



DISCLOSEABLE TRANSACTION

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Further to the Company's announcement dated 3 March 2005, the Company is pleased to announce that on 7 March 2005, the Company, its wholly-owned Australian subsidiary CLP Energy, and the Vendor have signed the Share Sale Agreement in relation to the acquisition of the merchant energy business division of SPI Australia Group, a wholly-owned subsidiary of Singapore Power.

Under the Share Sale Agreement, the Vendor will transfer all the issued shares of SPI E&G and procure the transfer of all the issued shares of SPI Pipelines to CLP Energy. The Consideration for the Acquisition is A\$2,128 million (HK\$12,981 million), subject to the SEAGas Adjustment and any adjustment to reflect any increase or decrease in the working capital of SPI E&G as at completion.

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing further information on the Acquisition will be sent to shareholders as soon as practicable.

INTRODUCTION

Further to the Company's announcement dated 3 March 2005, the Company is pleased to announce that on 7 March 2005, the Company, its wholly-owned Australian subsidiary CLP Energy, and the Vendor have signed the Share Sale Agreement in relation to the Acquisition.

SHARE SALE AGREEMENT

Date

7 March 2005

Parties

The Company, CLP Energy and the Vendor

Acquisition

Under the Share Sale Agreement, the Vendor will transfer all the issued shares of SPI E&G and procure the transfer of all the issued shares of SPI Pipelines, in each case free from all third party interests, to CLP Energy. The Company will guarantee the obligations of CLP Energy under the Share Sale Agreement.

Prior to completion, SPI E&G will carry out a reorganisation to ensure that its group of companies consist solely of the EB and that all non-EB businesses are segregated and transferred out of SPI E&G group of companies.

SPI Pipelines owns a 33% interest in SEAGas. The Vendor has the option, at any time no later than the fifth business day prior to completion, to exclude all (but not part of) the shares in SPI Pipelines from the Acquisition if the other shareholders of SEAGas exercise their pre-emptive rights over the shares in SEAGas affected by the Acquisition.

If the Vendor exercises such option, the Company does not currently expect that the exclusion of SPI Pipelines from the Acquisition will result in any material financial or operational impact on the remainder of the EB. If the Vendor exercises such option, the Company will make a further announcement to inform shareholders.

Consideration

The Consideration for the Acquisition is A\$2,128 million (HK\$12,981 million), subject to (a) the SEAGas Adjustment; and (b) any adjustment to reflect any increase or decrease in the working capital of SPI E&G as at completion. The Consideration is payable in cash at completion.

It is currently anticipated that part of the Consideration will be financed from the CLP Group's internal resources. The CLP Group is also in advanced discussions with prospective financiers to arrange for a new corporate finance facility (on a non-recourse basis to the Company) to finance the balance of the Consideration and partly to re-finance existing facilities of Yallourn Energy. The proportions of the Consideration financed from internal resources and external financing have yet to be fixed.

Conditions

Completion of the Acquisition is conditional upon various regulatory approvals, third party consents and the separation of the EB from SPI Australia Group's other businesses in Australia.

Completion

The targeted completion date for the Acquisition is 31 May 2005 with the ability for that date to be extended according to the terms of the Share Sale Agreement.

INFORMATION ON THE EB

EB is the fifth largest energy retailer in Australia and sells gas and electricity to over 1.1 million customers across Victoria, New South Wales, South Australia and Queensland. It also owns a 1,280 MW gas-fired power station at Torrens Island, South Australia, an interest in a long-term hedge contract for up to 966 MW, and a gas storage facility. SPI Pipelines owns a 33% interest in SEAGas, which owns and operates a 685 kilometre natural gas transmission pipeline between Victoria and South Australia. This interest in SEAGas is the subject of pre-emption rights. In the event that such rights are exercised, the Consideration will be reduced by the SEAGas Adjustment. It is important to note that should such rights be exercised, the EB will retain usage rights associated with the SEAGas pipeline.

For the financial year ended 31 December 2004, the combined unaudited EBITDA of EB was A\$181.2 million (HK\$1,105 million). For the financial year ended 31 December 2003, the combined unaudited EBITDA of EB was A\$217.5 million (HK\$1,327 million). As at 31 December 2004, the EB had combined unaudited total assets of A\$3,163 million (HK\$19,294 million). As the EB is only a part of the SPI Australia Group, the Company understands that interest, tax and depreciation were booked on a group basis and were not individually attributed to the underlying companies which have, therefore, not prepared figures which represent their own profits before and after taxation.

REASONS FOR THE ACQUISITION

The CLP Group's investments in the Australian energy sector, prior to the Acquisition, comprise a 1,480 MW coal-fired power station at Yallourn, Victoria held through Yallourn Energy, and the AusPower retail business, which sells electricity to large industrial and commercial customers. The Acquisition is in line with the CLP Group's objective of building a diversified and integrated energy business in Australia, focussing on electricity and gas retail, with a portfolio of physical assets in support of that retail business.

The Consideration was agreed between the parties following a bidding process and after arm's length negotiations, taking into account a due diligence process previously undertaken by the CLP Group and its advisors. Many factors were taken into account including the cash flow and earnings of the EB and an assessment of its business potential. The Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the shareholders as a whole.

GENERAL

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing further information on the Acquisition will be sent to shareholders as soon as practicable.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Singapore Power and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Singapore Power, headquartered in Singapore, has significant operations in Asia and Australia. Following the sale of the EB to the CLP Group, Singapore Power will retain electricity transmission and distribution networks in Australia.

CLP Power Asia is a member of the CLP Group. The CLP Group owns and operates a vertically integrated electricity generation, transmission and distribution business in Hong Kong, and invests, primarily through CLP Power Asia (of which CLP Energy itself is a subsidiary), in the power sector in the Chinese mainland, Taiwan, Australia, India, and Thailand.

DEFINITIONS

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

"A\$"	Australian Dollars
"Acquisition"	the acquisition by CLP Energy of the EB from Singapore Power through the acquisition of all the issued shares of SPI E&G and SPI Pipelines
"AusPower"	AusPower Holdings Pty Limited, the immediate holding company of Yallourn Energy
"CLP Energy"	CLP Power Australia Energy Holdings Pty Limited, a wholly-owned subsidiary of CLP Power Asia
"CLP Group"	the Company and its subsidiaries
"CLP Power Asia"	CLP Power Asia Limited, a wholly-owned subsidiary of the Company
"Company"	CLP Holdings Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange (Stock code: 002)
"Consideration"	the consideration for the Acquisition under the Share Sale Agreement
"Directors"	the directors of the Company
"EB"	the merchant energy business in Australia presently owned, prior to the Acquisition, by Singapore Power through its wholly-owned subsidiaries, SPI E&G and SPI Pipelines
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"HK\$"	Hong Kong Dollars
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"MW"	Megawatts (one million watts)
"SEAGas"	owner of a 685 kilometre natural gas transmission pipeline between Victoria and South Australia, and 33% owned by SPI Pipelines
"SEAGas Adjustment"	the reduction in the Consideration if the shares in SPI Pipelines are excluded from the Acquisition as a result of the exercise of pre-emption rights
"Share Sale Agreement"	the share sale agreement in relation to the Acquisition signed by the Company, CLP Energy and the Vendor on 7 March 2005
"Singapore Power"	Singapore Power Limited
"SPI Australia Group"	SPI Australia Group, a wholly-owned subsidiary of Singapore Power
"SPI E&G"	SPI Electricity & Gas Australia Pty Limited, a company incorporated under the laws of Victoria and a wholly-owned subsidiary of Singapore Power prior to the Acquisition
"SPI Pipelines"	holding companies which hold Singapore Power's interest in the SEAGas pipeline
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	SPI Electricity & Gas Australia Holdings Pty Limited, a company incorporated under the laws of Victoria and a wholly-owned subsidiary of Singapore Power
"Yallourn Energy"	Yallourn Energy Pty Limited, the operator of a 1,480 MW coal-fired power station at Yallourn, Victoria

In this announcement, figures in A\$ are translated to HK\$ at the exchange rate of A\$1.00 = HK\$6.10 for illustration purposes only.

By Order of the Board
Peter W. Greenwood
Director & Company Secretary

Hong Kong, 8 March 2005

CLP Holdings Limited
(incorporated in Hong Kong with limited liability)
(Stock Code: 002)

Non-executive Directors: Dr. The Hon. Michael D. Kadoorie, Mr. W. E. Mocatta, Mr. J. S. Dickson Leach, Mr. R. J. McAulay, Mr. J. A. H. Leigh, Mr. R. Bischof, Mr. I. D. Boyce, Mr. P. C. Tan
Independent Non-executive Directors: The Hon. Sir S. Y. Chung, Dr. William K. Fung, Mr. V. F. Moore, Mr. Hansen C. H. Loh, Mr. Paul M. L. Kan
Executive Directors: Mr. Andrew Brandler, Mr. Peter P. W. Tse, Mr. Peter W. Greenwood, Dr. Y. B. Lee