

Report of the Month

ReportWatch e.com

July 2007

CLP

Kowloon, Hong Kong



Report Facts

Company name: CLP Holdings Limited

Fiscal year end: December 31, 2006

Report title: 2006 Annual Report 2006

Chairman: The Hon. Sir Michael Kadoorie

Chief Executive Officer: Andrew Brandler

Number of books (Received): 2

Report length: 200 + 28 pages

Auditors: PricewaterhouseCoopers

E-mail: cosec@clp.com.hk or

IR_Dept@clp.com.hk

Report Rating: ★★★★★

(Rating scale overleaf)

Profile-Mission (Excerpts, as from the report)

CLP Holdings Limited is the holding company..

It is listed on the Hong Kong Stock Exchange and is one of the largest investor-owned power businesses in Asia.

Electricity supplier (in Hong Kong) since 1903

Largest external investor in the Chinese mainland electricity industry

Developer, investor, project manager and operator in the private sector power business since 1999 (in Australia)

One of the largest foreign power companies in the Indian power sector

CLP's vision is to be a leading investor-operator in the Asia-Pacific power sector.

(inside front cover)

Total revenue: HK\$ 45,702 million

Operating earnings: HK\$ 9,856 million

Net income: HK\$ 9,900 million

Earnings per share: HK\$ 4.11

Total assets: HK\$ 131,091 million

Return on equity: 18.6%

Debt to capital (total): 35.1%

(Source: annual report 2006 only –figures not found through a report scan are considered NA. All figures for fiscal year 2006)

Report Rating: ★★★★★ Strongest

- > *How can you approach our Financial Statements?* constitutes an effort, probably unrivalled to date in annuals, to decode, illustrate the statements, their components, their significance, and, not least, their links (see selected page).
- > *Financial Results and Position at a Glance* shows the relationships and changes between last year's balance sheet and today's one.
- > *How do we engage our Stakeholders?* is addressed to five categories of stakeholders, including lenders.
- > A substantial corporate governance report includes a foldout section to present committees' reports.
- > Besides being more clearly introduced than in many annuals, the risk management chapter is not evasive about mitigation.

Stronger

- > *CLP at a Glance* summarizes *Business Description*, *Investment Performance*, *2006 Operating Highlights*, and an *Outlook* for the next year.
- > A financial review made intelligible, understandable, built for analysts and also for the "average stakeholder".
- > Transparency over group's structure, assets, investments and partnerships.
- > Five-year historical figures rich in operating figures, not lacking in ratios and backed with charts.

Good too

- > Chairman's *Statement* and CEO's *Review*. The latter starts with a summary of Group Operating Earnings with a cross-reference to the related report sections.
- > Remuneration principles and figures.
- > *Readers' Feedback* and *Views* forms enclosed.

Green?

- > A brief 28-page *Social and Environmental Report* is sent along. *Progress* is reported over the last two years for seven *Goals* for which plans for the coming year are defined, as well as a medium-term outlook.

Rating Scale

★★★★★: World-class ★★★★★(★): First-rate ★★★★★: Excellent ★★★(★): Fine ★★: Average
★★(★): Uneven ★★: Ordinary ★(★): Deficient ★: Unsatisfactory (★): Uncompetitive

The rating is based on ReportWatch internal desk research and does not take into account the independent Rating Panel's judgment.

*How does the company report in key areas? What are the main report pluses and minuses?
The **Report Scan** gives an overview of strengths and weaknesses, and scores each item.*

Contact e.com@reportwatch.net

The Income Statement and the Balance Sheet – The Two Essential Components of Financial Statements


