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PLACING AND ISSUE OF SHARES UNDER GENERAL MANDATE

**Goldman
Sachs**

J.P.Morgan



as Placing Agents

 **ROTHSCHILD**

as Financial Adviser

PLACING OF NEW SHARES

On 13 December 2012, CLP Holdings Limited and the Placing Agents entered into the Placing Agreement pursuant to which each of the Placing Agents has conditionally agreed with the Company to act as agent, severally and not jointly, for the Company during the Placing Period to procure subscribers to subscribe for, or failing which, to subscribe for its respective proportion of the Placing Shares at the Placing Price.

The Placing Shares represent (i) 5.00% of the existing issued share capital of the Company (consisting of 2,406,143,400 Shares in issue as at the date of this announcement); and

(ii) approximately 4.76% of the Company's issued share capital as enlarged by the Placing.

The Placing Price of HK\$63.25 represents (i) a discount of approximately 5.88% to the closing price of HK\$67.20 per Share as quoted on the Stock Exchange on 12 December 2012 (being the last full trading day prior to the release of this announcement); and (ii) a discount of approximately 5.96% to the average closing price of approximately HK\$67.26 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 12 December 2012.

The gross proceeds and net proceeds (after deduction of all related costs, fees, expenses and commission) from the Placing will be approximately HK\$7,609.43 million and HK\$7,556.04 million respectively. The Company's strategy is to deliver value to the Shareholders through enhancement of its core operating business in Hong Kong and by growing a balanced portfolio of assets in selected markets elsewhere. The Company intends to utilise the net proceeds to meet expected investment needs across the business in line with this strategy including, but not limited to, ongoing investment in the Hong Kong electricity business, such as in infrastructure related to gas supply from the mainland, and in additional generating capacity in those markets where the Group is already present, such as the expansion of Fangchenggang and the development of renewable energy projects. The Placing provides a good opportunity to enlarge the shareholder and capital base of the Company and enhance its existing balance sheet strength.

The Placing Shares are to be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 8 May 2012 and accordingly the issue of the Placing Shares is not subject to Shareholders' approval.

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the completion of the Placing). Completion of the Placing will take place on the Closing Date, which is expected to be 20 December 2012.

Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

13 December 2012

Parties

- (i) the Company
- (ii) the Placing Agents, being Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities plc and UBS AG, Hong Kong Branch

Placing Agents

The Company has appointed the Placing Agents for the Placing. Each of the Placing Agents has conditionally agreed with the Company, subject to the terms and conditions of the Placing Agreement, to act as agent, severally and not jointly, for the Company during the Placing Period to procure subscribers to subscribe for, or failing which, to subscribe for its respective proportion of the Placing Shares at the Placing Price (on the basis that any brokerage, Securities and Futures Commission transaction levy and Stock Exchange trading fee payable by the Placees shall be separately borne by the Placees).

In addition to the Placing Agents, Rothschild acted as the financial adviser to the Company in relation to the Placing.

Save for the fact that Sir Rod Eddington and Ms. Irene Lee, Independent Non-executive Directors of the Company, being the Non-executive Chairman (Australia and New Zealand) of JP Morgan Chase Bank N.A. and a member of the Advisory Council of JP Morgan Australia respectively, to the best of the Directors' knowledge, information and belief, each of the Placing Agents and the Financial Adviser is not connected with the Company and its connected persons.

Placees

The Placing Agents have informed the Company that they intend to place the Placing Shares to no less than six Placees (who will be professional, institutional or other investors). To the best of the Directors' knowledge, information and belief, each of the Placees (and their ultimate beneficial owners, if applicable) will be third parties independent of and not connected with the Company and its connected persons. It is expected that none of the individual Placees will become a substantial shareholder of the Company immediately after the completion of the Placing.

Placing Shares

The Placing Shares represent (i) 5.00% of the existing issued share capital of the Company (consisting of 2,406,143,400 Shares in issue as at the date of this announcement); and (ii) approximately 4.76% of the Company's issued share capital as enlarged by the Placing.

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing Shares. The Placees will not be entitled to receive, in respect of the Placing Shares, the third interim dividend for 2012 which was declared by the Directors on 15 October 2012 and will be payable to Shareholders (registered as at 5 December 2012) on 14 December 2012.

Placing Price

The Placing Price of HK\$63.25 represents:

- (i) a discount of approximately 5.88% to the closing price of HK\$67.20 per Share as quoted on the Stock Exchange on 12 December 2012 (being the last full trading day prior to the release of this announcement); and

- (ii) a discount of approximately 5.96% to the average closing price of approximately HK\$67.26 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 12 December 2012.

The Placing Price was determined with reference to the prevailing market price of the Shares and was arrived at after arm's length negotiations between the Company and the Placing Agents. The Directors consider that the terms of the Placing and the Placing Price are on normal commercial terms and are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole. After taking into account all related costs, fees, expenses and commission of the Placing, the net Placing Price is approximately HK\$62.81 per Share.

Undertaking by the Company

The Company has undertaken to the Placing Agents that the Company will not, for a period of 90 days from the Closing Date (except for the issue of the Placing Shares pursuant to the Placing Agreement), without first having obtained the written consent of the Placing Agents:

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

Condition Precedent

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the completion of the Placing). If the condition precedent is not fulfilled by 6:00 p.m. (Hong Kong time) on 19 December 2012 (or such later date as may be agreed by the Company and the Placing Agents), the obligations and liabilities of the Company and the Placing Agents under the Placing shall automatically cease and terminate and neither the Company nor the Placing Agents shall have any claim against the other for costs, damages, compensation or otherwise.

Termination of the Placing

The Placing Agents may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time on or before 8:30 a.m. (Hong Kong time) on the Closing Date, if at any time prior to 8:30 a.m. (Hong Kong time) on the Closing Date:-

- (i) there develops, occurs or comes into force:
 - (a) any new law or regulation or any change or development involving a prospective change in existing laws or regulations; or

- (b) any change or development (whether or not permanent) in local, national or international monetary, economic, financial, political, fiscal, regulatory or military conditions; or
- (c) any change or development (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or exchange controls; or
- (d) any general moratorium on commercial banking activities declared by the relevant authorities in Hong Kong, London or New York or any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the United Kingdom or the United States; or
- (e) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or
- (f) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq,

which, individually or in the aggregate, in the unanimous judgement of the Placing Agents (1) has or will or is reasonably likely to have a material adverse effect on the business operations, results of operations, prospects or financial position of the Group as a whole; or (2) has or will have or is reasonably likely to have a material adverse effect on the success of the Placing; or (3) makes or will make or is reasonably likely to make it inadvisable or inexpedient or impracticable for any part of the Placing to be performed or implemented or proceed as envisaged; or

(ii) there is:

- (a) (1) any breach of any of the representations and warranties by the Company set out in the Placing Agreement which comes to the knowledge of the Placing Agents or (2) any event which occurs or any matter which arises on or after the date of the Placing Agreement and prior to the completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any respect, which, in the unanimous judgement of the Placing Agents, has or will have or is reasonably likely to have a material adverse effect on the success of the Placing; or
- (b) any breach of any of the undertakings by the Company set out in the Placing Agreement or any failure to perform any other provisions of the Placing Agreement on the part of the Company, which, in the unanimous judgement of the Placing Agents, has or will have or is reasonably likely to have a material adverse effect on the success of the Placing ; or

(iii) there is any adverse change, or development involving a prospective adverse change, in the business operations, results of operations or financial position of the Group as a whole which, in the unanimous judgement of the Placing Agents, has or will have or is reasonably likely to have a material adverse effect on the success of the Placing.

In the event that the Placing Agents terminate the Placing Agreement in accordance with the terms of the Placing Agreement, all obligations of the Company and each of the Placing Agents under the Placing Agreement shall cease and terminate and no party under the Placing Agreement shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and other liabilities specified under the Placing Agreement.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

General Mandate to issue the Placing Shares

The issue of the Placing Shares is not subject to Shareholders' approval. The Placing Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 8 May 2012, subject to the limit of up to 120,307,170 Shares (representing 5% of the issued share capital of the Company in issue on that date). As at the date of this announcement, the General Mandate has not been utilised. The 120,307,170 Placing Shares to be allotted and issued will fully utilise the General Mandate.

Completion of the Placing

Completion of the Placing will take place on the Closing Date, which is expected to be 20 December 2012.

Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS FROM THE PLACING

The gross proceeds from the Placing are expected to be approximately HK\$7,609.43 million. The net proceeds from the Placing, after the deduction of all related costs, fees, expenses and commission, are estimated to be approximately HK\$7,556.04 million.

The Company's strategy is to deliver value to the Shareholders through enhancement of its core operating business in Hong Kong and by growing a balanced portfolio of assets in selected markets elsewhere. The Company intends to utilise the net proceeds to meet expected investment needs across the business in line with this strategy including, but not limited to, ongoing investment in the Hong Kong electricity business, such as in infrastructure related to gas supply from the mainland, and in additional generating capacity in those markets where the Group is already present, such as the expansion of Fangchenggang and the development of renewable energy projects. The Placing provides a good opportunity to enlarge the shareholder and capital base of the Company and enhance its existing balance sheet strength.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any issue of equity securities during the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The following table illustrates (by reference to the information on shareholdings available to the Company as at the date of this announcement) the shareholding structure of the Company immediately (i) before the completion of the Placing; and (ii) after the completion of the Placing, on the assumption that (a) there will be no other change to the share capital of the Company between the date of this announcement and the completion of the Placing; and (b) the Placees do not and will not hold any Shares other than the Placing Shares.

<u>Name of Shareholders</u>	<u>As at the date of this announcement and immediately before the completion of the Placing</u>		<u>Immediately after the completion of the Placing</u>	
	<u>Number of Shares</u>	<u>% of total issued Shares</u>	<u>Number of Shares</u>	<u>% of total issued Shares</u>
Interests associated with the Kadoorie Family ¹	839,028,074	34.87%	839,028,074	33.21%
Directors ²	564,406	0.02%	564,406	0.02%
Placees	0	0%	120,307,170	4.76%
Other public Shareholders	1,566,550,920	65.11%	1,566,550,920	62.01%
Total Issued Shares	2,406,143,400	100.00%	2,526,450,570	100.00%

Notes:

(1) The shareholding interests of the Kadoorie Family in the Company are held through/by (i) various discretionary trusts (of which the beneficiaries include The Hon. Sir Michael Kadoorie and Mr. R. J. McAulay), (ii) the charities associated with the Kadoorie Family and (iii) some members of the Kadoorie Family personally.

(2) Excluding interests of directors duplicated with the Interests associated with the Kadoorie Family.

The total number of issued Shares immediately before the completion of the Placing is 2,406,143,400 Shares and it is expected that the total number of issued Shares immediately after the completion of the Placing will be 2,526,450,570 Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings when used herein:

"Board"	the board of Directors
"Business Day"	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong
"Closing Date"	the next Business Day after the condition precedent in the Placing Agreement is fulfilled (or such other date as agreed in

	writing between the Company and the Placing Agents)
"CLP Holdings Limited" or "Company"	CLP Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00002)
"connected person"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Fangchenggang"	Fangchenggang Power Station, a 1,260MW coal-fired power station in Guangxi, of which the Company has a 70% interest
"Financial Adviser"	Rothschild, being the financial adviser to the Company in relation to the Placing
"General Mandate"	the general mandate granted to the Directors by the Shareholders to issue Shares not exceeding 5% of the aggregate nominal amount of the share capital of the Company in issue as at 8 May 2012 pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 8 May 2012
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Placee(s)"	any professional, institutional or other investor(s) procured by a Placing Agent to subscribe for any of the Placing Shares pursuant to such Placing Agent's obligations under the Placing Agreement
"Placing"	the placing of the Placing Shares by the Placing Agents pursuant to the terms of the Placing Agreement
"Placing Agents"	Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities plc and UBS AG, Hong Kong Branch
"Placing Agreement"	a conditional placing agreement dated 13 December 2012 entered into between the Company and the Placing Agents in relation to the Placing
"Placing Period"	the period commencing upon the execution of the Placing Agreement and terminating at 4:00 p.m. (Hong Kong time) on the date of the Placing Agreement (or such later time and date

	as the Company and the Placing Agents may agree in writing)
"Placing Price"	HK\$63.25 per Share
"Placing Shares"	120,307,170 new Shares, to be allotted and issued by the Company pursuant to the General Mandate and the Placing, representing an aggregate nominal value, at HK\$5.00 nominal value for each Share, of HK\$601,535,850
"Rothschild"	Rothschild (Hong Kong) Limited, a corporation licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance
"Shareholder(s)"	holder(s) of the Shares
"Share(s)"	ordinary share(s) of HK\$5.00 each in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"% "	per cent.

By Order of the Board
April Chan
Company Secretary

Hong Kong, 13 December 2012

CLP Holdings Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 00002)

The Directors of the Company as at the date of this announcement are:

Non-executive Directors:

The Hon. Sir Michael Kadoorie, Mr. William Mocatta, Mr. R. J. McAulay, Mr. J. A. H. Leigh, Mr. I. D. Boyce, Dr. Y. B. Lee, Mr. Peter P. W. Tse and Mr. Paul A. Theys (Mr. James F. Muschalik as Mr. Theys' alternate)

Independent Non-executive Directors:

Mr. V. F. Moore, Professor Judy Tsui, Sir Rod Eddington, Mr. Nicholas C. Allen, Mr. Vincent Cheng,

Mrs. Fanny Law and Ms. Irene Lee

Executive Directors:

Mr. Andrew Brandler and Mr. Peter W. Greenwood