2008 INTERIM REPORT

CLP 中電

CLP's vision is to be a leading investor-operator in the Asia-Pacific electric power sector.

Highlights

- Group operating earnings before one-off items for the first half of 2008 increased 5.4% to HK$5,254 million, while total earnings (including one-off items) dropped 8.5% to HK$5,610 million.
- Consolidated revenue rose 11.6% to HK$27,534 million.
- Earnings from our electricity business in Hong Kong increased by 7.6% to HK$4,040 million, whilst revenue grew 4.5% to HK$14,951 million.
- Second interim dividend of HK$0.52 per share.

Contents

Financial Highlights

Operating earnings before one-off items grew 5.4%, albeit total earnings dropped 8.5%

	Six months ended 30 June 2008	2007	Increase/ (Decrease) %
For the period *(In HK$ million)*			
Revenue			
Electricity business in Hong Kong (HK)	14,951	14,307	4.5
Energy business outside HK	12,458	10,262	21.4
Others	125	103	
Total	27,534	24,672	11.6
Earnings			
Electricity business in HK	4,040	3,756	7.6
Other investments/operations	1,391	1,451	(4.1)
Unallocated net finance costs	(1)	(54)	
Unallocated Group expenses	(176)	(169)	
Operating earnings	5,254	4,984	5.4
Other income	423	1,030	
Coal mine subsidence and outsourcing costs of TRUenergy	(67)	(249)	
Deferred tax write-back for TIPS	–	365	
Total earnings	5,610	6,130	(8.5)
Per share (in HK$)			
Earnings per share	2.33	2.55	(8.5)
Dividends per share			
First interim	0.52	0.52	
Second interim	0.52	0.52	
Total interim dividends	1.04	1.04	
Ratio			
Interest cover[1] (times)	8	9	
	30 June 2008	31 December 2007	
As at balance sheet date *(In HK$ million)*			
Total assets, including leased assets	143,091	136,277	5.0
Total borrowings	31,847	28,360	12.3
Obligations under finance leases	21,805	22,216	(1.9)
Shareholders' funds	68,137	63,901	6.6
Per share (in HK$)			
Shareholders' funds per share	28.29	26.53	6.6
Ratios			
Total debt to total capital[2] (%)	31.8	30.7	
Net debt to total capital[3] (%)	30.2	28.6	
Price / Book value[4] (times)	2	2	

Notes:

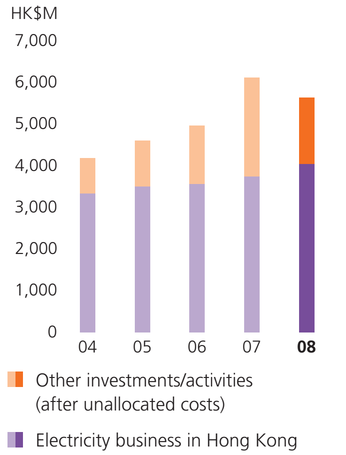
1 Interest cover = Profit before income tax and interest / (Interest charges + capitalised interest)

2 Total debt to total capital = Debt / (Equity + debt). Debt excludes obligations under finance leases.

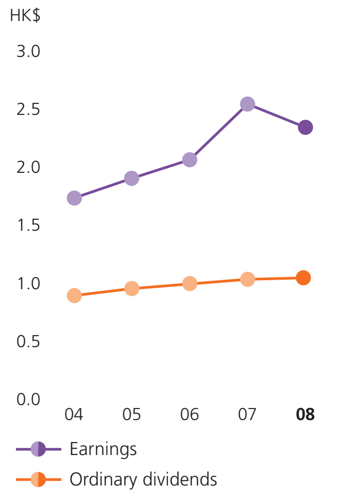
3 Net debt to total capital = Net debt / (Equity + net debt). Net debt = Debt - bank balances, cash and other liquid funds.

4 Price / Book value = Closing share price on the last trading day of the period / Shareholders' funds per share

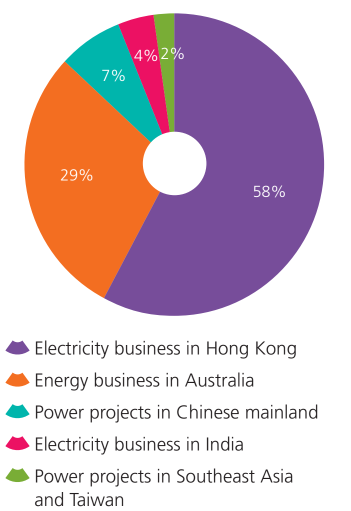
Total Earnings (First 6 months)



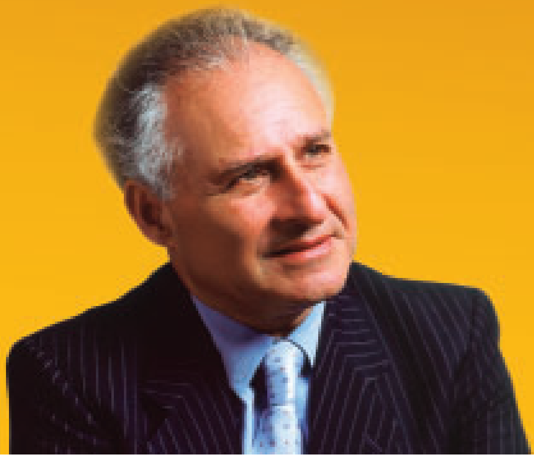
Earnings and Dividends per Share (First 6 months)



Total Assets (At 30 June 2008)



Chairman's Statement



Dear Shareholders,

On behalf of the Board of CLP Holdings, I am pleased to present our Interim Report for the six months to 30 June 2008.

Financial Results for the Six-Month Period

Total earnings of the CLP Group for the first half of 2008 were HK$5,610 million, a decrease of 8.5%, compared to the corresponding period in the previous year – when a one-off gain of HK$1,030 million was recognised on the sale of Ho-Ping Power Station in Taiwan to OneEnergy.

The CLP Group operating earnings for the six months ended 30 June 2008 were HK$5,254 million, a 5.4% increase from the previous year.

The past six months saw a contribution to those operating earnings from each of the CLP Group's major business streams, including our Hong Kong electricity business and our investments in the Chinese mainland, Australia, India, Southeast Asia and Taiwan. Whilst underlying operating earnings were healthy, they were affected by a number of exceptional items or events, including by comparison to the corresponding period in 2007.

For example, whilst the underlying business has performed well, the lower earnings from our TRUenergy business in Australia reflected last year's unrealised gain from the valuation of electricity trading contracts, as against this year's unrealised valuation loss due to fluctuations in Australia electricity market prices. The earnings performance from our Southeast Asia investments was significantly lower than the first half of 2007, due to the effects of the dilution, from 40% to 20%, of CLP's stake in the Ho-Ping Power Station, following its sale by CLP to OneEnergy, our 50:50 joint venture with Mitsubishi Corporation. On the other hand, "other earnings", which include prior tax adjustments, showed an increase from HK$4 million to HK$454 million for the six months ended 30 June 2008, mainly due to the write-back of deferred tax provision resulting from lower profits tax rate in Hong Kong.

Further details of the financial and operational performance of the Group, and the individual business streams within the Group, are set out more fully in the following pages of this Interim Report.

CLP's Financial Position

Those of our shareholders whose interest in the financial world goes beyond their holdings of CLP shares will be aware of growing concerns about the performance of the global economy, a slowdown in economic growth, significant falls in a number of stock markets and the tightening availability of credit. Whilst it may still be too early to speak of a recession, there can be little doubt that the overall financial and economic outlook is less bright than over recent years.

The electricity business has always been one which requires large scale capital investment in assets whose economic life may span many decades. Our investment decisions must rest on a long-term view, looking through shorter term movements in the economic cycle. On occasions, CLP may hold back from investments or the use of a more aggressive capital structure, which might have brought only short-term advantages. I believe that, over the long term, CLP's prudent financial management remains the best way to create a durable business and to deliver steady and substantial earnings to our shareholders. Our aim is to build and sustain a business with strong recurrent earnings and a robust balance sheet.

Looking at CLP's financial position following the first six months of 2008, I believe that we remain on track in both these regards. Both total and operating earnings were broadly in line with expectations, whilst our balance sheet remains healthy.

We continued to follow balanced financial policies, in terms of capital structure, dividend payments, and management of available funds. In the current tightened credit market, we still have the flexibility and ability to pursue investment opportunities which arise and which are aligned with our investment criteria.

Even after the downgrades of our credit rating in recent months (see pages 23 and 24 of this Interim Report), the CLP Group's ratings have been maintained at a good investment grade level – which supports our ability to raise external financing, as and when needed.

In short, I believe that this Interim Report demonstrates that as we move into a more volatile and uncertain economic climate, CLP's financial strategy maintains a proper balance between the enhancement of shareholder value and the prudent financial management of risk.

Fuel Prices

Fuel cost has always been a major element of CLP's operating costs. The past 12 months or so have seen massive increases in global energy prices, including the coal and gas required to fuel the power stations which CLP operates, or in which it has otherwise invested. Whilst this has particularly affected our operations in the Mainland, it may be helpful if I briefly review the impact which surging fuel prices are having on all our businesses, and the ways in which we seek to manage or mitigate that impact.

Yallourn Power Station, our largest generating asset in Australia, is largely insulated from fuel cost increases, as it is able to exploit its adjacent brown coal mine. Our power investments in India, Thailand and Taiwan benefit from the possibility to pass through fuel costs to the respective off-takers, under the relevant power purchase agreements (PPAs). However, the scope and effectiveness of this protection varies according to the terms of the individual PPAs. For example, in the case of Ho-Ping, the extent of recovery is linked to Taipower's (our off-taker) own coal costs and there is also a time-lag between the occurrence of fuel cost increases and the corresponding recovery. In Hong Kong, the current Scheme of Control (SoC), and for that matter, the new SoC which will take effect on 1 October 2008, allows CLP to pass the cost of fuel through to our customers, by virtue of a fuel clause adjustment – CLP makes neither a profit nor a loss on the procurement of fuel for our generating capacity at Black Point and Castle Peak Power Station. It is inevitable that the recent large increases in fuel prices will put pressure on overall electricity cost in Hong Kong.

The effect of surging coal price increases since the end of 2007 has been felt by our investments in the Chinese mainland. This has contributed to the overall reduction of HK$28 million in the operating earnings from these investments over the first part of 2008. The extent of the impact has varied according to the source of coal supply to particular power stations. For example, our power station of Fangchenggang in Guangxi, which is supplied with imported coal, experienced a 50% increase in coal cost during the six months period under review. On the other hand, coal cost increases to the power stations in Shandong, in which CLP holds an interest, were around 40%, whilst CLP Guohua and our investments in Anshun and Shenmu Power Stations were also impacted to a lesser extent. All coal-fired power stations in the Chinese mainland, not just those in which CLP holds an interest, have been adversely affected by recent coal price increases and a reluctance by the relevant authorities to allow those increases to be passed on to off-takers, and ultimately consumers, as part of their efforts to counter rising domestic inflation. Even in more recent months coal prices have continued to rise, despite authorities instigating measures to restrain those prices, and an increase in tariffs which took effect on 1 July 2008 offered only partial relief from upward coal price movements. All in all, we do not believe that the current situation is sustainable in the long term. A combination of improvements in the mining and transportation of coal, coupled with a more balanced regulatory and pricing regime, should, over time, create an environment in which coal costs can be more effectively managed to support power generation in the Chinese mainland.

Looking ahead, none of us can predict future movements in coal and gas prices. However, CLP will continue to actively manage such costs through a combination of long-term fuel purchase agreements, the establishment of durable relationships with reputable fuel suppliers and PPAs which will fairly allow for fuel costs to be passed on to the off-takers.

Growth

I remarked above on the need to strike a balance between prudent financial management and the enhancement of shareholder value. During the first half of 2008, CLP continued to allocate its financial resources to increase our presence in the Asia-Pacific energy sector. A major step in this regard was CLP India's success in emerging as the strongest bidder in a competitive tendering process for the development of a 1,320MW coal-fired project at Jhajjar in Haryana State. The Letter of Intent for this project was issued to CLP by the State Government of Haryana in July. We are now moving ahead with the follow-on arrangements, such as the execution of the PPA, the entry into engineering, procurement and construction contracts and the necessary financing agreements. The award of the Jhajjar project is an important advance for our business in India which, since we first entered this market in 2002, has largely rested on a single asset, our 655MW gas-fired power station at Paguthan in Gujarat.

Environmental issues, in particular the effect of fossil-fuelled power generation on the increase of carbon levels in the upper atmosphere and its implications for the growing risk of global warming, weighs heavily on both our current thinking and long-term decision making. CLP's Climate Vision 2050, announced in December 2007, commits us to long-term and massive reductions in the carbon intensity of our generating portfolio. This is the right thing for CLP to do from a moral perspective, in the context of the collective response which is needed from the global community to ward off the threat of catastrophic climate change. It is also an essential step in managing the "carbon risk" to our business – the adverse impact of policies, regulations and taxes on carbon emissions. One example in this regard is the current debate in Australia on carbon emissions reduction and the introduction of an emissions trading scheme. The details of the resulting structure are not yet clear and, therefore, the detailed implications for our TRUenergy business cannot yet be accurately assessed. The Federal Government's Green Paper, released in mid-July, committed to providing once and for all, upfront, limited direct assistance to coal-fired electricity generators, but did not provide details on amounts or allocation methods. The commitment to provide some form of compensation is a step in the right direction, but there needs to be some clarity provided on the finer points of the proposed compensation. Until this is achieved, uncertainty remains as to whether the emissions trading scheme, and associated financial arrangements, which ultimately take effect will have a significant impact on the operation of Yallourn Power Station and its economic value over the medium to longer term. TRUenergy has been an active and informed contributor to the debate in Australia on carbon emissions. We will continue our concerted advocacy campaign, arguing forcefully in support of a regime which allows the Australian Government to achieve its policy objectives, whilst ensuring that the cost of doing so is fairly shared and the effect of disruptive change on existing investments, electricity supply reliability and tariffs is appropriately assessed and managed.

Against this background, it is essential that the growth in CLP's generating capacity is aligned with our aim to move steadily and substantially towards no/low carbon generation. In this regard, I was encouraged by the ongoing progress in our renewable energy activities over the first six months of this year. Our wind portfolio continued its rapid expansion, including through the completion of part of Phase I of our Samana wind project in India and the impending commencement of construction of Phase II. The construction of CLP's first biomass project, at Boxing in Shandong Province in the Chinese mainland is well underway. Our hydro investments in the Mainland grew through the acquisition of a small hydro project at Dali in Yunnan Province. And, on solar energy, our investment in Solar Systems allows us to participate in the construction of one of the world's largest solar photovoltaic power stations in Victoria, Australia, with the prospect of rolling out the underlying technology elsewhere in Asia.

Preparing to chair................

Looking Ahead

The agreement reached with the Hong Kong Government on the new SoC offers stability for our Hong Kong electricity business. In order to reach an agreement, CLP's shareholders accepted substantial reductions in the returns they may earn from investments in that business, from a maximum of 15% down to 9.99%. We believe that, on balance, this was the right approach in return for establishing a long-term regulatory framework which will support the ongoing investments needed to ensure supply reliability and further environmental improvement.

The provision of a liquefied natural gas (LNG) receiving terminal and associated infrastructure is the most important and urgent of these investments. In 2002, we alerted Government to the depletion of our existing gas resources, the Yacheng-13 field in the South China Sea, and the need to secure replacement LNG supplies. During the past six years, we have taken great strides in the planning of this project, including selection of a site on South Soko Island, environmental impact assessment studies, engineering and design work (which is site-specific and almost completed) as well as entering into a preliminary agreement to purchase LNG – itself a challenging task in a difficult energy market.

In its briefing to the Legislative Council on 30 June 2008, Government acknowledged that a replacement gas supply for the Yacheng-13 field must be in place by 2013. Bringing LNG to Hong Kong is essential to maintaining CLP's electricity supply reliability and meeting 2010 emissions reduction targets. With the discussions on the new SoC now behind us, and so much preparatory work completed, CLP and our partner ExxonMobil, are ready to proceed with this essential and pressing project. We have done our part and we can do the job. The future of the project is now in Government's hands – all we await is its decision.

Because CLP has preserved a strong financial position in a volatile business environment, we have the potential to take advantage of our financial strength, and to leverage our industry skills, to expand our business elsewhere in the Asia-Pacific region.

Outside Hong Kong, we will continue to focus our attentions and investments on areas, assets or relationships with growth potential, with an increasing emphasis in managing the risks associated with carbon emissions. We will be active in exploiting the opportunities as they arise in the countries within our region, as a result of national policies and the international framework which will emerge to carry on from the Kyoto Protocol, reward and incentivise technologies and investments which avoid or reduce carbon emissions.

I believe that the financial and operating performance of your Company over the first six months of 2008 demonstrates that CLP remains on the right course to continue to deliver long-term shareholder value. I look forward to reporting to you on our performance over the remainder of the year.

The Hon. Sir Michael Kadoorie
Hong Kong, 12 August 2008

.................our 2008 Annual General Meeting

Business Overview

An outline of our investments as at 30 June 2008 is set out below:

Hong Kong Investments

Equity Interest

100%

CLP Power Hong Kong Limited (CLP Power Hong Kong)[(1)]

CLP Power Hong Kong owns and operates the transmission and distribution system which includes:

- 554 km of 400kV lines
- 1,341 km of 132kV lines
- 88 km of 33kV lines
- 11,169 km of 11kV lines
- 56,747 MVA transformers
- 208 primary substations in operation
- 12,884 secondary substations in operation

40%

Castle Peak Power Company Limited (CAPCO)[(1)], 6,908 megawatts (MW) of installed generating capacity

CAPCO owns and CLP Power Hong Kong operates:

Black Point Power Station (2,500MW)

- One of the world's largest gas-fired power stations comprising eight combined-cycle turbines of 312.5MW each

Castle Peak Power Station (4,108MW)

- Comprising four coal-fired units of 350MW each and another four units of 677MW each
- Two of the 677MW units are capable of burning gas as backup fuel. All units can burn oil as a backup fuel

Penny's Bay Power Station (300MW)

- Three diesel oil-fired units of 100MW each

Note (1): CLP Power Hong Kong purchases its power from CAPCO, PSDC and Guangdong Daya Bay Nuclear Power Station. These sources of power amount to a total capacity of 8,888MW available to serve the Hong Kong market.

Australia Investments Gross/Equity MW

Equity Interest

100%

TRUenergy 3,026/3,026MW

TRUenergy is an integrated generation and retail electricity and gas business in Victoria, South Australia (SA), New South Wales (NSW), Queensland, Tasmania and the Australian Capital Territory, comprising:

- 1,480MW coal-fired **Yallourn Power Station** and brown coal mine in Victoria
- 180MW gas-fired **Hallett Power Station** in SA
- Ecogen long-term hedge agreement that allows TRUenergy to purchase up to 966MW gas-fired capacity
- 400MW gas-fired **Tallawarra project** in NSW, currently under construction
- 12 Petajoule **Iona Gas Storage facility** in Victoria
- Various long-term gas supply contracts
- 1.28 million business and residential electricity and gas customer accounts
- 20% stake in **Solar Systems**, a developer of concentrated photovoltaic solar technology

50%

Roaring 40s Renewable Energy Pty Ltd (Roaring 40s) 753/233MW[(2)]

Roaring 40s is a 50:50 joint venture partnership with Hydro Tasmania and owns:

- 100% of the 65MW Woolnorth Bluff Point and 75MW Studland Bay wind farms in Tasmania
- 50% interest in the 66MW Cathedral Rocks wind farm in SA
- 49% interest in three wind farm projects in Jilin Province (吉林省), China, with an aggregate generating capacity of around 148MW; of which the 49MW Datang Shuangliao wind farm is in operation
- 49% interest in seven wind farm projects in Shandong Province (山東省), China, with an aggregate generating capacity of around 349MW; of which the 49MW Guohua Rongcheng wind farm is in operation
- 100% of the 50MW Khandke wind farm in Maharashtra, India; of which 36MW is in operation

Note (2): The 233 equity MW attributed to CLP, through its 50% equity interest in Roaring 40s, takes into account varying equity interests held by Roaring 40s in the generating assets included in the 753 gross MW.

Chinese Mainland Investments Gross/Equity MW

Equity Interest

Equity Interest	Investment
25%	**Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) 1,968/492MW** GNPJVC constructed and operates Guangdong Daya Bay Nuclear Power Station (GNPS) at Daya Bay (大亞灣). GNPS is equipped with two 984MW Pressurised Water Reactors incorporating equipment imported from France and the United Kingdom. 70% of electricity generated is supplied to Hong Kong, with the remaining 30% sold to Guangdong Province (廣東省)
49%	**Hong Kong Pumped Storage Development Company, Limited (PSDC) 1,200/600MW** PSDC has the right to use half of the 1,200MW pumped storage capacity of Phase 1 of the Guangzhou Pumped Storage Power Station until 2034
49%	**CLP Guohua Power Company Limited (CLP Guohua) 2,100/703MW(3)** CLP Guohua holds interests in three coal-fired power stations: • 100% in Beijing Yire Power Station in Beijing (北京) (400MW) • 65% in Panshan Power Station in Tianjin (天津) (1,000MW) • 55% in Sanhe Power Station in Hebei Province (河北省) (700MW)
49%	**CLP Guohua Shenmu Power Company Limited (Shenmu) 200/98MW** Shenmu owns and operates Shenmu Power Station (200MW) in Shaanxi Province (陝西省)
70%	**Guizhou CLP Power Company Limited (Guizhou CLP Power) 600/420MW** Guizhou CLP Power owns Anshun II Power Station (600MW) in Guizhou Province (貴州省), supplying electricity to the Guizhou provincial power grid and, indirectly, to Guangdong Province
29.4%	**Shandong Zhonghua Power Company, Ltd. (SZPC) 3,000/882MW** SZPC owns four coal-fired power stations, Shiheng I and II (totalling 1,200MW), Liaocheng (1,200MW) and Heze II (600MW) in Shandong Province
70%	**CLP Guangxi Fangchenggang Power Company Limited (Fangchenggang) 1,200/840MW** Fangchenggang constructs, owns and operates two 600MW coal-fired units at Fangchenggang (防城港), Guangxi (廣西)
84.9%	**Huaiji Hydropower Stations (Huaiji) 106/90MW** Eleven small hydro power stations in Huaiji County (懷集縣), Guangdong Province
100%	**Dali Yang_er Hydropower Development Co., Ltd. (Yang_er Hydro) 50/50MW** Yang_er Hydro is located in Yangbi County (漾濞縣) of Dali City (大理市), Yunnan Province (雲南省). It is under construction and expected to achieve commercial operation by first quarter of 2009
45%	**HNEEP-CLP Changdao Wind Power Co., Ltd. (Changdao Wind) 27/12MW** Changdao Wind, with a generating capacity of 27MW, is connected to the Shandong provincial grid to serve Yantai City (煙台市)
45%	**HNNE-CLP Weihai Wind Power Company Limited (Weihai Wind) 69/31MW** Weihai Wind is located in Shandong Province and has a capacity of 19.5MW for Phase I and 49.5MW for Phase II
25%	**Huaneng Shantou Wind Power Company Limited (Nanao II Wind) 45/11MW** Nanao II Wind of 45MW is located on Nanao Island (南澳島) off Shantou (汕頭), Guangdong Province, serving Shantou City

Note (3): The 703 equity MW attributed to CLP, through its 49% equity interest in CLP Guohua, takes into account that CLP Guohua holds varying equity interests in the generating assets included in the 2,100 gross MW.

Chinese Mainland Investments Gross/Equity MW

Equity Interest	
45%	**Sinohydro CLP Wind Power Company Limited (Changling II Wind) 50/22MW** Changling II Wind is located in Changling County (長嶺縣) of Songyuan City (松原市), Jilin Province. It is scheduled for completion by first quarter of 2009
45%	**Huadian Laizhou Wind Power Company Limited (Laizhou Wind) 41/18MW** Laizhou Wind is located in Laizhou City (萊州市) of Shandong Province. It is scheduled for commissioning by mid 2008
79%	**CLP Huanyu (Shandong) Biomass Heat and Power Company Limited (Boxing Biomass) Equivalent of 14/11MW** A biomass combined heat and power project, with 1 x 75 tonnes/hour straw-fired boiler + 6MW generator, with 79% held by CLP. It is located in Boxing County (博興縣), Binzhou City (濱州市), Shandong Province and is scheduled for commissioning by third quarter of 2008
100%	**CLP Yangjiang Hailing Island Wind Power Company Limited (Hailing Island Wind) 22/22MW** Hailing Island Wind of 22MW is located on Hailing Island (海陵島) of Yangjiang City (陽江市), Guangdong Province. It is scheduled for commissioning by mid 2009
65%	**CLP Sichuan (Jiangbian) Power Company Limited (Jiangbian Hydro) 330/215MW** Constructs, owns and will operate a 3 x 110MW hydro project in Sichuan Province (四川省). Completion is targeted for 2011

India Investments Gross/Equity MW

Equity Interest	
100%	**Gujarat Paguthan Energy Corporation Private Limited (GPEC) 838/838MW** GPEC owns and operates a 655MW gas-fired combined-cycle power station and is constructing two wind projects – the 100.8MW (in two phases of 50.4MW each) **Samana wind farm** project in Gujarat and the 82.4MW **Saundatti wind farm** in Karnataka, India

Southeast Asia and Taiwan Investments Gross/Equity MW

Equity Interest: 50%

OneEnergy Limited (OneEnergy) 8,010/723MW(4)

A 50:50 strategic joint venture with Mitsubishi Corporation of Japan, which currently owns:

(a) 22.4% interest in **Electricity Generating Public Company Limited** (EGCO) in Thailand. EGCO owns:
- REGCO and KEGCO gas-fired combined-cycle power stations in Thailand (2,056MW) which it also operates
- 50% interest in the operating 1,434MW BLCP coal-fired project in Thailand
- 50% interest in the operating 1,468MW Kaeng Khoi 2 combined-cycle gas turbine project in Thailand
- 25% interest in the 1,070MW Nam Theun 2 hydro project in Laos, under construction
- 320MW out of a total of 662MW in a portfolio of small power projects in Thailand and The Philippines

(b) 40% interest in **Ho-Ping Power Company** (HPC). HPC owns the 1,320MW coal-fired Ho-Ping Power Station on the north-eastern coast of Taiwan. Operation is by a separate joint venture, with the same shareholdings, but with OneEnergy management leadership

Note (4): The 723 equity MW attributed to CLP, through its 50% equity interest in OneEnergy, takes into account that OneEnergy indirectly holds varying equity interests in the generating assets included in the 8,010 gross MW.

Operational Performance

This section describes CLP's operational performance in Hong Kong, Australia, the Chinese mainland, India and Southeast Asia and Taiwan over the first six months of 2008 and the outlook for these activities.

Electricity Business in Hong Kong

Due to unusual weather and continuous heightening of energy conservation awareness, local electricity sales decreased by 1.5%* over the same period last year. The cold spell in January and February was the longest on record since 1968, and rainfall in June reached a level not seen for 125 years. In the Residential Sector, increase in heating loads in the first quarter driven by the cold weather was more than offset by the rainy and mild weather in May and June, resulting in a sales decline in the first half of 2008. Sales to the Commercial Sector rose only marginally, due to the cooler weather and slowdown of retail business growth. The drop in sales in the Infrastructure & Public Services Sector was also attributed to that weather, as well as energy saving efforts in Government buildings and facilities. With factory closures in the textile and electronics industries, the declining trend in the Manufacturing Sector continued.

A breakdown of the local sales growth by sector during the period is as follows:

	Increase/ (Decrease)*	As Percentage of Total Local Sales
Residential	(1.5)%	23.9%
Commercial	0.2 %	42.1%
Infrastructure & Public Services	(1.1)%	26.2%
Manufacturing	(10.7)%	7.8%

Sales to the Chinese mainland decreased by 18.9%, by comparison with the same period in 2007 as a result of increased power supply to Guangdong from other provinces.

Total unit sales, including both local sales and sales to the Chinese mainland, declined by 4.0%* to 15,633GWh over the same period last year.

* The monthly sales accrual method was updated in July 2007. On a comparable basis, monthly sales before July 2007 have been revised using this updated methodology to determine the sales growth rates for the period.

In 2007, we announced that the Fuel Clause Charge (which allows CLP to recover the cost of fuel) would be adjusted, resulting in an average net tariff of HK¢91.1 per unit of electricity, up 4.5% from the previous level of HK¢87.2. This increase was due to soaring international fuel prices.

At the same time, we also announced that our basic tariffs would be frozen. There has now been no increase in basic tariffs since 1998, a period during which tariff rebates totalling over HK$4 billion had been given to CLP customers.

CLP has enhanced its quality supply and reliability, as well as providing for demand created by infrastructure development projects, incurring HK$1.6 billion of capital expenditure in the transmission and distribution networks over the last six months. Major projects included construction of Lai Cheung Road substation and South East Kowloon "A" and "D" substations, continuous installation of 400kV line arresters, replacement of old 132kV switchboard in Kwai Chung "B" substation and construction of the second 132kV Castle Peak – Airport "A" circuit. We also invested HK$1.5 billion in generation, customer services and other supporting facilities.

A new development plan covering the period of 1 October 2008 to 31 December 2013 was submitted to Government in end March. The plan, containing projections of new investment required in the CLP supply area, is being reviewed and assessed by Government.

The availability of LNG supplies early next decade, including the completion of the LNG terminal in Hong Kong, remains crucial to our business. The LNG supply arrangements will ensure a reliable supply of electricity for Hong Kong consumers, whilst contributing to meeting the major 2010 air emission reduction objectives. Following receipt of the environmental permit in April 2007, the engineering design of the LNG terminal on South Soko Island is making good headway. We are awaiting Government's final approval of the LNG terminal project. In June, CAPCO signed a Heads of Agreement for one million tonnes per year of long-term LNG supply with BG LNG Trading, a wholly-owned subsidiary of BG Group plc. Both parties plan to finalise the Sales and Purchase Agreement in 2008. Deliveries of gas will commence on completion of the terminal, expected to be in 2013. This will enable us to increase gas consumption, so that gas represents up to 50% of our fuel mix and further reduce emissions significantly.

CLP is committed to continuous improvement in our customer services. Five new Customer Service Centres have been opened along the railway network with extended operating hours for convenient access of our customers. Designed with user friendly features and streamlined workflows, our dedicated customer website "clponline" has become an increasingly popular channel for customers to interact with us. To date, nearly 250,000 customers have chosen to receive and view electricity bills on-line. The latest survey has indicated that customer satisfaction levels have been increasing steadily over the past five years to new highs in 2007, which were also well above global benchmarks.

Our major plans and activities for the second half of 2008 will include:

- obtaining Government approval of the development plan and tariff adjustment proposal under the new SoC Agreement before 1 October 2008;
- securing relevant approvals for the LNG terminal; and
- ensuring the Castle Peak emissions reduction project runs to schedule.

Energy Business in Australia

TRUenergy aims to achieve a long-term return on investment through highly motivated people delivering safe, environmentally responsible, industry leading operational performance and innovative energy management services.

TRUenergy's retail performance has been strong in the first half of 2008. Customer numbers as at 30 June were around 1.28 million, a 7% increase from the corresponding period last year.

Other retailers experienced a decline in their "GreenPower" customer numbers – those customers taking energy from accredited renewable energy generators. In contrast, TRUenergy continues to make excellent inroads into the renewable energy retail market and is well on its way to achieving the target of 120,000 green accounts this year. TRUenergy was the retailer of choice for "GreenPower" customers during the first quarter of this year, acquiring more than 78% of all new "GreenPower" accounts – according to the "GreenPower" quarterly status report detailing the take-up of this government accredited renewable energy by Australian consumers.

The implementation of the new retail customer service and back office information technology platform with IBM is on track to be piloted by the end of this year.

Work on long-term restoration at TRUenergy Yallourn coal mine continued after major subsidence in November 2007. Conveyor systems were fully reinstated in February 2008 and with all significant restoration work now done, it is expected that stable generation will be achievable throughout the remainder of 2008. TRUenergy continues to work on an insurance claim with a view to recovering the significant loss to the business caused by the coal mine subsidence.

In addition, major works are in progress at Yallourn to review and assess various carbon trading scenarios, in advent of the likely introduction of a Federal carbon trading scheme. Work is also being carried out to determine opportunities to reduce operational and capital spend whilst ensuring plant performance, and hence generation output, is not adversely impacted.

TRUenergy is working with Australia-based Solar Systems, a global leader in concentrated photovoltaic technology, in developing one of the world's largest and most efficient concentrated solar photovoltaic power stations in northwest Victoria, potentially with a generating capacity of 154MW. The solar power station has a projected completion date of 2013. In addition, TRUenergy has invested A$40 million to obtain a 20% ownership interest in Solar Systems, allowing it to develop further solar energy projects across Australia and Asia, at a time when many countries are looking to adopt renewable energy to meet large-scale emissions reduction targets.

The construction of the 400MW combined-cycle gas station at Tallawarra in NSW continues to progress, with the power station still on target for completion in time for summer 2008/09. The operations organisation is in place and staff have been trained in preparation for takeover of the plant.

In response to rising energy demand, TRUenergy is also preparing a Development Consent application to build additional gas-fired plant capacity adjoining Tallawarra Stage A. Should this application be successful, the Tallawarra site will produce a total of 800MW of clean burn electricity, enough to power nearly half a million homes.

At the TRUenergy Iona gas plant, a low pressure upgrade project has commenced to add additional compression capacity, with the view to increasing plant throughput by 120 terajoule/day. Front end engineering design has been completed and detailed design for the upgrade is now in progress. Civil construction activities are expected to commence in September 2008, with plant construction starting in early 2009 and commissioning commencing in mid 2009.

In the second half of 2008, TRUenergy will continue to focus on:

- commissioning its Tallawarra Power Station;
- maintaining emphasis on generating maximum value from asset base, in particular, Yallourn;
- increasing customer uptake in our range of accredited "GreenPower" retail energy products;
- reducing customer service costs and developing a platform for future retail growth; and
- ongoing and vigorous engagement in the industry debate on the impact of climate change in the future of the Australian energy sector.

Chinese Mainland

The construction stage of the 2 x 600MW coal-fired Fangchenggang project in Guangxi was completed within budget and ahead of schedule when the second of the two units entered into commercial operation in January 2008. The major challenge we have faced so far has been the supply of coal. Fangchenggang is unique in CLP's China portfolio as it uses imported coal from Indonesia, a major factor in the support received from the regional government. However, the overall price of Indonesian coal has increased dramatically, whilst the specific mine intended to supply the power plant, and which would provide cheaper coal, has still to obtain final approval from the Indonesian Government.

CLP has made every effort to procure coal under these difficult circumstances and our efforts to support the Guangxi grid have been recognised by the regional government. Nonetheless, the impact of high market prices is significant and exposes, again, the current imbalance in the PRC system of power industry regulation, whereby fuel cost increases are not reflected completely or promptly in the revenues we receive from off-takers.

Construction on the 3 x 110MW Jiangbian hydro project is underway, with major construction and equipment supply contracts in place. The site is located in a remote and mountainous area of Sichuan Province that requires extensive rock tunneling, road improvements and dam construction. The management of construction over an extended site area such as Jiangbian is challenging, especially as we face a particular risk due to the steep and sometimes unstable rock slopes, where rock falls and mudslides are inevitable. Extensive efforts have been made to apply our safety culture to the Jiangbian project, but the higher inherent risk cannot be entirely mitigated.

The Sichuan earthquake caused rock slides at the Jiangbian site area but immediate damage was limited. There were no injuries. Subsequently, however, the loosened rocks on the steep mountain slopes have continued to cause problems. In the longer term, the recovery and rebuilding efforts closer to the epicentre will tend to divert labour resources from construction projects such as Jiangbian and will cause increases in the cost of construction materials.

Tallawarra Power Station under construction in New South Wales, Australia

We have now passed our target of 5% renewable capacity in our power portfolio. One such source of renewable energy in the Chinese mainland is the Weihai wind farm in Shandong, which in April 2008 was successfully registered with the United Nations Executive Board as a Clean Development Mechanism (CDM) of the Kyoto Protocol. The first phase of the wind farm of 19.5MW was commissioned in May 2007, whilst the second phase of 49.5MW is expected to achieve commercial operation in the third quarter of 2008. The Weihai wind farm joined the Nanao wind farm, Changdao wind farm and Shuangliao wind farm as registered CDM projects in CLP's portfolio. Our recently acquired 49.8MW Yunnan Dali Yang_er hydro power station was also registered as a CDM project in March 2008. This hydro power station is under construction and is expected to be commissioned in early 2009.

Looking ahead to the second half of 2008, the focus of our activities in the Chinese mainland will be to:

- continue to extract greater value from existing assets by pushing for higher tariffs and reducing operating and maintenance costs;
- manage fuel costs at Fangchenggang through long-term supply contract and securing alternative coal supplies;
- integrate generating assets into the expanded joint venture with China Shenhua Energy; and
- continue with the development of our activities in hydro, wind and biomass.

India

GPEC continues to operate at high levels of availability and reliability. During the first six months of 2008, Gujarat Urja Vikas Nigam Ltd. (GUVNL), the sole off-taker of the electricity generated by GPEC, paid all amounts due, with the exception of a new dispute for approximately HK$14 million.

Due to a sharp depletion of the Lakshmi fields, which were a major source of gas for GPEC, securing long-term gas supply arrangements remains a priority for CLP India. As a mitigation measure, we are actively pursuing long-term gas supply arrangements with major gas suppliers and continuing to arrange spot purchases of gas with requisite approvals from the off-taker. During the first six months of 2008, almost two-thirds of the generation was produced using spot purchases of expensive Re-gasified LNG (RLNG). This has led to a big increase in the off-take price. Although GUVNL has settled all dues in time, it has expressed its concern on the sustainability of GPEC's dependence on spot purchase of RLNG.

CLP India emerged as the bidder with the lowest levelised tariff for the development of a 1,320MW coal-fired project at Jhajjar in Haryana State. The Letter of Intent for the project was issued to CLP by the State Government of Haryana on 23 July and the PPA is proposed to be executed during the month of August 2008. The Pre-Notice to Proceed has been issued to major Engineering, Procurement and Construction contractors. The first unit of the 2 x 660MW project is scheduled to be commissioned by December 2011, and the second unit by April 2012.

Datang Shuangliao Wind Farm in Jilin Province, China

Good progress has been made on the 100.8MW Samana wind project in Gujarat. This project is the largest wind project, by equity MW, in the CLP Group. Thirty turbines have been delivered to the site and 16MW have already been commissioned. Phase I, comprising 50.4MW, is expected to complete in September 2008 and Phase II is projected to be commissioned by January 2009.

The outlook of CLP India in the second half of 2008 continues to be positive, focussing on:

- progressing the financing and construction of the Jhajjar project in Haryana;
- bidding for selected projects in generation and transmission, including the development of greenfield projects;
- completing Phase I of Samana wind project and starting construction of Phase II;
- executing the PPA and starting construction of the 82.4MW greenfield Saundatti wind project in Karnataka; and
- evaluating new project opportunities in wind, solar and biomass.

Southeast Asia and Taiwan

The new government in Taiwan, which took office in May 2008, has not yet decided on the way forward following the failure to award any capacity under the independent power producer (IPP) solicitation, in which OneEnergy, our regional joint venture with Mitsubishi Corporation, bid for an expansion of the Ho-Ping Power Station. OneEnergy continued to work with its local partner Taiwan Cement to position the expansion project for a possible new solicitation.

The low-pressure turbine blades of both units at the Ho-Ping power plant, which experienced problems previously, have all been replaced. This, together with the completion of the rebuilding of a coal storage dome previously damaged by a typhoon, will improve integrity of the plant and enhance availability and performance. The accelerating high prices of coal have impacted all coal-fired power stations in the region, including Ho-Ping. However, the impact on Ho-Ping is mitigated through an energy tariff adjustment which is linked, albeit with a time lag, to Taipower's coal costs.

The second and last block of the Kaeng Khoi 2 combined-cycle gas turbine power plant in Thailand, in which EGCO owns 50% through its investment in Gulf Electric, achieved commercial operation in March 2008 on schedule. The Kaeng Khoi 2 plant, the BLCP plant which CLP sold its 50% ownership to EGCO in 2006, as well as the other plant in EGCO's portfolio have all been operating at very high levels of availability and safety. All of these projects have fuel cost pass-through mechanisms in their PPAs. They were therefore not affected by the recent surges in natural gas and coal prices. In May, EGCO divested its minority interest in two small power producer projects which are majority-owned by the Amata group. EGCO has been focussing its growth strategy on large cross-border projects selling their output to Thailand and also renewable projects in Thailand.

Meanwhile, OneEnergy has been continuing its development work on a 1,200MW coal-fired project in Vietnam and a 700MW coal-fired project in Indonesia.

The major focus of OneEnergy's regional activities in the second half of 2008 will be on:

- preparedness of the Ho-Ping expansion project for a possible new IPP solicitation in Taiwan;
- providing support to EGCO in its growth strategy;
- progressing the potential greenfield projects in Indonesia and Vietnam; and
- reviewing opportunities to participate in the expected upcoming competitive bidding for greenfield IPP projects as well as considering acquisition opportunities in Singapore, The Philippines and Indonesia.

Human Resources

As at 30 June 2008, the Group employed 5,639 staff (2007: 5,996), of whom 4,012 were employed in the Hong Kong electricity and related business, 1,375 by our businesses in Australia, the Chinese mainland, India, Southeast Asia and Taiwan, as well as 252 by CLP Holdings. Total remuneration for the six months ended 30 June 2008 amounted to HK$1,606 million (2007: HK$1,681 million), including retirement benefit costs of HK$118 million (2007: HK$114 million).

We are committed to providing a safe, healthy and fulfilling work environment for our employees. During the first half of 2008, we launched a number of initiatives in Hong Kong to promote employee health, including a "Smoking Cessation Programme", "Fitness and Health Challenge", "Healthy Kitchen", and "We Care What You Care Programme".

Other key human resources initiatives implemented during the first half of 2008 were:

- The second CEO briefing was held in May 2008 with the objective of facilitating communication across the region and developing personal contact with colleagues separated by distance. More than 200 senior managers joined the conference from across Asia Pacific with the assistance of video conference technology.
- TRUenergy recently launched a new Management and Leadership Development Programme to develop leadership skills across all business units. Over 180 managers, team leaders and executives are currently taking part.
- A two-year training programme at Daya Bay Nuclear Power Station was developed to facilitate the development of nuclear related skills in our workforce. Two engineers from Hong Kong were selected and posted to work at the nuclear power station in Daya Bay.

Safety

In Hong Kong, there were three disabling injuries during the first half of the year. Investigations were completed and measures have been taken to strengthen safety management. The key findings of a safety climate survey done in 2007, in which 1,955 employees participated, are being implemented. Both the Safety Incentive Scheme and the Safety Leader Programme, which encourage the commitment of employees as well as management to engage fully in safety practices, have been extended to contractor operations.

In the Chinese mainland, an investigation has been finalised into the fatality which occurred to a contractor's diver at Fangchenggang in April 2008. The investigation identified the cause of the accident and proposed measures to improve the management of specialist third party activities such as this.

We are continuing with successful initiatives including the executive safety leadership programme and safety implementation effectiveness review designed to improve safety culture across the Group, particularly in the businesses outside Hong Kong, where we aim to achieve higher standards and awareness than some of the locally prevailing norms. Experienced managers from all major subsidiaries are involved in a joint effort to develop the necessary systems and controls.

Environment

Air quality and climate change remained CLP's top environmental priorities.

Air Quality

The continued advancement of our air quality improvement projects in Hong Kong and the Chinese mainland has put us in good stead to achieve a marked reduction in emissions.

William Mocatta, Vice Chairman, presenting a safety award to a contractor

In Hong Kong, a range of air quality improvement projects are progressing well:

- Coal burners in five of the eight coal-fired units at Castle Peak Power Station have been refurbished. The emission of nitrogen oxide from these units has been reduced by around 12%. This refurbishment project is expected to be completed in 2009.
- The four 677MW units at Castle Peak Power Station B are being retrofitted with flue gas desulphurisation (FGD). This will substantially reduce SO_2 plant emissions and bring Castle Peak in line with modern operating plant in Europe and Japan. The four units will be commissioned in succession from 2009 to 2011. This emissions control project is essential for CLP to meet its 2010 emission caps in Hong Kong and to provide sustained emissions reductions in the longer term.
- As part of the company-wide Go Greening campaign, one of Hong Kong's first "Sky Woodland" projects at Sham Mong Road Substation, is near completion. Other initiatives included the "Office Greening Project" at Sheung Shui Depot and participation in the Government's "WasteWi$e Scheme".

In the Chinese mainland, we continued retrofitting FGD to our coal-fired facilities at Shiheng, Heze, Liaocheng and Shenmu Power Stations. These retrofits are scheduled for completion in 2008. Retrofits at Anshun II, Panshan and Sanhe Power Stations have already been completed.

Climate Change

Energy and environmental policies are crucial to stabilising global greenhouse emissions, and to the development of CLP's low carbon business. CLP engages in regular dialogue with stakeholders, policy makers and government advisors on the urgent need for new policies, particularly with regard to an international agreement commencing in 2013, at the end of the first "Kyoto" period (2008 – 2012). Through the World Business Council for Sustainable Development, CLP is taking part in a series of stakeholder dialogues in 2008 in Beijing, Johannesburg and Tokyo on the future international regulatory regime for the electricity industry. The input from stakeholders will be reflected in the Phase 3 report of the Electric Utilities sector project, scheduled for completion before the next United Nations Framework Convention on Climate Change Conference in Poland in December 2008.

In Hong Kong, CLP has been reaching out to the public to promote a wiser use of energy. By offering energy audits and energy efficiency solutions to business customers and promoting energy efficient electrical appliances to household customers, CLP helps all sectors of the community to take viable actions to save energy. Parallel to this, a green-living website was launched for customers to learn more about climate change, its impact on our environment and the steps that can be taken to stop it.

In Australia, climate change has become a major issue. Since July 2007, TRUenergy has committed to reduce its emissions by 60% by 2050, subject to the introduction of an effective and efficient national emissions trading scheme. To date, TRUenergy has already delivered a 1.65 million tonne reduction in emissions, through initiatives such as a multi-million dollar thermal efficiency refurbishment programme at Yallourn power station.

The proposed national emissions trading scheme in Australia holds promise for substantial reductions in the nation's greenhouse gas emissions. TRUenergy in Australia has participated in government consultations since the onset of the proposed new scheme and related regulations. TRUenergy supports the introduction of an emissions trading scheme. However, it is critical that any scheme ensures a smooth transition for both the economy and for existing energy industry by preserving the asset values of existing energy assets. This approach will mitigate the risk of adversely affecting the investment environment, a scenario that could jeopardise ongoing investment in new, clean energy technologies required to replace existing capacity over time.

On 16 July, the Australian Federal Government released its much-anticipated green paper into the potential scope and focus of a national emissions trading scheme. Release of this paper confirmed the Government's commitment to provide once and for all, upfront, limited direct assistance to adversely affected industries, including coal-fired electricity generation businesses. The Government has proposed a three-tiered assistance package and will deliver this, in part, through a new mechanism called the Electricity Sector Adjustment Scheme. The Federal Government's green paper represents a balance between introducing a national emissions trading scheme and managing its implementation in an economically responsible manner. TRUenergy will continue to work with the Federal Government to understand the specific details of this scheme and achieve an effective outcome for its business.

A new business unit, CLP Carbon Ventures, was formed in June 2008. The Carbon Ventures unit will consolidate our current and planned activities in the "Low Carbon Value Chain", including renewable energy, emissions trading and investments in new technologies. It will optimise the Group's resources so that carbon emission intensity targets can be achieved for our power generation portfolio.

CLP continued to participate in the investor-led Carbon Disclosure Project (CDP), with a timely response to CDP6. Our report includes an in depth discussion of our emissions, trends, risks, opportunities and management of the climate change issue within CLP. Our full submission is available on CLP's website.

Sustainability Reporting

Maintaining our tradition of transparency, CLP published its second online Sustainability Report in March 2008, as well as a more concise printed version – "CLP Sustainability Report – in Essence".

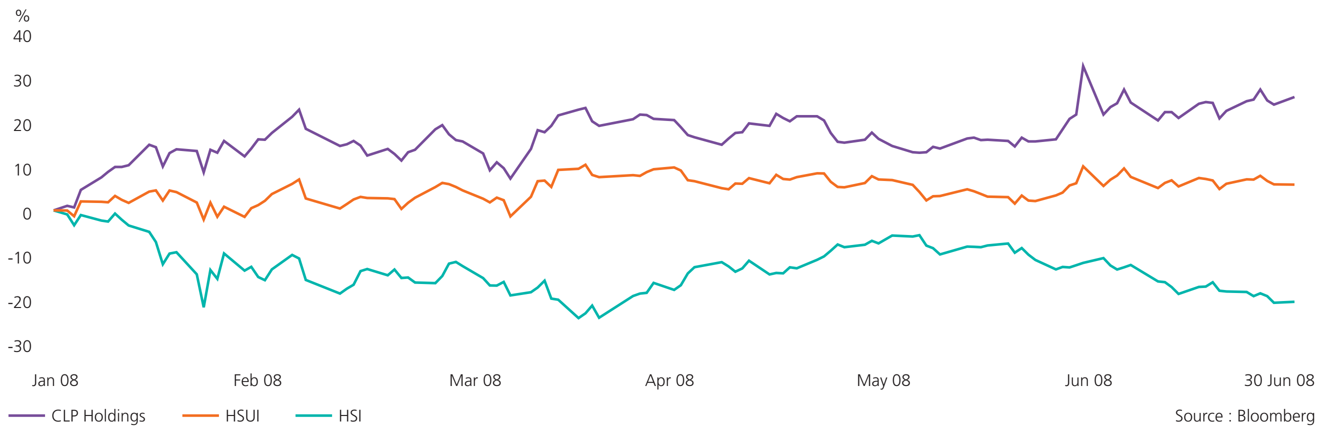
This year's Report offered a candid discussion about the challenge of meeting the growing need for energy in developing countries without devastating consequences to the environment. An updated version will be issued online, to coincide with the CLP 2008 Interim Report.

Shareholder Value

During the first half of 2008, CLP's share price and the Hang Seng Utilities Index (HSUI) rose by 25.4% and 5.8% respectively, whilst the Hang Seng Index (HSI) declined by 20.5%.

The final dividend for 2007 of HK$0.92 per share was paid to shareholders on 30 April 2008. The first interim dividend for 2008 of HK$0.52 per share was paid on 13 June 2008 and the second interim dividend of HK$0.52 per share will be paid on 12 September 2008.

CLP Holdings Share Performance vs HSUI and HSI (Base: 31 December 2007 = 0%)



Financial Performance

Key Financial Events for the First Half

The conclusion of the Scheme of Control (SoC) negotiation is the single most important event in the first half of 2008. Including this, the Group witnessed the following noteworthy financial events:

- In January 2008, CLP Power Hong Kong and CAPCO (SoC Companies) signed an agreement with the Hong Kong Government on the terms of a new SoC which will become effective 1 October 2008, immediately following the expiry of the current SoC. While the underlying framework and broad principles of the current SoC will remain largely intact, there are certain changes in the specific terms under the new SoC. The key changes of the new SoC are set out in Note 1 to the interim financial statements on page 29.
- In June 2008, TRUenergy sold its entire 33.3% interest in SEAGas of Australia, which owns and operates a gas pipeline between Victoria and South Australia, for a cash consideration of HK$880 million (A$117 million), thereby realising a gain of HK$489 million (after tax HK$423 million).
- The Australian dollar has further risen 9.4% against the Hong Kong dollar (which remains pegged to the US dollar) since 2007 December year end. This increase has affected the Australian dollar denominated balances in our financial statements as explained in the following financial analysis.

Financial Outlook for the Second Half

Highlighted below are those factors which we hope will shed some light on the Group's financial outlook over the remainder of 2008:

- The new SoC will inevitably lead to lower earnings on the basis of a lower rate of permitted return. However, the impact of the reduction on the full year results may be limited, since the new SoC will only take effect for the last three months of the year, and additional fixed asset investments are made this year.
- The Australian Government is committed to tackling climate change by reducing carbon pollution with the introduction of an Emissions Trading Scheme (ETS) by 2010. A green paper on the subject was issued in July 2008 seeking stakeholder feedback. The green paper outlined the proposed structure of the ETS including a proposal to provide once and for all, upfront, limited direct assistance to coal-fired electricity generators upon the introduction of the ETS, but without specifying the quantity or nature of the assistance. A white paper, which represents the Government's final policy, is to be released before the end of 2008. The introduction of the ETS is expected to pose a major impact on TRUenergy's business (Yallourn's brown coal-fired generation, in particular). However, the extent of the potential impact cannot be quantified presently as there is significant uncertainty in relation to the likely final structure of the ETS.
- The market environments in Australia and the Chinese mainland remain competitive. The rising tide of commodity prices (in particular, coal) has been felt by the business, while the extent of passing on such increases to our customers remains constrained, especially in the Chinese mainland.
- We expect to increase our use of debt financing to take advantage of the current low interest environment. Although this change in financing strategy may put short-term pressure on our credit ratings (see pages 23 and 24 of this interim report), we believe the more proactive use of this cheaper source of funds will increase the Group's value to shareholders in the long run.

By definition, an interim report provides an interim update of a company's operational results and its financial position between two annual reports. In achieving this, timeliness is critical. Thus an interim report has to be concise and focus mainly on key developments since the last annual report.

Group's Financial Results

	Six months ended 30 June 2008 HK$M	2007 HK$M	Increase/(Decrease) HK$M	%
Operating earnings	**5,254**	4,984	270	5.4
Earnings attributable to shareholders	**5,610**	6,130	(520)	(8.5)
Revenue	**27,534**	24,672	2,862	11.6
Expenses	**(21,315)**	(18,786)	2,529	13.5
Other income	**489**	1,030	(541)	
Income tax expense	**(330)**	(31)	299	

Income Tax Expense

The income tax expenses in both years benefited from the write-back of deferred tax liabilities. In 2008, there was a write-back of HK$327 million for CLP Power Hong Kong, following the reduction in the Hong Kong profits tax rate from 17.5% to 16.5% for the fiscal year 2008/09, whilst in 2007, HK$365 million related to the sale of Torrens Island Power Station (TIPS) in Australia. The overall increase in 2008 was caused by the expiry of GPEC's tax holiday and the tax on profit from the sale of SEAGas.

Other Income

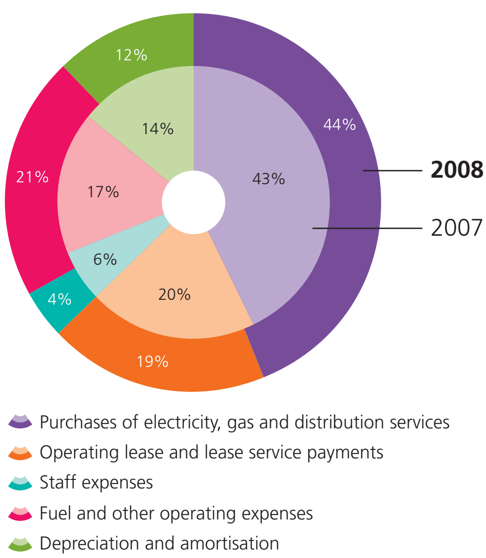
The gain in 2008 came from the sale of SEAGas, versus the gain on the injection of Ho-Ping into OneEnergy in 2007.

Expenses

The increase of HK$2.5 billion is analysed into:

- HK$1.2 billion increase in "Purchases of electricity, gas and distribution services". An average 21% increase in electricity and gas network charges in Australia was experienced, coupled with the appreciation of the Australian dollar. Moreover, electricity units purchased from Daya Bay Nuclear Power Station increased due to its higher availability in the period.
- HK$1.2 billion increase in "Fuel and other operating expenses". Shortage in long-term gas supplies in India has forced more gas to be purchased on spot and resulted in higher fuel costs. Unrealised loss from the valuation of electricity trading contracts as opposed to a significant valuation gain in 2007, due to fluctuations in Australia electricity market prices, also explains this increase. On the other hand, TRUenergy incurred HK$357 million set-up costs on IT and back-office outsourcing arrangement in 2007 but not in 2008.

Analysis of Expenses



Revenue

With a 11.6% increase coming mainly from TRUenergy and GPEC, total revenue grew to HK$27.5 billion (2007: HK$24.7 billion). Whilst TRUenergy's revenue has been inflated by the appreciating Australian dollar and the tariff increase effective January 2008, the pass-through mechanism on fuel cost has pushed up GPEC's revenue at a time of escalating fuel prices.

Earnings

	Six months ended 30 June 2008		2007		Increase/ (Decrease)	
	HK$M	HK$M	HK$M	HK$M	HK$M	%
Electricity business in Hong Kong (HK)		4,040		3,756	284	7.6
Electricity sales to Chinese mainland from HK	42		61			
Generating facilities in Chinese mainland serving HK	492		399			
Other power projects in Chinese mainland	34		62			
Energy business in Australia	31		484			
Electricity business in India	263		175			
Power projects in Southeast Asia and Taiwan	75		266			
Other earnings	454		4			
Earnings from other investments/operations		1,391		1,451	(60)	(4.1)
Unallocated net finance costs		(1)		(54)		
Unallocated Group expenses		(176)		(169)		
Operating earnings		5,254		4,984	270	5.4
Other income		423		1,030		
Coal mine subsidence and outsourcing costs of TRUenergy		(67)		(249)		
Deferred tax write-back for TIPS		–		365		
Earnings attributable to shareholders		5,610		6,130	(520)	(8.5)

Operating earnings before one-off items increased by 5.4% to HK$5,254 million, while earnings attributable to shareholders decreased by HK$520 million to HK$5,610 million. One-off items include gains arising from the sale of SEAGas in 2008 and the Ho-Ping transfer in 2007.

Ongoing investments in fixed assets for the supply of reliable electricity to the Hong Kong public and the lower interest cost (owing to the lower interest rate environment) have led the earnings of Hong Kong SoC business to grow to HK$4.0 billion, contributing about 77% of our operating earnings.

Earnings from our Chinese mainland power projects recorded a net decrease. While contributions began to flow from Fangchenggang after commencement of its commercial operations, rising coal prices and the delay in coal price linked tariff adjustment eroded earnings from our affected projects across the Mainland.

The decrease in Australian earnings reflected last year's unrealised gain of HK$367 million from the valuation of electricity trading contracts, as against this year's unrealised valuation loss of HK$160 million due to fluctuations in Australia electricity market prices. Excluding the above market price fluctuations, the operating profit in Australia improved due to an increase in the electricity retail price from January 2008 and the higher sales volume in the mass market sector.

Earnings from India increased to HK$263 million (2007: HK$175 million), primarily attributed to the foreign exchange compensation received under the power purchase agreement as a result of the depreciation of Indian Rupee since 2007 year end. GPEC has continued to operate at a high level of reliability and availability as in 2007, and in financial terms achieved similar operating profit.

Decreased contributions were seen from power projects in Southeast Asia and Taiwan, mainly because of reduced shareholding from 40% to 20% and higher coal costs at Ho-Ping as well as lower interest income from OneEnergy.

Included in "Other earnings" is the write-back of HK$389 million deferred tax for our Hong Kong business owing to a reduction in the Hong Kong profits tax rate from 17.5% to 16.5% for the fiscal year 2008/09. This is a reversal of previous years' deferred tax provision borne by shareholders when the Hong Kong profits tax rate was increased to 17.5%.

Group's Financial Position

	At 30 June 2008 HK$M	At 31 December 2007 HK$M	Increase/(Decrease) HK$M	%
Fixed assets	89,026	86,413	2,613	3.0
Interests in jointly controlled entities	18,110	17,684	426	2.4
Derivative financial instruments assets (current & non-current)	3,268	3,102	166	5.4
Derivative financial instruments liabilities (current & non-current)	2,311	2,248	63	2.8
Trade and other receivables	9,963	7,121	2,842	39.9
Bank balances, cash and other liquid funds	2,265	2,779	(514)	(18.5)
Bank loans and other borrowings (current & non-current)	31,847	28,360	3,487	12.3

See Page 22

Bank Balances, Cash and Other Liquid Funds

As at 30 June 2008, we had liquid funds of HK$2.3 billion (December 2007: HK$2.8 billion), of which 94% was denominated in foreign currency mainly held by overseas subsidiaries in India and Australia. The remainder was in Hong Kong dollars.

Trade and Other Receivables

The increase in trade and other receivables is in line with the increased revenue (as explained in the previous page) and the seasonal factor for higher sales in Hong Kong in June 2008 as compared to December 2007.

Fixed Assets and Capital Commitments

Fixed assets are the foundation of our strong asset base for the generation, transmission and distribution of electricity. In Hong Kong, we continue to invest in order to enhance our transmission and distribution network, support the city's development as well as cater for new customer demands. In the past six months, additional capital expenditure amounted to about HK$1.7 billion. Capital expenditures outside Hong Kong mainly relate to Australia, in particular the construction of the Tallawarra Power Station which is expected to be completed later in the year.

Capital commitments stood at HK$13.0 billion at 30 June 2008, mainly related to capital projects in Hong Kong and Australia.

Interests in Jointly Controlled Entities

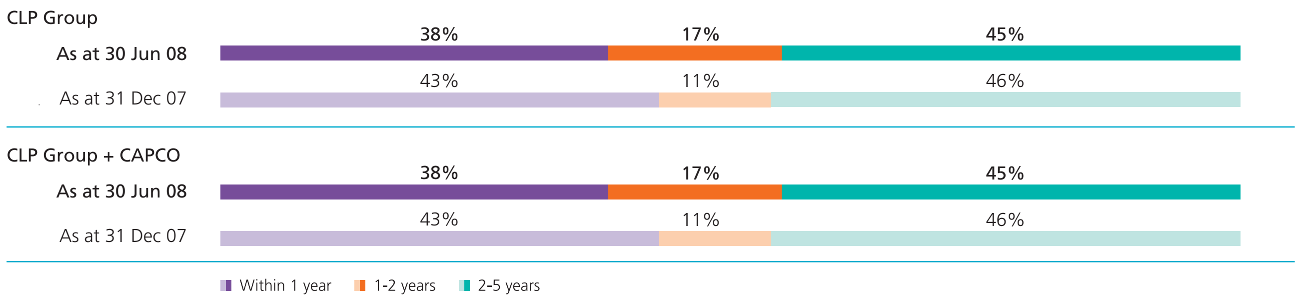
The increase in the balance is mostly attributed to increased investments in and advances to CAPCO, Roaring 40s and Jiangbian, net of the disposal of our interest in SEAGas.

Derivative Financial Instruments

As at 30 June 2008, the Group had gross outstanding derivative financial instruments amounting to HK$99.3 billion. The fair value of these derivative instruments was at a net surplus of HK$957 million, representing the net amount we would receive if these contracts were closed out on 30 June 2008. However, changes in fair value of derivatives will have no impact on cash flow until settlement. The breakdown by type and maturity profile of the derivative financial instruments is shown below:

	Notional Amount at		Fair Value Gain/(Loss)	
	30 June 2008 HK$M	31 December 2007 HK$M	**30 June 2008 HK$M**	31 December 2007 HK$M
CLP Group				
Forward foreign exchange contracts	50,018	41,425	348	(24)
Interest rate swaps	15,262	14,191	411	336
Cross currency & interest rate swaps	2,340	2,340	69	96
Renewable energy certificates	440	502	20	108
Energy hedging & trading caps & options	322	–	40	(198)
Energy hedging & trading swaps	30,935	31,578	69	536
	99,317	90,036	957	854
CAPCO				
Forward foreign exchange contracts	1,399	–	(7)	–
Interest rate swaps	2,592	2,915	(29)	(36)
	3,991	2,915	(36)	(36)
Total	103,308	92,951	921	818

Maturity Profile



From Page 20

Financing and Capital Resources

The Group engaged in new financing activities in the first half of 2008 in support of the expansion of our electricity business in Hong Kong. We continue to adopt a prudent approach to all our financing arrangements, whilst aiming to achieve diversified cost effective funding.

In June 2008, through its wholly-owned subsidiary CLP Power Hong Kong Financing Limited, CLP Power Hong Kong issued HK$340 million fixed rate notes due in 2015 with a coupon rate at 4.2%. This issue was made under the Medium Term Note (MTN) Programme set up by CLP Power Hong Kong Financing Limited in 2002. Under the MTN Programme, notes in an aggregate amount of up to US$1.5 billion may be issued and will be unconditionally and irrevocably guaranteed by CLP Power Hong Kong. As at 30 June 2008, notes with a nominal value of about HK$7.7 billion have been issued under the MTN Programme. In addition, a new bank loan facility of HK$500 million was arranged at an attractive interest rate margin during the period.

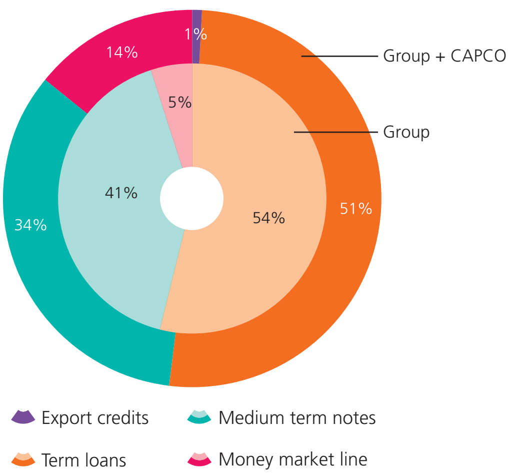
We strive to maintain an appropriate mix of committed and uncommitted facilities and solicit our facilities from a group of financial institutions with strong credit standings. The debts of our subsidiaries are without recourse to CLP Holdings. Of the Group's total borrowings, HK$620 million as at 30 June 2008 was secured by fixed and floating charges over the assets of GPEC and HK$483 million was secured by right of receipt of tariff, fixed assets and land use rights in Huaiji and Boxing Biomass. The Group's total debt to total capital ratio as at 30 June 2008 was 31.8%, decreasing to 30.2% after netting off bank balances, cash and other liquid funds at 30 June 2008. Interest cover for the six months ended 30 June 2008 was 8 times.

As at 30 June 2008, the Group's fixed rate debt as a proportion of total debt was approximately 57% (55% for the Group and CAPCO combined).

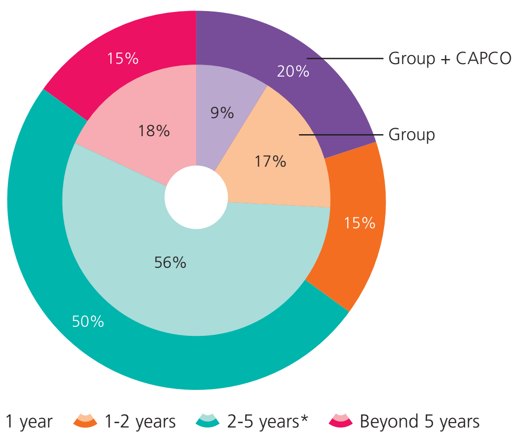
	CLP Holdings HK$M	CLP Power Hong Kong HK$M	Other Subsidiaries[2] HK$M	Group HK$M	Group + CAPCO HK$M
Available Facility[1]	8,400	17,405	20,036	45,841	53,470
Loan Balance	1,432	13,918	16,497	31,847	38,846
Undrawn Facility	6,968	3,487	3,539	13,994	14,624

Notes:
1 For the MTN Programme, only the amount of Notes issued as at 30 June 2008 was included in the total amount of Available Facility.
2 Mainly relate to TRUenergy and GPEC.

Loan Balance by Type



Maturity by Ageing

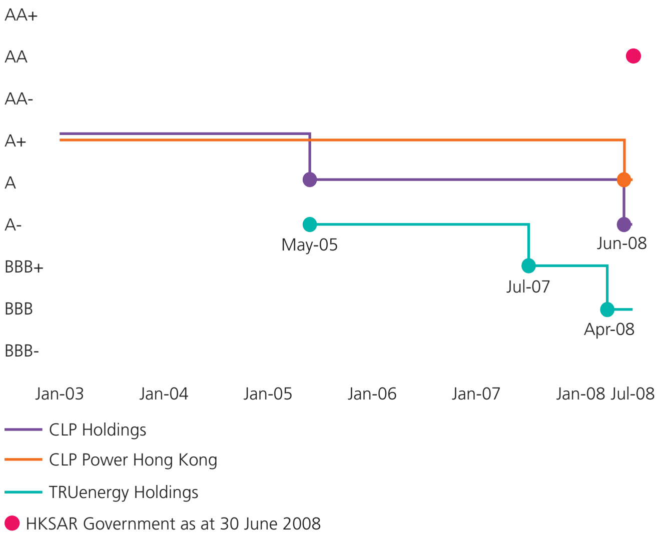


* Including loan drawdown with current tenor less than one year under revolving facility with final maturity falling between two and five years.

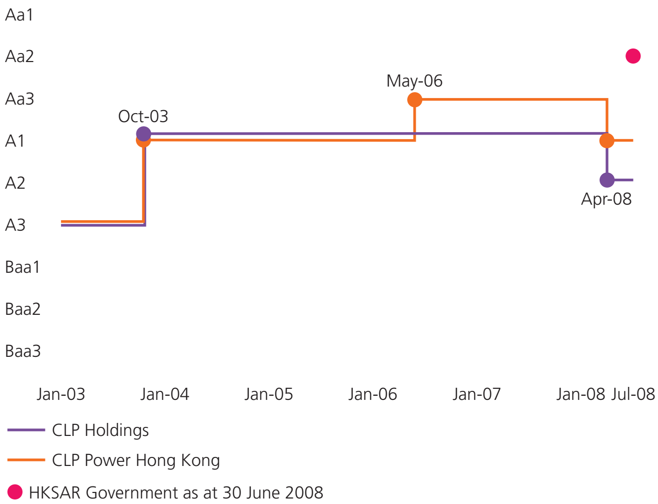
Credit Rating

All ratings of the Group's major entities are at investment grade, which can enhance our position in local and overseas business activities, including fund raising, investment and new business opportunities. CLP's prudent approach to borrowings and risk management has ensured that we have been able to maintain good investment grade credit ratings, meet all commitments to our lenders, secure adequate financing to support our operations and investments and preserve the capacity to access the financial markets to support our future funding needs.

Standard & Poor's Long-term Credit Ratings – Foreign Currency and Local Currency



Moody's Long-term Credit Ratings – Foreign Currency and Local Currency



CLP Holdings

In April 2008, Moody's lowered the long-term rating of CLP Holdings from A1 to A2 with stable outlook. Moody's opined in its report that the lower permitted rate of return under the new SoC is expected to marginally pressure the post 2008 earnings and cash flow of CLP Power Hong Kong. The downgrade in rating reflects Moody's view of the projected weakening in the financial profile of CLP Holdings and CLP Power Hong Kong, as a result of what Moody's described as CLP Group's capital management initiatives to leverage up CLP Power Hong Kong via debt-funded dividend upstream to CLP Holdings after 2008. Moody's expected that the ratings of CLP Holdings and CLP Power Hong Kong will continue to be underpinned by the stable cash flow generated by CLP Power Hong Kong.

In June 2008, S&P lowered the long-term rating of CLP Holdings from A to A- and short-term rating from A-1 to A-2. The outlook on long-term rating is stable. S&P opined that the new rating reflects the weakening credit profile of CLP Power Hong Kong arising from the new SoC returns and increase in debt gearing, weak performance of CLP Holdings' overseas investment and the resultant increase in return volatility. On the other hand, S&P recognises that CLP Holdings will continue to benefit from the strong cash flow of CLP Power Hong Kong, an increase in geographic and operation diversity, investment discipline as well as risk management practices.

Fitch re-affirmed CLP Holdings' A+ rating and revised its outlook from negative to stable in January 2008 following the signing of the new SoC, which has lifted the regulatory uncertainty surrounding CLP Holdings and CLP Power Hong Kong.

CLP Power Hong Kong

In April 2008, Moody's lowered the long-term rating of CLP Power Hong Kong from Aa3 to A1 with stable outlook. The downgrade in rating reflects Moody's view of the projected weakening in the financial profile of CLP Power Hong Kong, as a result of what Moody's described as CLP Group's capital management initiatives to leverage up CLP Power Hong Kong via debt-funded dividend upstream to CLP Holdings after 2008. Moody's considered the ratings of CLP Power Hong Kong and CLP Holdings to be closely linked and a material deterioration in one could mean rating pressure for the other.

In June 2008, S&P lowered the long-term rating of CLP Power Hong Kong from A+ to A and affirmed the A-1 short-term rating. The outlook on long-term rating is stable. S&P cited that the rating downgrade reflects the weakening financial profile of CLP Power Hong Kong from 2009, as a result of the reduction in regulatory returns and increase in debt gearing to optimise returns on regulated assets. However, S&P recognises that the still favourable regulative framework, de facto monopoly and solid operating performance of CLP Power Hong Kong will support a strong business profile.

Fitch re-affirmed the A+ rating for CLP Power Hong Kong and revised its outlook from negative to stable in January 2008 following the signing of the new SoC, which lifted the regulatory uncertainty surrounding CLP Holdings and CLP Power Hong Kong.

TRUenergy Holdings

In April 2008, S&P lowered the long-term rating of TRUenergy Holdings from BBB+ to BBB with negative outlook. S&P cited in its report that this lower rating reflects TRUenergy Holdings' weaker than expected operational performance. The rating outlook is negative, reflecting concerns on its ability to deliver its operational plan over the medium term. Should TRUenergy Holdings not deliver improved operational performance and stronger credit metrics over the next year, the rating will be lowered. The outlook could return to stable, pending enhancement of operational stability and improvement of credit metrics over the next 12 – 18 months.

Fitch affirmed its self-initiated long-term issuer default rating of BBB+ with the outlook revised from negative to stable in January 2008, in response to the same action taken on CLP Holdings.

Risk Management

The Group's investments and operations have resulted in exposure to foreign currency risks, interest rate risks, credit risks, as well as the price risks associated with the sale and purchase of electricity in Australia. We actively manage these risks by using different derivative instruments with the objective of minimising the impact of rate and price fluctuations on earnings, reserves and tariff charges to customers. We monitor our risk exposures with the assistance of a "Value-at-Risk" (VaR) methodology and stress testing techniques. Other than certain energy trading activities engaged by our Australian business, all derivative instruments are employed solely for hedging purposes.

The potential impact and risk to the Group upon the introduction of an Emissions Trading Scheme in Australia is described in Note 3 to the interim financial statements on page 30. The other risk factors faced by the Group and the management of them have been set out in details on pages 63 to 73 and pages 192 to 198 of the 2007 Annual Report.

Condensed Consolidated Income Statement – Unaudited

	Note	Six months ended 30 June 2008 HK$M	2007 HK$M
Revenue	4, 5	27,534	24,672
Expenses			
Purchases of electricity, gas and distribution services		(9,337)	(8,165)
Operating lease and lease service payments		(4,083)	(3,728)
Staff expenses		(930)	(1,025)
Fuel and other operating expenses		(4,506)	(3,268)
Depreciation and amortisation		(2,459)	(2,600)
		(21,315)	(18,786)
Other income	6	489	1,030
Operating profit	7	6,708	6,916
Finance costs	8	(2,292)	(2,338)
Finance income	8	68	81
Share of results, net of income tax			
jointly controlled entities	14	1,469	1,505
associated companies		(12)	–
Profit before income tax		5,941	6,164
Income tax expense	9	(330)	(31)
Profit for the period		5,611	6,133
Profit attributable to minority interests		(1)	(3)
Earnings attributable to shareholders		5,610	6,130
Dividends	10		
First interim paid		1,252	1,252
Second interim proposed		1,252	1,252
		2,504	2,504
Earnings per share, basic and diluted	11	HK$2.33	HK$2.55

The notes on pages 29 to 44 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Balance Sheet – Unaudited

	Note	30 June 2008 HK$M	31 December 2007 HK$M
Non-current assets			
Fixed assets	12	89,026	86,413
Leasehold land and land use rights	12	2,175	2,196
Goodwill and other intangible assets	13	8,847	8,135
Interests in jointly controlled entities	14	18,110	17,684
Interests in associated companies		314	299
Finance lease receivables		2,747	3,130
Deferred tax assets		4,224	3,915
Derivative financial instruments	15	803	675
Other non-current assets		828	552
		127,074	122,999
Current assets			
Inventories – stores and fuel		756	667
Trade and other receivables	16	9,963	7,121
Finance lease receivables		288	152
Fuel clause account		280	132
Derivative financial instruments	15	2,465	2,427
Bank balances, cash and other liquid funds		2,265	2,779
		16,017	13,278
Current liabilities			
Customers' deposits		(3,660)	(3,589)
Trade and other payables	17	(6,790)	(6,023)
Income tax payable		(444)	(237)
Bank loans and other borrowings	18	(3,021)	(2,868)
Obligations under finance leases	19	(1,382)	(1,431)
Derivative financial instruments	15	(1,779)	(1,689)
Scheme of Control (SoC) reserve accounts	20	(956)	(2,300)
		(18,032)	(18,137)
Net current liabilities		(2,015)	(4,859)
Total assets less current liabilities		125,059	118,140
Financed by:			
Equity			
Share capital		12,041	12,041
Share premium		1,164	1,164
Reserves			
Proposed dividends		1,252	2,216
Others		53,680	48,480
Shareholders' funds		68,137	63,901
Minority interests		96	95
		68,233	63,996
Non-current liabilities			
Bank loans and other borrowings	18	28,826	25,492
Obligations under finance leases	19	20,423	20,785
Deferred tax liabilities		6,161	6,344
Derivative financial instruments	15	532	559
Other non-current liabilities		884	964
		56,826	54,144
Equity and non-current liabilities		125,059	118,140

W. E. Mocatta
Vice Chairman

Andrew Brandler
Chief Executive Officer

Peter P. W. Tse
Chief Financial Officer

Hong Kong, 12 August 2008

The notes on pages 29 to 44 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity – Unaudited

	Attributable to Shareholders						
	Share Capital HK$M	Share Premium HK$M	Capital Redemption Reserve HK$M	Other Reserves HK$M	Retained Profits HK$M	Minority Interests HK$M	Total HK$M
Balance as at 1 January 2008	12,041	1,164	2,482	4,929	43,285	95	63,996
Exchange differences on translation of:							
subsidiaries	–	–	–	1,318	–	–	1,318
jointly controlled entities	–	–	–	746	–	–	746
associated companies	–	–	–	28	–	–	28
Net exchange gains not recognised in income statement	–	–	–	2,092	–	–	2,092
Cash flow hedges, net of tax	–	–	–	341	–	–	341
Net gains recognised directly in equity	–	–	–	2,433	–	–	2,433
Profit for the period	–	–	–	–	5,610	1	5,611
Total recognised income for the period	–	–	–	2,433	5,610	1	8,044
Revaluation reserves realised upon depreciation	–	–	–	(1)	1	–	–
Dividends paid							
2007 final	–	–	–	–	(2,216)	–	(2,216)
2008 interim	–	–	–	–	(1,252)	–	(1,252)
Disposal of a jointly controlled entity	–	–	–	(188)	–	–	(188)
Share of movements in reserves of jointly controlled entities	–	–	–	(143)	(8)	–	(151)
	–	–	–	(332)	(3,475)	–	(3,807)
Balance as at 30 June 2008	**12,041**	**1,164**	**2,482**	**7,030**	**45,420**	**96**	**68,233**
Balance as at 1 January 2007	12,041	1,164	2,482	1,515	38,636	78	55,916
Exchange differences on translation of:							
subsidiaries	–	–	–	1,507	–	3	1,510
jointly controlled entities	–	–	–	211	–	–	211
designated hedges	–	–	–	1	–	–	1
Net exchange gains not recognised in income statement	–	–	–	1,719	–	3	1,722
Cash flow hedges, net of tax	–	–	–	14	–	–	14
Net gains recognised directly in equity	–	–	–	1,733	–	3	1,736
Profit for the period	–	–	–	–	6,130	3	6,133
Total recognised income for the period	–	–	–	1,733	6,130	6	7,869
Revaluation reserves realised upon depreciation	–	–	–	(2)	2	–	–
Dividends paid							
2006 final	–	–	–	–	(2,192)	–	(2,192)
2007 interim	–	–	–	–	(1,252)	–	(1,252)
Share of movements in reserves of jointly controlled entities	–	–	–	243	(8)	–	235
	–	–	–	241	(3,450)	–	(3,209)
Balance as at 30 June 2007	12,041	1,164	2,482	3,489	41,316	84	60,576

Note: The proposed interim dividend as at 30 June 2008 was HK$1,252 million (30 June 2007: HK$1,252 million) and the balance of retained profits after the proposed interim dividend was HK$44,168 million (30 June 2007: HK$40,064 million).

The notes on pages 29 to 44 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Cash Flow Statement – Unaudited

	Six months ended 30 June			
	2008		2007	
	HK$M	HK$M	HK$M	HK$M
Operating activities				
Net cash inflow from operations	6,841		7,401	
Interest received	69		82	
Income tax paid	(213)		(245)	
Net cash inflow from operating activities		6,697		7,238
Investing activities				
Capital expenditure	(3,129)		(3,568)	
Capitalised interest paid	(189)		(137)	
Proceeds from disposal of fixed assets	9		15	
Additions of intangible assets	(89)		(31)	
Additions of other non-current assets	(32)		–	
Acquisition of a subsidiary	(124)		–	
Proceeds from transfer of Ho-Ping to OneEnergy	–		3,203	
Investments in jointly controlled entities	(276)		(245)	
(Increase)/decrease in advances to jointly controlled entities	(152)		497	
Dividends received from jointly controlled entities	1,382		1,589	
Net cash (outflow)/inflow from investing activities		(2,600)		1,323
Net cash inflow before financing activities		4,097		8,561
Financing activities				
Proceeds from long-term borrowings	2,695		3,171	
Repayment of long-term borrowings	(1,829)		(4,839)	
Repayment of obligations under finance leases	(801)		(1,031)	
Increase in short-term borrowings	1,040		272	
Interest and other finance costs paid	(2,191)		(2,177)	
Dividends paid	(3,468)		(3,444)	
Net cash outflow from financing activities		(4,554)		(8,048)
Net (decrease)/increase in cash and cash equivalents		(457)		513
Cash and cash equivalents at beginning of period		2,160		1,094
Effect of exchange rate changes		51		150
Cash and cash equivalents at end of period		1,754		1,757
Analysis of balances of cash and cash equivalents				
Short-term investments		200		–
Deposits with banks		1,155		1,845
Cash at banks and on hand		910		495
Bank balances, cash and other liquid funds		2,265		2,340
Excluding cash restricted for specific purposes		(511)		(583)
		1,754		1,757

The notes on pages 29 to 44 are an integral part of these condensed consolidated interim financial statements.

1. General Information

The Company, CLP Holdings Limited, and its subsidiaries are collectively referred to as the Group in the condensed consolidated interim financial statements. The Company is a limited liability company incorporated and listed in Hong Kong. The principal activity of the Company is investment holding whilst the principal activities of the subsidiaries are the generation and supply of electricity in Hong Kong, Australia and India, and investment holding of power projects in the Chinese mainland, Southeast Asia and Taiwan.

The financial operations of the Company's major subsidiary, CLP Power Hong Kong Limited (CLP Power Hong Kong), and its jointly controlled entity, Castle Peak Power Company Limited (CAPCO), are governed by a Scheme of Control (SoC) Agreement entered into with the Hong Kong Government. Our electricity business in Hong Kong is therefore also referred to as the SoC business.

The current SoC Agreement will expire on 30 September 2008. On 7 January 2008, CLP Power Hong Kong and CAPCO (SoC Companies) signed an agreement with the Hong Kong Government on the terms of a new SoC which will come into effect on 1 October 2008, immediately following the expiry of the current SoC. The key changes of the new SoC are set out as follows:

- The tenure of the new SoC is 10 years, with Government having the right to extend by five years on the same terms to 30 September 2023. In the event that the five years extension option is not exercised by Government, the SoC Companies will continue to earn the permitted return until 30 September 2023 on Government's approved investments.
- The annual permitted return on average net fixed assets other than renewable energy investments is reduced to 9.99%, compared to the current 13.5% for those investments financed by borrowings and 15% for those financed by shareholders' funds. The annual permitted return for renewable energy investments is 11%.

More details of the new SoC can be found on page 191 of the 2007 Annual Report.

The condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 12 August 2008.

2. Basis of Preparation

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

The accounting policies used in the preparation of this set of condensed consolidated interim financial statements are consistent with those set out in the Group's annual financial statements for the year ended 31 December 2007, except that the Group has adopted the following new HKFRS interpretations:

- HK(IFRIC)-Int 11 "HKFRS 2 – Group and Treasury Share Transactions",
- HK(IFRIC)-Int 12 "Service Concession Arrangements", and
- HK(IFRIC)-Int 14 "HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction".

The above new HKFRS interpretations either are irrelevant or have no material effect on the Group's interim financial statements.

The preparation of the financial statements in conformity with Hong Kong Financial Reporting Standards (HKFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Those areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's consolidated interim financial statements are set out on pages 151 and 152 of the 2007 Annual Report.

3. Financial Risk

Recent developments in Australia on Climate Change policy have posed significant financial risk to the Group, with the release in July of the draft Garnaut Climate Change Review Report (the "Garnaut Report") and the Government's Carbon Pollution Reduction Scheme Green Paper (the "Green Paper"). Both reports advocate the introduction of an Emissions Trading Scheme (ETS) by 2010.

The Garnaut Climate Change Review was commissioned by the Australian Government to examine the impact of climate change on the Australian economy and to recommend medium to long-term policies and policy frameworks. However, it does not represent policy decisions of the Government. The Green Paper, issued for public consultation, outlined the proposed structure of the ETS. It also proposed to provide a limited amount of direct assistance to coal-fired electricity generators upon the introduction of the ETS, but without specifying the quantity or nature of the assistance. The Government, after receiving the feedback from stakeholders, intends to issue a white paper in December 2008, which should represent the Government's final policy.

The introduction of the ETS may have a major impact on TRUenergy's business, in particular on Yallourn's brown coal-fired generation business. However, there remains significant uncertainty regarding the introduction of the ETS as the Garnaut Report and the Green Paper are only two of the many inputs into the Government's decision making process. As such, the introduction of the ETS presents an unquantifiable but potentially material market risk to the Group. At 30 June 2008, no impact of the ETS has been reflected in the Group's interim financial statements (including impairment model cash flows, or discount rate assumptions) on the basis that there is currently significant uncertainty in relation to the likely structure and impact of the ETS.

Other significant financial risk factors and their management are set out on pages 192 to 198 of the 2007 Annual Report.

Interim financial statements are a set of "condensed" financial statements which include fewer disclosures than the full set for the whole year. However, the current financial information presented represents our due selection of disclosures (on top of the minimum prescribed disclosures) which we believe are the most important ones for readers to grasp the changes of the Group since last December. To comprehend our interim financial statements more effectively, we suggest readers to read these statements together with our 2007 Annual Report.

4. Segment Information

The Group operates, through its subsidiaries, jointly controlled entities and associated companies, in five major geographical regions – Hong Kong, Australia, the Chinese mainland, India, and Southeast Asia and Taiwan. As substantially all the principal activities of the Group are for the generation and supply of electricity and these businesses are managed and operated on an integrated basis in each region, neither a business analysis nor a separate disclosure on generation and supply businesses is presented.

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

	Hong Kong HK$M	Australia HK$M	Chinese Mainland HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Unallocated Items HK$M	Total HK$M
Six months ended 30 June 2008							
Revenue	15,074	10,069	75	2,301	13	2	27,534
Segment results	5,608	905	(32)	413	–	(186)	6,708
Share of results, net of income tax							
jointly controlled entities	890	(5)	509 [(a)]	–	75	–	1,469
associated companies	–	(12)	–	–	–	–	(12)
Profit/(loss) before net finance costs and income tax	6,498	888	477	413	75	(186)	8,165
Finance costs							(2,292)
Finance income							68
Profit before income tax							5,941
Income tax expense							(330)
Profit for the period							5,611
Profit attributable to minority interests							(1)
Earnings attributable to shareholders							5,610
Six months ended 30 June 2007							
Revenue	14,409	8,829	62	1,338	33	1	24,672
Segment results	5,402	512	(45)	179	1,052	(184)	6,916
Share of results of jointly controlled entities, net of income tax	691	31	528 [(a)]	–	255	–	1,505
Profit/(loss) before net finance costs and income tax	6,093	543	483	179	1,307	(184)	8,421
Finance costs							(2,338)
Finance income							81
Profit before income tax							6,164
Income tax expense							(31)
Profit for the period							6,133
Profit attributable to minority interests							(3)
Earnings attributable to shareholders							6,130

Note (a): Including HK$436 million (2007: HK$399 million) attributed to investments in Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) and Hong Kong Pumped Storage Development Company, Limited (PSDC), whose generating facilities serve Hong Kong.

5. Revenue

	Six months ended 30 June 2008 HK$M	2007 HK$M
Sales of electricity	21,401	20,457
Lease service income[(a)]	2,067	1,104
Finance lease income	234	233
Sales of gas	2,484	1,655
Other revenue	355	278
	26,541	23,727
Transfer from Development Fund[(b)]	993	945
	27,534	24,672

Notes:

(a) In accordance with HKFRS-Int 4, servicing income and fuel costs received from lessees with respect to the leased assets are not part of the minimum lease payments under finance lease and are recognised as lease service income.

(b) Pursuant to the SoC Agreement, if the gross tariff revenue in Hong Kong in any year exceeds or is less than the total of the operating costs, permitted return and taxation charges, such excess shall be added to, or such deficiency shall be deducted from, the Development Fund (Note 20).

6. Other Income

	Six months ended 30 June 2008 HK$M	2007 HK$M
Gain on sale of SEAGas[(note)]	489	–
Gain on transfer of Ho-Ping to OneEnergy	–	1,030
	489	1,030

Note: In June 2008, the Group sold its entire 33 1/3% interest in SEAGas, a jointly controlled entity in Australia, for a cash consideration of HK$880 million (A$117 million).

7. Operating Profit

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

	Six months ended 30 June 2008 HK$M	2007 HK$M
Charging		
Staff costs		
Salaries and other costs	864	956
Retirement benefits costs	66	69
Net loss on disposal of fixed assets	67	61
Coal mine subsidence of TRUenergy	96	–
Initial outsourcing costs and related assets write-down of TRUenergy	–	357
Net fair value loss/(gain) on derivative financial instruments		
Cash flow hedges, transfer from equity	160	(16)
Fair value hedges	27	33
Transactions not qualifying as hedges	170	(438)
Crediting		
Other net exchange gains	(15)	(12)

8. Finance Costs and Income

	Six months ended 30 June 2008 HK$M	2007 HK$M
Finance costs:		
Interest expenses on		
bank loans and overdrafts	454	467
other borrowings		
– wholly repayable within five years	49	63
– not wholly repayable within five years	290	259
finance charges under finance leases[a]	1,597	1,522
Development Fund[b]	59	94
customers' deposits and others	2	52
Other finance charges	26	21
Fair value gain on derivative financial instruments under cash flow hedges, transfer from equity	(2)	(6)
	2,475	2,472
Less: amount capitalised	(183)	(134)
	2,292	2,338
Finance income:		
Interest income on short-term investments and bank deposits	68	81

8. Finance Costs and Income (continued)

Notes:

(a) Finance charges under finance lease primarily relate to contingent rent in respect of the power purchase arrangement between CLP Power Hong Kong and CAPCO accounted for as finance lease in accordance with HKFRS-Int 4.

(b) In accordance with the provisions of the SoC Agreement, CLP Power Hong Kong is required to credit, to a Rate Reduction Reserve in its financial statements, a charge of 8% per annum on the sum of the average balance of the Development Fund (Note 20).

9. Income Tax

Income tax in the condensed consolidated income statement represents the income tax of the Company and subsidiaries and is analysed below:

	Six months ended 30 June	
	2008 HK$M	**2007 HK$M**
Current income tax		
Hong Kong	355	268
Outside Hong Kong	65	32
	420	300
Deferred tax		
Hong Kong (note)	(230)	131
Outside Hong Kong	140	(400)
	(90)	(269)
	330	31

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) 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.

Note: Including a write-back of deferred tax liabilities of HK$327 million (2007: nil) as the Hong Kong profits tax rate has been reduced from 17.5% to 16.5% for the fiscal year 2008/09.

The interim provision for income tax is based on the estimated annual effective tax rate on the interim profit, rather than the interim effective tax rate.

10. Dividends

	Six months ended 30 June			
	2008		2007	
	HK$ per share	**HK$M**	HK$ per share	HK$M
First interim dividend paid	**0.52**	**1,252**	0.52	1,252
Second interim dividend proposed	**0.52**	**1,252**	0.52	1,252
	1.04	**2,504**	1.04	2,504

At the Board meeting held on 12 August 2008, the Directors declared the second interim dividend of HK$0.52 per share. The second interim dividend is not reflected as a dividend payable in the interim financial statements, but as a separate component of the shareholders' funds at 30 June 2008.

11. Earnings per Share

The earnings per share are computed as follows:

	Six months ended 30 June	
	2008	2007
Earnings attributable to shareholders (HK$M)	**5,610**	6,130
Weighted average number of shares in issue (thousand shares)	**2,408,246**	2,408,246
Earnings per share (HK$)	**2.33**	2.55

Basic and fully diluted earnings per share are the same as the Company did not have any dilutive equity instruments throughout the six months ended 30 June 2008 (2007: nil).

12. Fixed Assets, Leasehold Land and Land Use Rights

Fixed assets, leasehold land and land use rights totalled HK$91,201 million at 30 June 2008 (31 December 2007: HK$88,609 million). Movements in the accounts are as follows:

	Fixed Assets					Leasehold Land and Land Use Rights[b]
	Freehold Land and Buildings		Plant, Machinery and Equipment			
	Owned HK$M	Leased[a] HK$M	Owned HK$M	Leased[a] HK$M	Total HK$M	HK$M
Net book value, as at 1 January 2008	7,442	4,823	56,827	17,321	86,413	2,196
Acquisition of a subsidiary	320	–	28	–	348	–
Additions	241	16	2,475	369	3,101	1
Transfers and disposals	(7)	(7)	(40)	(40)	(94)	–
Depreciation/amortisation	(113)	(131)	(1,520)	(532)	(2,296)	(25)
Exchange differences	76	–	1,475	3	1,554	3
Net book value, as at 30 June 2008	**7,959**	**4,701**	**59,245**	**17,121**	**89,026**	**2,175**
Cost	10,552	9,658	91,926	36,249	148,385	2,417
Accumulated depreciation/amortisation and impairment	(2,593)	(4,957)	(32,681)	(19,128)	(59,359)	(242)
Net book value, as at 30 June 2008	**7,959**	**4,701**	**59,245**	**17,121**	**89,026**	**2,175**

Notes:

(a) The above leased assets mainly include CAPCO's operational plant and associated fixed assets, which are deployed for the generation of electricity supply to CLP Power Hong Kong under the Electricity Supply Contract between the two parties. This arrangement has been accounted for as a finance lease in accordance with HKFRS-Int 4. The net book value of these leased fixed assets amounted to HK$21,776 million as at 30 June 2008 (31 December 2007: HK$22,116 million).

(b) Leasehold land is mainly held under medium-term (10 – 50 years) leases in Hong Kong. Leasehold land is considered under the SoC Agreement as one type of fixed assets on which permitted return is earned.

13. Goodwill and Other Intangible Assets

	Goodwill HK$M	Other Intangible Assets HK$M	Total HK$M
Net carrying value, as at 1 January 2008	6,648	1,487	8,135
Acquisition of a subsidiary	2	–	2
Additions	–	89	89
Amortisation	–	(138)	(138)
Exchange differences	621	138	759
Net carrying value, as at 30 June 2008	**7,271**	**1,576**	**8,847**
Cost	7,271	2,242	9,513
Accumulated amortisation	–	(666)	(666)
Net carrying value, as at 30 June 2008	**7,271**	**1,576**	**8,847**

Other intangible assets mainly include contracted customers and a lease arrangement under the long-term hedge agreement with Ecogen arising from the acquisition of the Merchant Energy Business in May 2005.

14. Interests in Jointly Controlled Entities

	30 June 2008 HK$M	31 December 2007 HK$M
Share of net assets other than goodwill	**10,904**	10,292
Goodwill	**406**	768
Advances	**6,722**	6,546
Special loan	**78**	78
	18,110	17,684

14. Interests in Jointly Controlled Entities (continued)

The Group's interests in jointly controlled entities are analysed as follows:

	30 June 2008 HK$M	31 December 2007 HK$M
CAPCO	6,887	6,474
GNPJVC	2,222	2,297
OneEnergy Limited	2,491	2,454
CLP Guohua Power Company Limited	1,497	1,432
Shandong Zhonghua Power Company, Limited	1,156	1,122
Roaring 40s Renewable Energy Pty Ltd	1,152	900
CLP Guangxi Fangchenggang Power Company Limited	1,018	947
Guizhou CLP Power Company Limited	508	524
PSDC	332	338
Others	847	1,196
	18,110	17,684

The above balances include advances and a special loan to CAPCO in the aggregate of HK$6,486 million (31 December 2007: HK$6,287 million).

The Group's share of net assets of the jointly controlled entities is as follows:

	30 June 2008 HK$M	31 December 2007 HK$M
Non-current assets	31,374	31,729
Current assets	8,473	6,538
Current liabilities	(7,157)	(6,642)
Non-current liabilities	(20,732)	(19,919)
Minority interests	(648)	(646)
Net assets	11,310	11,060

14. Interests in Jointly Controlled Entities (continued)

The Group's share of results of the jointly controlled entities is as follows:

	Six months ended 30 June 2008 HK$M	2007 HK$M
Income	6,538	5,701
Expenses	(4,860)	(3,864)
Profit before income tax	1,678	1,837
Income tax expense	(163)	(272)
Minority interests	(46)	(60)
Share of profit for the period	1,469	1,505

15. Derivative Financial Instruments

	30 June 2008		31 December 2007	
	Assets HK$M	Liabilities HK$M	Assets HK$M	Liabilities HK$M
Cash flow hedges				
Forward foreign exchange contracts	411	81	145	170
Interest rate swaps	462	51	400	64
Energy contracts	491	812	750	789
Fair value hedge				
Cross currency & interest rate swap	69	–	132	36
Held for trading or not qualifying as hedges				
Forward foreign exchange contracts	32	14	12	11
Energy contracts	1,803	1,353	1,663	1,178
	3,268	2,311	3,102	2,248
Analysed as:				
Current	2,465	1,779	2,427	1,689
Non-current	803	532	675	559
	3,268	2,311	3,102	2,248

16. Trade and Other Receivables

	30 June 2008 HK$M	31 December 2007 HK$M
Trade receivables[a]	7,314	5,473
Deposits, prepayments and other receivables	2,506	1,598
Dividends receivable from jointly controlled entities	101	5
Current accounts with jointly controlled entities	42	45
	9,963	7,121

The ageing analysis of the trade receivables is as follows:

	30 June 2008				31 December 2007			
	Not impaired HK$M	Impaired HK$M	Provision for impairment HK$M	Total HK$M	Not impaired HK$M	Impaired HK$M	Provision for impairment HK$M	Total HK$M
Not yet due	6,775	31	(19)	6,787	4,876	36	(17)	4,895
Overdue								
1 – 30 days	279	40	(31)	288	278	25	(14)	289
31 – 90 days	51	81	(56)	76	118	44	(28)	134
Over 90 days[b]	11	366	(214)	163	20	355	(220)	155
	7,116	518	(320)	7,314	5,292	460	(279)	5,473

Notes:

(a) The Group has established credit policies for customers in each of its core businesses. CLP Power Hong Kong's credit policy in respect of receivables arising from its principal electricity business is to allow customers to settle their electricity bills within two weeks after issue. Customers' receivable balances are generally secured by cash deposits or bank guarantees. For subsidiaries outside Hong Kong, the credit term for trade receivables ranges from about 30 to 60 days.

(b) Receivables overdue over 90 days mainly relate to balances in Australia and India.

17. Trade and Other Payables

	30 June 2008 HK$M	31 December 2007 HK$M
Trade payables[a]	2,886	2,772
Other payables and accruals	2,454	2,503
Current accounts with jointly controlled entities[b]	1,450	748
	6,790	6,023

17. Trade and Other Payables (continued)

Notes:

(a) The ageing analysis of the trade payables is as follows:

	30 June 2008 HK$M	31 December 2007 HK$M
Below 30 days (including amount not yet due)	2,876	2,762
31 – 90 days	3	3
Over 90 days	7	7
	2,886	2,772

(b) Of the amounts payable to jointly controlled entities, HK$1,145 million (31 December 2007: HK$507 million) was due to CAPCO.

18. Bank Loans and Other Borrowings

	30 June 2008 HK$M	31 December 2007 HK$M
Current		
Short-term bank loans	1,646	606
Long-term bank loans	1,375	2,262
	3,021	2,868
Non-current		
Long-term bank loans	15,841	13,260
Other long-term borrowings		
MTN programme (USD) due 2012	2,415	2,455
MTN programme (HKD) due 2013 to 2015	3,340	3,000
MTN programme (HKD) due 2016	1,000	1,000
MTN programme (HKD) due 2017	1,000	1,000
Electronic Promissory Notes (EPN) and MTN programme (AUD) due 2012	4,855	4,435
EPN and MTN programme (AUD) due 2015	375	342
	28,826	25,492
Total borrowings	31,847	28,360

19. Obligations under Finance Leases

The Group's obligations under finance leases arise from the power purchase arrangements which are accounted for as finance leases in accordance with HKFRS-Int 4. As at 30 June 2008, the Group's obligations represented predominantly its arrangement with CAPCO in respect of the operational plant and associated fixed assets of the Hong Kong electricity business.

20. SoC Reserve Accounts

The Development Fund and Rate Reduction Reserve of the Group's major subsidiary, CLP Power Hong Kong, are collectively referred to as SoC reserve accounts in the condensed consolidated balance sheet. The respective balances at the end of the period/year are:

	30 June 2008 HK$M	31 December 2007 HK$M
Development Fund	826	2,117
Rate Reduction Reserve	130	183
	956	2,300

21. Commitments

(A) Capital expenditure on fixed assets, leasehold land and land use rights, as well as intangible assets authorised but not brought into the interim financial statements is as follows:

	30 June 2008 HK$M	31 December 2007 HK$M
Contracted but not provided for	5,174	5,361
Authorised but not contracted for	7,864	6,917
	13,038	12,278

(B) The Group has entered into a number of joint venture arrangements to develop power projects in the Chinese mainland. As at 30 June 2008, remaining equity contributions of HK$998 million (31 December 2007: HK$1,212 million) would be required to be made by the Group.

(C) CLP Power Hong Kong has a commitment to provide the necessary shareholder's advances to CAPCO for financing the installation of emissions control facilities at Castle Peak "B" Power Station. The funding commitment is contingent upon the serving of advance notice from ExxonMobil Energy Limited to CLP Power Hong Kong with the effective date falling within the period from 2 October 2008 to three months after the commissioning of the first unit of the emissions control facilities. The maximum shareholder advances, if requested, are estimated to be HK$5,734 million (31 December 2007: HK$5,364 million) and expected to occur in 2011.

22. Related Party Transactions

Below are the more significant transactions with related parties for the period ended 30 June:

(A) Purchases of electricity and gas from jointly controlled entities and associated companies

(i) Details of electricity supply contracts relating to the electricity business in Hong Kong with jointly controlled entities are shown below:

	Six months ended 30 June	
	2008	2007
	HK$M	HK$M
Lease and lease service payment to CAPCO	**6,381**	6,273
Purchases of nuclear electricity	**2,312**	1,983
Pumped storage service fee	**187**	175
	8,880	8,431

(ii) Gascor Pty Ltd (Gascor), is a party to a gas supply contract in Victoria with Esso Australia Resources Pty Ltd (Esso) and BHP Billiton Petroleum (Bass Strait) Pty Ltd (BHP). The contract terms between Gascor and Esso/BHP are effectively replicated in the Master Agreement between TRUenergy and Gascor. TRUenergy purchases gas at the wholesale market price from Gascor, which in turn obtains the gas from Esso and BHP. The amount paid to Gascor during the period was HK$294 million (2007: HK$515 million).

Amounts due to the related parties as at 30 June 2008 are disclosed in Note 17.

(B) Rendering of services to jointly controlled entities

Pursuant to the CAPCO Operating Service Agreement, the charges from CLP Power Hong Kong to CAPCO for the services rendered during the period amounted to HK$518 million (2007: HK$538 million).

Amounts due from the related parties as at 30 June 2008 are disclosed in Note 16. No provisions have been made for doubtful debts in respect of the amounts owed by the related parties.

(C) The loan and advances made to jointly controlled entities are disclosed under Note 14. As at 30 June 2008, the Group did not have any guarantees which were of significant amount given to or received from these entities.

22. Related Party Transactions (continued)

(D) The total remuneration of the key management personnel is shown below:

	Six months ended 30 June	
	2008 HK$M	2007 HK$M
Fees	4	3
Base compensation, allowances and benefits in kind	29	21
Performance bonus		
Annual incentive	27	25
Long-term incentive	7	13
Provident fund contributions	3	2
	70	64

Key management personnel at 30 June 2008 comprised seventeen (2007: eighteen) Non-executive Directors, three (2007: three) Executive Directors and seven (2007: seven) senior management personnel.

23. Contingent Liabilities

Under the original power purchase agreement between GPEC and its off-taker Gujarat Urja Vikas Nigam Ltd. (GUVNL), GUVNL was required to make a "deemed generation incentive" payment to GPEC when the plant availability was above 68.5% (70% as revised subsequently). GUVNL has been making such payments since December 1997. In September 2005, GUVNL filed a petition before the Gujarat Electricity Regulatory Commission claiming that the "deemed generation incentive" payment should not be paid for the period when the plant was declared with its availability 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 amounts to about HK$1,328 million (31 December 2007: HK$1,437 million).

On the basis of legal advice that has been sought, the Directors are of the opinion that no provision is required to be made in the financial statements in respect of this matter.

Report on Review of Interim Financial Statements

To the Board of Directors of CLP Holdings Limited

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 25 to 44 which comprise the condensed consolidated balance sheet of CLP Holdings Limited (the "Company") and it subsidiaries (together, the "Group") as at 30 June 2008 and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material aspects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 12 August 2008

Scheme of Control Statement – Unaudited

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 200 in the 2007 Annual Report. The calculations shown below are in accordance with this SoC and the agreements between the SoC Companies.(note)

	Six months ended 30 June	
	2008 HK$M	2007 HK$M
SoC Revenue	13,958	13,362
Expenses		
Operating costs	1,718	1,601
Fuel	2,763	2,385
Purchases of nuclear electricity	2,312	1,983
Depreciation	1,891	2,182
Operating interest	267	388
Taxation	769	786
	9,720	9,325
Profit after taxation	4,238	4,037
Interest on increase in customers' deposits	2	18
Interest on long-term financing	308	379
Adjustments required under the SoC (including share of profit on sale of electricity to Chinese mainland attributable to the SoC Companies)	(66)	(95)
Profit for SoC	4,482	4,339
Transfer from Development Fund	993	945
Permitted return	5,475	5,284
Deduct interest		
On increase in customers' deposits	2	18
On long-term financing as above	308	379
On Development Fund transferred to Rate Reduction Reserve	59	94
	369	491
Net Return	5,106	4,793
Divisible as follows:		
CLP Power Hong Kong	3,325	3,061
CAPCO	1,781	1,732
	5,106	4,793
CLP Power Hong Kong's share of net return		
CLP Power Hong Kong	3,325	3,061
Interest in CAPCO	715	695
	4,040	3,756

Note: The new SoC Agreement will become effective 1 October 2008, immediately following the expiry of the current SoC Agreement on 30 September 2008. Please refer to Note 1 to the condensed consolidated interim financial statements on page 29 for more details of the new SoC.

Corporate Governance

Corporate Governance Practices

In the Corporate Governance Report dated 28 February 2008, which was published in our 2007 Annual Report, we reported that the Company had adopted its own Code on Corporate Governance (CLP Code) on 28 February 2005, which incorporated all of the Code Provisions and Recommended Best Practices in the "Code on Corporate Governance Practices" issued by the Hong Kong Stock Exchange (the Stock Exchange Code), save for one exception.

This single deviation from the Recommended Best Practices of the Stock Exchange Code relates to the recommendation that an issuer should announce and publish quarterly financial results. CLP issues quarterly statements which set out key financial and business information such as revenue, electricity sales, interim dividends and progress in major business activities over the quarter. However, CLP does not issue quarterly financial results. The reason is a judgment that, as a matter of principle and practice, quarterly reporting does not bring significant benefits to shareholders. The considered reasons for this deviation were stated in the Corporate Governance Report on page 104 of the Company's 2007 Annual Report.

In the Corporate Governance Report we also described the structure of CLP's Corporate Governance Framework and how the various key players are involved in ensuring the application of good governance practices and policies within the CLP Group. The progress made in 2007 in the evolution of CLP's corporate governance practices was set out in the Corporate Governance Report on page 105 of the Company's 2007 Annual Report. In 2008, we made further progress in our corporate governance practices, including publishing a "Shareholders' Guide" which collects and answers the most frequently asked questions with regard to the rights of CLP shareholders and the way in which they can best exercise and enjoy those rights.

During the first half of 2008, there have been a number of changes to the Board. Mr. Paul A. Theys was appointed a Non-executive Director effective from 1 January 2008. Dr. William K. Fung retired as an Independent Non-executive Director with effect from 1 April 2008 and Mr. J. S. Dickson Leach retired as a Non-executive Director effective from 29 April 2008. Ms. Marjorie M. T. Yang was appointed an Independent Non-executive Director with effect from 1 June 2008.

As at 30 June 2008 the composition of the Board of CLP Holdings was as follows:

Non-executive Directors	Independent Non-executive Directors	Executive Directors
The Honourable Sir Michael Kadoorie	The Honourable Sir Sze Yuen Chung	Mr. Andrew Clifford Winawer Brandler
Mr. William Elkin Mocatta	Mr. Vernon Francis Moore	Mr. Tse Pak Wing Peter
Mr. Ronald James McAulay	Mr. Loh Chung Hon Hansen	Mr. Peter William Greenwood
Mr. John Andrew Harry Leigh	Mr. Kan Man Lok Paul	
Mr. Rudolf Bischof	Professor Tsui Lam Sin Lai Judy	
Mr. Ian Duncan Boyce	Sir Roderick Ian Eddington	
Mr. Jason Holroyd Whittle	Mr. Lee Ting Chang Peter	
Dr. Lee Yui Bor	Ms. Yang Mun Tak Marjorie	
Mr. Paul Arthur Theys		

Directors' biographies are set out on CLP's website.

The composition of Board Committees remains the same as set out in the Corporate Governance Report (pages 110, 111 and 118), save for the following changes:

- The Regulatory Affairs Committee was abolished with effect from 1 March 2008, and all significant matters relating to the regulatory regime for the Hong Kong electricity business are considered by the full Board.
- The name of the Social, Environmental & Ethics Committee was changed to Sustainability Committee effective from 1 April 2008.
- Dr. William K. Fung resigned as a member of the Nomination Committee and the Sustainability Committee, following his retirement as an Independent Non-executive Director on 1 April 2008.
- Mr. Hansen C. H. Loh was appointed a member of the Nomination Committee with effect from 1 April 2008.

In respect of the year ended 31 December 2007, the Board considered CLP's internal control system effective and adequate. During the six months ended 30 June 2008, no significant areas of concern that might affect shareholders were identified. One out of the 12 reports on the Group's affairs submitted by Group Internal Audit during this period carried an unsatisfactory audit opinion. The issues arising from the audit are being addressed. Details of the standards, processes and effectiveness of CLP's internal control system were set out in the Corporate Governance Report on pages 114 to 116 of the Company's 2007 Annual Report.

During the six months ended 30 June 2008 the Company met the Code Provisions set out in the Stock Exchange Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules).

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial statements for the six months ended 30 June 2008. All of the Audit Committee members are appointed from the Independent Non-executive Directors, with the Chairman and one member having appropriate professional qualifications and experience in financial matters.

At the Company's Annual General Meeting held on 29 April 2008, shareholders approved the re-appointment of PricewaterhouseCoopers as the Company's External Auditors for the financial year ended 31 December 2008.

Interests in CLP Holdings' Securities

Since 1989, the Company has adopted its own Code for Securities Transactions by Directors (CLP Securities Code), which is largely based on the Model Code set out in Appendix 10 of the Listing Rules. The CLP Securities Code also applies to Senior Management (comprising the three Executive Directors, Group Director – Managing Director Hong Kong, Group Director – Managing Director Australia, Managing Director – China, Managing Director – India, Chief Executive Officer – OneEnergy Limited, Group Director – Operations and Group Director – Corporate Finance and Development, whose biographies are set out on CLP's website) and other "Specified Individuals" such as senior managers in the CLP Group. The CLP Securities Code has been updated from time to time to reflect new regulatory requirements as well as CLP Holdings' strengthened regime of disclosure of interests in its securities.

The current CLP Securities Code is on terms no less exacting than the required standard set out in the Model Code.

All Directors and Senior Management have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and CLP Securities Code throughout the period from 1 January to 30 June 2008.

Save for the shareholdings disclosed below by the three Executive Directors and the 600 shares held by Group Director – Operations, the other Senior Management did not have any interests in CLP Holdings' securities as at 30 June 2008.

Interests of Directors and Chief Executive Officer

The interests/short positions of each of the Directors and Chief Executive Officer in the shares, underlying shares and debentures of the Company or any of the Company's associated corporations (within the meaning of the Securities and Futures Ordinance) as at 30 June 2008, as recorded in the register required to be kept under Section 352 of Part XV of the Securities and Futures Ordinance, are set out in the table and explanatory notes below:

1. **Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations**

   The interests of Directors and Chief Executive Officer in the shares of the Company (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds) as at 30 June 2008 were as follows:

Directors	Capacity	Total Interests in Number of Ordinary Shares of the Company	% of the Issued Share Capital of the Company
The Hon. Sir Michael Kadoorie	Note (a)	475,381,026	19.73972
Mr. W. E. Mocatta	Founder of a discretionary trust	250,000	0.01038
Mr. R. J. McAulay	Note (b)	439,800,565	18.26228
The Hon. Sir S. Y. Chung	Beneficial owner	393,789	0.01635
Mr. J. A. H. Leigh	Note (c)	402,050,991	16.69476

Directors	Capacity	Total Interests in Number of Ordinary Shares of the Company	% of the Issued Share Capital of the Company
Mr. R. Bischof	Beneficial owner	50,000	0.00208
Mr. Andrew Brandler (Chief Executive Officer)	Note (d)	10,600	0.00044
Mr. Peter P. W. Tse	Note (e)	20,600	0.00086
Dr. Y. B. Lee	Note (f)	15,806	0.00066
Mr. Jason Whittle	Note (g)	238,409,771	9.89973
Mr. Peter W. Greenwood	Beneficial owner	600	0.00002

Notes:

(a) The Hon. Sir Michael Kadoorie was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 475,381,026 shares in the Company. These shares were held in the following capacity:

i) 1,243 shares were held by his spouse, Lady Kadoorie in a personal capacity.

ii) 236,335,571 shares were ultimately held by discretionary trusts, of which The Hon. Sir Michael Kadoorie is one of the beneficiaries and/or discretionary objects.

iii) 239,044,212 shares were ultimately held by discretionary trusts, of which The Hon. Sir Michael Kadoorie is one of the beneficiaries and the founder.

For the purpose of the Securities and Futures Ordinance, the spouse of The Hon. Sir Michael Kadoorie was taken to have a discloseable duty in Hong Kong in relation to the shares referred to in (ii) and (iii) above. The spouse of The Hon. Sir Michael Kadoorie was therefore deemed to be interested in 475,381,026 shares in the Company representing approximately 19.74% of the issued share capital of the Company, of which 1,243 shares were held by her in a personal capacity and 236,335,571 and 239,044,212 shares were attributed to her pursuant to the Securities and Futures Ordinance for disclosure purposes. Nevertheless, she has no interest, legal or beneficial, in these 236,335,571 and 239,044,212 shares attributed to her for disclosure purposes.

(b) Mr. R. J. McAulay was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 439,800,565 shares in the Company. These shares were held in the following capacity:

i) 13,141 shares were held in a personal capacity.

ii) 236,335,571 shares were ultimately held by discretionary trusts, of which Mr. R. J. McAulay is one of the discretionary objects.

iii) 203,451,853 shares were ultimately held by a discretionary trust, of which Muriel, Lady Kadoorie, mother-in-law of Mr. R. J. McAulay, is the founder and a beneficiary and Mr. R. J. McAulay, his wife and members of his family are discretionary objects.

(c) Mr. J. A. H. Leigh, in his capacity as one of the trustees of a trust was deemed to be interested in 401,993,991 shares which formed part of the 236,335,571 and 203,451,853 shares referred to in (b) above. In addition, 57,000 shares were held by Mr. J. A. H. Leigh in a beneficial owner capacity.

(d) 600 shares were held in a personal capacity and 10,000 shares were held in a beneficial owner capacity.

(e) 600 shares were held in a personal capacity and 20,000 shares were held in a beneficial owner capacity.

(f) 600 shares were held in a personal capacity and 15,206 shares were held jointly with spouse.

(g) Mr. Jason Whittle was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 238,409,771 shares in the Company. These shares were held in the following capacity:

i) 600 shares were held in a personal capacity.

ii) 236,335,571 shares were ultimately held by discretionary trusts, of which Mr. Jason Whittle is one of the discretionary objects.

iii) 2,073,600 shares were ultimately held by a discretionary trust, of which Mr. Jason Whittle is one of the discretionary objects.

Messrs. I. D. Boyce, V. F. Moore, Hansen C. H. Loh, Paul M. L. Kan, Peter T. C. Lee and Paul A. Theys, Professor Judy Tsui, Sir Rod Eddington and Ms. Marjorie Yang who are Directors of the Company, and Mr. Neo Kim Teck who is an Alternate Director have each confirmed that they had no interests in the shares of the Company or any of its associated corporations as at 30 June 2008.

None of the Directors or the Chief Executive Officer had interests in debentures, under equity derivatives or in underlying shares of the Company and its associated corporations as at 30 June 2008.

2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

None of the Directors or the Chief Executive Officer had short positions in respect of shares, debentures, under equity derivatives or interests in underlying shares of the Company and its associated corporations as at 30 June 2008.

At no time during the period was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the Directors and the Chief Executive Officer of the Company (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

Interests of Substantial Shareholders

The interests/short positions of substantial shareholders in the shares and underlying shares of the Company as at 30 June 2008, as recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance, are set out in the table and explanatory notes below:

1. Aggregate long position in the shares and underlying shares of the Company

The Company had been notified of the following substantial shareholders' interests in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds) as at 30 June 2008.

Substantial Shareholders	Capacity	Total Interests in Number of Ordinary Shares of the Company		% of the Issued Share Capital of the Company
Acorn Holdings Corporation	Beneficiary	236,335,571	Note (a)	9.81
Bermuda Trust Company Limited	Trustee/Interests of controlled corporations	678,831,636	Note (a)	28.19
Bermuda Trust (Cayman) Limited	Trustee/Interests of controlled corporations	399,920,391	Note (b)	16.61
HWR Trustees Limited (now known as Harneys Trustees Limited)	Interests of controlled corporations	240,482,771	Note (a)	9.99
Lakshmi Company Limited	Beneficiary	196,468,538	Note (a)	8.16
Merlin Investments Limited	Beneficiary	196,468,538	Note (a)	8.16
Mikado Holding Inc. (now known as New Mikado Holding Inc.)	Trustee	239,044,212	Note (a)	9.93
Mikado Investments Limited	Interest of controlled corporation/ Beneficiary of trusts	239,044,212	Note (a)	9.93
Muriel, Lady Kadoorie	Founder and Beneficiary	203,451,853	Note (b)	8.45
New Boron Holding Corporation	Trustee	200,615,738	Note (a)	8.33
Oak CLP Limited	Beneficiary	196,554,172	Note (b)	8.16
Oak (Unit Trust) Holdings Limited	Trustee	196,554,172	Notes (a) & (b)	8.16
Mr. R. Parsons	Trustee	401,993,991	Note (c)	16.69
The Hon. Sir Michael Kadoorie	Note (d)	475,381,026	Note (d)	19.74
Mr. R. J. McAulay	Note (e)	439,800,565	Note (e)	18.26
Mr. Jason Whittle	Note (f)	238,409,771	Note (f)	9.90
Guardian Limited	Beneficiary/Interests in controlled corporations	401,993,991	Note (c)	16.69
The Mikado Private Trust Company Limited	Trustee/Interests in controlled corporations	475,379,783	Note (a)	19.74
Mr. J. A. H. Leigh	Note (c)	402,050,991	Note (c)	16.69
Goshawk Investments Limited (now known as Merlin Investments No. 2 Limited)	Beneficiary	198,542,138	Note (a)	8.24
Lawrencium Mikado Holdings Limited	Beneficiary	239,044,212	Note (a)	9.93
The Magna Foundation	Beneficiary	239,044,212	Note (a)	9.93
Lawrencium Holdings Limited	Beneficiary	236,335,571	Note (a)	9.81

Notes:

(a) The interests of Bermuda Trust Company Limited in the shares of the Company include the interests in the Company held by Acorn Holdings Corporation, Goshawk Investments Limited (now known as Merlin Investments No. 2 Limited), Lawrencium Holdings Limited, Lawrencium Mikado Holdings Limited, The Magna Foundation, The Mikado Private Trust Company Limited, Mikado Holding Inc. (now known as New Mikado Holding Inc.), Mikado Investments Limited, Oak (Unit Trust) Holdings Limited, Lakshmi Company Limited and Merlin Investments Limited and also the majority of Mr. J. A. H. Leigh's deemed interests.

The interests of Bermuda Trust Company Limited in the shares of the Company also include the shares held by discretionary trusts of which The Hon. Sir Michael Kadoorie and/or Mr. R. J. McAulay and/or Mr. Jason Whittle are among the discretionary objects as disclosed in "Interests of Directors and Chief Executive Officer".

Bermuda Trust Company Limited was deemed to be interested in the shares in which Acorn Holdings Corporation, Mikado Holding Inc. (now known as New Mikado Holding Inc.), Mikado Investments Limited, Oak (Unit Trust) Holdings Limited and Goshawk Investments Limited (now known as Merlin Investments No. 2 Limited) were interested, either in the capacity as trustee or by virtue of having direct or indirect control over such companies.

Bermuda Trust (Cayman) Limited controlled Lakshmi Company Limited and Merlin Investments Limited and was therefore deemed to be interested in the shares in which Lakshmi Company Limited and Merlin Investments Limited were interested. The Company has been advised that Lakshmi Company Limited, Merlin Investments Limited, Acorn Holdings Corporation and Lawrencium Holdings Limited were deemed to be interested in the same 196,468,538 shares in which New Boron Holding Corporation was deemed to be interested.

Bermuda Trust Company Limited controlled Acorn Holdings Corporation and was therefore deemed to be interested in the shares in which such company was deemed interested. In addition, Bermuda Trust Company Limited was deemed interested in 39,867,033 shares through other controlled corporations controlled by it.

The Mikado Private Trust Company Limited controlled Lawrencium Holdings Limited, Lawrencium Mikado Holdings Limited and another company and was therefore deemed to be interested in the shares in which such companies were deemed to be interested.

HWR Trustees Limited (now known as Harneys Trustees Limited) controlled New Boron Holding Corporation and was therefore deemed to be interested in the shares in which New Boron Holding Corporation was interested. HWR Trustees Limited (now known as Harneys Trustees Limited) was also deemed to be interested in 39,867,033 shares through other controlled corporations controlled by it.

In addition, the Company was notified by Oak (Unit Trust) Holdings Limited that it was interested in 196,554,172 shares as at 26 August 2003. However, Bermuda Trust Company Limited indicated in its latest disclosure form that as at 24 June 2005, it was interested in, inter alia, 203,451,853 shares through its wholly-owned subsidiary, Oak (Unit Trust) Holdings Limited. Therefore, Oak (Unit Trust) Holdings Limited was interested in the same 203,451,853 shares as at 24 June 2005 but was not itself under a duty to notify the Company of the change under the Securities and Futures Ordinance.

(b) The interests of Bermuda Trust (Cayman) Limited in the shares of the Company include the interests in the Company in which Oak CLP Limited, Oak (Unit Trust) Holdings Limited and Muriel, Lady Kadoorie were deemed to be interested.

The interests of Muriel, Lady Kadoorie in 203,451,853 shares of the Company include shares in which Mr. R. J. McAulay and Mr. R. Parsons were deemed to be interested.

Bermuda Trust (Cayman) Limited was also interested in the 203,451,853 shares by virtue of its capacity as trustee of a trust of which Muriel, Lady Kadoorie is the founder and a beneficiary and Mr. R. J. McAulay is one of the discretionary objects. Bermuda Trust (Cayman) Limited, in its capacity as trustee of a discretionary trust, controlled Oak CLP Limited and was therefore deemed to be interested in the shares in which Oak CLP Limited was interested. The Company was notified by Oak CLP Limited that it was interested in 196,554,172 shares as at 26 August 2003. However, Bermuda Trust (Cayman) Limited indicated in its latest disclosure form that as at 5 February 2004, it was interested in 203,451,853 shares through its wholly-owned subsidiary, Oak CLP Limited. Therefore, Oak CLP Limited was interested in the same 203,451,853 shares as at 5 February 2004 but was not itself under a duty to notify the Company of the change under the Securities and Futures Ordinance.

(c) Mr. R. Parsons and Mr. J. A. H. Leigh, in their capacities as trustees of a trust, jointly controlled Guardian Limited and therefore were deemed to be interested in the shares in which Guardian Limited was deemed to be interested. Accordingly, the 401,993,991 shares in which Guardian Limited was interested is duplicated within the interests attributed to each of Mr. J. A. H. Leigh and Mr. R. Parsons.

Mr. J. A. H. Leigh also held 57,000 shares in a beneficial owner capacity.

(d) The aggregate long position in the shares of the Company of The Hon. Sir Michael Kadoorie is listed below:

Interests in the Ordinary Shares of the Company

Number	**Capacity**
1,243	Interest of spouse
475,379,783	Founder of discretionary trusts
475,379,783	Discretionary object and/or beneficiary of various discretionary trusts

The interests of The Hon. Sir Michael Kadoorie as a founder and a beneficiary or discretionary object of various discretionary trusts are duplicated between each other. His interests, apart from the interest of his spouse, are also duplicated by the interests in the Company held by Bermuda Trust Company Limited and certain discretionary trusts of which Mr. R. J. McAulay and Mr. Jason Whittle are among the discretionary objects or beneficiaries as disclosed in Notes (e) and (f) below.

For the purpose of the Securities and Futures Ordinance, the spouse of The Hon. Sir Michael Kadoorie was taken to have a discloseable duty in Hong Kong in relation to the 475,379,783 shares referred to above. The spouse of The Hon. Sir Michael Kadoorie was therefore deemed to be interested in 475,381,026 shares in the Company representing approximately 19.74% of the issued share capital of the Company, of which 1,243 shares were held by her in a personal capacity and 475,379,783 shares were attributed to her pursuant to the Securities and Futures Ordinance for disclosure purposes. Nevertheless, she has no interest, legal or beneficial, in these 475,379,783 shares attributed to her for disclosure purposes.

(e) See Note (b) under "Interests of Directors and Chief Executive Officer".

(f) See Note (g) under "Interests of Directors and Chief Executive Officer".

2. Aggregate short position in the shares and underlying shares of the Company

As at 30 June 2008, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company.

Interests of Any Other Persons

As at 30 June 2008, the Company had not been notified of any persons other than the substantial shareholders who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance.

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 2008.

Information for our Investors

Financial Diary

Announcement of interim results	12 August 2008
Interim report posted to Shareholders	29 August 2008
Last day to register for second interim dividend	2 September 2008
Book close day	3 September 2008
Payment of second interim dividend	12 September 2008
Financial year end	31 December 2008

Interim Report

Printed in English and Chinese, available on our website at www.clpgroup.com on 19 August 2008 and posted to Shareholders on 29 August 2008.

Those Shareholders who (a) received our 2008 Interim Report electronically and would like to receive a printed copy or vice versa; or (b) received our 2008 Interim Report in either English or Chinese only and would like to receive a printed copy of the other language version or receive printed copies of both language versions in future, are requested to write to the Company Secretary or the Company's Registrars.

Shareholders may at any time change their choice of the language or means of receipt of the Company's corporate communications, free of charge, by notice in writing to the Company Secretary or the Company's Registrars.

Company's Registrars

Computershare Hong Kong Investor Services Limited

Address:	46/F., Hopewell Centre, 183 Queen's Road East, Hong Kong
Tel:	(852) 2862 8628
Fax:	(852) 2865 0990
E-mail:	hkinfo@computershare.com.hk

Share Listing

CLP Holdings shares are listed on the Stock Exchange of Hong Kong and are traded over the counter in the United States in the form of American Depositary Receipts.

Our Stock Code

The Stock Exchange of Hong Kong:	002
Bloomberg:	2 HK
Reuters:	0002.HK
Ticker Symbol for ADR Code:	CLPHY
CUSIP Reference Number:	18946Q101

Our Contact Details

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	Investor Relations Manager	(852) 2678 8530
E-mail:	Company Secretary	cosec@clp.com.hk
	Investor Relations Manager	IR_Dept@clp.com.hk

The staff and children of Aditya Birla Public School, Gujarat produced the logos and headline on the opposite page for the launch of our tree planting programme in India – we thank them for their creativity and commitment.

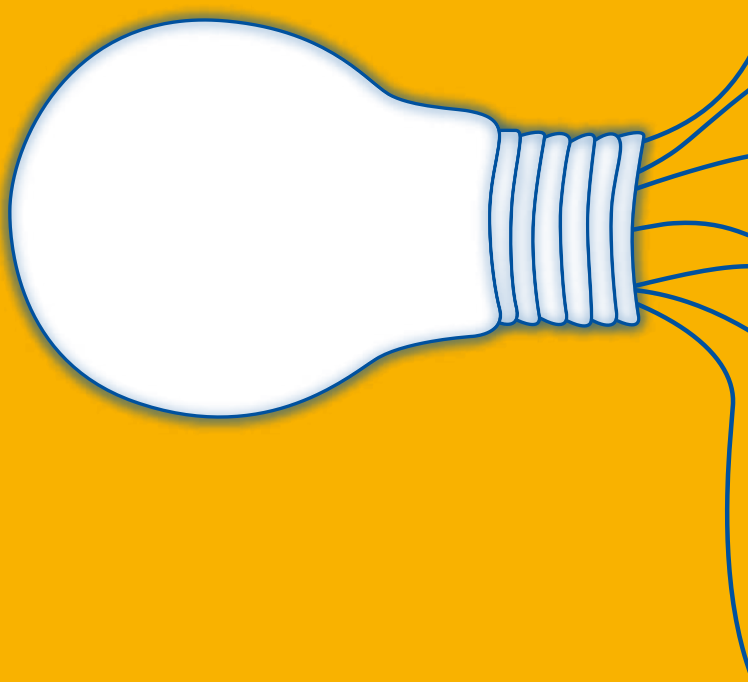
Last leaf

Last tree

Why wait??

CLP has pledged to plant one million trees in five years

- Kicked off in April, our tree planting programme has already been rolled out in Hong Kong, Chinese mainland and India.
- Tree planting has been at the forefront of CLP's environmental work in past years. This five-year programme is part of CLP's commitment to the collective response needed to tackle the threat of climate change.
- Planting trees brings together CLP and the community in a green movement that will protect the earth and reduce our carbon footprint.
- This is just one of the initiatives taken to support CLP's Climate Vision 2050, announced in December 2007.



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Stock Code: 002

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