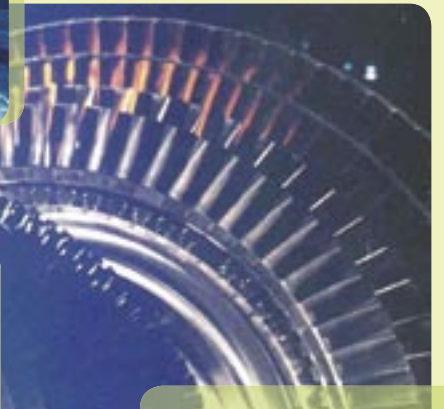
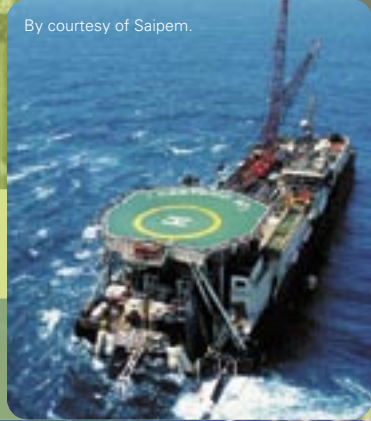




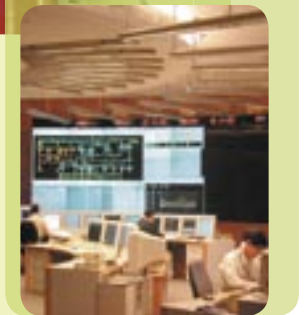
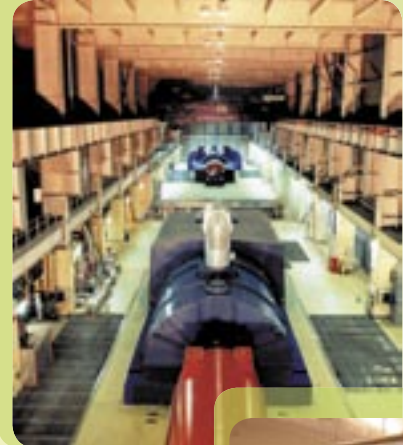
By courtesy of Saipem.



Review of 2004 Performance

A year of success

We are proud of our performance in the areas of environment, quality, health and safety. There will always be more to do, which is true in any company or organisation, but looking back over 2004 we consider it to have been a year of success.



Environment

TARGETS FOR 2004	STATUS
To comply with relevant environmental legislations with zero prosecution and abatement notice.	Achieved
To control SO ₂ , NO _x and particulate emissions from Lamma Power Station within licence limits.	Achieved
To control effluent discharge from Lamma Power Station within licence limits.	Achieved
To control town water consumption in Lamma Power Station to less than that in 2003.	Achieved
To control wastewater discharge from Lamma Power Station to less than that in 2003.	Achieved
To complete the EIA study of the project "Renewable Energy by a Wind Turbine System on Lamma Island".	Achieved
To complete site formation work for Lamma Power Station Extension for installing more environmentally friendly gas-fired units.	Achieved
To complete feasibility study of retrofitting low NO _x burners to older generating units.	Achieved
To extend our Smart Power Campaign to primary students.	Achieved

Quality

TARGETS FOR 2004	STATUS
ELECTRICITY SUPPLY	
Reliability Rating of Electricity Supply (Better than 99.998%)	Achieved
Average Notification Period before Planned Suspension of Electricity (7 days in advance)	Achieved
Average Time for Supply Restoration after Interruption of Supply (Within 2 hours)	Achieved
Site Investigation for Power Quality Enquiries (Within 3 working days)	Achieved
CONNECTION OF SUPPLY	
Connection of Supply	
– Not Requiring Inspection (Within the next working day)	Achieved
– Meter Installation after Satisfactory Inspection (Immediate)*	Achieved
Provide Inspection Appointment for Customer Installation (Within 2 working days in a 1½-hour time band)**	Achieved
Reconnection of Supply after Payment of Outstanding Charges (Same day as payment is received)	Achieved

ELECTRICITY ACCOUNTS & METERS

Closure of Electricity Account at the Request of the Customer (Within 2 working days)	Achieved
Deposit Refund by Cheque after Full Authorization by the Customer and Closure of Account (Within 5 working days)	Achieved
Special Request for Meter Reading (Within the next working day)	Achieved
Processing of Concessionary Tariff Application upon Confirmation from the Assessment Centre (Within 2 working days)	Achieved
Meter Testing (Accuracy traceable to international standards via HOKLAS accredited Standards Laboratory)	Achieved

CUSTOMER ENQUIRIES & PAYMENTS

Average Waiting Time for Counter Services at Customer Centre (Less than 3½ minutes)	Achieved
Average Waiting Time for Telephone Enquiry Services by Customer Services Representatives (Less than 9 seconds)**	Achieved
Reply to Written Enquiries on Customer Accounts (Within 7 working days after receipt)	Achieved
Site Investigation for Electricity Consumption Enquiries (Within 3 working days)	Achieved

EMERGENCY SERVICES

Average Waiting Time for Telephone Calls to Customers Emergency Services Centre (Less than 9 seconds)**	Achieved
Average Arrival Time to Scene in Urban Areas in Response to Emergency Calls (Less than 28 minutes)	Achieved

Health & Safety

TARGETS FOR 2004	STATUS
To keep the Disabling Injury Frequency Rate (DIFR) better than 1/10 of the accident rate in construction industry in Hong Kong for 2003.	Achieved
To keep the Disabling Injury Severity rate (DISR) below 10.	Achieved

Summary of Statistics

ENVIRONMENT	2004	2003	2002
ELECTRICITY GENERATED AT LAMMA POWER STATION			
Total electricity generated [GWh]	12,018	11,816	11,779
FUEL CONSUMED			
Coal [kT]	4,242	4,168	4,136
Light gas oil [kT]	5	6	8
Heavy fuel oil [kT]	5	5	6
LICENCE COMPLIANCE			
No. of Licence Limit Exceedance	0	0	1
Percentage of compliance [%]	100.0	100.0	99.999
TOTAL AIR EMISSION FROM LAMMA POWER STATION			
SO ₂ [kT]	35.7*	32.8	33.3
NO _x [kT]	16.4	17.0	16.5
Particulates [kT]	1.9	1.7	1.4
CO ₂ [million T]	10.4	10.2	10.2
ASH / GYPSUM			
Ash produced [kT]	442	385	385
Ash sold for industries [kT]	421	336	238
Gypsum sold for industries [kT]	77	68	72
WASTE OILS			
Waste oil recycled [litres]	6,000	3,000	15,800
Waste oil for disposal [litres]	4,800	4,600	13,400
TOWN WATER CONSUMPTION / WASTEWATER DISCHARGE			
Town water consumption [thousand m ³]	1,391	1,448	1,664
Wastewater discharge [thousand m ³]	343	352	542
NOISE ABATEMENT NOTICE			
No. of notice received	0	0	0
QUALITY			
AFTER-SERVICE CUSTOMER SATISFACTION INDICES			
Average rating of satisfaction level (maximum mark for each index is 5.0)	4.5	4.5	4.5
PERFORMANCE PLEDGES			
No. of performance pledges	18	18	18
Percentage achieved [%]	100	100	100
RELIABILITY			
Electricity supply reliability [%]	>99.999	>99.999	>99.999
ISO CERTIFICATES & LABORATORY ACCREDITATION			
No. of ISO 9001:2000 Certificates	9	9	9
No. of HOKLAS Certificates	3	3	3
HEALTH & SAFETY			
No. of fatalities	0	0	0
No. of disabling injuries	5	3	5
Disabling Injury Frequency Rate (DIFR) (per 200,000 employee-hours worked)	0.21	0.12	0.19
No. of days lost/charged (no. of employee days)	48	38	241
Disabling Injury Severity Rate (DISR) (per 200,000 employee-hours worked)	2.0	1.5	9.3
Longest period without a lost-time injury (no. of days)	143	221	104
Number of reported traffic accidents (no. of cases)	33	36	43
Traffic Accident Frequency Rate (TAFR) (no. of cases per million km travelled)	13.2	13.8	15.0

*Higher SO₂ emission in 2004 due to longer unit maintenance outage.

Additional Targets for 2005

On top of the targets we achieved in 2004, we have set the additional targets for 2005 as follows:

Environment

To complete the installation work for the project "Renewable Energy by a Wind Turbine System on Lamma Island".

To complete major installation work for the first gas-fired unit of Lamma Power Station Extension.

To complete feasibility study of retrofitting FGD plants to older generating units.

To participate the indoor air quality certification scheme for Hongkong Electric Centre.

To reduce paper consumption by 5% compared with 2004.

To improve communication with the community through publishing the environmental performance of the Company on regular basis.

To obtain ISO14001 certification on environmental management system for transmission and distribution activities.

Quality

To develop an integrated management system to cover both the environmental and safety management systems pertaining to power transmission and distribution activities.

To establish a centralized, standardized and highly automated document management system for the whole company to further enhance efficiency in document handling.

Health & Safety

To reduce the Disabling Injury Frequency Rate (DIFR) in 2005 as compared to 2004.

To reduce the Disabling Injury Severity Rate (DISR) in 2005 as compared to 2004.

To certify Integrated Management System for T&D Safety Management system and Environmental Management system.

To complete modification of Safety Rules to include natural gas safety and to issue Natural Gas Safety Manual by end 2005.