

港燈電力投資

HK Electric Investments

(根據香港法律按日期為二零一四年一月一日的信託契約組成，
其受託人為港燈電力投資管理人有限公司。)

(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.)

與 and

港燈電力投資有限公司

HK Electric Investments Limited

(於開曼群島註冊成立的有限公司 Incorporated in the Cayman Islands with limited liability)

(股份代號 Stock Code : 2638)



港燈電力投資

HK Electric Investments

香港堅尼地道四十四號港燈中心

Hongkong Electric Centre, 44 Kennedy Road, Hong Kong

電話 / Tel 2843 3111 傳真 / Fax 2810 0506

電郵 / Email mail@hkei.hk

www.hkei.hk

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

2025 INTERIM RESULTS

CHAIRMAN'S STATEMENT

In the first half of 2025, HKEI and its wholly owned subsidiary, HK Electric, delivered a steady performance across all key areas. We continued to supply reliable, affordable and low-carbon electricity to our customers, while progressing our Development Plan to support Hong Kong's zero-carbon transition.

During the period, we maintained a world-leading supply reliability rating of over 99.9999%, meaning that each customer experienced, on average, less than 0.5 minutes of unplanned power interruption per year.

Global fuel prices were relatively soft, enabling us to reduce our net tariffs, while continuing to make major capital investments in accordance with the Plan.

Our strategic priority remains the full and timely execution of the HK\$22 billion 2024–2028 Development Plan, which further advances our consistent efforts to decarbonise our operations. The preceding five-year Development Plan enabled us to achieve a 40% reduction in carbon emissions by 2024, compared to the baseline year of 2005. The activities under the current Development Plan will further increase our gas-fired generation capabilities, assuring long-term energy security as we advance Hong Kong's decarbonisation agenda. During the period, we saw smooth progress on key initiatives: the construction of L13, a new gas-fired combined-cycle generating unit, and contingency generation capacity in the form of oil-fired open-cycle gas turbines.

Half-year results

For the six months ended 30 June 2025, HKEI's EBITDA amounted to HK\$3,979 million (2024: HK\$3,989 million) and unaudited profit attributable to holders of Share Stapled Units (SSU) was HK\$1,001 million (2024: HK\$947 million).

Interim distribution

Distributable income for the period was HK\$1,408 million (2024: HK\$1,408 million), which will be 100% distributed to SSU holders.

The Board of the Trustee-Manager has declared an interim distribution of HK15.94 cents (2024: HK15.94 cents) per SSU, payable on 8 September 2025 to SSU holders whose names appear on the Share Stapled Units Register on 27 August 2025.

Advancing our energy transition

A key capital project in the 2024–2028 Development Plan is the construction of L13, our fifth gas-fired combined-cycle generating unit. During the period, all bored piles were completed, statutory piling proof-tests concluded, and excavation works for pile cap construction began. Upon commissioning in 2029, the new unit will increase our gas-fired generation capacity to 1,855 MW. We will concurrently retire a sixth ageing coal-fired unit, further advancing our transition to cleaner energy.

In parallel, construction of three oil-fired open-cycle gas turbines (GT8, GT9 and GT10) is progressing steadily. These units will provide critical contingency capacity to address emergency situations, enhancing system reliability and flexibility. Commissioning will take place in phases in 2027 and 2028.

Another key project positioning us well to create a smart energy grid is the rollout of smart meters across our 600,000-strong customer base. The deployment, which commenced in 2020, has now covered more than 90% of our base, with full rollout on track to be completed by the end of 2025. The new advanced metering infrastructure will help customers manage their energy use better and enable more efficient system management.

Sustained operational excellence

Electricity sales for the first half of 2025 were 3.2% below the same period last year. This was mainly due to milder weather, the success of energy-saving initiatives among our customers, a challenging operating environment for the catering and retail trades, and the absence of a leap day.

We strive to keep tariffs as affordable as possible. At the start of 2025, Basic Tariff increased by HK3.4 cents to HK122.9 cents per unit of electricity, driven by essential capital investments and increasing operating expenses. Worldwide declines in fuel prices during the period led to a decrease of over 16% in the Fuel Clause Charge as of August 2025, relative to January. Net Tariff in August was accordingly reduced by 4.4% to HK159.6 cents per unit of electricity.

Extreme weather events are becoming ever more frequent and another important priority for us is to continue to strengthen system reliability and assure operational resilience. Seven major power restoration drills were conducted during the period to maintain emergency readiness. Following a major upgrade to the North Point Switching Station, stakeholder engagement is underway for two new substations in the Eastern and Southern Districts to meet future demand growth in these areas.

As part of our strategy to harness emerging technologies for greater efficiency and enhanced capabilities, several task forces were established to deploy new technologies across our operations, enabling increased automation and adoption of robotics. Innovations launched during the period included robotic façade inspectors and intelligent substation monitoring platforms.

We met or exceeded all 18 customer service standards. Digital and self-service channels continued to expand, including the introduction of a new online enquiry form.

Enabling energy saving and low-carbon living

We are committed to supporting the community in its decarbonisation efforts by continuously maintaining and expanding our Smart Power Services. During the period, we launched a one-stop solution to help non-profit-making NGOs and schools go green through energy-saving projects, solar adoption, and the application of green rooftop paints. The solution can extend subsidies of up to HK\$3 million to each eligible building.

Our flagship schemes — including the Feed-in Tariff to connect customer-side renewable installations to the grid, Smart Power Energy Audit, and Smart Power Building Fund — continued to help Hong Kong residents and businesses reduce their own emissions. In the first half of 2025, 42 new customer-side renewable installations were connected to the grid, with another 37 applications approved. The popular Smart Power for Construction Site service received 10 new service requests. Since its launch in 2021, 48 sites have used grid power supplied by HK Electric, thus avoiding the use of diesel generators during construction. This shift has collectively helped avoid approximately 33,000 tonnes of CO₂ emissions.

The Happy Green Campaign continued its outreach efforts to promote carbon neutrality and low-carbon living across diverse communities. Throughout the period, a variety of engaging and interactive activities were launched, including a cooking competition titled '*All You Can Cook!*', aimed at fostering a community-wide culture of food conservation and reducing waste at its source.

Electrifying Hong Kong's transportation infrastructure

We continued to play an active role in Hong Kong's move to e-transportation. Under the Government's EV-charging at Home Subsidy Scheme (EHSS), we provided technical support for the installation of EV charging-enabling infrastructure. By the end of June 2025, 100 projects had been completed, covering more than 13,000 parking spaces across Hong Kong Island. HK Electric also provided one-stop technical advice to non-EHSS customers for installing fast EV chargers at commercial sites throughout the island.

We continued to facilitate the electrification of public transport fleets — including buses, taxis, ferries, and government fleets — through the provision of technical consultancy.

A responsible corporate citizen

We are committed to upholding the highest ESG standards and supporting the United Nations' Sustainable Development Goals, particularly focussing on six goals that closely align with our corporate strategies and business priorities. Preparations are underway to meet HKEX's enhanced climate-related disclosure requirements.

Our Smart Power Care Fund assisted those in need, distributing 10,000 sets of HK\$200 supermarket coupons to customers eligible for concessionary tariff schemes and families facing financial challenges. Longstanding programmes such as CAREnJOY and U3A continued to serve those in need and the elderly. With U3A marking its 20th anniversary, we plan to explore increased support for the silver economy in the foreseeable future.

Talent development, particularly attracting young professionals to the industry, stays a long-term priority. To meet expected retirements in the coming years, nine new trainees were recruited in 2025. Fringe benefits have been further enhanced to retain staff, including extended marriage leave entitlements.

Outlook

In 2025, HK Electric marks 135 years of service to Hong Kong. To commemorate this milestone, we planted 135 trees at Lamma Power Station — symbolising our long-term partnership with the Lamma Island community and the city.

The 2024–2028 Development Plan remains on track. We will continue to pursue operational efficiency by deploying the right technology including artificial intelligence at the right time while advancing critical infrastructure to support Hong Kong’s decarbonisation goals.

We expect more stringent emissions caps in coming years and are proactively planning to meet these targets. Longer term, we continue to work closely with the HKSAR Government to develop frameworks for potential decarbonisation initiatives, including the import of zero-carbon electricity through regional cooperation.

In closing, I thank our SSU holders, employees and members of the Board whose efforts lie at the heart of all our achievements.

Fok Kin Ning, Canning

Chairman

Hong Kong, 12 August 2025

FINANCIAL REVIEW

Financial performance

The Trust Group's revenue and unaudited consolidated profit for the period ended 30 June 2025 were HK\$5,567 million (2024: HK\$5,572 million) and HK\$1,001 million (2024: HK\$947 million) respectively.

Distribution

The Trustee-Manager Board has declared an interim distribution of HK15.94 cents (2024: HK15.94 cents) per SSU for the six months ended 30 June 2025. In order to enable the Trust to pay that distribution, the Company Board has declared the payment of a first interim dividend in respect of the Company's ordinary shares held by the Trustee-Manager of HK15.94 cents (2024: HK15.94 cents) per ordinary share in respect of the same period.

	Six months ended 30 June	
	2025	2024
	HK\$ million	HK\$ million
Consolidated profit attributable to SSU holders for the period	1,001	947
After:		
(i) eliminating the effects of the Adjustments (see note (a) below)	3,113	3,159
(ii) adding/(deducting)		
– movement in Fuel Clause Recovery Account	237	119
– changes in working capital	(720)	(201)
– adjustment for employee retirement benefit schemes	(15)	(9)
– taxes paid	(173)	(168)
	(671)	(259)
(iii) capital expenditure payment	(1,736)	(2,025)
(iv) net finance costs	(682)	(750)
Distributable income for the period	1,025	1,072
(v) adding discretionary amount as determined by the Company Board pursuant to clause 14.1(c) of the Trust Deed	383	336
Distributable income for the period after adjustment of the discretionary amount	1,408	1,408
Distribution amount for the period	1,408	1,408
Interim distribution amount per SSU	HK15.94 cents	HK15.94 cents

In determining the distribution amount, the Company Board has taken into account the Group's financial performance achieved during the period under review and its stable cashflow from operations, and consider it appropriate to adjust the distributable income for the six months ended 30 June 2025, as calculated pursuant to the Trust Deed, by the above discretionary amount, pursuant to clause 14.1(c) of the Trust Deed.

Note:

- (a) Pursuant to clause 1.1 of the Trust Deed, "Adjustments" includes, but not limited to (i) transfers to/from the Tariff Stabilisation Fund and the Rate Reduction Reserve under the Scheme of Control; (ii) unrealised revaluation gains/losses, including impairment provisions and reversals of impairment provisions; (iii) impairment of goodwill/recognition of negative goodwill; (iv) material non-cash gains/losses; (v) costs of any public offering of Share Stapled Units that are expensed through the consolidated statement of profit or loss but are funded by proceeds from the issuance of such Share Stapled Units; (vi) depreciation and amortisation; (vii) tax charges as shown in the consolidated statement of profit or loss; and (viii) net finance income/costs as shown in the consolidated statement of profit or loss.
- (b) The Trustee-Manager Board has confirmed, in accordance with the Trust Deed, that (i) the auditors of the Trust Group have reviewed and verified the Trustee-Manager's calculation of the above distribution entitlement per SSU and (ii) having made all reasonable enquiries, immediately after making the above distribution to the registered unit holders of the Trust, the Trustee-Manager will be able to fulfill, from the Trust Property (as defined in the Trust Deed), the liabilities of the Trust as they fall due.

Capital expenditure, liquidity and financial resources

Capital expenditure (excluding right-of-use assets but including the Trust Group's capital expenditure in the offshore LNG terminal developed by a joint venture) during the period amounted to HK\$1,482 million (2024: HK\$1,375 million), which was funded by cash from operations and external borrowings. Total external borrowings outstanding at 30 June 2025 were HK\$51,386 million (31 December 2024: HK\$50,855 million), comprising unsecured bank loans and debt securities in issue. In addition, the Trust Group at 30 June 2025 had undrawn committed bank facilities of HK\$4,430 million (31 December 2024: HK\$4,850 million) and bank deposits and cash of HK\$45 million (31 December 2024: HK\$30 million).

Treasury policy, financing activities, capital and debt structure

The Trust Group manages its financial risks in accordance with guidelines laid down in its treasury policy which is designed to manage the Trust Group's currency, interest rate and counterparty risks. Surplus funds, which arise mainly from provision for capital expenditure to be incurred and from electricity bill collection, are placed on short-term deposits denominated in Hong Kong dollars. The Trust Group aims to ensure that adequate financial resources are available for refinancing and business growth whilst maintaining a prudent capital structure.

As at 30 June 2025, the net debt of the Trust Group was HK\$51,341 million (31 December 2024: HK\$50,825 million) with a net debt-to-net total capital ratio of 51% (31 December 2024: 51%). The Trust Group's financial profile remained strong during the period. On 30 March 2025, Standard & Poor's reaffirmed the "A-" long-term credit rating and "Stable" outlook for the Company and HK Electric which had remained unchanged since September 2015 and since January 2014, respectively.

The profile of the Trust Group's external borrowings as at 30 June 2025, after taking into account forward foreign exchange contracts, cross currency and interest rate swaps, was as follows:

- (1) 100% were in Hong Kong dollars;
- (2) 47% were bank loans and 53% were capital market instruments;
- (3) 41% were repayable within 1 year, 31% were repayable after 1 year but within 5 years and 28% were repayable after 5 years; and
- (4) 73% were in fixed rate and 27% were in floating rate.

The Trust Group's policy is to maintain a portion of its debt at fixed interest rates taking into consideration business and operational needs. Interest rate risk is managed by either securing fixed rate borrowings or by using interest rate derivatives.

Currency and interest rate risks are actively managed in accordance with the Trust Group's treasury policy. Derivative financial instruments are used primarily for managing interest rate and foreign currency risks and not for speculative purposes. Treasury transactions are only executed with counterparties with acceptable credit ratings to control counterparty risk exposure.

The Trust Group's principal foreign currency transaction exposures arise from the import of fuel and capital equipment. Foreign currency transaction exposure is managed mainly through forward foreign exchange contracts. As at 30 June 2025, over 90% of the Trust Group's transaction exposure from the import of fuel and capital equipment was either denominated in United States dollars or hedged into Hong Kong or United States dollars. The Trust Group is also exposed to foreign currency fluctuation arising from the foreign currency borrowings. Such exposures are, where appropriate, mitigated by the use of either forward foreign exchange contracts or cross currency swaps.

The contractual notional amounts of derivative financial instruments outstanding at 30 June 2025 amounted to HK\$54,491 million (31 December 2024: HK\$49,558 million).

Charge on assets

As at 30 June 2025, no assets of the Trust Group were pledged to secure its loans and banking facilities (31 December 2024: Nil).

Contingent liabilities

As at 30 June 2025, the Trust Group had no guarantee or indemnity to external parties (31 December 2024: Nil).

Employees

The Trust Group maintains a policy of pay-for-performance and the pay levels are monitored to ensure competitiveness is maintained. The Trust Group's total remuneration costs for the six months ended 30 June 2025, excluding directors' emoluments, amounted to HK\$632 million (2024: HK\$619 million). As at 30 June 2025, the Trust Group employed 1,646 (31 December 2024: 1,649) permanent employees. No share option scheme is in operation.

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
OF THE TRUST AND OF THE COMPANY**

For the six months ended 30 June 2025

(Expressed in Hong Kong dollars)

	Note	2025 \$ million	2024 \$ million
Revenue	6	5,567	5,572
Direct costs		(2,726)	(2,615)
		2,841	2,957
Other revenue and other net income		44	43
Other operating costs	8	(541)	(510)
Operating profit		2,344	2,490
Finance costs		(678)	(674)
Profit before taxation	9	1,666	1,816
Income tax:	10		
Current		(311)	(325)
Deferred		5	(8)
		(306)	(333)
Profit after taxation		1,360	1,483
Scheme of Control transfers	11	(359)	(536)
Profit for the period attributable to the holders of Share Stapled Units/ shares of the Company		1,001	947
Earnings per Share Stapled Unit/ share of the Company			
Basic and diluted	12	11.33 cents	10.72 cents

As explained in note 3, the unaudited consolidated interim financial statements of the Trust and the unaudited consolidated interim financial statements of the Company are presented together.

Details of distributions/dividends payable to holders of Share Stapled Units/shares of the Company attributable to the profit for the period are set out in note 18.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
OF THE TRUST AND OF THE COMPANY**

For the six months ended 30 June 2025

(Expressed in Hong Kong dollars)

	2025	2024
	\$ million	\$ million
Profit for the period attributable to the holders of Share Stapled Units/shares of the Company	1,001	947
Other comprehensive income for the period, after tax and reclassification adjustments		
Items that will not be reclassified to profit or loss		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments and cost of hedging recognised during the period	20	-
Net deferred tax charged to other comprehensive income	(3)	-
	17	-
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments and cost of hedging recognised during the period	(291)	217
Reclassification adjustments for amounts transferred to profit or loss	(128)	(189)
Net deferred tax credited/(charged) to other comprehensive income	47	(1)
	(372)	27
Total comprehensive income for the period attributable to the holders of Share Stapled Units/ shares of the Company	646	974

As explained in note 3, the unaudited consolidated interim financial statements of the Trust and the unaudited consolidated interim financial statements of the Company are presented together.

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF THE TRUST AND OF THE COMPANY**

At 30 June 2025

(Expressed in Hong Kong dollars)

	Note	(Unaudited) 30 June 2025 \$ million	(Audited) 31 December 2024 \$ million
Non-current assets			
Property, plant and equipment		74,901	75,113
Interests in leasehold land held for own use		4,740	4,837
	13	79,641	79,950
Goodwill		33,623	33,623
Interest in a joint venture		878	887
Derivative financial instruments		314	616
Employee retirement benefit scheme assets		1,069	1,053
		<u>115,525</u>	<u>116,129</u>
Current assets			
Inventories		1,135	982
Trade and other receivables	14	1,924	1,358
Bank deposits and cash		45	30
		<u>3,104</u>	<u>2,370</u>
Current liabilities			
Trade and other payables and contract liabilities	15	(2,387)	(2,787)
Fuel Clause Recovery Account		(452)	(215)
Current portion of bank loans and other interest-bearing borrowings	16	(21,286)	(727)
Bank overdrafts – unsecured		-	(45)
Current tax payable		(362)	(224)
		<u>(24,487)</u>	<u>(3,998)</u>
Net current liabilities		<u>(21,383)</u>	<u>(1,628)</u>
Total assets less current liabilities		<u>94,142</u>	<u>114,501</u>
Non-current liabilities			
Bank loans and other interest-bearing borrowings	16	(30,100)	(50,083)
Derivative financial instruments		(229)	(156)
Customers' deposits		(2,511)	(2,507)
Deferred tax liabilities		(10,091)	(10,140)
Employee retirement benefit scheme liabilities		(57)	(56)
Other non-current liabilities		(1,421)	(1,401)
		<u>(44,409)</u>	<u>(64,343)</u>
Scheme of Control Fund and Reserve	17	<u>(1,219)</u>	<u>(868)</u>
Net assets		<u>48,514</u>	<u>49,290</u>
Capital and reserves			
Share capital		8	8
Reserves		48,506	49,282
Total equity		<u>48,514</u>	<u>49,290</u>

As explained in note 3, the unaudited consolidated interim financial statements of the Trust and the unaudited consolidated interim financial statements of the Company are presented together.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS OF THE TRUST AND OF THE COMPANY

(Expressed in Hong Kong dollars)

1. Review of unaudited interim financial statements

These unaudited consolidated interim financial statements have been reviewed by the Audit Committees.

2. General information

HK Electric Investments Limited (the “Company”) was incorporated in the Cayman Islands on 23 September 2013 as an exempted company with limited liability under the Companies Law 2011 (as consolidated and revised) of the Cayman Islands.

On 1 January 2014, HK Electric Investments (the “Trust”) was constituted by a Hong Kong law governed Trust Deed entered into between HK Electric Investments Manager Limited (the “Trustee-Manager”, in its capacity as the trustee-manager of the Trust) and the Company. The scope of activity of the Trust as provided in the Trust Deed is limited to investing in the Company.

3. Basis of presentation

Pursuant to the Trust Deed, the Trust and the Company are each required to prepare their own sets of interim financial statements on a consolidated basis. The unaudited consolidated interim financial statements of the Trust for the period ended 30 June 2025 comprise the unaudited consolidated interim financial statements of the Trust, the Company and its subsidiaries (together the “Trust Group”) and the Trust Group’s interest in a joint venture. The unaudited consolidated interim financial statements of the Company for the period ended 30 June 2025 comprise the unaudited consolidated interim financial statements of the Company and its subsidiaries (together the “Group”) and the Group’s interest in a joint venture.

The Trust controls the Company and the sole activity of the Trust during the six months period ended 30 June 2025 was investing in the Company. Therefore, the consolidated results and financial position that would be presented in the unaudited consolidated interim financial statements of the Trust are identical to the consolidated financial results and financial position of the Company with the only differences being disclosures of share capital of the Company. The Directors of the Trustee-Manager and Directors of the Company believe that it is clearer to present the unaudited consolidated interim financial statements of the Trust and of the Company together. The unaudited consolidated interim financial statements of the Trust and the unaudited consolidated interim financial statements of the Company are presented together to the extent they are identical and are hereinafter referred as the “unaudited consolidated interim financial statements of the Trust and of the Company”.

The Trust Group and the Group are referred as the “Groups”.

4. Basis of preparation

The unaudited consolidated interim financial statements of the Trust and of the Company have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting* issued by the HKICPA and comply with the applicable disclosure provisions of the Listing Rules.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in and should be read in conjunction with the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of these changes in accounting policies are set out in note 5.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial statements and selected explanatory notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

5. Changes in accounting policies

The HKICPA has issued an amendment to HKFRSs, Amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*, that is first effective for the current accounting period of the Groups.

The adoption of this amendment does not have a material impact on the Groups’ results and financial positions for the current or prior periods. The Groups have not applied any new standard, amendment or interpretation that is not effective for the current accounting period.

6. Revenue

The principal activity of the Groups is the generation and supply of electricity to Hong Kong Island and Lamma Island. Disaggregation of revenue by type of output and services is analysed as follows:

	Six months ended 30 June	
	2025 \$ million	2024 \$ million
Sales of electricity	5,540	5,561
Less: Concessionary discount on sales of electricity	(3)	(3)
	5,537	5,558
Electricity-related income	30	14
	5,567	5,572

7. Segment reporting

The Groups have one reporting segment which is the generation and supply of electricity to Hong Kong Island and Lamma Island. All segment assets are located in Hong Kong. The Groups' chief operating decision-maker reviews the consolidated results of the Groups for the purposes of resource allocation and performance assessment. Therefore, no additional reportable segment and geographical information has been presented.

8. Other operating costs

	Six months ended 30 June	
	2025 \$ million	2024 \$ million
Administrative expenses, government rent and rates	198	185
Staff costs in relation to corporate and administrative supports	117	116
Provisions for asset decommissioning obligation	53	46
Portion of depreciation and amortisation of leasehold land included in other operating costs	104	106
Net loss on disposal and written off of property, plant and equipment	69	57
	541	510

9. Profit before taxation

	Six months ended 30 June	
	2025	2024
	\$ million	\$ million
Profit before taxation is arrived at after charging/(crediting):		
Finance costs		
Interest on borrowings and other finance costs	780	870
Less: Interest expense and other finance costs capitalised to assets under construction	(89)	(182)
Interest expense transferred to fuel costs	(13)	(14)
	678	674
Depreciation		
Depreciation charges for the period	1,621	1,478
Less: Depreciation capitalised to assets under construction	(64)	(57)
	1,557	1,421
Amortisation of leasehold land	97	98

10. Income tax

	Six months ended 30 June	
	2025	2024
	\$ million	\$ million
Current tax		
Provision for Hong Kong Profits Tax for the period	311	325
Deferred tax		
Origination and reversal of temporary differences	(5)	8
	306	333

The provision for Hong Kong Profits Tax for the six months ended 30 June 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits, except for one subsidiary of the Groups which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first \$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Groups are exempt from any income tax in these jurisdictions.

11. Scheme of Control transfers

The Scheme of Control transfers are mid-year notional transfers. The actual Scheme of Control transfers can only be determined in accordance with the Scheme of Control at the year end. Notional Scheme of Control transfers during the period represent transfer to the following:

	Six months ended 30 June	
	2025	2024
	\$ million	\$ million
Tariff Stabilisation Fund	348	522
Rate Reduction Reserve	11	14
	359	536

12. Earnings per Share Stapled Unit/share of the Company

The calculation of basic and diluted earnings per Share Stapled Unit/share of the Company are based on the profit attributable to the holders of Share Stapled Units/shares of the Company of \$1,001 million for the six months ended 30 June 2025 (2024: \$947 million) and the weighted average of 8,836,200,000 Shares Stapled Units/ordinary shares of the Company (2024: 8,836,200,000 Shares Stapled Units/ordinary shares of the Company) in issue throughout the period.

13. Property, plant and equipment and interests in leasehold land

\$ million	Site formation and buildings	Properties leased for own use	Plant, machinery and equipment	Fixtures, fittings and motor vehicles	Assets under construction	Sub-total	Interests in leasehold land held for own use	Total
Net book value at 1 January 2025	17,751	2	51,238	630	5,492	75,113	4,837	79,950
Additions	-	2	22	3	1,456	1,483	-	1,483
Transfers between categories	16	-	512	6	(534)	-	-	-
Disposals	-	-	(73)	(1)	-	(74)	-	(74)
Depreciation/ amortisation	(323)	(1)	(1,230)	(67)	-	(1,621)	(97)	(1,718)
Net book value at 30 June 2025	17,444	3	50,469	571	6,414	74,901	4,740	79,641
Cost	23,405	4	71,907	1,581	6,414	103,311	6,960	110,271
Accumulated depreciation and amortisation	(5,961)	(1)	(21,438)	(1,010)	-	(28,410)	(2,220)	(30,630)
Net book value at 30 June 2025	17,444	3	50,469	571	6,414	74,901	4,740	79,641

14. Trade and other receivables

The ageing analysis of trade debtors based on invoice date, which are neither individually nor collectively considered to be impaired, is as follows:

	30 June 2025 \$ million	31 December 2024 \$ million
Current and within 1 month	882	614
1 to 3 months	55	53
More than 3 months but less than 12 months	10	14
Trade debtors	947	681
Other receivables	819	584
	1,766	1,265
Derivative financial instruments	33	2
Deposits and prepayments	125	91
	1,924	1,358

Electricity bills issued to residential, small industrial, commercial and miscellaneous customers for electricity supplies are due upon presentation whereas maximum demand customers are allowed a credit period of 16 working days. If settlements by maximum demand customers are received after the credit period, a surcharge of 5% can be added to the electricity bills.

15. Trade and other payables and contract liabilities

	30 June 2025 \$ million	31 December 2024 \$ million
Due within 1 month or on demand	833	1,105
Due after 1 month but within 3 months	557	753
Due after 3 months but within 12 months	945	884
Creditors measured at amortised cost	2,335	2,742
Lease liabilities	2	1
Derivative financial instruments	24	1
Amount due to a joint venture	1	1
Contract liabilities	25	42
	2,387	2,787

16. Bank loans and other interest-bearing borrowings

	30 June 2025 \$ million	31 December 2024 \$ million
Bank loans	24,196	23,738
Current portion	(15,143)	(427)
	9,053	23,311
Hong Kong dollar medium term notes		
Fixed rate notes	8,368	8,365
Zero coupon notes	878	863
	9,246	9,228
Current portion	(300)	(300)
	8,946	8,928
United States dollar medium term notes		
Fixed rate notes	13,604	13,597
Zero coupon notes	4,340	4,247
	17,944	17,844
Current portion	(5,843)	-
	12,101	17,844
Non-current portion	30,100	50,083

17. Scheme of Control Fund and Reserve

The Tariff Stabilisation Fund, Rate Reduction Reserve and Smart Power Care Fund of the Groups' major subsidiary, HK Electric, are collectively referred to as Scheme of Control Fund and Reserve. The respective balances at the end of the period/year are:

	30 June 2025 \$ million	31 December 2024 \$ million
Tariff Stabilisation Fund	1,196	816
Rate Reduction Reserve	11	32
Smart Power Care Fund	12	20
	1,219	868

18. Interim distribution/dividend

The distributable income for the period was as follows:

	Six months ended 30 June	
	2025	2024
	\$ million	\$ million
Consolidated profit attributable to the holders of Share Stapled Units for the period	1,001	947
After:		
(i) eliminating the effects of the Adjustments (see note (a) below)	3,113	3,159
(ii) adding/(deducting)		
- movement in Fuel Clause Recovery Account	237	119
- changes in working capital	(720)	(201)
- adjustment for employee retirement benefit schemes	(15)	(9)
- taxes paid	(173)	(168)
	(671)	(259)
(iii) capital expenditure payment	(1,736)	(2,025)
(iv) net finance costs	(682)	(750)
Distributable income for the period	1,025	1,072
(v) adding discretionary amount as determined by the Company Board pursuant to clause 14.1(c) of the Trust Deed (see note (d) below)	383	336
Distributable income for the period after adjustment of discretionary amount	1,408	1,408
Distribution amount for the period	1,408	1,408
Number of Share Stapled Units/ordinary shares of the Company	8,836,200,000	8,836,200,000
Interim distribution per Share Stapled Unit/first interim dividend per ordinary share of the Company (see note (e) below)	15.94 cents	15.94 cents

- (a) Pursuant to clause 1.1 of the Trust Deed, “Adjustments” includes, but not limited to (i) transfers to/from the Tariff Stabilisation Fund and the Rate Reduction Reserve under the Scheme of Control; (ii) unrealised revaluation gains/losses, including impairment provisions and reversals of impairment provisions; (iii) impairment of goodwill/recognition of negative goodwill; (iv) material non-cash gains/losses; (v) costs of any public offering of Share Stapled Units that are expensed through the consolidated statement of profit or loss but are funded by proceeds from the issuance of such Share Stapled Units; (vi) depreciation and amortisation; (vii) tax charges as shown in the consolidated statement of profit or loss; and (viii) net finance income/costs as shown in the consolidated statement of profit or loss.
- (b) The Trust Deed requires the Trustee-Manager (on behalf of the Trust) to distribute 100% of the dividends, distributions and other amounts received by the Trustee-Manager in respect of the ordinary shares from the Company, after deduction of all amounts permitted to be deducted or paid under the Trust Deed.
- (c) The distributions received by the Trustee-Manager from the Company will be derived from the Group Distributable Income which is referred as audited consolidated profit attributable to the holders of Share Stapled Units for the relevant financial year or distribution period, after making adjustments in respect of items as set out in the Trust Deed.
- (d) In determining the distribution amount, the Company Board has taken into account the Group’s financial performance achieved during the period under review and its stable cashflow from operations, and consider it appropriate to adjust the distributable income for the six months ended 30 June 2025, as calculated pursuant to the Trust Deed, by the above discretionary amount, pursuant to clause 14.1(c) of the Trust Deed.
- (e) Interim distribution per Share Stapled Unit/first interim dividend per ordinary share of the Company of 15.94 cents (2024: 15.94 cents) is calculated based on the interim distribution of \$1,408 million for the six months ended 30 June 2025 (2024: \$1,408 million) and the number of Shares Stapled Units/ordinary shares of the Company of 8,836,200,000 in issue as at 30 June 2025 (2024: 8,836,200,000).

**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME OF HK ELECTRIC INVESTMENTS MANAGER LIMITED**

For the six months ended 30 June 2025

(Expressed in Hong Kong dollars)

	Note	2025 \$	2024 \$
Revenue		-	-
Administrative expenses		-	-
Profit before taxation	6	-	-
Income tax	7	-	-
Profit and total comprehensive income for the period		-	-

**UNAUDITED STATEMENT OF FINANCIAL POSITION
OF HK ELECTRIC INVESTMENTS MANAGER LIMITED**

At 30 June 2025

(Expressed in Hong Kong dollars)

	(Unaudited) 30 June 2025 \$	(Audited) 31 December 2024 \$
Current assets		
Amount due from immediate holding company	<u>1</u>	<u>1</u>
Net assets	<u><u>1</u></u>	<u><u>1</u></u>
Capital and reserves		
Share capital	1	1
Reserves	<u>-</u>	<u>-</u>
Total equity	<u><u>1</u></u>	<u><u>1</u></u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS OF HK ELECTRIC INVESTMENTS MANAGER LIMITED

(Expressed in Hong Kong dollars)

1. Review of unaudited interim financial statements

These unaudited interim financial statements have been reviewed by the Audit Committee.

2. General information

HK Electric Investments Manager Limited (the “Company”) was incorporated in Hong Kong under the Hong Kong Companies Ordinance on 25 September 2013 and is an indirect wholly-owned subsidiary of Power Assets.

The principal activity of the Company is administering HK Electric Investments (the “Trust”), in its capacity as trustee-manager of the Trust. The costs and expenses of administering the Trust may be deducted from all property and rights of any kind whatsoever which are held on trust for the registered holders of units of the Trust but, commensurate with its specific and limited role, the Company will not receive any fee for administering the Trust.

3. Basis of presentation

The Trust Deed requires the Company (on behalf of the Trust) to distribute 100% of the dividends, distributions and other amounts received in respect of the ordinary shares from HK Electric Investments Limited, after deduction of all amounts permitted to be deducted or paid under the Trust Deed.

In accordance with the Trust Deed, a distributions statement shall be included in the financial statements of the Company. As the details of the distribution has already been presented in note 18 to the unaudited consolidated interim financial statements of the Trust and of HK Electric Investments Limited on pages 20 and 21, no distributions statement is therefore presented in these unaudited interim financial statements.

4. Basis of preparation

These unaudited interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting* issued by the HKICPA and comply with the applicable disclosure provisions of the Listing Rules.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in and should be read in conjunction with the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of these changes in accounting policies are set out in note 5.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial statements and selected explanatory notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial statements as comparative information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company's financial statements together with the consolidated financial statements of the Trust and of HK Electric Investments Limited for the year ended 31 December 2024 will be delivered to the Registrar of Companies in due course.

The Company's auditor has reported on the financial statements of the Company for the year ended 31 December 2024. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

5. Changes in accounting policies

The HKICPA has issued an amendment to HKFRSs that is first effective for the current accounting period of the Company. The adoption of this amendment to HKFRSs has no material impact on the Company's result and financial position for the current or prior periods. The Company has not applied any new standard, amendment or interpretation that is not effective for the current accounting period.

6. Profit before taxation

All expenses of the Company which were incurred for the administering of the Trust of \$334,000 for the six months ended 30 June 2025 (2024: \$363,000) have been borne by HK Electric Investments Limited, which has waived its right of recovery thereof.

Except for the above, the Company did not incur any administrative expenses during the current and prior periods.

7. Income tax

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company did not have any assessable profits during the current and prior periods.

OTHER INFORMATION

Interim distribution

The Trustee-Manager Board has declared an interim distribution by the Trust for 2025 of HK15.94 cents per Share Stapled Unit. The distribution will be payable on Monday, 8 September 2025 to Holders of Share Stapled Units whose names appear in the Share Stapled Units Register at the close of business on Wednesday, 27 August 2025, being the record date for determination of entitlement to the interim distribution. To qualify for the interim distribution, all transfers accompanied by the relevant Share Stapled Unit certificates should be lodged with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 27 August 2025.

Purchase, sale or redemption of Share Stapled Units

Pursuant to the Trust Deed, the Holders of Share Stapled Units have no right to demand for repurchase or redemption of their Share Stapled Units. Unless and until expressly permitted to do so by the relevant codes and guidelines issued by the Securities and Futures Commission from time to time, the Trustee-Manager shall not repurchase or redeem any Share Stapled Units on behalf of the Trust.

None of the Trust, the Trustee-Manager, the Company nor any of their subsidiaries purchased, sold or redeemed any of the issued Share Stapled Units during the six months ended 30 June 2025.

Corporate governance

The Trustee-Manager and the Company are committed to maintaining high standards of corporate governance, and recognise that sound and effective corporate governance practices are fundamental to the smooth, effective and transparent operation of the Trustee-Manager and the Trust Group, and the ability to attract investment, protect the rights of Holders of Share Stapled Units and other stakeholders, and enhance the value of the Share Stapled Units. The corporate governance practices of the Trustee-Manager and the Trust Group are designed to achieve these objectives and are maintained through a framework of processes, policies and guidelines.

The Trust, managed by the Trustee-Manager, and the Company are both listed on the Main Board of the Stock Exchange, and are subject to the provisions of the Listing Rules. Pursuant to the Trust Deed, each of the Trustee-Manager and the Company is responsible for its compliance with the Listing Rules and other relevant laws and regulations, and will co-operate with each other to ensure compliance of the Listing Rules obligations and co-ordinate disclosure to the Stock Exchange.

The Trust and the Company have complied with the applicable code provisions in the Corporate Governance Code throughout the six months ended 30 June 2025, except as stated and explained hereunder.

The Trustee-Manager does not have a remuneration committee as the Directors of the Trustee-Manager, in such capacity, are not entitled to any remuneration. In addition, the Trustee-Manager does not have a nomination committee as the Trust Deed and the Trustee-Manager's articles of association require the directors of the Company and the Trustee-Manager comprise the same individuals, and the requirement to establish a nomination committee is hence considered irrelevant to the Trustee-Manager.

The Trustee-Manager Audit Committee and the Company Audit Committee, and the Nomination Committee and the Remuneration Committee of the Company, all chaired by an Independent Non-executive Director, support the Boards in providing independent oversight in their respective areas of responsibilities. The Sustainability Committee oversees management of, and advises the Company Board on, the development and implementation of the sustainability initiatives of the Group.

The Trust Group is committed to achieving and maintaining standards of openness, probity and accountability. In line with this commitment and in compliance with the Corporate Governance Code, the Audit Committees have reviewed the procedures for reporting possible improprieties in financial reporting, internal control or other matters. In addition, the Trustee-Manager and the Company have established the Policy on Inside Information and Securities Dealing for compliance by all employees of the Group.

Model Code for securities transactions by Directors

The Boards have adopted the Model Code as their code of conduct regulating directors' securities transactions. All Directors have confirmed, following specific enquiry, that they have complied with the Model Code throughout the six months ended 30 June 2025.

Boards composition

As at the date of this announcement, the Directors are:

Executive Directors	: Mr. FOK Kin Ning, Canning (Chairman), Mr. CHENG Cho Ying, Francis (Chief Executive Officer), Mr. CHAN Loi Shun, Mr. CHOI Wai Man and Mr. WANG Yuanhang
Non-executive Directors	: Mr. LI Tzar Kuoi, Victor (Deputy Chairman) (Mr. Frank John SIXT as his alternate), Mr. Fahad Hamad A H AL-MOHANNADI, Mr. Ronald Joseph ARCULLI, Mr. Deven Arvind KARNIK, Mr. WANG Zijian and Mr. ZHU Guangchao
Independent Non-executive Directors	: Dr. FONG Chi Wai, Alex, Ms. KOH Poh Wah, Mr. KWAN Kai Cheong, Mr. LEE Lan Yee, Francis, Mr. George Colin MAGNUS and Mr. Donald Jeffrey ROBERTS

GLOSSARY

In this interim results announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

Term(s)	Definition
“Boards” or “Boards of Directors”	Trustee-Manager Board and Company Board
“Company”	HK Electric Investments Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability on 23 September 2013
“Company Audit Committee”	Audit committee of the Company
“Company Board”	Board of directors of the Company
“Corporate Governance Code”	Corporate Governance Code set out in Appendix C1 of the Listing Rules
“Government”	HKSAR Government
“Group”	The Company and its subsidiaries
“HK Electric”	The Hongkong Electric Company, Limited, a company incorporated in Hong Kong with limited liability on 24 January 1889 and an indirect wholly-owned subsidiary of the Company
“HKASs”	Hong Kong Accounting Standards
“HKEI”	The Trust and the Company
“HKEX”	Hong Kong Exchanges and Clearing Limited
“HKFRSs”	A collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and Interpretations issued by the HKICPA
“HKICPA”	Hong Kong Institute of Certified Public Accountants

Term(s)	Definition
“Holder(s) of Share Stapled Units” or “SSU holder(s)”	Person(s) who holds Share Stapled Units issued by HKEI
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“Power Assets”	Power Assets Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6)
“Share Stapled Unit(s)” or “SSU(s)”	<p>Share Stapled Unit(s) jointly issued by the Trust and the Company, with each Share Stapled Unit being the combination of the following securities or interests in securities which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others:</p> <ul style="list-style-type: none"> (a) a unit in the Trust; (b) the beneficial interest in a specifically identified ordinary share of the Company linked to the unit and held by the Trustee-Manager as legal owner (in its capacity as trustee-manager of the Trust); and (c) a specifically identified preference share of the Company stapled to the unit.
“Share Stapled Units Register”	The register of registered Holders of Share Stapled Units
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	HK Electric Investments, as constituted pursuant to the Trust Deed under the Laws of Hong Kong

Term(s)	Definition
“Trust Deed”	The trust deed dated 1 January 2014 constituting the Trust, entered into between the Trustee-Manager and the Company and as amended by two deeds of amendment dated 13 May 2020 and 22 May 2024 respectively
“Trust Group”	The Trust and the Group
“Trustee-Manager”	HK Electric Investments Manager Limited, a company incorporated in Hong Kong with limited liability on 25 September 2013 and an indirect wholly-owned subsidiary of Power Assets, in its capacity as trustee-manager of the Trust
“Trustee-Manager Audit Committee”	Audit committee of the Trustee-Manager
“Trustee-Manager Board”	Board of directors of the Trustee-Manager