



港燈電力投資

HK Electric Investments

HK Electric Investments

(As constituted pursuant to a deed of trust on 1 January 2014 under the laws of Hong Kong, the trustee of which is HK Electric Investments Manager Limited)

and

HK Electric Investments Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2638)

Keeping Our Promises in a Changing World Annual Results Highlights for 2015

In 2015, HKEI completed its second year of operations as a business trust, once again achieving all its objectives.

	2015	2014
Revenue	HK\$11,210 million	HK\$10,504 million ⁽¹⁾
Distributable Income	HK\$3,538 million	HK\$3,218 million ⁽²⁾
Interim Distribution per Share Stapled Unit	HK19.92 cents	HK16.53 cents
Final Distribution per Share Stapled Unit ⁽³⁾	HK20.12 cents	HK19.89 cents
Total Distribution per Share Stapled Unit	HK40.04 cents	HK36.42 cents ⁽²⁾
Net Debt-to-Net Total Capital Ratio	46%	47%

(1) The group acquired the entire issued share capital of HK Electric on 29/1/2014 and its results were consolidated with effect from the same date.

(2) 2014 distributable income and total distribution per share stapled unit (SSU) was for the period from the listing date on 29/1/2014 to 31/12/2014.

(3) 2015 final distribution will be payable on 13/4/2016 to SSU holders whose names appear on the Share Stapled Units Register on 1/4/2016.

- Our performance in 2015 reflected our success in delivering on 3 strategic parameters
 1. keeping our promise to pay out 100% of distributable income to our SSU holders
 2. delivering power at over 99.999% supply reliability while freezing tariffs for 2 years in a row
 3. reducing environmental footprint and making investments to enable such in future
- We met or surpassed all 18 pledged customer service standards and the 3 customer performance targets set by the government.
- We have commenced with the construction of a new gas-fired generating unit, L10, which will play an important role in reducing emissions and our carbon footprint when commissioned in 2020.
- With continued softening of fuel prices, HK Electric has passed on the benefits to customers by reducing net tariffs across the board by an average of 1.1% in 2016, going one step beyond our commitment to keep tariffs unchanged till end 2018.
- We note the results released by the government regarding the consultation exercise on the future development of the electricity market conducted in 2015 shared our views on key facets of the consultation, namely that:

1. Almost all respondents considered that the current contractual arrangement by Scheme of Control Agreements had generally worked well and allowed us to achieve the energy policy objectives;
 2. The majority of the respondents considered that currently the power supply in Hong Kong was reliable and safe at affordable price, and they did not see a need for introducing competition for the sake of bringing in choices;
 3. The majority of the respondents agreed that the duration of the future contractual arrangement should be maintained at ten years, with an option exercisable by the government to extend for five more years; and
 4. More than half of the submissions supported maintaining the Rate of Return at the current level of 9.99% to provide the necessary incentive to the power companies to make investment.
- We believe the four points above should form the basis for the post-2018 regulatory regime to enable operators to make long-term investments conducive to the continued provision of safe, reliable and clean electricity to customers at affordable prices.

To view the announcement on annual results for 2015, please visit
www.hkei.hk