

CLP at a Glance

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.

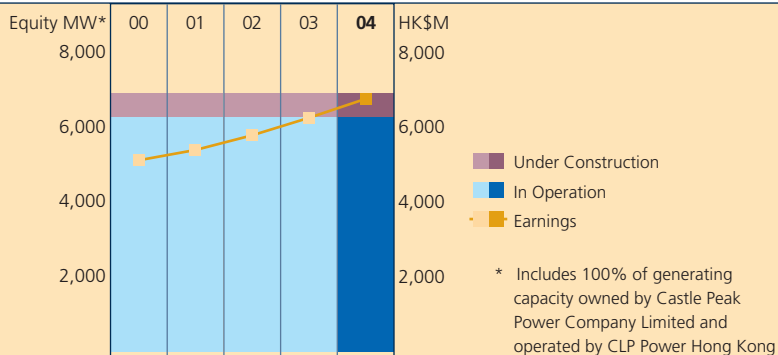


Hong Kong

Business Description

- 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 11,955 kilometers (km) of transmission and distribution lines; and
 - Distribution and Customer Service: 2.2 million customer accounts (representing 80% of Hong Kong's total population)
- Regulated by the Hong Kong Government under a Scheme of Control Agreement

Investment Performance



2004 Operating Highlights

- Sold 31,719 million kilowatt hours (kWh) of electricity
- Local and system demand reached historical peaks of 6,329MW in July and 7,862 MW in August respectively
- Tariff freeze maintained for seven successive years
- Achieved supply reliability of 99.99%, amongst the best in the world
- Submitted 2005 Financial Plan, covering the period 2005 – 2008, to the Hong Kong Government

2005 Outlook

- 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
- Work with the Hong Kong Government on plans to further improve the environmental performance of our electricity generation activities, such as installation of the flue gas desulphurisation plant at the Castle Peak power station and promoting the use of liquefied natural gas (LNG)
- Participate actively in discussions on future regulation of the Hong Kong electricity industry including the public consultation launched by the Hong Kong Government

Chinese Mainland

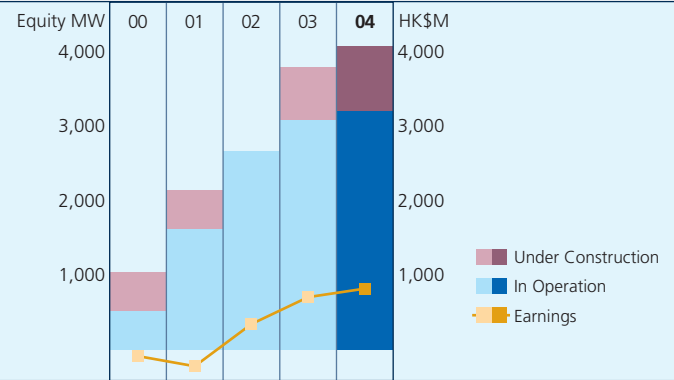
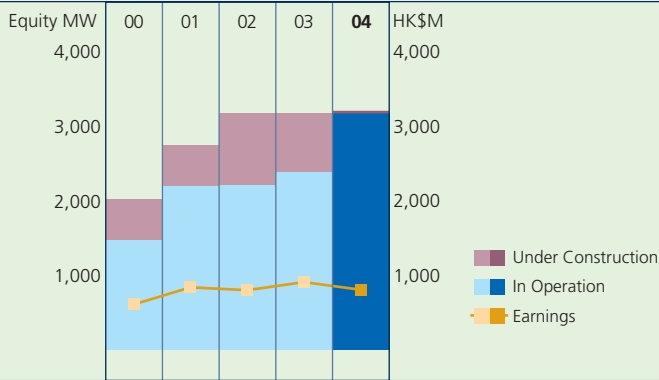


Asia-Pacific Region



- Developer, investor, project manager and operator in the private sector power business since 1985
- Largest external investor in the Chinese Mainland electricity industry with 3,175 equity MW of interests in generating assets in Guangdong, Beijing, Shandong, Shaanxi and Guizhou
- Interests in one nuclear power station, nine thermal power stations, one pumped storage power station, a group of small hydro units and a wind power project

- Developer, investor, project manager and operator in the private sector power business since 1994
- A leading international private sector power company in Asia-Pacific region with 3,921 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 power stations



- Liaocheng (2x600MW) power station started commercial operation. A new tariff was approved for Liaocheng and Heze II (2x300MW) stations
- High operating hours for CLP Guohua and Shennu power stations (2,300MW)
- Both Unit I and II of Anshun power station (2x300MW) started commercial operation, with an increased tariff which took into account coal price increases
- A letter of intent signed and state regulatory approvals sought for a 2x600MW greenfield project at Fangchenggang in Guangxi
- Changdao Wind Power Project (27MW) established in Shandong
- Significant increases in coal prices affected our assets, particularly the Shandong joint venture

- Implemented the amended terms of power purchase agreement at Gujarat Paguthan Energy Corporation Private Limited (GPEC) with significant improvement in monthly collections of payments to GPEC
- Acquired the remaining 8% shareholding in Yallourn Energy Pty Limited (Yallourn Energy)
- Yallourn Energy successfully negotiated a 3-year enterprise bargaining agreement with the labour unions
- Construction of the 1,434MW BLCP power project, Thailand progressing on schedule
- Dramatic increases in coal prices on the international market affected earnings at Ho-Ping

- Take forward relationships and partnerships as the effect of industry reform in the Chinese mainland on existing joint ventures becomes clearer
- Seek a more stable position on coal prices with tariff adjustments where appropriate
- Continue efforts to reduce power station operating and maintenance costs
- Pursue approvals for the development of the project at Fangchenggang
- Continue pursuit of renewable energy projects, including hydro-electric projects and wind energy opportunities

- Further performance enhancements from existing investments and the introduction of strategic partners as appropriate
- Continue to reduce overdue receivables of GPEC
- Complete the acquisition of Singapore Power's Australian merchant energy business and start to integrate this with Yallourn Energy
- Ensure construction of BLCP power project according to schedule, aiming at entering service in 2006-2007
- Closely monitor the reform of the Thai electricity industry and its implications for our existing investments and growth opportunities
- Pursue renewable energy project opportunities in line with Group strategy
- Monitor the international coal market and enter forward contracts, if appropriate