

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.

	Business Description	Investment Performance																								
 <h2>Hong Kong</h2>	<ul style="list-style-type: none"> Electricity supplier since 1903 Owner and operator of a vertically integrated electricity supply business in Hong Kong, comprising: <ul style="list-style-type: none"> Generation: 6,596 megawatts (MW) of total installed generating capacity Transmission: over 12,322 kilometers (km) of transmission and distribution lines Distribution and Customer Service: 2.2 million customer accounts (representing over 80% of Hong Kong's total population) Regulated by the Hong Kong Government under a Scheme of Control Agreement 	 <table border="1"> <caption>Investment Performance - Hong Kong</caption> <thead> <tr> <th>Year</th> <th>In Operation (MW)</th> <th>Under Construction (MW)</th> <th>Earnings (HK\$M)</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>~6,000</td> <td>~1,000</td> <td>~5,500</td> </tr> <tr> <td>02</td> <td>~6,000</td> <td>~1,000</td> <td>~6,000</td> </tr> <tr> <td>03</td> <td>~6,000</td> <td>~1,000</td> <td>~6,500</td> </tr> <tr> <td>04</td> <td>~6,000</td> <td>~1,000</td> <td>~7,000</td> </tr> <tr> <td>05</td> <td>~6,500</td> <td>~1,000</td> <td>~7,500</td> </tr> </tbody> </table> <p>*Includes 100% of generating capacity owned by Castle Peak Power Company Limited and operated by CLP Power Hong Kong</p>	Year	In Operation (MW)	Under Construction (MW)	Earnings (HK\$M)	01	~6,000	~1,000	~5,500	02	~6,000	~1,000	~6,000	03	~6,000	~1,000	~6,500	04	~6,000	~1,000	~7,000	05	~6,500	~1,000	~7,500
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 <h2>Australia</h2>	<ul style="list-style-type: none"> Developer, investor, project manager and operator in the private sector power business since 1999, predominantly in Victoria and South Australia Operator of a vertically integrated energy supply business comprising: <ul style="list-style-type: none"> Generation: 2,760MW from two fully owned large thermal power stations and a 966MW long-term hedge contract Retail and customer service: over 1.1 million gas and electricity customer accounts, ranging from domestic users to large industrial and commercial undertakings Gas storage and distribution 	 <table border="1"> <caption>Investment Performance - Australia</caption> <thead> <tr> <th>Year</th> <th>In Operation (MW)</th> <th>Under Construction (MW)</th> <th>Earnings (HK\$M)</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>~1,000</td> <td>0</td> <td>~0</td> </tr> <tr> <td>02</td> <td>~1,000</td> <td>0</td> <td>~200</td> </tr> <tr> <td>03</td> <td>~1,200</td> <td>0</td> <td>~400</td> </tr> <tr> <td>04</td> <td>~1,400</td> <td>0</td> <td>~400</td> </tr> <tr> <td>05</td> <td>~3,800</td> <td>0</td> <td>~500</td> </tr> </tbody> </table>	Year	In Operation (MW)	Under Construction (MW)	Earnings (HK\$M)	01	~1,000	0	~0	02	~1,000	0	~200	03	~1,200	0	~400	04	~1,400	0	~400	05	~3,800	0	~500
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 <h2>Chinese Mainland</h2>	<ul style="list-style-type: none"> Developer, investor, project manager and operator in the private sector power business since 1985 Largest external investor in the Chinese mainland electricity industry with 4,080 equity MW of interests in generating assets in Guangdong, Beijing, Shandong, Shaanxi, Guangxi, Guizhou and through our investment in Roaring 40s, Jilin 	 <table border="1"> <caption>Investment Performance - Chinese Mainland</caption> <thead> <tr> <th>Year</th> <th>In Operation (MW)</th> <th>Under Construction (MW)</th> <th>Earnings (HK\$M)</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>~2,000</td> <td>~800</td> <td>~1,000</td> </tr> <tr> <td>02</td> <td>~2,200</td> <td>~1,000</td> <td>~800</td> </tr> <tr> <td>03</td> <td>~2,400</td> <td>~1,000</td> <td>~1,000</td> </tr> <tr> <td>04</td> <td>~3,200</td> <td>0</td> <td>~800</td> </tr> <tr> <td>05</td> <td>~3,200</td> <td>~800</td> <td>~1,000</td> </tr> </tbody> </table>	Year	In Operation (MW)	Under Construction (MW)	Earnings (HK\$M)	01	~2,000	~800	~1,000	02	~2,200	~1,000	~800	03	~2,400	~1,000	~1,000	04	~3,200	0	~800	05	~3,200	~800	~1,000
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 <h2>Asia</h2>	<ul style="list-style-type: none"> Developer, investor, project manager and operator in the private sector power business since 1994 Largest foreign power company in the Indian power sector with 655MW equity interest in the GPEC power station, India A leading international private sector power company in Asia with 2,015 equity MW of interests in generating assets in Taiwan, Thailand and, through our investment in EGCO, the Philippines and Laos 	 <table border="1"> <caption>Investment Performance - Asia</caption> <thead> <tr> <th>Year</th> <th>In Operation (MW)</th> <th>Under Construction (MW)</th> <th>Earnings (HK\$M)</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>~500</td> <td>~500</td> <td>~0</td> </tr> <tr> <td>02</td> <td>~1,500</td> <td>0</td> <td>~500</td> </tr> <tr> <td>03</td> <td>~1,800</td> <td>~800</td> <td>~1,000</td> </tr> <tr> <td>04</td> <td>~1,800</td> <td>~1,000</td> <td>~1,200</td> </tr> <tr> <td>05</td> <td>~1,800</td> <td>~1,200</td> <td>~1,500</td> </tr> </tbody> </table>	Year	In Operation (MW)	Under Construction (MW)	Earnings (HK\$M)	01	~500	~500	~0	02	~1,500	0	~500	03	~1,800	~800	~1,000	04	~1,800	~1,000	~1,200	05	~1,800	~1,200	~1,500
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CLP's vision is to be a leading investor-operator in the Asia-Pacific electric power sector.

2005 Operating Highlights

- Sold 33,879 million kilowatt hours (kWh) of electricity
- Local demand reached a historical peak of 6,475MW in July and system demand also achieved a high demand of 7,817MW in 2005
- Tariff freeze maintained for eight successive years
- Achieved supply reliability of 99.99%, amongst the best in the world
- Black Point Unit 7 started commercial operation in August
- 2005-08 Financial Plan approved with estimated Capex of HK\$24 billion from 2005 to September 2008

- Acquisition of the TXU Merchant Energy Business (MEB) from Singapore Power completed in May, with the acquisition of Singapore Power's 33% interest in the SEAGas Pipeline completed in August
- Merged existing Yallourn Energy business with the MEB to form vertically integrated energy business under new single brand of TRUenergy
- Completed acquisition of 50% stake in Hydro Tasmania's Roaring 40s' renewable energy business, which has 131MW of operating windfarms in Australia and other projects under development

- The joint venture for the project at Fangchenggang (1,200MW) was formally established in May and construction commenced under direct CLP management control
- High operating hours for CLP Guohua and Shenmu power stations (2,300MW) reflecting local market demand, and effective collaboration with our joint venture partner Shenhua, in securing stable coal supplies and managing fuel costs
- PRC authorities approved new tariffs for most stations, effective from mid-2005. However, the increases did not fully compensate for the significant rises in coal costs
- Good progress on renewable energy with an increase in CLP's shareholding in the Huaiji hydro project and continued development of wind farm projects including at Changdao, Weihai and Nanao Island

- GPEC continued to maintain very high operational, safety and environmental standards
- Construction of the 1,434MW BLCP power project, Thailand progressed well
- Favourable adjustment in the energy charge rate at Ho-Ping, Taiwan largely mitigated previous increases in coal and transportation costs
- Ho-Ping operations were impacted by the damage of coal domes in typhoons and a turbine blade failure on one of its two generating units

2006 Outlook

- Continue to enhance supply reliability, power quality and customer service
- Deliver high performance and flexibility from generating assets and complete construction of Unit 8 at Black Point Power Station to schedule and within budget
- Continue to participate actively in discussions on future regulation of the Hong Kong electricity industry

- Complete the integration of the TRUenergy organisation following last year's major acquisition and achieve tangible benefits in reduced operating costs
- Grow retail and generation asset base in existing and new markets, including New South Wales
- Make targeted investment in Yallourn to ensure long-term efficiency and reliability
- Pursue renewable energy project opportunities including promoting Roaring 40s as a platform for the development of renewable energy projects (primarily wind power) in Australia and Asia

- Effectively manage the Fangchenggang project to demonstrate CLP's ability to compete in the domestic market
- Continue efforts to seek a more stable position on coal prices with tariff adjustments where appropriate
- Continue efforts to optimise power station operation and maintenance
- Consider restructuring existing joint ventures in the light of the emerging position on tariff, fuel prices and the ability of CLP to apply its expertise effectively

- Secure long-term gas supplies for GPEC and GPEC expansion
- Pursue growth opportunities in Gujarat and other reforming states, including possible expansion into transmission and distribution sectors in addition to power generation
- Ensure construction of BLCP power project according to schedule for commercial operation in 2006/07
- Start the rebuild of the Ho-Ping coal domes and repair the turbine and related equipment to enable early return to service