

Business Description



Hong Kong Electricity Business

- Electricity supplier since 1903
- Owner and operator of a vertically integrated electricity supply business in Hong Kong, comprising:
 - Generation: 6,283 megawatts (MW) of total installed generating capacity in Hong Kong;
 - Transmission: over 11,640 kilometres (km) of transmission and distribution lines; and
 - Distribution and Customer Service: 2.1 million customer accounts (representing 80% of Hong Kong's total population)
- Regulated by the Hong Kong Government under a Scheme of Control Agreement



Chinese Mainland Electricity Business

- Developer, investor, builder and operator in the private sector power business since 1985
- Largest external investor in the Chinese mainland electricity industry with 3,163 equity MW of interests in generating assets in Guangdong, Beijing, Shandong, Shaanxi and Guizhou
- Interests in one nuclear power station, nine thermal power stations (of which one is under construction) and a group of small hydro units



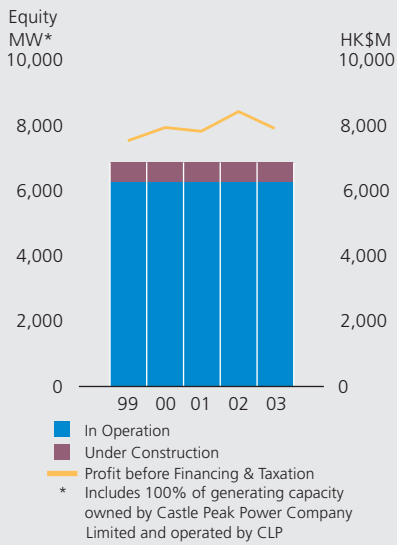
Asia-Pacific Region Electricity Business

- Developer, investor, builder and operator in the private sector power business since 1994
- A leading international private sector power company in the Asia-Pacific region with 3,805 equity MW of interests in generating assets in Australia, India, Taiwan and Thailand
- Direct interests in three large thermal power stations in operation and one under construction, with indirect interests in a further two large stations in operation

Investment Performance

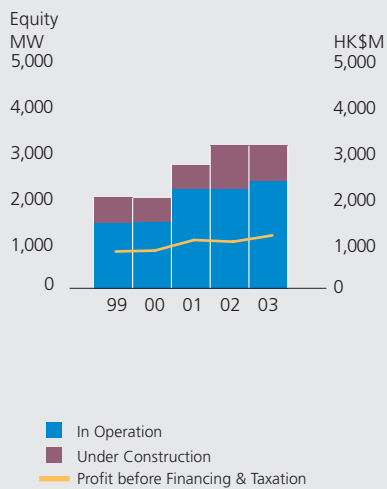
2003 Operating Highlights

2004 Outlook



- Sold 31,043 million kilowatt hours (kWh) of electricity
- Local and system demand reached historical peaks of 5,874MW and 7,646MW respectively in July
- Tariff freeze maintained for six successive years
- Announced rebates to customers totalling HK\$960 million
- Achieved supply reliability of 99.99%, amongst the best in the world

- Continue to enhance supply reliability, power quality and customer service
- Deliver high performance and flexibility from generating assets and continue construction of Units 7 & 8 at Black Point power station to schedule and within budget
- Submit Financial Plan to the Hong Kong Government under the Scheme of Control covering period from 2005 to 2008 and including investment plans
- Work with the Hong Kong Government on plans to improve air quality by 2010
- Participate actively in discussions on future regulation of the Hong Kong electricity industry



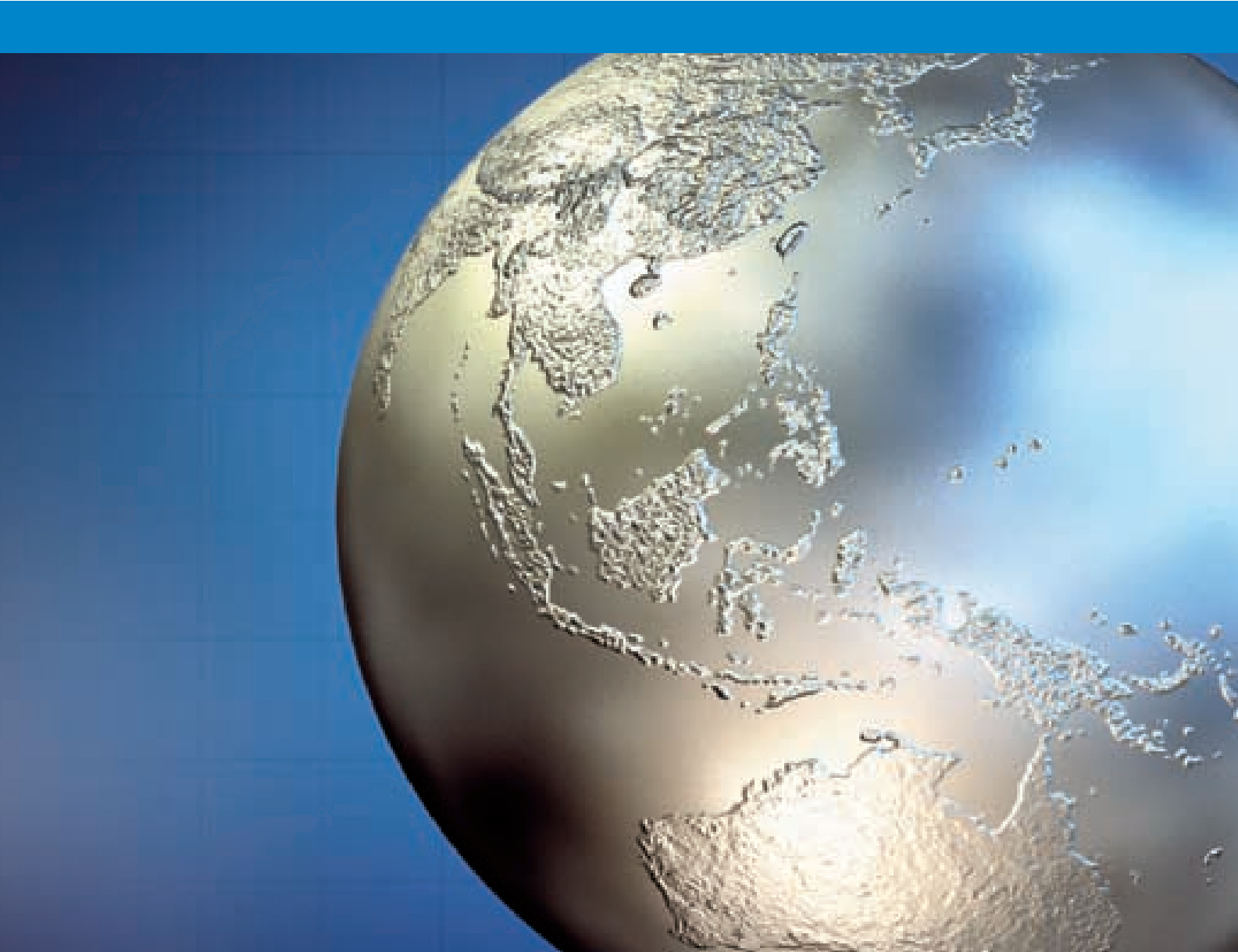
- Construction of Anshun II (2x300MW) power station in Guizhou within schedule and budget, with both units progressing to trial operation
- Heze II (2x300MW) power station in Shandong entered commercial operation and Liaocheng (2x600MW) power station entered trial operation
- Yire, Sanhe, Panshan power stations in Beijing-Tianjin area and Shenmu power station in Shaanxi operated reliably, generated more than the forecast output and achieved internationally recognised high safety standards

- Complete the Liaocheng and Anshun units in Shandong and Guizhou respectively
- Take forward relationships and partnerships as the effect of industry reform in the Chinese mainland on existing joint ventures becomes clearer
- Explore opportunities emerging from increasing private sector activity as a result of the reform process and continuing economic growth
- Focus on southern China for new investment and greenfield projects
- Continue pursuit of renewable energy projects, including hydro-electric projects and wind energy opportunities on the South China coast



- Completed the acquisition of Powergen's remaining interests in the joint venture companies relating to BLCP Power Limited (BLCP), Yallourn Energy Pty Limited (Yallourn Energy) and Gujarat Paguthan Energy Corporation Private Limited (GPEC)
- Achieved financial close of the 1,434MW BLCP power project, Thailand
- Achieved the highest output from Yallourn Energy, Australia in its operating history and the highest revenues since privatisation in 1996
- Completed the first full year of operation of the Ho-Ping power station in Taiwan
- Returned the GPEC plant in India to full operation on a new gas supply, reached agreement on amended and more sustainable power purchase conditions and supported arrangements for a bond issue to reduce overdue receivables

- Start the development of further greenfield project opportunities as growth returns to Asian markets
- Further earnings growth from existing investments and the introduction of strategic partners as appropriate
- Implement the amended terms of power purchase agreement for GPEC and reduce overdue receivables position through increased payment levels by Gujarat Electricity Board and issue of Rupee 4,000 million bond
- Bring the operation of the Ho-Ping power station to mature and high industry standards, and explore further business opportunities in Taiwan
- Establish strategic partnership in Australia and develop beyond the current single asset position
- Closely monitor the reform of the Thai electricity industry including its implications for Electricity Generating Public Company Limited



CLP Holdings Limited is the holding company for the CLP Group of companies. It is listed on the Hong Kong Stock Exchange and is one of the largest investor-owned power businesses in Asia.