

Hongkong Electric Holdings Ltd.



(incorporated in Hong Kong with limited liability)
(Stock Code: 6)

Solid Performance and Growth

Annual Results Highlights for 2008

| | 2008 HK\$ million | 2007 HK\$ million | Change |
|--------------------------------------|----------------------|----------------------|--------|
| Profit from Hong Kong operations | 7,008 | 6,727 | 4.2% |
| Profit from international operations | 1,021 | 721 | 41.6% |
| Profit attributable to shareholders | 8,029 | 7,448 | 7.8% |
| Earnings per share | \$3.76 | \$3.49 | 7.8% |
| Dividends per share | \$2.11 | \$2.01 | 5.0% |

The Group reported solid operating results for 2008 from both its Hong Kong and international operations. In 2008, our shareholders have benefited from the Group's strong financial position and conservative investment profile with the Company's shares being one of the best performing shares in the Hang Seng Index for 2008.

We have sought to increase the proportion of the Group's earnings derived from its activities outside Hong Kong and good progress was made in this regard in 2008. A significant step was taken in February 2009 when we announced that we had agreed to purchase 45% equity interests in three joint ventures owning power plants in China, two of which are located in Zhuhai in Guangdong province adjacent to Hong Kong. The transaction, upon completion, will allow us to take a strategic stake in the electricity generation business in China at an attractive return and will enhance the earnings from the Group's international operations.

In December, the Hong Kong Government approved the Development Plan of The Hongkong Electric Co., Ltd. (HEC) for the period 2009-2013 which provided for HK\$12.3 billion in capital expenditure over that period. This investment will be focused on additions to and maintaining the reliability of our transmission and distribution network and in furthering our emission reduction programme at the Lamma Power Station.

Supply reliability was maintained at over 99.999% in 2008 surpassing our pledged customer service standards. This world class supply reliability has been consistently maintained since 1997. Supply reliability was supported by the improvement and maintenance work carried out on the transmission and distribution network in 2008.

HEC will continue with its focus on the environment through its emission reduction programmes. Internationally, we will continue to look for new investment opportunities.

To view the announcement on annual results for 2008, please visit

www.heh.com