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Want to see more?



Integrated Reporting

In this year's Annual Report we have moved further towards integrated reporting as envisaged by the International Integrated Reporting Council (IIRC - www.theiirc.org). In the IIRC's words "Integrated Reporting brings together material information about an organisation's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates. It provides a clear and concise representation of how an organisation demonstrates stewardship and how it creates and sustains value".

For CLP "integrated reporting" also means linking this Annual Report with all the other means available to us to bring information to our stakeholders, including our [online Sustainability Report](#) and the wealth of other information available on our website (www.clpgroup.com) and in our other publications. These, taken together, are designed to give you a coherent and integrated picture of CLP and to demonstrate our ability to create value now and in the future.

The IIRC suggests an integrated report should address each of the six questions, set out on the next page, about our business, and do so in a way which makes the interconnections between them, so that investors and other stakeholders can assess CLP's long-term prospects in a clear, concise and connected format.

To help readers, we have highlighted those areas of this Annual Report where further information is available in the online Sustainability Report or on our website, by using the symbols  and .

Organisational Overview and Business Model

What does CLP do and how do we create and sustain value in the short, medium and long-term?

CLP Holdings Limited, listed on the Hong Kong Stock Exchange, is the holding company for the CLP Group, which is one of the largest investor-owned power businesses in the Asia-Pacific region. Through CLP Power we operate a vertically integrated electricity supply business in Hong Kong. Elsewhere, CLP holds a diversified portfolio of power generation investments which includes gas, coal, renewable and nuclear energy in Australia, the Chinese mainland, India and Southeast Asia and Taiwan, as well as a major gas and electricity retail business in Australia.

In a changing world, CLP's mission is to produce and supply energy with minimal environmental impact to create value for shareholders, customers, employees and the wider community.

Strategic Objectives

Where CLP wants to go and how is it going to get there?

CLP's vision is to be the leading responsible energy provider in the Asia-Pacific region, from one generation to the next. This means conducting our business in a sustainable manner and delivering economic, social and environmental value now and over the long-term to our stakeholders.

Governance and Remuneration

What is CLP's governance structure and how does governance support our strategic objectives and relate to our approach to remuneration?

CLP's governance structure is based on the CLP Code on Corporate Governance. This not only embraces the Hong Kong Stock Exchange's Code on Corporate Governance Practices, but also goes beyond that to reflect the demanding standards we have set ourselves. CLP's remuneration policies, which are overseen by the Board's Human Resources & Remuneration Committee, ensure that the interests of Directors and Senior Management are aligned with those of the Company and its shareholders.

In addition, CLP's Value Framework sets out the business principles and ethics that help drive the Company forward and expresses the standards we expect of ourselves and which other people would expect of us.

Operating Context

What are the circumstances under which CLP operates, including the key resources and relationships on which it depends?

CLP provides electricity, an essential public service, to both developed and developing economies in the Asia-Pacific region – one of the most dynamic and fast-moving regions of the world. Our key relationships include those with capital providers, governments, customers and employees. The key resources which we apply include our values, our expertise and experience, our people and our ability to raise and deploy capital to support the large scale and long-term investments which our business demands.

Future Outlook

What opportunities, challenges, and uncertainties is CLP likely to encounter in achieving its strategic objectives?

Our strong business presence in Hong Kong, the Chinese mainland, India, Australia and elsewhere in the region provides a strong platform from which to continue to grow.

Although the challenges and risks we face vary from one market to another, many are inherent in the nature of our business. These include political and regulatory uncertainty, the need to procure fuel on a timely, adequate and cost-effective basis, risks associated with the construction and operation of new technology and the need for prudent management of our financial resources. Our knowledge of the power industry, our familiarity with our markets and our disciplined approach to risk management give CLP confidence that we can exploit the opportunities and manage the challenges which our business presents.

Performance

How has CLP performed against its strategic objectives?

In 2011, Group operating and financial performance has been solid with Group operating earnings higher than those achieved in 2010. In addition, CLP's performance in the wider aspects of its business, including its social and environmental dimensions, was fully aligned with our mission, vision and values. The following "5-Minute Annual Report" gives you a snapshot of CLP's financial, social and environmental performance – all of which is described in much greater detail throughout this Annual Report and in our online Sustainability Report. 