CLP Power Hong Kong Limited

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3 January 2007

Ms. Debbie Yau Clerk to Panel (Economic Services) Council Business Division 1 Legislative Council Secretariat 3rd floor, Citibank Tower, 3 Garden Road Hong Kong

Our Ref: CSPD/260.7/L/65419/06-12/SHC/SL

Your Ref: CB1/PL/ES

Dear Ms. Yau

Panel on Economic Services Follow-up to Meeting on 21 December 2006

With reference to your facsimile dated 22 December 2006 requesting for information on profit yielded by CLP Power and its Development Fund balance in the past five years, our response is as follows:

CLP Power's net return and balances of Development Fund from year 2001 to 2005 are listed below for reference. The stated information is also available from CLP Holdings Annual Reports.

(HK\$M)	2005	2004	2003	2002	2001
Net Return	7,047	6,788	6,281	5,814	5,422
Development Fund Balance	3,685	3,171	2,960	3,372	3,177

CLP Power's Development Fund has been maintained in healthy balance as a result of the Company's continuous effort in productivity enhancement and stringent cost control. These efforts, together with contribution from our sales to Guangdong, enabled CLP Power to provide customers with various rebates which amounted to a total of about \$3 billion and frozen tariff for nine consecutive years since 1998.

Yours sincerely,

Betty Yuen

Managing Director - CLP Power

by:shc:sl