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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)

**ANNOUNCEMENT – LITIGATION**

**OVERVIEW**

- In December 2015, EnergyAustralia completed the Disposal of its entire interest in the Iona Gas Plant for a total cash consideration of A\$1,780 million (HK\$9,991 million\*).
- On 19 May 2017, EnergyAustralia and EnergyAustralia Investments received a Statement of Claim issued by Lochard Energy, the purchaser of the Iona Gas Plant, commencing formal legal proceedings seeking damages of approximately A\$967 million (approximately HK\$5,582 million) against EnergyAustralia and EnergyAustralia Investments in connection with the Disposal.

**BACKGROUND**

*The Disposal*

In December 2015, the CLP Group (comprising CLP Holdings Limited (the “Company”) and its subsidiaries) through its indirect wholly owned subsidiary, EnergyAustralia Holdings Limited (“EnergyAustralia”), completed the disposal of its entire interests in the Iona Gas Plant to Lochard Energy (Iona Operations Holding) Pty Ltd (“Lochard Energy”) for a total cash consideration of A\$1,780 million (HK\$9,991 million\*) (the “Disposal”).

The Disposal constituted a discloseable transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and on the signing of the agreements for the Disposal (the “Disposal Agreements”), this was disclosed in the Company’s announcement dated 8 October 2015 (the “2015 Announcement”).

### *The Assets Disposed Of*

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 Disposal was made pursuant to a suite of Disposal Agreements whereby a wholly owned subsidiary of EnergyAustralia, EnergyAustralia Investments Pty Ltd (“EnergyAustralia Investments”) sold the entire interest in the Iona Gas Plant to Lochard Energy, wholly owned by Queensland Investment Corporation.

Full details of the Disposal are set out in the 2015 Announcement at which time Lochard Energy was known as Iona Operations Holding Pty Ltd.

### **LITIGATION**

On 19 May 2017, EnergyAustralia and EnergyAustralia Investments received a Statement of Claim issued by Lochard Energy, making claims of approximately A\$967 million (approximately HK\$5,582 million) or alternatively A\$780 million (approximately HK\$4,503 million) in damages and alleging that the liability caps in the Disposal Agreements do not apply to their claims (the “Claims”). The Claims allege that certain representations made under the Disposal Agreements in relation to the technical performance of the Iona Gas Plant were incomplete or misleading.

As a result of the issuance of the Statement of Claim against EnergyAustralia and EnergyAustralia Investments, formal legal proceedings against EnergyAustralia and EnergyAustralia Investments have been commenced. As at the date of this Announcement, no accounting provision for the Claims has been made in the accounts of the CLP Group.

EnergyAustralia and EnergyAustralia Investments intend to vigorously defend the Claims. On the basis of currently available information, the Company’s view is that a material outflow of economic benefits from the CLP Group is unlikely.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of CLP Holdings.**

*In this announcement, save as otherwise stated, figures in \$A are translated to HK\$ at the exchange rate of A\$1.00 = HK\$5.7729 for illustration purposes only.*

*\* The applicable exchange rate used was the rate applied in the Company’s 2015 financial statements for booking this transaction.*

By Order of the Board  
**David Simmonds**  
Company Secretary

Hong Kong, 19 May 2017

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

<b>Non-executive Directors:</b>	The Hon. Sir Michael Kadoorie, Mr William Mocatta, Mr J. A. H. Leigh, Mr Andrew Brandler and Dr Y. B. Lee
<b>Independent Non-executive Directors:</b>	Mr V. F. Moore, Sir Rod Eddington, Mr Nicholas C. Allen, Mr Vincent Cheng, Mrs Fanny Law, Ms Irene Lee and Mrs Zia Mody
<b>Executive Directors:</b>	Mr Richard Lancaster and Mr Geert Peeters