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中電控股有限公司
CLP Holdings Limited
(incorporated in Hong Kong with limited liability)
(Stock Code: 00002)

Continuing Connected Transactions

Reference is made to the announcement dated 12 May 2014 (“**Announcement**”) in relation to the ongoing transactions entered into between the CSG Group and the CLP Group, which became continuing connected transactions of the Company as from 12 May 2014. Since the date of the Announcement, members of the CSG Group and members of the CLP Group have (a) renewed some of the continuing connected transactions announced in the Announcement which have fallen to be renewed since then and (b) entered into new agreements for both existing projects and new projects which constitute continuing connected transactions. These include the Power Sales Contract, a number of power purchase agreements (“**PPA**”) and grid connection contracts (“**GCC**”) and other related agreements for power purchase by the CSG Group as well as an agreement for a new wind power project in development. These renewals and the entering into of the new agreements were conducted in the ordinary and usual course of business of the CLP Group.

CAPCO is a subsidiary of the Company. CSG HK is a substantial shareholder of CAPCO as it holds a 30% interest in CAPCO. Accordingly, CSG HK is a connected person of the Company (at the subsidiary level) under the Listing Rules and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the relevant percentage ratios under the Listing Rules in respect of the Transactions, following aggregation and renewal, is more than 1% but less than 5%, the Transactions are only subject to the announcement requirements set out in Rules 14A.35 and 14A.68 and the annual review requirements set out in Rules 14A.55 to 14A.59 but are exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Particulars of the Transactions will be included in the relevant annual report of the Company for the purposes of Rules 14A.49 and 14A.71.

1. CONTINUING CONNECTED TRANSACTIONS BETWEEN THE CSG GROUP AND THE CLP GROUP

Reference is made to the Announcement in relation to the ongoing transactions entered into between the CSG Group and the CLP Group, which became continuing connected transactions of the Company as from 12 May 2014. Since the date of the Announcement, members of the CSG Group and members of the CLP Group have (a) renewed some of the continuing connected transactions announced in the Announcement which have fallen to be renewed since then and (b) entered into new agreements for both existing projects and new projects which constitute continuing connected transactions. These include the Power Sales Contract, a number of PPAs and GCCs and other related agreements for power purchase by the CSG Group as well as an agreement for a new wind power project in development. These renewals and the entering into of the new agreements were conducted in the ordinary and usual course of business of the CLP Group.

The principal terms of the Transactions are summarised in Table A below:-

Table A – Details of the Transactions

No.	Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Original term of the agreement	Nature and description of the transaction	Basis for determining the consideration
CLP Power electricity sales to Mainland China						
1.	Power Sales Contract effective from 10 February 2012, and three related supplemental agreements dated 4 July 2012, 21 November 2012 and 26 November 2014 respectively.	CLP Power, a wholly-owned subsidiary of the Company.	Guangdong Power Grid Co., Ltd. (“GPG”), a subsidiary of CSG. Guangdong Guang-hua Industry Import and Export Co. Ltd, as payment agent of GPG, a subsidiary of CSG.	From 10 February 2012 to 31 December 2015 (as extended).	Sale of electricity by CLP Power to GPG.	Payment is based on the number of GWh sold as to be agreed between the parties and multiplied by an arm’s length tariff negotiated between the parties. The tariff is determined after taking into account available market information and the relevant cost.
The Huaiji hydro project						
2.	Zelian Hydro Station PPA and GCC <u>Date:</u> PPA: Automatically renewed on 23 July 2014 in respect of the period from 23 July 2014 to 22 July 2015. GCC: 30 September 2009.	Guangdong Huaiji Xinlian Hydro-electric Power Company Limited, a subsidiary of the Company.	GPG, a subsidiary of CSG.	PPA: The agreement was originally entered into in respect of the period from 23 July 2009 to 22 July 2010 and automatically extended for successive one year periods since then. Renewal is automatic unless one party gives a notice of objection to the other party at the expiry of each one year period and the parties cannot reach an agreement within 30 days of that objection in relation to continuing the contract for a further year. GCC: no term is specified.	The PPA governs the sale of electricity by the relevant CLP Group company to GPG. The GCC sets out the operational and technical provisions relating to grid connection and enables the flow of power from the power station to the grid. The PPA is subject to the operational GCC being in place at all relevant times.	Payment under the PPA is based on the number of GWh sold pursuant to the agreement multiplied by a state pre-determined tariff, determined by the Zhaoqing City Price Bureau. This tariff is published at Zhaoqing Price Bureau Document ZhaoJia [2012] No. 67 and is updated from time to time. The above pricing also applies to Contracts 3-8. No fee is payable under

No.	Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Original term of the agreement	Nature and description of the transaction	Basis for determining the consideration
				As such, the GCC continues indefinitely unless and until terminated by both parties, but in practice will fall away when the PPA is terminated.		the GCC.
3.	Longzhongtan Hydro Station PPA and GCC <u>Date:</u> As in Contract 2 above.	Guangdong Huaiji Xinlian Hydro-electric Power Company Limited, a subsidiary of the Company.	GPG, a subsidiary of CSG.	As in Contract 2 above.	As in Contract 2 above.	As in Contract 2 above.
4.	Jiaoping Hydro Station PPA and GCC <u>Date:</u> As in Contract 2 above.	Guangdong Huaiji Xinlian Hydro-electric Power Company Limited, a subsidiary of the Company.	GPG, a subsidiary of CSG.	As in Contract 2 above.	As in Contract 2 above.	As in Contract 2 above.
5.	Xiazhu Hydro Station PPA and GCC <u>Date:</u> As in Contract 2 above.	Guangdong Huaiji Xinlian Hydro-electric Power Company Limited, a subsidiary of the Company.	GPG, a subsidiary of CSG.	As in Contract 2 above.	As in Contract 2 above.	As in Contract 2 above.
6.	Shuixia Hydro Station PPA and two GCCs <u>Date:</u> PPA: Entered into on 28 July 2014 in respect of the period from 28 July 2014 to 27 July 2015. GCCs: 28 July 2014 and both in practice will fall away when PPA is terminated.	Guangdong Huaiji Weifa Hydro-electric Power Company Limited, a subsidiary of the Company.	GPG, a subsidiary of CSG.	PPA and GCCs: These are replacement of the existing PPA and GCC for the Shuixia Hydro Station.	As in Contract 2 above.	As in Contract 2 above.
7.	Niuqi Hydro Station Connection Contract (equivalent to a PPA) and GCC (See Note (a)) <u>Date:</u> PPA: Automatically renewed on 12 January 2014 in respect of the period from 12 January 2014 to 11 January 2015. GCC: 22 October 2010 and same term	Guangdong Huaiji Xinlian Hydro-electric Power Company Limited, a subsidiary of the Company.	GPG, a subsidiary of CSG.	PPA: The agreement was originally entered into in respect of the period from 12 January 2009 to 11 January 2010 and automatically extended for successive one year periods since then. Renewal is automatic unless one party gives a notice of objection to the other party at the expiry of each one year period and the parties cannot reach an agreement within 30 days of that objection in relation to continuing the	As in Contract 2 above.	As in Contract 2 above.

No.	Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Original term of the agreement	Nature and description of the transaction	Basis for determining the consideration
	as the PPA.			contract for a further year. GCC: the same term as per the PPA.		
8.	<p>Baishuihe Four Hydro Stations PPA and GCC (See Note (a))</p> <p><u>Date:</u> PPA: Automatically renewed on 23 February 2014 in respect of the period from 23 February 2014 to 22 February 2015. GCC: 9 October 2007</p>	<p>Guangdong Huaiji Changxin Hydro-electric Power Company Limited</p> <p>Guangdong Huaiji Gaotang Hydro-electric Power Company Limited</p> <p>Guangdong Huaiji Weifa Hydro-electric Power Company Limited</p> <p>Guangdong Huaiji Xinlian Hydro-electric Power Company Limited</p> <p>All of the above companies are subsidiaries of the Company.</p>	GPG, a subsidiary of CSG.	<p>PPA: The agreement was originally entered into in respect of the period from 23 February 2012 to 22 February 2013 and automatically extended for successive one year periods since then. Renewal is automatic unless one party gives a notice of objection to the other party at the expiry of each one year period and the parties cannot reach an agreement within 30 days of that objection in relation to continuing the contract for a further year.</p> <p>GCC: no term is specified. As such, the GCC continues indefinitely unless and until terminated by both parties, but in practice will fall away when the PPA is terminated.</p>	As in Contract 2 above.	As in Contract 2 above.
9.	<p>Cuizhu Transmission Line Maintenance Contract (See Note (a))</p> <p><u>Date:</u> 31 March 2011</p>	<p>Guangdong Huaiji Gaotang Hydro-electric Power Company, a subsidiary of the Company.</p>	GPG, a subsidiary of CSG.	Continuingly valid, but, in practice, will fall away when the relevant PPA (item 8 above) is terminated.	Asset and obligation sharing in relation to the Hydro Station for Guangdong Huaiji Gaotang Hydro-electric Power Company Limited (refer to item 8 above).	No fee is payable.
The Yang_er hydro project						
10.	<p>Yang_er Hydro Project PPA and GCC</p> <p><u>Date:</u> PPA: Renewal by continued performance on 1 January 2015 in respect of the period from 1 January 2015 to 31 December 2015. (See also section 4 of this announcement)</p> <p>GCC: Entered into on 9 July 2014 for a one year period.</p>	<p>Dali Yang_er Hydropower Development Co., Ltd (“Dali Yang_er”), a wholly-owned subsidiary of the Company.</p>	Yunnan Power Grid Company, a subsidiary of CSG.	<p>PPA: The agreement was originally entered into on 19 August 2009. A written agreement was last entered into on 21 April 2014 in respect of the extension for a one year period from 1 January to 31 December 2014.</p> <p>GCC: This is a replacement of the existing GCC.</p>	<p>The PPA governs the sale of electricity by Dali Yang_er to Yunnan Power Grid Company.</p> <p>The GCC sets out the operational and technical provisions relating to grid connection and enables the electricity to flow into the grid. The PPA is subject to the operational GCC being in place at all relevant times.</p>	<p>Payment under the PPA is based on the number of GWh sold pursuant to the agreement multiplied by a state pre-determined tariff, determined by the Yunnan Provincial Development and Reform Commission. This tariff is published at Yunnan Price Bureau Document YunJiaJiaGe [2013] No. 139 and is updated from time to time.</p> <p>No fee is payable under the GCC.</p>

No.	Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Original term of the agreement	Nature and description of the transaction	Basis for determining the consideration
11.	High Voltage Electricity Supply Contract (See Note (a)) Date: 1 September 2009	Dali Yang_er, a wholly-owned subsidiary of the Company.	Yangbi Electricity Supply Co., Ltd (“Yangbi”), a subsidiary of CSG.	The contract was originally entered into in respect of the period from 1 September 2009 to 31 August 2010. However, the contract is continuingly valid as the parties continue to perform the contract until the unilateral termination of the contract by either Dali Yang_er or Yangbi in accordance with its terms.	Electricity supply from Yangbi for use by the facilities at the main dam.	Payment is based on the number of kWh sold pursuant to the agreement multiplied by the industrial use tariff for bulk industrial users determined by the Yunnan Provincial Development and Reform Commission. This tariff is updated from time to time.
12.	High Voltage Electricity Supply Contract (See Note (a)) Date: 1 September 2009	Dali Yang_er, a wholly-owned subsidiary of the Company.	Yangbi, a subsidiary of CSG.	As in Contract 11 above.	Electricity supply from Yangbi to Dali Yang_er during outages due to overhaul.	As in Contract 11 above.
13.	High Voltage Electricity Supply Contract (See Note (a)) Date: 4 November 2009	Dali Yang_er, a wholly-owned subsidiary of the Company.	Yunnan Power Grid Company, a subsidiary of CSG.	The contract was originally entered into in respect of the period from 4 November 2009 to 31 October 2012 and then was amended to take effect from 20 November 2009. The contract is continuingly valid until signing a new contract.	Electricity supply (110kV) from Yunnan Power Grid Company during outages due to overhaul.	As in Contract 11 above.
The Fangchenggang coal-fired project						
14.	Fangchenggang Coal-fired Project PPA and GCC Date: PPA: Renewal by continued performance on 1 January 2015 in respect of the period from 1 January 2015 to 31 December 2015. (See also section 4 of this announcement) GCC:Automatically renewed on 30 July 2014 in respect of the period from 31 July 2014 to 30 July 2015.	CLP Guangxi Fangchenggang Power Company Limited, a subsidiary of the Company.	Guangxi Power Grid Company, a subsidiary of CSG (in respect of the PPA). CSG (in respect of the GCC).	PPA: The agreement was originally entered into in August 2007. A written agreement was last entered into on 7 March 2014 in respect of the extension for a one year period from 1 January to 31 December 2014. GCC: The contract was originally entered into in respect of the period from 30 July 2007 to 30 July 2008 and has been automatically extended for another year if no written notice of termination is given by either party.	The PPA governs the sale of electricity by CLP Guangxi Fangchenggang Power Company Limited to Guangxi Power Grid Company. The GCC sets out the operational and technical provisions relating to grid connection and enables the electricity to flow into the grid. The PPA is subject to the operational GCC being in place at all relevant times.	Payment under the PPA is based on the number of GWh sold pursuant to the agreement multiplied by a state pre-determined tariff, determined by the Guangxi Price Bureau. This tariff is published at Guangxi Price Bureau Document GuiJiaGe[2014] No.108 and is updated from time to time. No fee is payable under the GCC.

No.	Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Original term of the agreement	Nature and description of the transaction	Basis for determining the consideration
15.	Fangchenggang Coal-fired Project 220kV Startup Standby Substation Grid Connection Contract <u>Date:</u> Automatically renewed on 1 September 2014 in respect of the period from 1 September 2014 to 31 August 2016.	CLP Guangxi Fangchenggang Power Company Limited, a subsidiary of the Company.	Guangxi Power Grid Company, a subsidiary of CSG.	The contract was originally entered into on 26 December 2006. It was extended on 1 September 2008 in respect of the period from 1 September 2008 to 31 August 2010 and has been automatically extended since then for each of the subsequent terms of two year period in the absence of any notice of objection issued by either party.	The contract sets out the operational and technical provisions relating to grid connection for start up and standby purposes.	No fee is payable.
16.	Fangchenggang High Voltage Electricity Supply Contract <u>Date:</u> Automatically renewed on 1 September 2014 in respect of the period from 1 September 2014 to 31 August 2016.	CLP Guangxi Fangchenggang Power Company Limited, a subsidiary of the Company.	Guangxi Power Grid Company, a subsidiary of CSG.	The contract was originally entered into on 9 December 2006. It was extended on 1 September 2008 in respect of the period from 1 September 2008 to 31 August 2010 and has been automatically extended for each of the subsequent terms of two year period in the absence of any notice of objection issued by either party.	The contract governs the purchase of standby electricity by CLP Guangxi Fangchenggang Power Company Limited from Guangxi Power Grid Company.	Payment is based on the number of GWh sold pursuant to the agreement multiplied by a state pre-determined tariff, determined by the Guangxi Price Bureau. This tariff is published at Guangxi Price Bureau Document GuiJiaGe [2013] No.99 and GuiJiaTiao [2014] No. 71 and is updated from time to time.
17.	Fangchenggang Power Station 10kV Transmission Line Dispatch Agreement <u>Date:</u> Automatically renewed on 1 June 2014 in respect of the period from 1 June 2014 to 31 May 2015.	CLP Guangxi Fangchenggang Power Company Limited, a subsidiary of the Company.	Guangxi Power Grid Company, a subsidiary of CSG.	The agreement was originally entered into in respect of the period from 1 June 2009 to 31 May 2011 and has been automatically extended for each of the subsequent terms of twelve month period in the absence of any notice of objection issued by either party.	The agreement governs the purchase of standby electricity by CLP Guangxi Fangchenggang Power Company Limited from Guangxi Power Grid Company.	As in Contract 16 above.
18.	Fangchenggang High Voltage Electricity Supply Contract (See Note (a)) <u>Date:</u> Automatically renewed on 1 June 2013 in respect of the period from 1 June 2013 to 31 May 2015.	CLP Guangxi Fangchenggang Power Company Limited, a subsidiary of the Company.	Guangxi Power Grid Company, a subsidiary of CSG.	The contract was originally entered into in respect of the period from 1 June 2009 to 31 May 2011 and has been automatically extended for each of the subsequent terms of two year period after the end of aforesaid period if no written amendment or termination agreement is signed.	The contract governs the purchase of standby electricity by CLP Guangxi Fangchenggang Power Company Limited from Guangxi Power Grid Company.	As in Contract 16 above.

No.	Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Original term of the agreement	Nature and description of the transaction	Basis for determining the consideration
19.	Fangchenggang Replacement and Generation Agreement <u>Date:</u> 18 November 2014, ended 31 December 2014.	CLP Guangxi Fangchenggang Power Company Limited, a subsidiary of the Company.	Guangxi Power Grid Company, a subsidiary of CSG.	New agreement entered into.	Additional capacity for sale of electricity to Guangxi Power Grid Company and the additional generation capacity was transferred to CLP Guangxi Fangchenggang Power Company Limited from a small coal-fired generation unit, Guangxi Tiandong Power Plant that was being shut down in line with the PRC's State Council Policy.	Payment is, in line with the PRC's State Council policy on the acceleration of the shutdown of small coal-fired generation units (as per State Council Notice No.2 of 2007 dated 20 January 2007), based on the number of GWh sold pursuant to the agreement multiplied by the state pre-determined tariff which was determined by the Guangxi Price Bureau as applicable to Guangxi Tiandong Power Plant in 2008 (when the plant was shut down in line with the aforesaid State Council policy).

Xicun solar project

20.	Xicun Solar Project PPA and GCC <u>Date:</u> PPA: 24 September 2014 in respect of the period from 15 September 2014 to 31 December 2014. Renewal by continued performance on 1 January 2015 in respect of the period from 1 January 2015 to 31 December 2015. (See also section 4 of this announcement) GCC: 15 September 2014 and valid for one year and remains continually valid until signing of a new GCC in substitution.	CLP Dali (Xicun) Solar Power Co., Ltd. (" Xicun "), a wholly-owned subsidiary of the Company.	Yunnan Power Grid Company, a subsidiary of CSG.	PPA and GCC: new agreements for this new project.	The PPA governs the sale of electricity by Xicun to Yunnan Power Grid Company. The GCC sets out the operational and technical provisions relating to grid connection and enables the electricity to flow into the grid. The PPA is subject to the operational GCC being in place at all relevant times.	Payment under the PPA is based on the number of GWh sold pursuant to the agreement multiplied by a state pre-determined tariff, determined by the National Development and Reform Commission. This tariff is published at Document FaGaiJiaGe [2013] No.1638 and is updated from time to time. No fee is payable under the GCC.
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No.	Name, date and current term of the agreement	Transaction party within the CLP Group	Transaction party within the CSG Group	Original term of the agreement	Nature and description of the transaction	Basis for determining the consideration
21.	Xicun Solar Project Metering Technology Agreement <u>Date:</u> 24 September 2014 and will remain valid so long as the PPA for this project is operational.	Xicun, a wholly-owned subsidiary of the Company.	Yunnan Power Grid Company, a subsidiary of CSG.	As in Contract 20 above.	This agreement sets out the technical requirements in relation to the metering equipment for this project.	No fee is payable.
22.	Xicun Solar Project Electricity Supply Contract (10kV) <u>Date:</u> 11 December 2014 in respect of the three year period ending 10 December 2017.	Xicun, a wholly-owned subsidiary of the Company.	Binchuan Electricity Supply Company, a subsidiary of CSG.	New agreement for this new project.	Electricity supply via a 10kV line from a subsidiary of CSG (for all power consumption at the project site).	Payment under the Electricity Supply Contract is based on the number of GWh sold pursuant to the agreement multiplied by a state pre-determined tariff of the Yunnan Provincial Development and Reform Commission. This tariff is published at Yunnan Price Bureau Document YunJiaJiaGe[2013] No. 139.

Wind project (in development) – technology related

23.	Wind Project Technology Consultancy Contract <u>Date:</u> 11 September 2014, valid until successful completion of consultancy work, which has been duly completed.	Dali Yang_er, a wholly-owned subsidiary of the Company.	Yunnan Power Grid Company, a subsidiary of CSG.	New agreement for this new wind project in development.	Consultancy services provided by Yunnan Power Grid Company regarding grid connection system for the prospective wind project.	A fixed fee of RMB60,000 (HK\$76,311.00).
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Note:

- (a) Contracts for items 7-9, 11-13 and 18 are not required to be set out in Table A above, as contracts for items 7, 8 and 18 were renewed before the date of the Announcement and their next renewal will be after the date of this announcement while the contracts for items 9 and 11-13 were entered into prior to the date of the Announcement and remain continuingly valid. However, they are included in this announcement for the sake of completeness.

2. HISTORICAL TRANSACTION VALUES AND PROPOSED NEW ANNUAL CAPS

The historical transaction values of the Transactions for the eleven months ended 30 November 2014 (based on the historical information available for the purpose of this announcement) and the two financial years ended 31 December 2012 and 2013 and the proposed annual caps by project for 2015 are set out in Table B below. In the case

where there is more than one transaction for a project, the annual cap is on an aggregated project basis.

The annual caps are set by reference to the Company's financial year ending 31 December, while most of the Transactions are annual contracts which are subject to renewal at various times during the year.

For the purpose of monitoring compliance with the relevant annual cap, the Company will calculate the value of the electricity (or other service) delivered under the relevant contract at the PRC controlled tariff (or other contractual price) prevailing at the relevant time through the year, exclusive of VAT. Where any contract expires and is renewed during any financial year, the value of the electricity (or other service) delivered during the financial year will be time apportioned under the expiring contract and the renewed contract respectively.

Table B – Historical transaction values and proposed annual caps by project for the Transactions

No.	Continuing Connected Transactions	Historical Transaction Values (excluding VAT) (HK\$ million)			Proposed Annual Caps (HK\$ million)
		(See Note (c))			(See Notes (d) and (e))
		For the year ended 31 December	For the year ended 31 December	For the eleven months ended 30 November	For the year ending 31 December
		2012	2013	2014	2015
CLP Power electricity sales to Mainland China					
1.	Power Sales Contract	557.12	448.97	185.64	257.86
The Huaiji hydro project					
2.	Zelian Hydro Station PPA and GCC	6.20	6.27	4.22	
3.	Longzhongtan Hydro Station PPA and GCC	3.50	3.56	2.51	
4.	Jiaoping Hydro Station PPA and GCC	1.56	0.81	1.94	
5.	Xiazhu Hydro Station PPA and GCC	7.44	9.65	8.37	
6.	Shuixia Hydro Station PPA and GCC	37.94	40.14	32.09	
7.	Niuqi Hydro Station Connection Contract (equivalent to a PPA) and GCC (See Note (b))	25.63	30.19	26.97	

No.	Continuing Connected Transactions	Historical Transaction Values (excluding VAT) (HK\$ million)			Proposed Annual Caps (HK\$ million)
		(See Note (c))			(See Notes (d) and (e))
		For the year ended 31 December	For the year ended 31 December	For the eleven months ended 30 November	For the year ending 31 December
		2012	2013	2014	2015
8.	Baishuihe Four Hydro Stations PPA and GCC (See Note (b))	154.92	173.10	165.49	
9.	Cuizhu Transmission Line Maintenance Contract (No fee is payable) (See Note (b))	N/A	N/A	N/A	
	<i>Aggregate Annual Cap (historical aggregate for reference only)</i>	237.19	263.72	241.59	216.83
The Yang_er hydro project					
10.	Yang_er Hydro Project PPA and GCC	30.12	34.71	33.66	
11.	High Voltage Electricity Supply Contract (See Note (b))	0.02	0.01	0.01	
12.	High Voltage Electricity Supply Contract (See Note (b))	0.01	0.01	0.02	
13.	High Voltage Electricity Supply Contract (See Note (b))	0.01	0.01	0.01	
	<i>Aggregate Annual Cap (historical aggregate for reference only)</i>	30.16	34.74	33.70	51.32
The Fangchenggang coal-fired project					
14.	Fangchenggang Coal-fired Project PPA and GCC	2,861.66	2,952.85	1,960.29	
15.	Fangchenggang Coal-fired Project 220kV Startup Standby Substation Grid Connection Contract (No fee is payable)	N/A	N/A	N/A	

No.	Continuing Connected Transactions	Historical Transaction Values (excluding VAT) (HK\$ million)			Proposed Annual Caps (HK\$ million)
		(See Note (c))			(See Notes (d) and (e))
		For the year ended 31 December	For the year ended 31 December	For the eleven months ended 30 November	For the year ending 31 December
		2012	2013	2014	2015
16.	Fangchenggang High Voltage Electricity Supply Contract	7.53	3.87	9.49	
17.	Fangchenggang Power Station 10kV Transmission Line Dispatch Agreement	0	0	0	
18.	Fangchenggang High Voltage Electricity Supply Contract (See Note (b))	0.14	0.21	0.01	
19.	Fangchenggang Replacement and Generation Agreement (Contract term commenced in 2014)	N/A	N/A	0	
<i>Aggregate Annual Cap (historical aggregate for reference only)</i>		2,869.33	2,956.93	1,969.79	2,942.30
Xicun solar project					
20.	Xicun Solar Project PPA and GCC (Contract term commenced in 2014)	N/A	N/A	6.82	
21.	Xicun Solar Project Metering Technology Agreement (No fee is payable)	N/A	N/A	N/A	
22.	Xicun Solar Project Electricity Supply Contract (10kV) (Contract term commenced in 2014)	N/A	N/A	0	
<i>Aggregate Annual Cap (historical aggregate for reference only)</i>		N/A	N/A	6.82	82.04

No.	Continuing Connected Transactions	Historical Transaction Values (excluding VAT) (HK\$ million)			Proposed Annual Caps (HK\$ million)
		(See Note (c))			(See Notes (d) and (e))
		For the year ended 31 December	For the year ended 31 December	For the eleven months ended 30 November	For the year ending 31 December
		2012	2013	2014	2015
Wind project (in development) – technology related					
23.	Wind Project Technology Consultancy Contract (Contract term for 2014 only)	N/A	N/A	0.08	N/A

Notes:

- (b) The Company is not required to include the contracts for items 7-9, 11-13 and 18 as part of the aggregate annual caps for the relevant projects, as contracts for items 7, 8 and 18 are only expected to be renewed at various times in 2015 after the release of this announcement and contracts for items 9 and 11-13 were entered into prior to the date of the Announcement and remain continuingly valid. In anticipation of the expected renewals of contracts for items 7, 8 and 18 and to better monitor the aggregate annual caps for all the Transactions including contracts for items 9 and 11-13, the 2015 aggregate annual caps for the relevant projects have taken into account the contracts for items 7 -9, 11-13 and 18 as well.
- (c) The applicable average RMB:HK\$ exchange rate for the relevant period is used.
- (d) The average RMB:HK\$ exchange rate for the eleven months ended 30 November 2014 is used.
- (e) The proposed annual cap is set for each project and where there is more than one transaction for a project, the proposed annual cap is on an aggregated project basis.

In relation to the sales of electricity by CLP Power to Mainland China, the annual cap for 2015 in the amount of HK\$257.86 million has been determined according to the extended contract whereby the expected volume of sales is different to the volume under the contract prior to the extension in November 2014. The expected volume of supply has been estimated by the parties in the extended contract.

In relation to the Huaiji Hydro Project Transactions, the aggregate annual cap for 2015 is HK\$216.83 million and the expected volume of power supply in 2015 will be largely consistent with the levels in 2012 to 2014, with the exception of Baishuihe Four Hydro Stations. It is expected that the reservoir at Baishuihe for the hydro stations may have a lower level of water storage compared with previous years. Accordingly, the proposed aggregate annual cap has taken these into account and has been determined on these bases.

The aggregate annual cap in respect of the Yang_er Hydro Project Transactions for 2015 is HK\$51.32 million and the increase is largely attributed to an expected significant increase in the value of the Yang_er hydro project PPA. In calculating the increase in the aggregate annual cap, the Company has taken into account the long-term historical data of upstream water flow of Yang_er hydro project despite the fact that the water flow in the past years have been lower due to a lower than average rainfall in the region.

The aggregate annual cap in respect of the Fangchenggang Coal-fired Project Transactions for 2015 is HK\$2,942.30 million. This is largely consistent with the average historical transaction values despite a drop for 2014 due to a sluggish power demand growth and a higher utilisation of hydro power stations in the Guangxi region, it is expected that the power demand may resume to previous levels and that the revenue will increase back to a level similar to those in 2012 and 2013.

The aggregate annual cap in respect of the Xicun Solar Project Transactions for 2015 is HK\$82.04 million and this annualised amount is calculated by making reference to the long-term historical average of solar resources in the region in which the project is located.

3. REASONS FOR ENTERING INTO THE TRANSACTIONS

CLP Power electricity sales to Mainland China: CLP Power's grid system in Hong Kong and CSG's grid system in Mainland China have been connected since CLP Power first supplied power to Guangdong Province in 1979 to meet Guangdong's economic development. CLP Power has continued to supply electricity to Mainland China over the years and 80% of the profit derived from these sales goes to the Tariff Stabilisation Fund under the Scheme of Control to help relieve pressure on local tariffs. This also represents an additional source of revenue for the CLP Group.

Power Purchase Agreements: The CLP Group has been involved in the power industry in Mainland China since 1985 and is one of the largest external independent power producers in the Mainland's power sector, with installed capacity over 5,100 equity megawatts. These activities are carried out through numerous power project companies which may be wholly-owned (as in the Yang_er hydro and Xicun solar projects), majority owned (as in the Huaiji hydro and Fangchenggang coal-fired projects), or minority owned by the CLP Group. Further details of each of these projects are contained in the Company's latest annual report, together with details of many other similar projects in which the CLP Group has interests.

The PPAs, GCCs and associated agreements are entered into individually by each power project company and are the only means by which the relevant power project company can connect to the local grid and obtain a source of revenue. In addition, the agreement for the new wind power project was entered into with a view to developing a new wind power project and if and when the project is successfully developed, it is expected that a power purchase agreement and other associated agreements will be entered into.

The Directors (including the independent non-executive Directors) consider that all of the transactions referred to above are in the ordinary and usual course of business of the CLP Group, on normal commercial terms, and are fair and reasonable and in the interests of the Company and Shareholders as a whole.

4. LISTING RULES IMPLICATIONS

CAPCO is a subsidiary of the Company. CSG HK is a substantial shareholder of CAPCO

as it holds a 30% interest in CAPCO. Accordingly, CSG HK is a connected person of the Company (at the subsidiary level) under the Listing Rules and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the relevant percentage ratios under the Listing Rules in respect of the Transactions, following aggregation and renewal, is more than 1% but less than 5% (based on the amount of HK\$3,550.35 million, being the total proposed annual caps for all projects as fully set out in Table B of this announcement), the Transactions are only subject to the announcement requirements set out in Rules 14A.35 and 14A.68 and the annual review requirements set out in Rules 14A.55 to 14A.59 but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. More specifically, with the renewal of the Fangchenggang coal-fired project PPA, the relevant percentage ratios under the Listing Rules in respect of the Transactions on an aggregated basis exceed 1% thereby triggering the announcement obligations under Rule 14A.35 of the Listing Rules. Particulars of the Transactions will be included in the relevant annual report of the Company for the purposes of Rules 14A.49 and 14A.71.

In accordance with PRC regulations and practice applicable to the power sector, the PPAs are required to be one-year contracts renewed annually. The CLP Group's PPAs are usually based on one of two models. The PPA may expressly provide that it will be renewed automatically and will continue unless and until terminated by either party. Alternatively, the PPA may be for a fixed term of one year with no express renewal provisions. In these cases, it is common industry practice for the parties to enter into the renewal contract a few months after the prior contract has expired, but the parties continue to perform the contract as if it had been renewed. The Company takes the view that the continued performance by both parties of their respective obligations under the PPA has the effect, as a matter of PRC law and practice, of creating a renewed contract for a further one year period on substantially the same terms.

In view of the foregoing, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement to have written agreements under Rule 14A.34 of the Listing Rules in respect of PPAs which are renewed in the manner set out above. This relates to transactions under items (10) (PPA for Yang_er hydro project), (14) (PPA for Fangchenggang coal-fired project) and (20) (PPA for Xicun solar project) in Table A above, all of which were renewed by continued performance on 1 January 2015 and as mentioned in the above, the renewal of item (14) (PPA for Fangchenggang coal-fired project) has triggered the announcement obligations under Rule 14A.35 of the Listing Rules.

5. INFORMATION ABOUT THE PARTIES

CLP Holdings is the holding company of the CLP Group. The CLP Group owns and operates a vertically integrated electricity generation, transmission and distribution business in Hong Kong (through CLP Power), and invests in the power sector in Mainland China, India, Southeast Asia, Taiwan and Australia.

CLP Power is a direct wholly-owned subsidiary of CLP Holdings and is the largest electricity utility in Hong Kong serving the business and domestic community in Kowloon, the New Territories, Lantau and most of the outlying islands. CLP Power supplies electricity to approximately 2.4 million customer accounts in its supply area.

CSG is a company established in the PRC with limited liability and is a state-owned enterprise principally engaged in the investment, construction and operation of power networks in Guangdong, Guangxi, Yunnan, Guizhou and Hainan provinces and regions in the PRC.

CSG HK is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of CSG.

6. DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following meanings:

“Announcement”	the Company’s announcement dated 12 May 2014
“CAPCO”	Castle Peak Power Company Limited, a company incorporated in Hong Kong with limited liability which is now owned as to 70% and 30% by CLP Power and CSG HK, respectively
“CLP Group”	CLP Holdings and its subsidiaries, and each of “CLP Group Company” and “CLP Group Companies” shall be construed accordingly
“CLP Holdings” or “Company”	CLP Holdings Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 00002)
“CLP Power”	CLP Power Hong Kong Limited, a company incorporated in Hong Kong with limited liability which is a direct wholly-owned subsidiary of CLP Holdings
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSG”	China Southern Power Grid Co., Ltd., a company established in the PRC with limited liability and a state-owned enterprise
“CSG Group”	CSG and its subsidiaries, and each of “CSG Group Company” and “CSG Group Companies” shall be construed accordingly

“CSG HK”	China Southern Power Grid International (HK) Co., Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CSG
“Directors”	the directors of the Company
“Fangchenggang Coal-fired Project Transactions”	each of the continuing connected transactions relating to the Fangchenggang coal-fired project, which are transactions under items (14) to (19) inclusive in Table A in this announcement
“GCC”	Grid Connection Contract
“GWh”	Gigawatt hours
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Huaiji Hydro Project Transactions”	each of the continuing connected transactions relating to the Huaiji hydro project, which are transactions under items (2) to (9) inclusive in Table A in this announcement
“kWh”	Kilowatt hours
“Listing Rules” or “Rule(s)”	the Rules Governing the Listing of Securities on the Stock Exchange
“Power Sales Contract”	the power sales contract entered into between CLP Power and Guangdong Power Grid Co., Ltd., details of which are set out in the transaction under item (1) in Table A in this announcement
“PPA”	Power Purchase Agreement
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Transactions”	each of the continuing connected transactions relating to the Power Sales Contract, the Huaiji Hydro Project Transactions, the Yang_er Hydro Project Transactions, the Fangchenggang Coal-fired Project Transactions, the Xicun Solar Project Transactions and the transaction relating to the wind project in development entered into (or deemed to be entered into) between members of the CSG Group and members of the CLP Group on various dates as set out in Table A in this announcement
“VAT”	value added tax
“Xicun Solar Project Transactions”	each of the continuing connected transactions relating to the Xicun solar project, which are transactions under items (20) to (22) inclusive in Table A in this announcement
“Yang_er Hydro Project Transactions”	each of the continuing connected transactions relating to the Yang_er hydro project, which are transactions under items (10) to (13) inclusive in Table A in this announcement
“%”	per cent

By Order of the Board
April Chan
Company Secretary

Hong Kong, 2 January 2015

中電控股有限公司
CLP Holdings Limited
(incorporated in Hong Kong with limited liability)
(Stock Code: 00002)

The Directors of CLP Holdings as at the date of this announcement are:

Non-executive Directors:	The Hon Sir Michael Kadoorie, Mr William Mocatta, Mr Ronald McAulay, Mr J. A. H. Leigh, Mr Andrew Brandler and Dr Y. B. Lee
Independent Non-executive Directors:	Mr V. F. Moore, Sir Rod Eddington, Mr Nicholas C. Allen, Mr Vincent Cheng, Mrs Fanny Law, Ms Irene Lee and Dr Rajiv Lall
Executive Director:	Mr Richard Lancaster