A SNAPSHOT OF CLP IN 2013

ABOUT THE CLP GROUP

We are an investor and operator in the energy sector of the Asia-Pacific region. For over 100 years, we have powered Hong Kong's dynamic and spectacular growth and we continue to deliver a highly reliable supply of electricity to over 80% of the city's population. Today, our business spans across the Chinese mainland, Australia, India, Southeast Asia and Taiwan. Where we operate, we become part of the social and economic fabric of the local communities, working with them to achieve sustainable growth.

BUSINESS DESCRIPTION	MAJOR EVENTS IN 2013
HONG KONG CLP has a vertically-integrated regulated business in Hong Kong, which is the core of our operations. We generate, distribute and provide a world-class electricity supply with a reliability rate of 99.999% to 2.4 million customers.	• Continued to deliver world-class reliability, environmental performance and excellent service to our customers • Concluded the Interim Review under the Scheme of Control Agreement • Received approval from the Government for the 2014–2018 Development Plan • Collaborated with China Southern Power Grid Co., Limited (CSG) to each acquire half of ExxonMobil's 60% interest in Castle Peak Power Company Limited (CAPCO); CLP will also purchase ExxonMobil's 51% stake in Hong Kong Pumped Storage Development Company, Limited (PSDC) • Completed the Hong Kong Branch Line project, a new gas receiving station and Black Point Power Station modifications to receive gas supplies from PetroChina's Second West-East Gas Pipeline
AUSTRALIA As EnergyAustralia, we operate an integrated energy business serving 2.7 million customers across southeast Australia. Our multi-billion dollar asset portfolio includes coal, gas and wind generation and gas storage facilities.	• Experienced ongoing lower electricity demand and suppressed wholesale prices, which impacted earnings from generation assets • Reduced the value of Yallourn Power Station and gas-fired assets due to lower sustained demand conditions, high likelihood of the removal of carbon pricing regime and increasing gas prices • Acquired the Mount Piper and Wallerawang power stations, removing reliance on the relatively high-cost and inflexible GenTrader arrangements • Saw a drop in residential sales due to higher unit prices, a rise in solar rooftop installations and take-up of energy efficiency programmes • Stabilised the new billing system and made good progress with rectifying issues related to the implementation of the system
CHINESE MAINLAND CLP has been in the Chinese mainland power industry since 1985. We are one of the largest external independent power producers with a focus on clean and low-carbon energy including nuclear and renewables.	• Achieved good performance at Fangchenggang Power Station; seeking final approval to build two further units on the same site • Commissioned our first solar project in the Chinese mainland, Jinchang Solar in Gansu Province, which has been performing well • Transferred our entire interest in Boxing Biomass to our joint venture partner • Continued to develop our wholly-owned Laiwu Phase I wind project in Shandong Province on schedule, with commissioning in January 2014 • Discontinued discussions with China General Nuclear Power Corporation (CGNPC) on the acquisition of a 17% shareholding in the Yangjiang Nuclear Power Project
INDIA CLP has a broad portfolio of power generation that includes coal, gas and renewable energy in India. We are the largest foreign player in the power industry and the biggest wind project developer, whether domestic or foreign.	• Achieved a significant improvement in availability at Jhajjar coal-fired power plant due to improved fuel security and quality • Continued to explore other sources of reasonably-priced domestic gas as fuel supply issues continued to affect Paguthan Power Plant • Won a long-running dispute on availability payments at Paguthan after the regulator upheld our claims against our off-taker • Commissioned three wind projects in Rajasthan and Gujarat and invested in the Jath wind project in Maharashtra • Signed a "pooled financing" agreement for our wind assets to mitigate project-specific risks, maximise value for investors and fund future growth
SOUTHEAST ASIA AND TAIWAN We entered the Southeast Asia power market in 1994. Currently, we have interests in Ho-Ping Power Station in Taiwan, the Lopburi solar project in Thailand and are co-developing two coal-fired projects in Vietnam.	• Settled on a tariff reduction scheme for Ho-Ping but continued administrative appeals and litigation against the penalty imposed by the Taiwan Fair Trade Commission • Completed an additional 8MW expansion to the Lopburi solar project • Made further headway in developing the Vung Ang II and Vinh Tan III coal-fired projects in Vietnam towards a final investment decision stage

2013 IN FIGURES

DELIVERING ECONOMIC VALUE

EARNINGS

Operating Earnings remained steady at

HK$9,307 million

1.1% decline from 2012

Total Earnings were

HK$6,060 million

down 27.1% from 2012

ACQUISITIONS

Announced plans to raise our stakes in CAPCO and PSDC for

HK$14,000 million

Acquired the Mount Piper and Wallerawang power stations in Australia for

HK$1,089 million

(A$157 million)

TOTAL DIVIDENDS

HK$2.57

per share, same as 2012

CARING FOR OUR COMMUNI

COMMUNITY INITIATIVES

33,522 people

directly benefited from CLP's community initiatives

CAREERS

6,968 people

were employed by CLP across the Asia-Pacific region

POWERING ASIA RESPONSIBLY

POWER GENERATION

147,021 million kWh

was sent out from power stations in which CLP has invested

CUSTOMER SERVICE

5.1 million

customer accounts were serviced by CLP (2.4 million in Hong Kong and 2.7 million in Australia)

CLIMATE CHANGE

0.82 kg CO_2/kWh

carbon emission intensity of CLP's electricity generation, increased for the first time since 2007 due mainly to the acquisition of the coal-fired generation assets in Australia and increased production from Jhajjar compared to its 2012 level

TIES

568 activities

were implemented

Staff volunteered

11,974 hours

RENEWABLE ENERGY

16.3 %

of CLP's generating capacity came from renewable energy sources in 2013, compared to 20.2% in 2012, mainly as a result of the acquisition of the coal-fired generation assets in Australia

SAFETY

One contractor fatality 0.16 LTIR 0.39 TRIR

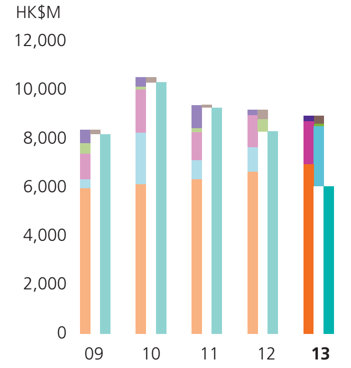
Lost Time Injury Rate (LTIR) and Total Recordable Injury Rate (TRIR) are industry standards to measure safety performance. TRIR is similar to 2012's level but LTIR is 14% higher largely due to two incidents in India

FINANCIAL HIGHLIGHTS

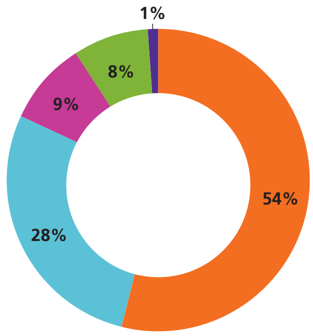
Operating earnings remained stable at HK$9.3 billion. Total earnings down 27.1% to HK$6.1 billion mainly due to impairment provisions made in Australia.

	2013	2012	Increase/ (Decrease) %
For the year *(in HK$ million)*			
Revenue			
Electricity business in Hong Kong (HK)	33,840	33,643	0.6
Energy business in Australia	64,976	66,843	(2.8)
Others	5,714	4,375	
Total	104,530	104,861	(0.3)
Earnings			
Electricity business in HK	6,966	6,654	4.7
Energy business in Australia	126	1,685	(92.5)
Other investments / operations	2,664	1,631	63.3
Unallocated net finance costs	(26)	(74)	
Unallocated Group expenses	(423)	(490)	
Operating earnings	9,307	9,406	(1.1)
One-off items from Australia	(2,582)	(685)	
Impairment provisions for Paguthan, CSEC Guohua and Shenmu in 2013 / Jhajjar and Boxing Biomass in 2012	(590)	(409)	
Divestment from Boxing Biomass	(75)	–	
Total earnings	6,060	8,312	(27.1)
Net cash inflow from operating activities	21,021	23,915	(12.1)
At 31 December *(in HK$ million)*			
Total assets	211,685	228,756	(7.5)
Total borrowings	56,051	66,198	(15.3)
Shareholders' funds	87,361	91,127	(4.1)
Per share *(in HK$)*			
Earnings per share	2.40	3.45	(30.4)
Dividends per share	2.57	2.57	–
Shareholders' funds per share	34.58	36.07	(4.1)
Ratios			
Return on equity [1] (%)	6.8	10.1	
Total debt to total capital [2] (%)	39.1	42.1	
Net debt to total capital [3] (%)	36.7	36.8	
Interest cover [4] (times)	3	4	
Price / Earnings [5] (times)	26	19	
Dividend yield [6] (%)	4.2	4.0	

Total Earnings



Total Assets in 2013

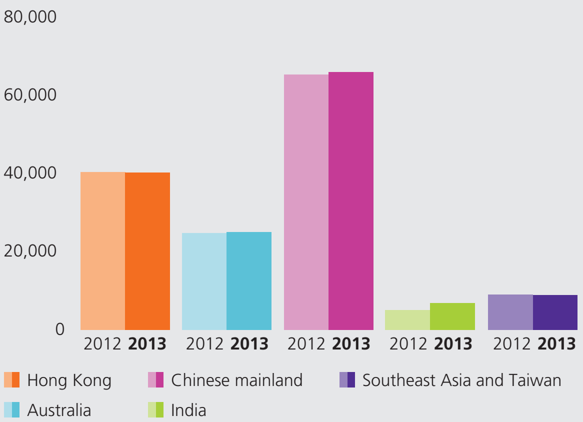


Notes:
1 Return on equity = Total earnings / Average shareholders' funds. The 2012 figure excluded the effect of the 5% share placement on 20 December 2012 to give a more accurate average shareholders' funds in 2012.
2 Total debt to total capital = Debt / (Equity + debt). Debt = Bank loans and other borrowings.
3 Net debt to total capital = Net debt / (Equity + net debt). Net debt = Debt – bank balances, cash and other liquid funds.
4 Interest cover = Profit before income tax and interest / (Interest charges + capitalised interest)
5 Price / Earnings = Closing share price on the last trading day of the year / Earnings per share
6 Dividend yield = Dividends per share / Closing share price on the last trading day of the year

NON-FINANCIAL HIGHLIGHTS

This section aims to give more details of some key performance indicators that affect the operational, social and environmental aspects of our businesses.

Our Sent Out

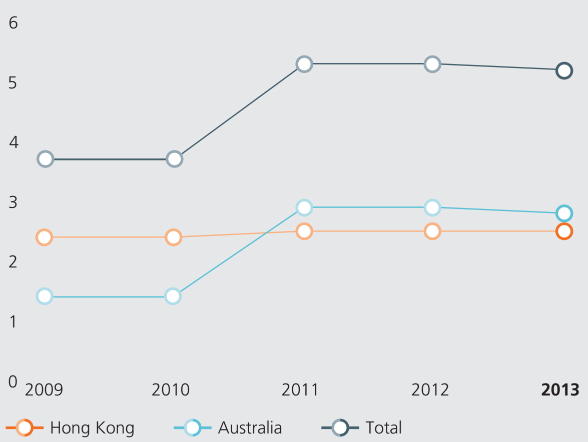


Our People

	Voluntary Turnover Rate (%)		Average Length of Service (years)		Average Training Per Head (days)	
	2012	**2013**[1]	2012	**2013**	2012	**2013**
Hong Kong	3.3	**1.9**	18.8	**18.5**	5.3	**6.0**
Australia[2]	10.5	**9.4**	6.6	**6.1**	3.6	**3.7**
Chinese mainland	7.0	**2.6**	13.0	**14.9**	13.1	**8.0**
India	6.2	**10.1**	4.1	**5.2**	3.7	**3.5**
Others	–	**–**	5.8	**–**	–	**–**

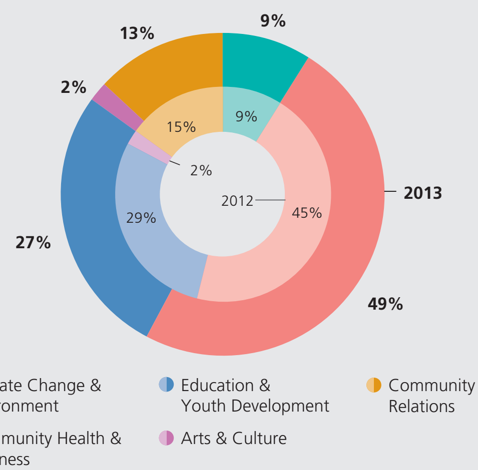
Notes: 1 Reporting approach updated in 2013
2 Exclude Mount Piper and Wallerawang which were acquired in Q4 2013

Our Customers



Our Community Initiatives

Spending by Themes



Our Renewable Energy Capacity

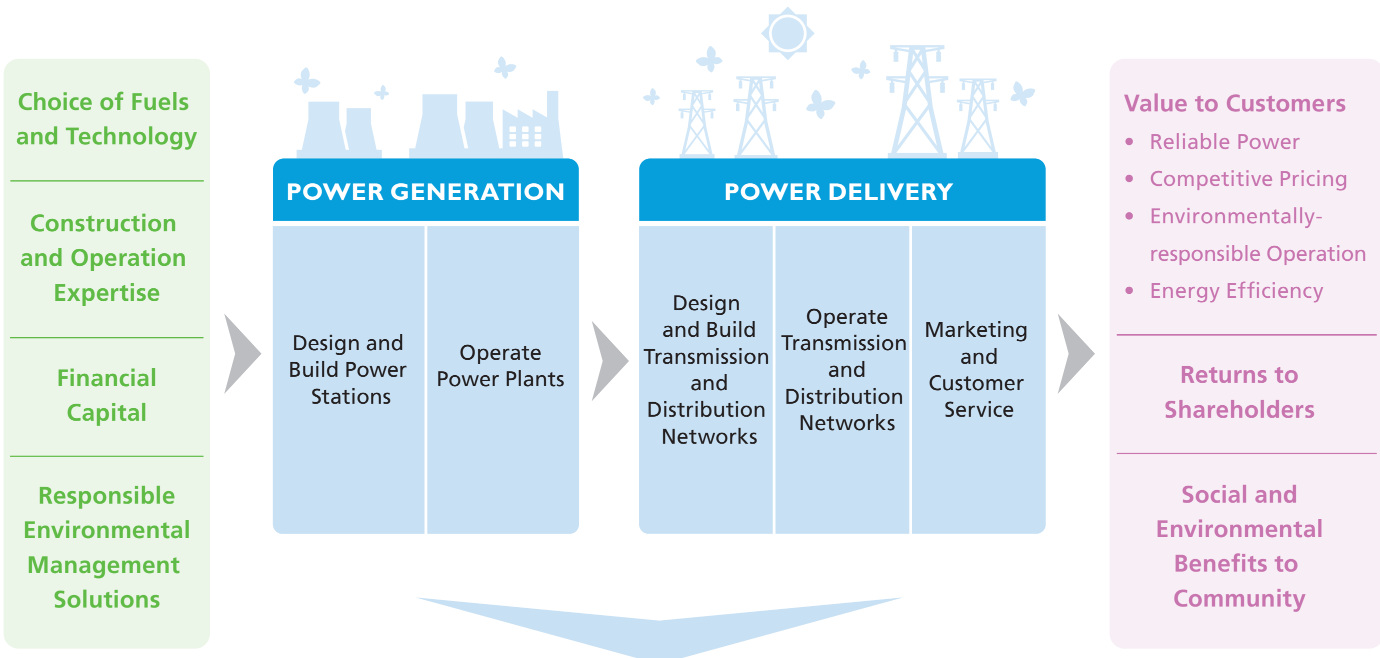
Total Renewable Energy Generation Capacity (%, equity basis)

Renewable Energy Generation Capacity by Sources (% & MW, equity basis)

	2012		2013	
	%	MW	%	MW
Wind	16.3	2,215	12.5	1,987
Hydro	3.6	486	3.1	486
Solar	0.2	21	0.7	106
Biomass	0.1	12	0	0
Total	20.2	2,734	16.3	2,579

OUR BUSINESS MODEL

CLP's core business is to provide electricity to customers reliably, at a competitive price and with the least environmental impact. To do this, we act in different roles across the electricity value chain, depending on local constraints and characteristics that vary in the markets in which we operate. We draw on various "capitals", namely choice of fuels and technology, expertise in power plant construction and operation, financial capital and environmentally-responsible solutions as inputs to help deliver power responsibly.



Strategy:

- Focus on our core market in Hong Kong where we operate a vertically-integrated electricity business under a regulatory regime and by way of a "Scheme of Control" Agreement that defines our roles and returns
- Diversify to selected markets in Asia Pacific to capitalise on their long-term growth potential
- Adopt a flexible and market-by-market approach, with a balanced portfolio reflecting our low-carbon journey

HONG KONG

(Vertically-integrated Electricity Business)

- Generation, transmission and distribution, retail
- Permitted return under a regulatory agreement
- Power purchase supplementing local generation
- Import of fuels with cost pass-through

CHINA, INDIA, SOUTHEAST ASIA AND TAIWAN

(Independent Power Producer)

- Electricity generation with sales to distributors or retailers through power purchase agreements
- Procurement of fuels from local and overseas sources
- Renewable energy as a key growth engine

AUSTRALIA

(Competitive Wholesale and Retail Energy Provider)

- Electricity generation with sales to wholesalers or grids
- Gas storage
- Electricity and gas retail operations for business and residential customers
- Fuel supplies from self-owned coal mines and procurement