

港燈電力投資有限公司
HK Electric Investments Limited
連同港燈電力投資 Together with HK Electric Investments
(股份代號 Stock Code: 02638)

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Press Release

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HK Electric Investments and HK Electric Investments Limited Launch Hong Kong Public Offering of Share Stapled Units

- Offering of 4,426,900,000 Share Stapled Units (subject to the over-allotment option), representing approximately 50.1% of the total number of share stapled units in issue immediately following the completion of the reorganization and the Global Offering, at a price range of HK\$5.45 to HK\$6.30
- Implied offer size of approximately HK\$24.1 billion - HK\$32.1 billion (depending on whether the over-allotment option is exercised)
- Implied annualised 2014 dividend yield of 6.260% to 7.237%
- Hong Kong Public Offering to open from 9:00 a.m. on Thursday, 16 January 2014 to 12:00 noon on Tuesday, 21 January 2014

HONG KONG, 16 January 2014 - HK Electric Investments (“HK Electric Investments”) and **HK Electric Investments Limited** (the “Company”) (SEHK stock code: 02638) announce details of the Hong Kong Public Offering and proposed listing (the “Listing”) of the share stapled units of HK Electric Investments and the Company (the “Share Stapled Units”) on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”).

The Global Offering of Share Stapled Units (the “Global Offering”)

Pursuant to the Global Offering, a total of 4,426,900,000 share stapled units (the “Initial Share Stapled Units”) to be jointly issued by HK Electric Investments and the Company will initially be offered for subscription. Up to 664,035,000 additional Share Stapled Units (representing up to 15% of the Initial Share Stapled Units) may be offered if the over-allotment option is exercised in full.

The Global Offering initially comprises 221,345,000 Share Stapled Units under the Hong Kong Public Offering, and 4,205,555,000 Share Stapled Units under the International Offering, representing 5% and 95% of the total number of Initial Share Stapled Units, respectively, subject to reallocation and the over-allotment option.

Under the International Offering, 533,565,500 Share Stapled Units (representing approximately 12.1% of the Initial Share Stapled Units) have been reserved to be offered by way of a preferential offering in Hong Kong to the qualifying shareholders of Power Assets Holdings Limited (“Power Assets”) (SEHK stock code: 00006) as an assured entitlement.

The offer price (the "Offer Price") is currently expected to be between HK\$5.45 and HK\$6.30 (both inclusive) per Share Stapled Unit offered pursuant to the Global Offering. Based on the annualised expected distributions to the holders of Share Stapled Units of HK\$3,485.0 million, which is calculated by annualising the expected distributions to the holders of Share Stapled Units for the period from the listing date (which is anticipated to be on 29 January 2014) to 31 December 2014, the implied annualised distribution yield based on the Offer Price range will be in the range of approximately 6.260% to 7.237%.

Mr. Canning Fok, the Chairman and Executive Director of HK Electric Investments, commented, “We believe HK Electric Investments provides investors with an opportunity to invest in a high quality asset that has been serving Hong Kong since 1890. Following the Listing, we will, as always, remain committed to supporting Hong Kong’s long-term economic development. We will continue to maintain world-class service and power supply reliability to our customers through continuous investments in all areas of power generation, transmission, distribution and supply in Hong Kong. The trust structure that we have adopted allows us to clearly articulate and pursue our distribution policy.”

The offer size prior to any exercise of the over-allotment option (if applicable) is expected to be approximately HK\$24.1 billion to HK\$27.9 billion. If the over-allotment option is exercised in full, the offer size is expected to be approximately HK\$27.7 billion to HK\$32.1 billion.

Power Assets, as the controlling holder of Share Stapled Units with an interest of not less than approximately 42.4% (even after the exercise of the Over-allotment Option in full), has committed to an initial six-month lock-up period in relation to the disposal of any Share Stapled Units.

State Grid International Development Limited, a wholly-owned subsidiary of the State Grid Corporation of China, and Oman Investment Fund, a sovereign wealth fund of the Government of Oman, have entered into cornerstone investment agreements to subscribe at the Offer Price for such number of Share Stapled Units which are equivalent to 18.0% and approximately 0.7%-0.8% of the total issued Share Stapled Units in issue upon the Listing, respectively.

Goldman Sachs (Asia) L.L.C. (“Goldman Sachs”) and The Hongkong and Shanghai Banking

Corporation Limited (“HSBC”) are the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers of the Global Offering.

The Hong Kong Public Offering is expected to open at 9:00 a.m. on Thursday, 16 January 2014 and is expected to close at 12:00 noon on Tuesday, 21 January 2014. Allotment results and the Offer Price are expected to be announced or made available on Tuesday, 28 January 2014. Dealings in the Share Stapled Units on the Main Board of the SEHK are expected to commence under the stock code “02638” on Wednesday, 29 January 2014.

White Application Forms and Prospectuses can be obtained from the designated offices of Goldman Sachs and HSBC; or any of the designated branches of HSBC, Bank of China (Hong Kong) Limited and DBS Bank (Hong Kong) Limited. Eligible applicants may apply for the Share Stapled Units under the Hong Kong Public Offering through the White Form eIPO Service Provider at the designated website www.eipo.com.hk. Applicants may also instruct the Hong Kong Securities Clearing Company Limited to effect their applications by using the Yellow Application Forms or via electronic application instructions.

About HK Electric Investments

HK Electric Investments is the first fixed single investment trust in Hong Kong with a focus on the power industry. Upon completion of the acquisition of HK Electric, HK Electric Investments will own a vertically integrated power utility in Hong Kong responsible for the generation, transmission, distribution and supply of electricity to over 568,000 registered customers on Hong Kong Island and Lamma Island with an aggregate installed capacity of approximately 3,737 MW.

The operations of HK Electric are subject to the Scheme of Control entered into with the Hong Kong Government. The current Scheme of Control is for a term of ten years ending 31 December 2018 with an option for the Hong Kong Government to renew it for further five years ending 31 December 2023.

The objectives of HK Electric Investments and the Company are to focus principally on the payment of distributions to the holders of Share Stapled Units with a clearly expressed intention as to their respective distribution policies as stated in the trust deed and the Company’s articles of association and to provide the holders of Share Stapled Units with stable distributions with the potential for sustainable long-term growth of such distributions.

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Disclaimer

This document is issued by HK Electric Investments and the Company. The directors of HK Electric Investments Manager Limited and the Company take responsibility for the accuracy of information in this document. This document is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for Share Stapled Units or other securities or to acquire an interest in or participate in a collective investment scheme, and it is not intended to invite any such offer or invitation. Potential investors should read the prospectus of HK Electric Investments and the Company to be issued on 16 January 2014 for detailed information about HK Electric Investments, the Company and the Global Offering before deciding whether or not to invest in the Share Stapled Units. Investors are also reminded that any application for subscription of Share Stapled Units should be made through the White Form eIPO service, or by completion of a formal application form, or any other procedures described in the Prospectus. HK Electric Investments and the Company will not accept applications for subscription of Share Stapled Units from investors through means not prescribed in the Prospectus.

This document does not constitute and is not an offer to sell or a solicitation of any offer to buy securities of the Company or any of its affiliates in the United States or elsewhere. The securities referred to in this document have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws of the United States and may not be offered or sold in the United States absent registration under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Neither HK Electric Investments nor the Company intends to register its securities under the U.S. Securities Act or to engage in a public offering of its securities in the United States.

**Global Offering of Share Stapled Units to be jointly issued by
HK Electric Investments and HK Electric Investments Limited
Offering Statistics**

Total number of share stapled units in issue upon Listing	:	8,836,200,000 Share Stapled Units
Global Offering	:	4,426,900,000 Share Stapled Units (Subject to over-allotment option)
International Placing	:	4,205,555,000 Share Stapled Units (Subject to reallocation and over-allotment option) (including 533,565,500 Share Stapled Units to be offered under the Preferential Offering)
Hong Kong Offering	:	221,345,000 Share Stapled Units (Subject to reallocation)
Offer Price Range	:	HK\$5.45 to HK\$6.30 per Share Stapled Unit
Market Capitalisation	:	Approximately HK\$48.2 billion to HK\$55.7 billion
Expected annualized distribution yield from the listing date to 31 December 2014	:	6.260% to 7.237%
Public Offering in Hong Kong	:	Commences at 9:00am, 16 January 2014 (Thursday) and closes at 12:00 noon, 21 January 2014 (Tuesday)
Expected first date of dealings in Shares Stapled Units	:	29 January 2014
Stock Code	:	02638
Board Lot	:	500 Share Stapled Units
Minimum Investment per Board Lot including brokerage, fees and levies	:	HK\$3,181.75