

## Scheme of Control Statement

The electricity-related operations of CLP Power Hong Kong and CAPCO (the SoC Companies) have been governed by the SoC Agreement with the Hong Kong Government. A summary of which was disclosed on page 166 in the Annual Report 2004. The calculations shown below are in accordance with the SoC and the agreements between the SoC Companies. The calculations are extracted from the management accounts of CLP Power Hong Kong for the six months ended 30 June 2005.

	<b>(Unaudited)</b>	
	<b>6 months ended 30 June</b>	
	<b>2005</b>	<b>2004</b>
	<b>HK\$M</b>	<b>HK\$M</b>
<b>SoC Revenue</b>	<b>13,300</b>	11,870
Expenses		
Operating costs	<b>1,454</b>	1,434
Fuel	<b>1,977</b>	1,749
Purchases of nuclear electricity	<b>2,447</b>	2,046
Depreciation	<b>1,825</b>	1,681
Deferral premium	–	96
Operating interest	<b>220</b>	195
Taxation	<b>920</b>	800
	<b>8,843</b>	8,001
Profit after taxation	<b>4,457</b>	3,869
Interest on increase in customers' deposits	<b>2</b>	–
Interest on long-term financing	<b>362</b>	340
Adjustments required under the SoC (including share of profit on sale of electricity to Chinese mainland attributable to the SoC Companies)	<b>(98)</b>	49
Profit for SoC	<b>4,723</b>	4,258
Transfer from Development Fund	<b>338</b>	597
Permitted return	<b>5,061</b>	4,855
Deduct interest		
On increase in customers' deposits	<b>2</b>	–
On long-term financing as above	<b>362</b>	340
On Development Fund and special provision account transferred to Rate Reduction Reserve	<b>120</b>	112
	<b>484</b>	452
<b>Net return</b>	<b>4,577</b>	4,403
Divisible as follows:		
CLP Power Hong Kong	<b>2,795</b>	2,624
CAPCO	<b>1,782</b>	1,779
	<b>4,577</b>	4,403
CLP Power Hong Kong's share of net return		
CLP Power Hong Kong	<b>2,795</b>	2,624
Interest in CAPCO	<b>715</b>	713
	<b>3,510</b>	3,337