

1 March 2005

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Dear Shareholders,

Future Development of the Electricity Market in Hong Kong

On 1 February 2005, our Chairman, The Hon. Michael D. Kadoorie, wrote to you explaining that the Hong Kong Government had launched a process of public consultation on the development of the Hong Kong electricity market after 2008, when the present Scheme of Control Agreement comes to an end. The Chairman's letter was accompanied by a summary of CLP's perspective on the issues under review – a full version can be viewed on our website at www.clpgroup.com/RegulatoryReview/ and can also be obtained from any of our Customer Service Centres or by contacting our Group Public Affairs Department.

The Chairman explained that, in the coming weeks, CLP would be seeking your feedback, as part of our exercise of listening to the views of shareholders and other stakeholders before we prepare our response to Government on the future of our industry.

The purpose of this letter is to invite you to express your views by completing the enclosed survey form and sending it in the pre-paid envelope to Lingnan University – whom CLP has asked to manage the survey in order to ensure an independent and authoritative analysis of the views received.

This is a CLP initiative – your response will not be sent to Government. Instead, your opinions will be included within the overall results of the survey and integrated into CLP's own submission to Government.

You are most welcome also to make a separate submission to Government – the voices of our shareholders should be heard and their interests respected in the decisions to be taken on the future regulation of their Company's electricity business in Hong Kong. This can be done by writing to the Economic Development and Labour Bureau at 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central (fax : 2868 4679) or by an email to electricitycomments@edlb.gov.hk. The first phase of the consultation period closes on 30 April 2005.

In order for your feedback to be taken into account in CLP's own submission to Government, your survey form must reach Lingnan University by 14 March 2005.

We hope that you will join in this exercise of shareholder consultation – please let us hear your views.

Yours sincerely,



Andrew Brandler

Group Managing Director & Chief Executive Officer

For any questions or comments, please contact the CLP Group Public Affairs Department at 2678 8551 or by email at RegulatoryReview@clp.com.hk