

Powering Asia Responsibly CLP is a leading investor

Who are we?

Hong Kong

- Electricity supplier since 1903
- We own and operate an electricity supply business,
 - Generation: 6,908 megawatts (MW)*
 - Energy Delivery: over 13,000 kilometers (km) of transmission and high voltage distribution lines
 - Customer Service: 2.3 million customer accounts (representing over 80% of Hong Kong's population)
- We're regulated by the Hong Kong Government under a Scheme of Control (SoC) Agreement

* Includes 100% of generating capacity owned by Castle Peak Power Company Limited and operated by CLP Power Hong Kong Limited

How are we doing?

- World-class reliability and customer service
- Total tariff increase of 2.6% for 2010 – the first basic tariff increase in 10 years, and still good value
- Our emissions levels are low (even lower than in 1990) and we're reducing them even further
- The SoC gives us a stable basis for investment until at least 2018
- We've secured clean electricity supply from Daya Bay Nuclear Power Station for a further 20 years from 2014

Australia

- We're a developer, investor, project manager, retailer and operator in the power business since 1999
- We're present in energy markets throughout Australia (except Western Australia and the Northern Territory)
- As TRUenergy, we operate a vertically integrated energy business,
 - Generation: 2,080MW from wholly-owned large thermal and gas-fired power stations and a 966MW long-term hedge contract
 - 1.28 million customer accounts (gas and electricity)
 - Gas storage and processing
 - Renewable energy purchases and investments

- TRUenergy is performing better, with a strengthened organisation, people and processes – and the youngest management team in the Group
- CO₂ emissions from our Yallourn brown-coal station in Victoria are a big risk, with new legislation threatening
- Our power stations have performed well, including our new gas-fired Tallawarra Power Station in New South Wales
- The failure of our investment in solar energy through Solar Systems was painful, but we're still moving on with wind power

Chinese Mainland

- We're a developer, project manager and operator in the power business since 1985
- We're the largest external investor in the Chinese mainland electricity industry with 5,578 equity MW
- We've interests in different types of power generating assets including nuclear, pumped storage, coal-fired, hydro, wind and biomass in Guangdong, Beijing, Hebei, Tianjin, Shandong, Shaanxi, Liaoning, Inner Mongolia, Guangxi, Guizhou, Sichuan, Jilin and Yunnan

- Tough first six months, but a big turnaround in the second half of the year, thanks to the economic recovery and a lot of hard work
- Our largest investment, Fangchenggang Power Station, did really well after low despatch at the beginning of the year
- We've put more discipline into our wind business, achieving growth through a mix of minority stakes, our investment in CGN Wind and, from this year, wholly-owned projects
- Construction at our Jiangbian hydro project is going well, but safety is always a challenge

India

- We're a developer, project manager and operator in the power business since 2001
- We're one of the largest foreign power investors in the Indian power sector with 2,420MW equity interest in power projects in the country
- We're the largest private sector investor in wind energy in India with 446MW of wind projects
- We're building a 1,320MW coal-based power plant based on supercritical technology at Jhajjar, Haryana

- GPEC, our first investment, is still doing well
- Jhajjar took a while to finance, but the project is coming along now
- We've a good position in wind energy and we're looking for new projects
- We're bidding for transmission projects. We'll do one or two smallish ones first to see how they go

Southeast Asia and Taiwan

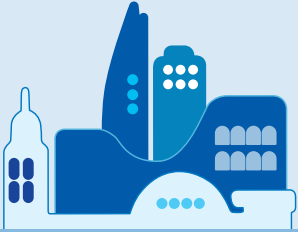
- We're a developer, investor, project manager and operator in the power business since 1994
- Through OneEnergy, our joint venture with Mitsubishi Corporation, and CLP's subsidiaries, we've 832 equity MW of interests in generating assets in Taiwan, Thailand, The Philippines and Laos
- We're co-developing coal-fired projects in Vietnam

- It was a good year for Ho-Ping and we recovered more of our coal costs
- We increased our stake in EGCO and we have contributed to its business by the transfer of our shares in the BLCP project
- We restructured our OneEnergy joint venture with Mitsubishi to reduce overheads and make better use of our complementary, but different, skills
- The two coal-fired projects in Vietnam we're exploring started to look like genuine possibilities, even if there's a long way to go

-operator in the Asia-Pacific electric power sector

What's ahead?

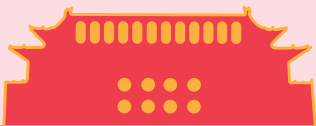
- We've got to keep up our record of reliability, reasonable tariffs and first-rate customer service
- Working with the Beijing and Hong Kong governments and Chinese mainland parties, we're bringing in new supplies of gas
- The emissions control project at Castle Peak Power Station needs to be completed
- Then, we're going to have to look for more ways to bring emissions down even further, like burning less coal, more gas and taking more nuclear energy



- Uncertain times still to come if the Federal Government sticks with its proposed Carbon Pollution Reduction Scheme in its current form
- We're working on our customer service IT platform – it's a big job
- If we get fair treatment on emissions legislation we're interested in new gas-fired generation, the privatisation of New South Wales retail electricity businesses and more renewable energy
- The business needs to grow – but we need to manage its capital requirements



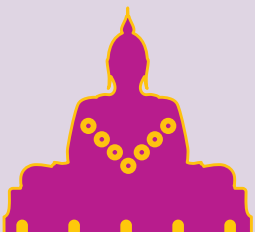
- Some of our investments in coal-fired projects don't give us too much control or room to grow – we'll look at our strategic options, including possible sell-downs
- If we could expand at Fangchenggang we probably would
- We'll grow our wind portfolio and prove we can do projects by ourselves
- We'll build on our relationship with China Guangdong Nuclear Power Holding Company, Limited and see how we can work together in the expansion of China's nuclear power industry



- There are opportunities across the power sector – coal and gas-fired generation, renewable energy (mostly wind) and transmission
- We'll stick to reforming states – we don't want or need to be everywhere
- We'll be reinforcing our people, organisation and systems to meet the demands of a growing business



- We need to consolidate our portfolio – maybe around EGCO if we can increase our influence and management input
- Although there aren't too many renewable energy opportunities, our solar project in Thailand looks like it should go ahead
- Vietnam is an interesting market. To make our coal-fired projects happen we'll need to source plant at a good price and raise international project financing on reasonable terms



Financial Highlights

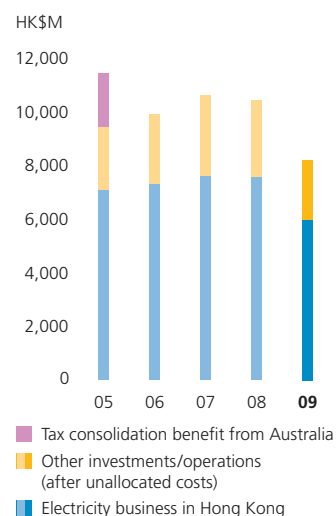
2009 operating earnings down by 12.4% to HK\$8.5 billion. Upturn in earnings from non-Hong Kong businesses reduced the impact of expected reduction in Hong Kong earnings.

	2009	2008	Increase / (Decrease) %
For the year (in HK\$ million)			
Revenue			
Electricity business in Hong Kong (HK)	28,297	30,191	(6.3)
Energy business outside HK	22,175	23,822	(6.9)
Others	196	284	
Total	50,668	54,297	(6.7)
Earnings			
Electricity business in HK	5,964	7,549	(21.0)
Other investments/operations	3,007	2,564	17.3
Unallocated net finance costs	(21)	(21)	
Unallocated Group expenses	(413)	(345)	
Operating earnings	8,537	9,747	(12.4)
Other income	153	657	
Provisions for Solar Systems and OneEnergy	(477)	–	
Other one-off items of TRUenergy	(17)	19	
Total earnings	8,196	10,423	(21.4)
Net cash inflow from operating activities	14,529	15,238	(4.7)
At 31 December (in HK\$ million)			
Total assets	156,531	132,831	17.8
Total borrowings	39,431	26,696	47.7
Shareholders' funds	70,761	63,017	12.3
Per share (in HK\$)			
Earnings per share	3.41	4.33	(21.3)
Dividends per share			
Interim	1.56	1.56	
Final	0.92	0.92	
Total	2.48	2.48	–
Shareholders' funds per share	29.41	26.19	12.3
Ratios			
Return on equity (%)	12.3	16.4	
Total debt to total capital ¹ (%)	35.7	29.7	
Net debt to total capital ² (%)	30.7	29.1	
Interest cover ³ (times)	8	9	
Price/Earnings ⁴ (times)	15	12	
Dividend yield ⁵ (%)	4.7	4.7	

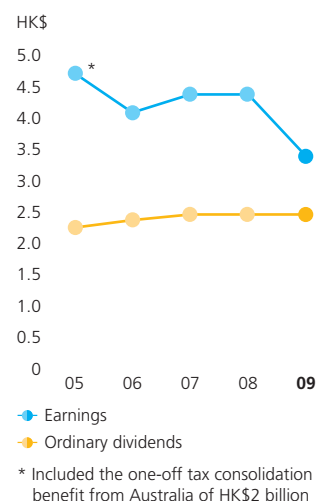
Notes:

- Total debt to total capital = Debt / (Equity + debt). Debt = Bank loans and other borrowings.
- Net debt to total capital = Net debt / (Equity + net debt). Net debt = Debt – bank balances, cash and other liquid funds.
- Interest cover = Profit before income tax and interest / (Interest charges + capitalised interest)
- Price/Earnings = Closing share price on the last trading day of the year / Earnings per share
- Dividend yield = Dividends per share / Closing share price on the last trading day of the year

Total Earnings



Earnings and Dividends per Share



Total Assets in 2009

