



Press Release
28 December 2005

Hongkong Electric Concludes Financial Arrangement for Thai Power Project

Hongkong Electric Holdings Limited (HEH) today announced that financial arrangements had been completed for the construction of a 1,400 megawatt (MW) power station in Thailand.

Following the conclusion of the arrangements, construction will commence in early 2006 for the gas-fired combined cycle power plant in Ratchaburi Province, of which HEH has a 25% stake. The power plant will be commissioned in stages in March and June 2008.

The total cost of the project is US\$890 million (about HK\$6.94 billion), with US\$650 million (about HK\$5.07 billion) funded by project financing in US dollar and Thai Baht loans through a bank group formed by Japan Bank for International Corporation, Calyon, Hongkong and Shanghai Banking Corporation, Sumitomo Mitsui Banking Corporation, Krung Thai Bank and Bangkok Bank.

HEH will provide equity finance of US\$55 million (about HK\$429 million) on a pro-rata basis.

Group Finance Director of HEH, Mr. Andy Hunter, who signed the loan agreement in Bangkok earlier said, "The Ratchaburi power project is important to HEH, as it is the Group's first power generation project outside Hong Kong. We are committed to working with our strategic partners to take the project forward till the plant is commissioned, as well as to contributing to efficient operations thereafter."

"The project will provide a solid platform for other possible investments in the power industry in Thailand and in the region," Mr. Hunter said.

HEH is the largest foreign shareholder of Ratchaburi Power Company Limited (RPCL), while the other foreign investors are Chubu Electric and Toyota Tsusho, holding 15% and 10% shares respectively. The local partners in the project are Ratchaburi Electricity Generating Holding Company Limited, PTT Plc and Saha Union Group.

RPCL will be one of Thailand's largest base-load low-cost power suppliers. It has entered into a 25-year power purchase agreement with the state-owned Electricity Generating Authority of Thailand, selling all of its electricity output based on a cost-matching tariff structure indexed to the US dollar.

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About Hongkong Electric

Hongkong Electric Holdings Ltd. (HEH) is the listed vehicle of the Hongkong Electric Group of companies which includes The Hongkong Electric Company, Limited (HEC), Hongkong Electric International Limited (HEI) and other subsidiaries. HEC is an electricity utility established in 1889 and its principal activity is to generate and supply electricity to Hong Kong Island and Lamma Island. HEI is the international investment arm of HEH, pursuing investment opportunities outside Hong Kong.

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