

中電控股有限公司
CLP Holdings Limited

(incorporated in Hong Kong with limited liability)
(stock code no.: 002)



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Quarterly Statement 2009 (January – March)

To Shareholders:

The operations of CLP Holdings Limited (the Company) for the three months ended 31 March 2009 are summarised below:

Highlights

	3 months ended 31 March		
	2009	2008	(Decrease)
Revenue, HK\$ million			
Hong Kong electricity business	5,973	7,116	(16.1%)
Total	11,052	12,932	(14.5%)
Interim dividend, HK\$ per share	0.52	0.52	-

The decrease in revenue from Hong Kong electricity business is mainly due to the reduction of basic tariff effective 1 October 2008 and the 8.9% drop in electricity units sold (largely attributable to decreased export sales to Guangdong). Total revenue dropped 14.5%, reflecting also the effect of the depreciation of the Australian dollar and Indian rupees.

Hong Kong Electricity Business

In the first three months of 2009, local sales of electricity were 6,137GWh, a decrease of 0.1% compared to the same period in 2008. Warm weather in February contributed to the increase in sales to the Infrastructure & Public Services sector and the Commercial sector. The decrease in Residential Sales coincides with the lower number of public holidays in the first quarter of 2009, compared to 2008. Sales to Manufacturing sector declined at a faster rate as a result of the weaker domestic and international demand. A breakdown of the sales growth and percentage of total local sales by sector is as follows:

	Increase/(Decrease)	% of Total Local Sales
Residential	(5.5%)	24.1%
Commercial	4.0%	43.0%
Infrastructure & Public Services	4.2%	26.5%
Manufacturing	(18.6%)	6.4%

Against a higher base in the first quarter of 2008, sales to Guangdong Power Grid Corporation dropped significantly. Together with a decline in electricity demand from Shekou, overall sales to the Chinese mainland decreased by 47.0% to 754GWh in the three-month period. Total unit sales in the period, which included both local sales and sales to the Chinese mainland, decreased by 8.9% to 6,891GWh.

Securing natural gas supply to meet Hong Kong's power demand and environmental requirements remains one of CLP's important objectives. To secure the three gas sources highlighted in the Memorandum of Understanding signed between the Government of Hong Kong and China's National Energy Administration in August 2008, CLP has been working with the relevant Mainland parties on the implementation of the gas supply projects. Construction of the second West-to-East Gas Pipeline Project was inaugurated by Vice Premier Li Keqiang in Shenzhen on 7 February 2009. Planning and design work is underway for the development of the infrastructure necessary to bring the gas to Hong Kong, including a new liquefied natural gas (LNG) receiving terminal in Shenzhen on Dachan Island in the Pearl River Delta, together with the necessary pipeline connections. A Letter of Intent has been signed with PetroChina and Shenzhen Gas whereby CLP will jointly develop the new LNG receiving terminal, with an equity interest of 24.5%.

Regional Electricity Businesses

Australia

On 18 March 2009, the TRUenergy Tallawarra power station was formally inaugurated. TRUenergy Tallawarra is a super efficient 435MW gas-fired combined cycle power station. Tallawarra will supply electricity to over 200,000 homes and businesses across the state. It is Australia's most environmentally efficient, large-scale gas-fired power station, producing 65% less carbon dioxide emissions than the average Australian coal-fired plant. This A\$430 million investment in super efficient gas generation emphasises TRUenergy's commitment to transform its generation portfolio and reduce its carbon emissions in line with TRUenergy's Climate Change Strategy.

Chinese Mainland

CLP acquired a 50% equity interest in a wholly-owned subsidiary of China WindPower Group Limited ("CWP") on 31 March 2009. The new joint venture, CLP-CWP Wind Power Investment Limited, will own 49% of 2 wind projects with a combined installed capacity of 99MW in Fuxin City of Liaoning Province, China. The wind farm facilities are expected to be completed in 2009 and will increase CLP's renewable energy portfolio by about 24.3 equity MW. The new joint venture also has rights to participate in all existing and future wind farm projects located in Liaoning and Heilongjiang Provinces where CWP or its affiliates have development rights.

India

We now have access to the Jhajjar project site in Haryana State, where we are constructing a 1,320MW power station fired on domestic coal. Site preparation has been completed, the excavation work has commenced and contracts for engineering, procurement and construction have been placed.

With regard to the decision of the Gujarat Electricity Regulatory Commission (GERC) that the “deemed generation incentive” was not payable by Gujarat Urja Vikas Nigam Ltd. (GUVNL) when the plant of Gujarat Paguthan Energy Corporation Private Limited (GPEC) was declared with its availability on naphtha, GPEC appealed the decision and sought a stay order from the Appellate Tribunal of Electricity (ATE), India against enforcement of GERC’s decision. The ATE did grant a stay, but on the following conditions which were agreed by both GPEC and GUVNL:

- a) a deposit of Rs500 million (equivalent to HK\$76 million) was paid by GPEC to GUVNL as directed by ATE;
- b) GUVNL was instructed not to recover the balance of the sum awarded by the GERC’s order; and
- c) GPEC was asked not to invoice for deemed generation on naphtha during the pendency of the appeal.

The background to GUVNL’s claim is explained in Note 32 to the Financial Statements in our Annual Report 2008 at page 197, where it is treated as a contingent liability.

Southeast Asia and Taiwan

In Vietnam, CLP and Mitsubishi Corp., in partnership with the state electricity company Vietnam Electricity and the private company Pacific Corp., have established the joint venture project company to develop the 3x660MW coal-fired Vinh Tan 3 project. Office and staff organisation are being set up.

Annual General Meeting (AGM)

The Minutes of the Eleventh 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 2009 of HK\$0.52 per share payable on 15 June 2009 to Shareholders registered as at 4 June 2009. The dividend of HK\$0.52 per share (2008: HK\$0.52 per share) is payable on the existing 2,406,143,400 shares of HK\$5.00 each in issue.

The Register of Shareholders will be closed on 4 June 2009. To rank for this dividend, all transfers should be lodged with the Company’s Registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 3 June 2009.

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

Hong Kong, 12 May 2009

The Directors of the Company as at the date of this quarterly statement are:

Non-executive Directors:

The Hon. Sir Michael Kadoorie, Mr. W. E. Mocatta, Mr. R. J. McAulay, Mr. J. A. H. Leigh, Mr. R. Bischof, Mr. I. D. Boyce, Mr. Jason Whittle, Dr. Y. B. Lee and Mr. Paul A. Theys (Mr. Neo Kim Teck as his alternate)

Independent Non-executive Directors:

The Hon. Sir S. Y. Chung, Mr. V. F. Moore, Mr. Hansen C. H. Loh, Mr. Paul M. L. Kan, Professor Judy Tsui, Sir Rod Eddington, Mr. Peter T. C. Lee and Mr. Nicholas C. Allen

Executive Directors:

Mr. Andrew Brandler, Mr. Peter P. W. Tse and Mr. Peter W. Greenwood

This Statement will be despatched to Shareholders on 26 May 2009 and is also available at the Corporate Governance or Investors sections on the Company's website at www.clpgroup.com.