



Quarterly Statement 2006 (January – March)

To Shareholders:

The operations of CLP Holdings Limited (the Company) for the three months ended 31 March 2006 are summarised below:

Highlights

	3 months ended 31 March		
	2006	2005	Increase/ (Decrease)
Revenue, HK\$ million			
Hong Kong electricity business (<i>Note 1</i>)	6,608	6,385	3.5%
Total (<i>Note 2</i>)	10,050	7,376	36.3%
Interim dividend, HK\$ per share	0.50	0.48	4.2%
Electricity sold (Hong Kong electricity business), kWh millions			
Kowloon and New Territories	5,678	5,635	0.8%
Including sales to the Chinese mainland	6,842	6,945	(1.5%)

Note 1: The revenue for the 3 months ended 31 March 2005 has been restated to align with the revenue recognition policy adopted for the corresponding period in 2006 by including the transfer from Development Fund as an adjustment to revenue.

Note 2: The higher increase in Total Revenue is due to the incorporation of the revenue of merchant energy business in Australia acquired by the Group on 31 May 2005.

Hong Kong Electricity Business

The local economy continued to expand steadily after two consecutive years of strong growth with more jobs created and strong export performance. Following the economic expansion, local electricity consumption continued to increase, albeit at a slower pace of 0.8% over the level in 2005. Due to change of ownership of accounts from the public sector to the private sector as a result of the establishment of The Link Real Estate Investment Trust, a significant amount of sales previously included under the Infrastructure & Public Services Sector was subsequently transferred to the Commercial Sector. The Manufacturing Sector, supported by strong export of goods, showed a small positive growth in the period. The Residential Sector was impacted by the billing cycle which should later capture more fully the amount consumed in the quarter. A breakdown of the local sales growth by sector is as follows:

	Increase/ (Decrease)	% of Total Local Sales
Residential	(2.6%)	22.2%
Commercial	5.3%	42.5%
Infrastructure & Public Services	(3.5%)	25.5%
Manufacturing	1.2%	9.8%

Shortage of electricity supply in Guangdong remained and sales to the Chinese Mainland continued in the first quarter. The level of export sales, however, was lower than that in the same period of 2005. The amount of sales to Chinese Mainland dropped by 11.1% in the first quarter. Total unit sales, including both local sales and sales to the Chinese Mainland, decreased slightly by 1.5% in the quarter.

Regional Electricity Businesses

Australia

There was a conveyor fire at Yallourn during a period of extreme ambient temperatures, which caused two operating units to be shut down. A combination of a rapid response from operations staff to return the units to service quickly, together with use of the complete TRUenergy portfolio to replace the lost generation, reduced the financial impact to a minimum. This demonstrates the value of a portfolio, rather than a single asset in the Australian market.

Chinese Mainland

The Guangdong Daya Bay Nuclear Power Station, which is 25% owned by CLP but supplies 70% of its output to Hong Kong, performed well with a good safety record. The station was awarded first places in Industrial Safety and Radiation Protection in the 2005 Safety Challenge Competition among all the nuclear power stations in France and South Africa.

Asia

We have formed a 50:50 strategic joint venture called OneEnergy Limited with the Mitsubishi Corporation (“Mitsubishi”) of Japan. OneEnergy will combine the two shareholders’ expertise, capital and local relationships to expand its business in the Southeast Asia and Taiwan markets. It will focus on developing greenfield power projects as well as strategic acquisitions.

At the Ho-Ping power plant in Taiwan, in which CLP holds a 40% interest, repair work on the Unit 1 generating unit that suffered a turbine blade failure in December 2005 is well underway, with the unit expected to be back in service in the second quarter of 2006. Inspections made on Unit 2 confirmed the integrity of the blades and the unit has been returned to service. Rebuild of one of the coal domes damaged by strong typhoons has also started, while contracting and design work on the remaining two damaged coal domes is in progress.

Construction work at the BLCP power plant in Thailand, in which CLP owns a 50% share, is progressing well towards commercial operation of the first unit in October 2006. The first boiler has been fired and the commissioning process is progressing smoothly. A separate joint venture, in which CLP holds a 60% share, has its organisation in place to take over as the operator when the plant is ready for commercial operation.

Annual General Meeting (AGM)

The Minutes of the Eighth AGM of the Company accompany this Statement. The proceedings of the Meeting can be viewed at the Corporate Governance section on the Company’s website at www.clpgroup.com.

Dividend

Directors today declared the first interim dividend for 2006 of HK\$0.50 per share payable on 15 June 2006 to Shareholders registered as at 5 June 2006. The dividend of HK\$0.50 per share (2005: HK\$0.48 per share) is payable on the existing 2,408,245,900 shares of HK\$5.00 each in issue.

The Register of Shareholders will be closed on 5 June 2006. To rank for this dividend, all transfers should be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 2 June 2006.

The Hon. Sir Michael Kadoorie
Chairman of the Board of Directors

Hong Kong, 9 May 2006

*This Statement will be despatched to Shareholders on 24 May 2006 and is also available
at the Corporate Governance or
Investors sections on the Company's website at www.clpgroup.com.*

CLP Holdings Limited

(incorporated in Hong Kong with limited liability)
(Stock Code: 002)

Non-executive Directors:

The Hon. Sir Michael Kadoorie, Mr. W. E. Mocatta, Mr. J. S. Dickson Leach, Mr. R. J. McAulay, Mr. J. A. H. Leigh, Mr. R. Bischof, Mr. I. D. Boyce, Mr. P. C. Tan (Mr. Bradley W. Corson as his alternate) and Mr. Jason Whittle

Independent Non-executive Directors:

The Hon. Sir S. Y. Chung, Dr. William K. Fung, Mr. V. F. Moore, Mr. Hansen C. H. Loh, Mr. Paul M. L. Kan, Professor Judy Tsui and Sir Rod Eddington

Executive Directors:

Mr. Andrew Brandler, Mr. Peter P. W. Tse and Dr. Y. B. Lee

Please also refer to the published version of this announcement in South China Morning Post.