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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)

Discloseable Transaction

On 7 October 2015 (after Hong Kong trading hours), EnergyAustralia Investments (an indirect wholly-owned subsidiary of CLP Holdings) and its subsidiary EnergyAustralia Gas Storage entered into the Disposal Agreements with the Purchasers whereby the Purchasers agreed to purchase EnergyAustralia's entire interests in the Iona Gas Plant for a cash consideration of A\$1,782 million (HK\$9,882 million).

As mentioned in the CEO's Strategic Review in our 2014 Annual Report, we are focusing on realigning our Australia business in light of the new market paradigm in Australia. In line with this strategy, EnergyAustralia initiated a competitive bidding process in July 2015 aimed at gauging market interest in the Iona Gas Plant in Victoria, Australia. We consider that the divestment of the CLP Group's interest in the Iona Gas Plant is consistent with our strategy to restore value in our investments in Australia.

Following Completion, EnergyAustralia will still supply gas to its customers and will need gas storage facilities. Therefore, as part of the transaction, EnergyAustralia will enter into a long term Gas Storage Services Agreement with the Purchasers for the provision of gas storage services to EnergyAustralia at market derived rates.

As one of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for CLP Holdings under Chapter 14 of the Listing Rules.

Completion of the Disposal is subject to the fulfillment of certain conditions set out in the Disposal Agreements, as mentioned in the section headed "Completion" in this announcement. Shareholders and investors should therefore exercise caution in dealing in the shares of CLP Holdings.

BACKGROUND

The Iona Gas Plant is a gas processing and compression plant located at Iona in southwest Victoria, Australia together with the underground gas storage reservoirs located at Iona, North Paaratte and Wallaby Creek, Victoria, Australia. The Iona Gas Plant provides gas injection, storage and withdrawal services to both the Victorian and South Australian gas markets. The storage capacity of the Iona Gas Plant is 23.5 petajoules and its gas injection capacity can be up to 500 terajoules per day.

The Iona Gas Plant is currently owned and operated by EnergyAustralia Gas Storage and its immediate holding company, EnergyAustralia Gas Storage Holdings. EnergyAustralia Gas Storage Holdings is an investment holding company whose sole asset as of the date of this announcement is its direct interest in 100% of the issued share capital of EnergyAustralia Gas Storage.

THE DISPOSAL AGREEMENTS

The Disposal Agreements are a suite of inter-conditional agreements whereby certain of the assets comprising the Iona Gas Plant will be sold to certain of the Purchasers and, thereafter, the entire issued share capital in EnergyAustralia Gas Storage Holdings, along with its subsidiary EnergyAustralia Gas Storage and any residual assets then held by EnergyAustralia Gas Storage, will be sold to one of the Purchasers. Thus, between them, the Purchasers will collectively acquire EnergyAustralia's entire interest in the Iona Gas Plant.

Details of the Disposal Agreements are as follows:

1. Share Sale Agreement

Date

7 October 2015

Parties

Vendor: EnergyAustralia Investments
Purchaser: Iona Operations Holding Pty Ltd

Assets to be disposed of

Under the Share Sale Agreement, EnergyAustralia Investments agreed to sell and Iona Operations Holding Pty Ltd agreed to purchase the entire issued share capital of EnergyAustralia Gas Storage Holdings.

2. Iona Asset Transfer Agreement (Category A)

Date

7 October 2015

Parties

Vendor: EnergyAustralia Gas Storage
Purchaser: Iona Asset Pty Ltd, as trustee of the Iona Asset Trust ("**Buyer A**")

Assets to be disposed of

Pursuant to the Iona Asset Transfer Agreement (Category A), EnergyAustralia Gas Storage agrees to sell and Buyer A agrees to buy all the vendor's rights, title and interest in certain assets owned by EnergyAustralia Gas Storage.

3. Iona Asset Transfer Agreement (Category B)

Date

7 October 2015

Parties

Vendor: EnergyAustralia Gas Storage

Purchaser: Iona Operations Pty Ltd, as trustee of the Iona Operations Trust ("**Buyer B**")

Assets to be disposed of

Pursuant to the Iona Asset Transfer Agreement (Category B), EnergyAustralia Gas Storage agrees to sell and Buyer B agrees to buy all the vendor's rights, title and interest in other assets owned by EnergyAustralia Gas Storage.

EnergyAustralia Investments is a wholly-owned subsidiary of EnergyAustralia Holdings. EnergyAustralia operates a portfolio of self-owned generation capacity and capacity purchases, which includes gas, coal and wind. EnergyAustralia's energy retail business serves approximately 2.6 million customer accounts across Victoria, South Australia, New South Wales, the Australian Capital Territory and Queensland in Australia.

The Purchasers are ultimately owned by Queensland Investment Corporation ("QIC") consortium comprising the QIC Global Infrastructure Fund and existing QIC clients. QIC is a global diversified alternative investment firm offering infrastructure, real estate, private equity, liquid strategies and multi-asset investments, and one of the largest institutional investment managers in Australia. QIC is an entity owned by the Government of the State of Queensland.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchasers and their ultimate beneficial owners are third parties independent of CLP Holdings and its connected persons (as defined in the Listing Rules).

After Completion, EnergyAustralia Gas Storage Holdings and EnergyAustralia Gas Storage will cease to be wholly-owned subsidiaries of the CLP Group.

Consideration

The total consideration for the Disposal is A\$1,782 million (HK\$9,882 million) payable in cash at Completion. The consideration will be subject to a working capital adjustment to be carried out after Completion in respect of the Target Companies. Proceeds arising from the Disposal will be used (i) to repay shareholder loans extended by the CLP Group to EnergyAustralia, (ii) to repay third party debts due by EnergyAustralia and (iii) to meet general capital expenditure requirements as needed under EnergyAustralia's transformation plan.

The consideration for the Disposal was arrived at after a competitive bidding process.

As a result of the Disposal, the CLP Group is expected to record an unaudited estimated gain on the Disposal of approximately HK\$8.3 billion based on the consideration, the carrying value of the Target Companies as at 31 August 2015 and the estimated transaction costs.

Completion

Completion is conditional upon receipt of certain regulatory approvals. Subject to the satisfaction of the conditions to Completion, the Disposal is targeted to be completed by the end of 2015.

ON-GOING AGREEMENTS

Following Completion, EnergyAustralia will still supply gas to its customers and will need gas storage facilities. Therefore, as part of the transaction, EnergyAustralia will enter into a long term Gas Storage Services Agreement with the Purchasers for the provision of gas storage services to EnergyAustralia at market derived rates.

In addition, EnergyAustralia will enter into an agreement with the Purchasers to provide transitional services to EnergyAustralia Gas Storage, such as payroll and IT services, for up to six months after Completion at a fee determined on an arm's length basis.

FINANCIAL INFORMATION

For the financial year ended 31 December 2014, the unaudited consolidated net profits (before and after taxation) of EnergyAustralia Gas Storage Holdings were A\$45.8 million (HK\$319 million) and A\$32.1 million (HK\$224 million) respectively. For the financial year ended 31 December 2013, the unaudited consolidated net profits (before and after taxation) of EnergyAustralia Gas Storage Holdings were A\$39.3 million (HK\$293 million) and A\$27.5 million (HK\$205 million) respectively. As at 31 December 2014, EnergyAustralia Gas Storage Holdings had unaudited consolidated total assets and net assets of A\$249.3 million (HK\$1,584 million) and A\$103.7 million (HK\$659 million) respectively.

The figures above are extracted from the unaudited consolidated financial statements of EnergyAustralia Gas Storage Holdings. EnergyAustralia Gas Storage Holdings is relieved from the requirement to prepare and lodge audited financial statements under applicable Australian law by virtue of meeting the conditions of Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

In this section, financial figures in A\$ are translated into HK\$ at the applicable exchange rates at the relevant time for illustration purposes only. An annual average exchange rate is used for profit or loss figures during a financial year, while the exchange rate as of the year end date is used for total assets or net assets values as of that date.

REASONS FOR THE DISPOSAL

As mentioned in the CEO's Strategic Review in our 2014 Annual Report, we are focusing on realigning the Australia business in light of the new market paradigm in Australia by (i) increasing customer focus, (ii) improving operating efficiency and (iii) optimising EnergyAustralia's asset mix. In line with this strategy, EnergyAustralia initiated a competitive bidding process in July 2015 aimed at gauging market interest in the Iona Gas Plant in Victoria, Australia.

We consider that the divestment of CLP Group’s interest in the Iona Gas Plant is consistent with our strategy to restore value in our investments in Australia.

The Iona Gas Plant is regarded as a key long term infrastructure asset. Such assets with stable cash flows are generally viewed favourably by infrastructure and long term investment funds.

In disposing of the Iona Gas Plant, whilst securing the storage capacity necessary for EnergyAustralia’s gas customers, CLP Holdings is realising value for the benefit of the business and our shareholders.

The Directors consider that the terms of the Disposal (including the consideration for the Disposal) are fair and reasonable and in the interests of CLP Holdings and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for CLP Holdings under Chapter 14 of the Listing Rules.

GENERAL

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, and invests in the power sector in Mainland China, India, Southeast Asia and Taiwan. It also operates an integrated energy business in Australia.

Completion of the Disposal is subject to the fulfillment of certain conditions set out in the Disposal Agreements, as mentioned in the section headed “Completion” in this announcement. Shareholders and investors should therefore exercise caution in dealing in the shares of CLP Holdings.

DEFINITIONS

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

“A\$”	Australian Dollars
“CLP Group”	CLP Holdings and its subsidiaries
“CLP Holdings”	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)
“Completion”	the simultaneous completion of the Disposal pursuant to the Disposal Agreements
“Directors”	the board of Directors of CLP Holdings

“Disposal”	the disposal of the assets comprising the Iona Gas Plant together with the Target Companies upon Completion
“Disposal Agreements”	collectively, the asset transfer agreements in relation to certain assets of the Iona Gas Plant and the Share Sale Agreement in relation to the entire issued share capital of EnergyAustralia Gas Storage Holdings, further details of which are set out in the section headed “The Disposal Agreements” in this announcement
“EnergyAustralia”	a group of companies, wholly-owned by CLP Holdings, engaging in integrated energy business in Australia
“EnergyAustralia Gas Storage”	EnergyAustralia Gas Storage Pty Ltd, a company incorporated in Australia, and a direct wholly-owned subsidiary of EnergyAustralia Gas Storage Holdings
“EnergyAustralia Gas Storage Holdings”	EnergyAustralia Gas Storage Holdings Pty Ltd, a company incorporated in Australia, and a direct wholly-owned subsidiary of EnergyAustralia Investments
“EnergyAustralia Holdings”	EnergyAustralia Holdings Limited, a company incorporated in Australia, and an indirect wholly-owned subsidiary of CLP Holdings
“EnergyAustralia Investments”	EnergyAustralia Investments Pty Ltd, a company incorporated in Australia, and a direct wholly-owned subsidiary of EnergyAustralia Holdings
“HK\$”	Hong Kong Dollars
“Iona Gas Plant”	a gas processing and compression plant located at Iona in southwest Victoria, Australia together with the underground gas storage reservoirs located at Iona, North Paaratte and Wallaby Creek, Victoria, Australia
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Purchasers”	Iona Operations Holding Pty Ltd, Buyer A and Buyer B (as referred to and defined in the section headed “The Disposal Agreements” in this announcement) and “Purchaser” means any one of them
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	EnergyAustralia Gas Storage Holdings and EnergyAustralia Gas Storage
“%”	per cent.

In this announcement, save as otherwise stated, figures in A\$ are translated to HK\$ at the exchange rate of A\$1.00 = HK\$5.5455 for illustration purposes only.

By Order of the Board
April Chan
Company Secretary

Hong Kong, 8 October 2015

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CLP Holdings Limited
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(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 J. 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 Mrs Zia Mody

Executive Director:

Mr Richard Lancaster