香港電燈集團有限公司
Hongkong Electric Holdings Ltd.

Hongkong Electric Centre, 44 Kennedy Road, Hong Kong
Tel : 2843 3111 Fax : 2810 0506
Website : www.hec.com.hk

HONGKONG ELECTRIC ANNOUNCES MIXED RESULTS FOR 2005

RESULTS HIGHLIGHTS

Results and Dividend

- Earnings from Hong Kong operations HK$5,508 million – down 0.2%.
  Earnings from international operations HK$3,054 million – up 316%.
  Group earnings HK$8,562 million – up 37%.

- Dividends per share for 2005 (including the interim dividend of HK$0.58 and the special dividend of HK$0.73) total HK$2.32 – up 31%.

Hong Kong Operations

- Earnings from Hong Kong operations HK$5,508 million compared with HK$5,521 million in 2004.

- Shortfall in permitted return together with the special subsidy paid to customers in 2005 was approximately $1 billion.

- Unit sales growth in electricity was 1.5%.

- Maximum demand was 2,565 MW compared with 2,588 MW in 2004.

- Unit 9 to be ready to receive gas in mid 2006.

- Reliability in electricity supply maintained at 99.999%.

- Introduced renewable energy by commissioning Hong Kong’s first wind turbine.

- Stage II consultation paper on the Future Development of the Electricity Market in Hong Kong – concerns expressed on key issues including permitted rate of return, duration of regulatory framework and changes to emission penalties.

- Company to continue to work with the Government on the many issues arising out of the consultation paper that need to be addressed.

International Operations

- Purchase of 19.9% stake in Northern Gas in the U.K. completed.

- Financing arrangements for the Thai power station project in which the Company has a 25% interest concluded.

- Excellent financial performance was achieved from the international operations. Earnings were HK$3,054 million made up as follows :

    - Gain on disposal of interest in Australian businesses : HK$1,560 million
    - Operational earnings (including non-cash tax adjustments of HK$648 million) : HK$1,494 million

Outlook

- In Hong Kong continued low growth in electricity sales expected in 2006 similar to that in 2005.

- Internationally, suitable investment opportunities will be sought to further reduce earnings reliance on Hong Kong.