payable in these accounts, but as a separate component of the shareholders' funds as at 30 June 2002.

## 8. Earnings per Share

The earnings per share is based on earnings of HK$3,445 million (2001: HK$2,788 million) and the weighted average number of shares in issue of 2,409,329,601 shares (2001: 2,497,472,400 shares in issue after the capitalisation issue on 23 April 2001). To enable investors to understand better the Group's results, an additional earnings per share figure has been calculated excluding the Hok Un redevelopment profit of HK$134 million (2001: nil).

## 9. Fixed Assets

| | Land And Buildings HK$M | Plant, Machinery And Equipment HK$M | Total HK$M |
|---|---|---|---|
| Net book amount at 1 January 2002 | 5,814 | 27,763 | 33,577 |
| Additions | 339 | 1,527 | 1,866 |
| Transfers and disposals | (25) | (21) | (46) |
| Depreciation | (71) | (771) | (842) |
| **Net book amount at 30 June 2002** | **6,057** | **28,498** | **34,555** |

## 10. Investments in Jointly Controlled Entities

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Investments in: | | |
| Castle Peak Power Company Limited | **4,655** | 4,532 |
| Guangdong Nuclear Power Joint Venture Company, Limited | **2,660** | 3,095 |
| CLP Powergen joint ventures (A) | | |
| – Yallourn Power Station, Australia (Yallourn) | **2,163** | 1,829 |
| – Gujarat Paguthan Energy Corporation Private Limited, India (GPEC) (B) | **2,504** | – |
| Hok Un Joint Venture | **1,039** | 1,932 |
| Shandong Zhonghua Power Company Limited | **1,363** | 1,390 |
| Ho-Ping Power Company Limited | **1,192** | 1,008 |
| CLP Guohua Power Company Limited | **988** | 921 |
| Hong Kong Pumped Storage Development Company, Limited | **305** | 301 |
| Other jointly controlled entities | **828** | 778 |
| | **17,697** | 15,786 |

The amount of investments in the above jointly controlled entities include loan and advances as follows:

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Castle Peak Power Company Limited | **4,365** | 4,346 |
| CLP Powergen joint ventures | | |
| – Yallourn Power Station, Australia (Yallourn) | **155** | 40 |
| Hok Un Joint Venture | **–** | 60 |
| Hong Kong Pumped Storage Development Company, Limited | **286** | 290 |
| Other jointly controlled entities | **290** | 245 |
| | **5,096** | 4,981 |

(A) The Group's interest in both Yallourn and GPEC is held under the terms of a joint venture agreement with Powergen. Under this agreement, none of the joint venture partners has unilateral control over the economic activity of either joint venture company. Hence, the Group's interests are accounted for as jointly controlled entities.

In June 2002, Powergen UK plc (Powergen) notified the Group of its exercise of a put option under the CLP Powergen joint venture agreement to sell to the Group 50% of Powergen's interest in the joint ventures. The joint venture agreement provides for the price payable by the Group to be decided by an independent expert, in the absence of agreement by the parties.

## 10. Investments in Jointly Controlled Entities (continued)

(B) On 20 February 2002, the Group acquired an 80% interest in a newly formed joint venture company, with the remaining 20% held by Powergen, which during the period acquired an 88% equity interest in GPEC. GPEC owns a combined cycle 655MW power station in India. The total cost of acquisition of the Group's effective equity interest of 70.4% in GPEC was HK$2,362 million, including cash consideration of HK$2,332 million. Purchased goodwill was HK$50 million at the time of acquisition.

Pursuant to a sale and purchase agreement signed on 21 December 2001, the joint venture company will acquire the remaining 12% equity interest in GPEC from Powergen, if various conditions are met. The Group expects that acquisition to be completed in the second half of 2002.

## 11. Investment in Associated Company

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Investment in Electricity Generating Public Company Limited | **1,370** | 1,230 |
| Market value | **913** | 766 |

## 12. Investment Securities

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Equity securities listed outside Hong Kong, | | |
| at cost less impairment loss | **643** | 643 |
| (market value HK$678 million, 2001: HK$587 million) | | |
| Unlisted shares | **18** | 4 |
| Held-to-maturity securities | **88** | 79 |
| Fixed-income securities | **5** | 5 |
| | **754** | 731 |

## 13. Deposits, Bank Balances and Cash

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Trust fund for unclaimed dividends | **23** | – |
| Trust fund for trade creditors | **3** | – |
| Deposits, bank balances and cash | **83** | 80 |
| | **109** | 80 |

Two trust funds were created for the balances of unclaimed dividends and trade creditors for the purpose of the Share Premium Reduction of the Company (Note 17).

## 14. Trade and Other Receivables

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Trade receivables (ageing analysis is shown below) | **1,963** | 966 |
| Dividend receivable from jointly controlled entities / investment securities | **350** | 17 |
| Deposits and prepayments | **312** | 556 |
| Current accounts with jointly controlled entities | **39** | 42 |
| | **2,664** | 1,581 |

CLP Power's credit policy in respect of receivables arising from its principal electricity business is to allow customers to settle their electricity bills within 13 to 15 working days after issue. Customers' receivable balances are secured by cash deposits or bank guarantees.

The ageing analysis of the trade receivables is as follows:

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Below 30 days | **1,935** | 937 |
| 31-60 days | **18** | 16 |
| 61-90 days | **3** | 5 |
| Over 90 days | **7** | 8 |
| | **1,963** | 966 |

The bad debts written-off during the period were HK$2 million (2001: HK$5 million).

## 15. Trade and Other Payables

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Trade payables (ageing analysis is shown below) | **1,143** | 1,344 |
| Other payables | **550** | 426 |
| Current accounts with jointly controlled entities | **999** | 908 |
| | **2,692** | 2,678 |

The ageing analysis of the trade payables is as follows:

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Below 30 days | **1,120** | 1,318 |
| 31-60 days | **1** | 10 |
| 61-90 days | **2** | – |
| Over 90 days | **20** | 16 |
| | **1,143** | 1,344 |

## 16. Share Capital

| | Number of Shares of HK$5 Each | Amount HK$M |
|---|---|---|
| Authorised: | | |
| At 30 June 2002 and 31 December 2001 | 3,000,000,000 | **15,000** |
| Issued and fully-paid: | | |
| At 1 January 2002 | 2,421,486,400 | **12,107** |
| Shares repurchased during the period (A) | (13,240,500) | **(66)** |
| At 30 June 2002 | 2,408,245,900 | **12,041** |

(A) During the period, the Company repurchased a total of 13,240,500 of its own shares on The Stock Exchange of Hong Kong Limited, all of which have been cancelled, as follows:

| Month/Year | Number of Shares Repurchased | Purchase Price Per Share Highest HK$ | Purchase Price Per Share Lowest HK$ | Aggregate Purchase Price HK$M |
|---|---|---|---|---|
| January 2002 | 13,240,500 | 30.00 | 29.50 | 396 |
| | | Total expenses on shares repurchased | | 1 |
| | | | | 397 |

## 17. Share Premium

During the period, CLP Holdings has undertaken a restructuring of its balance sheet by the reduction of the Share Premium account. Following approval by shareholders at the Extraordinary General Meeting in April 2002 and confirmation from the High Court, the Share Premium Reduction became effective on 7 June 2002. As a result, HK$10,116,789,910 was transferred from the Share Premium account to the Retained Profit of the Company on the same day.

## 18. Bank Overdrafts, Bank Loans and Other Borrowings

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Total facilities available | **17,360** | 15,036 |
| Facilities utilised | | |
| Bank loans | **4,454** | 3,227 |
| Other borrowings | **4,680** | 2,340 |
| | **9,134** | 5,567 |
| Short-term loans | **1,283** | 1,343 |
| Current portion of long-term loans and borrowings | **151** | 156 |
| | **1,434** | 1,499 |
| Long-term loans and borrowings, repayable | | |
| within one year | **151** | 156 |
| between one and two years | **2** | 3 |
| between two and five years | **5,358** | 4,065 |
| after five years | **2,340** | – |
| | **7,851** | 4,224 |
| Less current portion of long-term loans and borrowings | **(151)** | (156) |
| | **7,700** | 4,068 |
| | **9,134** | 5,567 |

## 19. Development Fund

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Balance at beginning of period / year | **3,177** | 2,923 |
| Transfer from profit and loss account | **336** | 1,201 |
| One-off rebate | **–** | (340) |
| Special rebates to customers | **(301)** | (607) |
| Balance at end of period / year | **3,212** | 3,177 |

A special rebate of HK¢2.2 per unit (2001: HK¢2.2 per unit) was made to customers during the period.

## 20. Special Provision Account

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Balance at beginning of period / year | **766** | 766 |
| Transfer to profit and loss account | **(54)** | – |
| Balance at end of period / year | **712** | 766 |

CLP Power and its jointly controlled generating company, Castle Peak Power Company Limited, agreed with the Government in December 1999 to further defer construction of units 7 & 8 of the Black Point Power Station. It was also agreed that a total of HK$803 million be set aside from the development fund to a special provision account to which the deferral premium is charged. The deferral premium is a contractual obligation that corresponds to additional costs incurred by the vendors for delayed delivery of the two generating units. Under the arrangement, there is no permitted return to be earned on the deferral premium.

## 21. Rate Reduction Reserve

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Balance at beginning of period / year | **411** | 371 |
| Transfer from profit and loss account | **158** | 305 |
| One-off rebate | **–** | (99) |
| Rebates to customers | **(77)** | (166) |
| Balance at end of period / year | **492** | 411 |

A rebate to customers of HK¢0.6 per unit (2001: HK¢0.6 per unit) was made to customers during the period.

## 22. Notes to the Condensed Consolidated Cash Flow Statement

Reconciliation of profit before taxation to cash generated from operations

| | 6 months ended 30 June 2002 HK$M | 6 months ended 30 June 2001 HK$M |
|---|---|---|
| Profit before taxation | **4,547** | 3,258 |
| Adjustments for: | | |
| Operating interest | **64** | 80 |
| Finance income | **(11)** | (18) |
| Hok Un redevelopment profit | **(163)** | – |
| Share of profits less losses of other jointly controlled entities | **(1,487)** | (1,087) |
| Share of profit of associated company | **(84)** | (26) |
| Exchange gain | **(20)** | – |
| Depreciation | **842** | 779 |
| Loss on disposal of fixed assets | **25** | 30 |
| Capital gain arising from disposal of properties | **(5)** | (2) |
| Operating profit before working capital changes | **3,708** | 3,014 |
| Increase in customers' deposits | **110** | 86 |
| Increase in fuel clause account | **118** | 188 |
| Increase in debtors and prepayments | **(1,077)** | (788) |
| Increase in creditors | **337** | 422 |
| Increase in current accounts due to jointly controlled entities | **94** | 193 |
| Rebates to customers under Scheme of Control | **(77)** | (74) |
| Special rebate | **(301)** | (273) |
| Cash generated from operations | **2,912** | 2,768 |

## 23. Commitments

Capital expenditure on fixed assets authorised but not brought into the unaudited condensed interim accounts is as follows:

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| Contracted but not provided for | **3,615** | 2,746 |
| Authorised but not contracted for | **6,049** | 8,573 |
| | **9,664** | 11,319 |

## 24. Contingent Liabilities

(A) The contingent financial liabilities at 30 June 2002 to be assumed by the Group for performance of its contractual obligations relating to the Shandong joint venture are estimated to be HK$3,728 million (at 31 December 2001: HK$3,610 million).

(B) The refinancing of Yallourn Energy Pty Limited (Yallourn Energy) was completed on 27 February 2001. Pursuant to the relevant loan agreements, all the relevant shareholders of AusPower Holdings Pty Limited, the immediate holding company of Yallourn Energy, agreed to provide the lenders with contingent equity support on a pro rata basis up to the sum of A$200 million in respect of a senior debt facility and up to the sum of A$15 million in respect of a subordinated notes facility. The contribution of contingent equity depends on certain minimum requirements regarding the availability of cash flows for debt service within 5 years from 27 February 2001. As at 30 June 2002, CLP Group's 73.6% share of the contingent equity support is approximately A$158 million.

The Directors are of the opinion that no provision is required to be made in the financial statements in respect of the matters described in (A) and (B) above.

## 25. Related Party Transactions

In the normal course of business the Group undertakes on an arms-length basis a wide variety of transactions with related parties. The more significant of such transactions during the period ended 30 June are described below.

| | 6 months ended 30 June | |
|---|---|---|
| | **2002** | **2001** |
| | **HK$M** | **HK$M** |
| Purchases of electricity from CAPCO (A) | **5,105** | 4,794 |
| Purchases of electricity from Daya Bay (B) | **1,784** | 2,158 |
| Pumped storage service fee (C) | **204** | 216 |
| | **7,093** | 7,168 |

(A) Under the Electricity Supply Contract between CLP Power and CAPCO, CLP Power is obligated to purchase all of CAPCO's generating capacity. The Electricity Supply Contract provides that the price paid by CLP Power to CAPCO is sufficient to cover all of CAPCO's operating expenses, including fuel cost, depreciation, interest expenses and current and deferred taxes, as well as CAPCO's share of the return permitted under the Scheme of Control.

(B) Under the offtake and resale contracts, CLP Power is obligated to purchase the Group's 25% equity share of the output from Guangdong Nuclear Power Station (GNPS) at Daya Bay and an additional 45% of such output from Guangdong Nuclear Investment Company, Limited. The price paid by CLP Power for electricity generated by GNPS throughout the terms of the power purchase agreements is determined by a formula based on GNPS's operating costs and a calculation of profits by reference to shareholders' funds and the capacity factor for that year.

## 25. Related Party Transactions (continued)

(C) Under a capacity purchase contract, Hong Kong Pumped Storage Development Co., Ltd. (PSDC) has the right to use 50% of the 1,200MW capacity of Phase 1 of the Guangzhou Pumped Storage Power Station. CLP Power has entered into a contract with PSDC to make use of this capacity. The price paid by CLP Power to PSDC is sufficient to cover all of PSDC's operating expenses and net return. PSDC's net return is based on a percentage of its net fixed assets in a manner analogous to the Scheme of Control.

## 26. Financial Assistance and Guarantees to Affiliated Companies

The Company has obtained a waiver from the Stock Exchange under Paragraph 3.10 of Practice Note 19 of the Listing Rules from disclosing a proforma combined balance sheet of affiliated companies. Affiliated companies include the Group's jointly controlled entities and associated company. Instead, in accordance with Practice Note 19, the Company discloses the following alternative information in relation to the affiliated companies as at 30 June 2002. This information has been extracted from the relevant management accounts of all affiliated companies.

| | 30 June 2002 HK$M | 31 December 2001 HK$M |
|---|---|---|
| The Group's share of total indebtedness of affiliated companies analysed as follows: | | |
| Bank borrowings | **18,987** | 17,697 |
| Other borrowings including loans from shareholders | **3,160** | 3,050 |
| | **22,147** | 20,747 |
| The Group's share of contingent liabilities of affiliated companies | **325** | 255 |
| The Group's share of capital commitments of affiliated companies | | |
| Contracted but not provided for | **2,269** | 2,454 |
| Authorised but not contracted for | **1,631** | 1,792 |
| | **3,900** | 4,246 |

## 27. Post Balance Sheet Event

On 23 July 2002, CLP Telecommunications Limited (CLP TeleCom), a wholly-owned subsidiary of the Group reached an agreement to partner with Cheung Kong Enterprises Limited (CKE) and Hongkong Electric Holdings Limited to launch a brand new broadband service, through a new technology called PowerCom Internet Access Technology. According to the agreement, CLP TeleCom will integrate its retail operations, carried on under the Oxygen brand, into PowerCom Network Hong Kong Limited, a joint venture between CKE and CLP TeleCom. CLP TeleCom continues to own and operate "ChinaLink" which offers network service between Hong Kong and the Chinese mainland.