



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)

A New Era of Gas Generation Annual Results Highlights for 2018

	2018	2017
Revenue	HK\$11,612 million	HK\$11,693 million
Distribution Amount	HK\$3,538 million	HK\$3,538 million
Interim Distribution per Share Stapled Unit	HK19.92 cents	HK19.92 cents
Final Distribution per Share Stapled Unit	HK20.12 cents	HK20.12 cents
Total Distribution per Share Stapled Unit	HK40.04 cents	HK40.04 cents
Net Debt-to-Net Total Capital Ratio	46%	44%

Note: 2018 final distribution will be payable on 15/4/2019 to holders of Share Stapled Units whose names appear on the Share Stapled Units Register on 3/4/2019.

- We continued to excel on all operating parameters, maintaining power supply reliability at over 99.999% for 22 consecutive years and meeting or surpassing all 18 pledged customer service standards.
- In July 2018, HK Electric's 2019-2023 Development Plan of HK\$26.6 billion was approved by the Government as we help Hong Kong transform into a green and smart city. HK\$16.2 billion of the total investment will be used to build the infrastructure necessary to increase the company's gas-fired electricity generation. Another important initiative is the roll-out of smart meters with an associated Advanced Metering Infrastructure to build an intelligent information exchange platform for customer energy management.
- Construction of L10 and L11 has been progressing well for scheduled commissioning by 2020 and 2022 respectively. With the Government's approval to build L12, the total gas-fired electricity generation will rise to reach about 70% of our total output when L12 is commissioned in 2023.
- Under "Smart Power Services", we have launched four funds and three schemes, including Feed-in Tariff Scheme and Renewable Energy Certificates, to encourage energy efficiency and conservation, and promote the local development of renewable energy.
- Under the new SCA, we see a material drop of approximately 20% in the rate of permitted return. We are also undertaking a significant capital investment programme of HK\$26.6 billion under the 2019-2023 Development Plan. As such, barring unforeseen circumstances it is envisaged that there will be an approximately 20% reduction in our distributions to SSU holders in the next few years.