

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.)

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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

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2025 ANNUAL RESULTS **CHAIRMAN'S STATEMENT**

The year 2025 marked our 135th anniversary of lighting up Hong Kong. Over more than a century and a quarter, Hong Kong — and our own operations — have transformed beyond recognition. The economy, society, technologies, fuels, customer expectations and environmental responsibilities, have all evolved.

However, we have been steadfast in our commitment to our core purpose and values. We invest and innovate with a long-term vision, support the community and each other with care and professionalism, and respect the environment in everything we do.

Engineering innovation has always been our pathway to the future. From the early adoption of computerisation in the 1960s, to network automation in the 1970s and today's advanced equipment diagnostics and artificial intelligence (AI), we take pride in pioneering technologies to improve our supply reliability, safety and efficiency.

During the year, we continued to progress the key undertakings in our 2024 - 2028 Development Plan in support of the HKSAR Government's decarbonisation objectives. The construction of L13, our next gas-fired combined-cycle generating unit, and three new oil-fired open-cycle gas-turbine units, advanced on schedule. These projects reinforce generation security, uphold system reliability and pave the way for continued reductions in emissions over time. At the same time, we have practically completed the rollout of smart meters across our customer base.

Financial results and distributions

For the year ended 31 December 2025, HKEI's EBITDA was HK\$8,749 million (2024: HK\$8,719 million) and profits attributable to holders of Share Stapled Units (SSU) was HK\$3,149 million (2024: HK\$3,111 million).

The Board of the Trustee-Manager has declared a final distribution by the Trust of HK16.09 cents (2024: HK16.09 cents) per SSU, payable on 22 April 2026 to SSU holders whose names appear on the Share Stapled Units Register on 9 April 2026. Together with the interim distribution of HK15.94 cents (2024: HK15.94 cents) per SSU, this amounts to a total distribution of HK32.03 cents (2024: HK32.03 cents) per SSU for the year.

Infrastructure for a carbon-neutral future

2025 marked the second year of our 2024 - 2028 Development Plan and the transition from planning to intensive implementation. We completed piling works, advanced major civil works for L13, and initiated detailed design and manufacturing of plant equipment during the year. The unit is on track for commissioning in early 2029. When completed, it will increase our proportion of gas-fired generation to about 80%, which will enable us to further reduce carbon emissions.

We also advanced the construction of three new oil-fired open-cycle gas-turbine units, which will replace four existing ageing units. These units are a necessary part of our system to maintain reliability, resilience and operational flexibility. Phased commissioning of the new units is scheduled to begin in early 2027.

During the year, we have practically completed the rollout of smart meters across our entire customer base. We now have detailed electricity consumption data for customers to better understand and manage their energy use, while enabling us to manage our electricity grid more effectively.

A reliable, resilient partner for Hong Kong today

Reliability remains the cornerstone of our commitment to Hong Kong. In 2025, we once again achieved a supply reliability of over 99.9999%, meaning customers experienced, on average, less than half a minute of unplanned power interruption over the year. This performance is, as always, the result of proactive asset management, preventive maintenance and decades of investment in network reinforcement and modernisation.

We seek to ensure that customers have uninterrupted power supply as far as possible even during extreme weather events like super typhoons. Our network assets like distribution substations near the sea are vulnerable to flooding during storms. To mitigate this, we have elevated critical equipment, enhanced drainage and installed protective systems to reduce vulnerability to storm surges and heavy rainfall. These measures complement earlier investments such as cable tunnels and underground power lines, projects initiated by earlier generations of engineers whose foresight continues to benefit Hong Kong today.

Sustainable generation on a green pathway

Gas-fired generation accounted for approximately 69% of our total electricity output in 2025. This reflects steady progress along our coal-to-gas transition and contributes directly to lower carbon intensity and improved air quality. We continued to maximise opportunities for renewable generation despite constraints imposed on the scale of these installations by Hong Kong's geography and scarcity of land resources. Our renewable energy installations, together with customer-owned renewable systems connected under the Feed-in Tariff Scheme, generated around 16 GWh of green electricity throughout the year.

Tech-led operations: embedding IoT and AI

During the year, we have been building an in-house "AI Powerhouse", aiming to make use of this new field of technology to enhance our operations, which is expected to be ready in early 2026. We believe that AI adoption can enhance operational efficiency and support informed decision-making through advanced data analysis, automation, and secure integration. Projects leveraging other AI tools and machine learning to facilitate asset inspection, fault analysis, and maintenance planning have also been successfully launched. These initiatives are improving productivity, safety and resource efficiency.

Following our successful experience with the high-voltage network, we have started to implement round-the-clock automated remote monitoring to our low-voltage network. In addition, our SmartLink@HK Electric platform, supported by sensors connected wirelessly over the LoRaWAN network, now enables earlier fault detection, richer data and faster response capabilities across a wider portion of the system. This is HK Electric's first Internet-of-Things project.

Facilitating customers' green digital lifestyles

Digital channels now sit alongside our customer centre as primary points of engagement. We continued to expand self-service options through the HK Electric App and online platforms. In 2025, around 40% of customer transactions related to service activation, service requests and information access were completed through digital channels. Around 70% of bill payments were made through electronic means.

Green transport remains a key enabler of decarbonisation and the uptake of electric vehicles is growing robustly in Hong Kong. We are supporting this trend with technical consultancy to property managers, transport operators and government bodies on the installation of large-scale charging facilities.

A caring partner for those in need

We continued our long-standing commitment to support vulnerable members of the community through programmes focusing on dignity, accessibility and tangible impact. Our flagship initiatives including CAREnJOY and community care programmes under our Smart Power Care Fund provided practical assistance to the elderly and underprivileged, helping them to improve their quality of life. The Happy Green Campaign and Green Hong Kong Green programme continued to foster appreciation of our environment and promote sustainable living through educational and engaging activities.

Outlook

Looking ahead, affordability remains a central concern for our customers. In January 2026, our Net Tariff fell by 2.2% year-on-year to HK163.3 cents per unit, driven by a lower Fuel Clause Charge. This reduction was achieved despite an increase in the Basic Tariff reflecting ongoing capital investment. We concentrate on managing tariffs carefully in order to balance affordability, reliability and long-term sustainability.

We will focus Smart Power Services where they deliver the greatest benefit, particularly for vulnerable customers and those with high energy needs. We are also exploring initiatives such as time-of-use tariff to encourage home charging of electric vehicles (EVs) during off-peak periods given the rapid increase in EV adoption.

The pathway to carbon neutrality before 2050 is clear but challenging. We are committed to advancing the projects in our Development Plan, enhancing resilience and continuing to plan for the future import of zero-carbon energy. Our systems are capable of supporting widespread electrification of transport, and we will continue to enable the decarbonisation of Hong Kong.

HK Electric's achievements are built on the dedication of our people, the trust of our customers and the vision of those who came before us. I thank my colleagues, SSU holders and board members for all their efforts as we move forward with humbleness, confidence and a deep sense of responsibility towards Hong Kong.

Fok Kin Ning, Canning
Chairman
Hong Kong, 17 March 2026

FINANCIAL REVIEW

Financial performance

The Trust Group's revenue and consolidated profit for the year ended 31 December 2025 were HK\$12,125 million (2024: HK\$12,057 million) and HK\$3,149 million (2024: HK\$3,111 million) respectively.

Distribution

The Trustee-Manager Board has declared the payment of a final distribution by the Trust of HK16.09 cents (2024: HK16.09 cents) per SSU. In order to enable the Trust to pay that distribution, the Company Board has declared the payment of a second interim dividend in lieu of a final dividend in respect of the Company's ordinary shares held by the Trustee-Manager, of HK16.09 cents (2024: HK16.09 cents) per ordinary share in respect of the same period. This, together with the interim distribution of HK15.94 cents (2024: HK15.94 cents) per SSU, brings the total distribution to HK32.03 cents (2024: HK32.03 cents) per SSU for the year ended 31 December 2025.

	2025	2024
	HK\$ million	HK\$ million
Consolidated profit attributable to SSU holders	3,149	3,111
After:		
(i) eliminating the effects of the Adjustments (see note (a) below)	5,819	5,807
(ii) adding/(deducting)		
– movement in Fuel Clause Recovery Account	411	162
– changes in working capital	(184)	(43)
– adjustment for employee retirement benefit schemes	(31)	(16)
– taxes paid	(780)	(1,406)
	(584)	(1,303)
(iii) capital expenditure payment	(3,812)	(3,787)
(iv) deducting		
– debt repayment	(513)	-
– net finance costs	(1,281)	(1,499)
	(1,794)	(1,499)
Distributable income	2,778	2,329
(v) adding discretionary amount as determined by the Company Board pursuant to clause 14.1(c) of the Trust Deed	52	501
Distributable income after adjustment of the discretionary amount	2,830	2,830

	2025	2024
	HK\$ million	HK\$ million
Interim distribution	1,408	1,408
Final distribution	1,422	1,422
Distribution amount	<u>2,830</u>	<u>2,830</u>
Distributions per SSU (see note (c) below)		
– Interim distribution per SSU	HK15.94 cents	HK15.94 cents
– Final distribution per SSU	HK16.09 cents	HK16.09 cents
Total distributions per SSU	<u>HK32.03 cents</u>	<u>HK32.03 cents</u>

In determining the distribution amount, the Company Board has taken into account the Group's financial performance achieved during the year and its stable cashflow from operations, and consider it appropriate to adjust the distributable income for the year ended 31 December 2025, as calculated pursuant to the Trust Deed, by the above discretionary amount, pursuant to clause 14.1(c) of the Trust Deed.

Notes:

- (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 fulfil, from the Trust Property (as defined in the Trust Deed), the liabilities of the Trust as they fall due.
- (c) Interim distribution per SSU of HK15.94 cents (2024: HK15.94 cents) was calculated based on the interim distribution amount of HK\$1,408 million (2024: HK\$1,408 million) and 8,836,200,000 SSUs in issue as at 30 June 2025 (30 June 2024: 8,836,200,000 SSUs). Final distribution per SSU of HK16.09 cents (2024: HK16.09 cents) was calculated based on the final distribution amount of HK\$1,422 million (2024: HK\$1,422 million) and 8,836,200,000 SSUs in issue as at 31 December 2025 (31 December 2024: 8,836,200,000 SSUs).

Capital expenditure, liquidity and financial resources

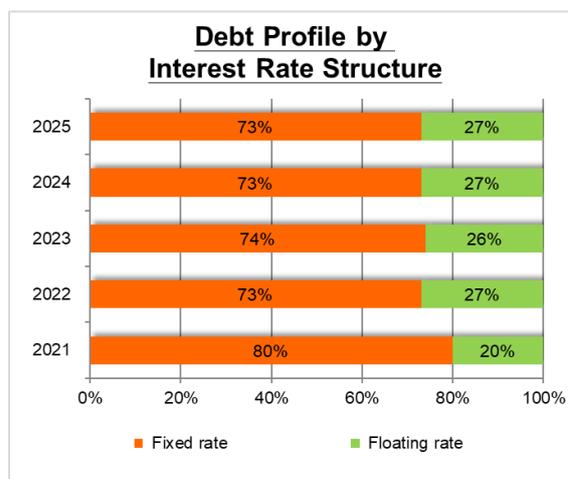
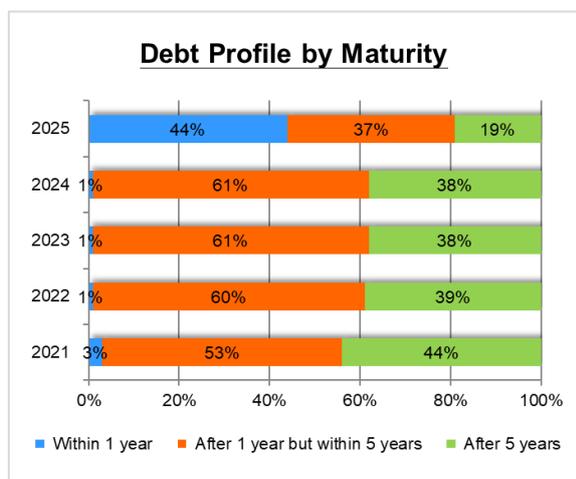
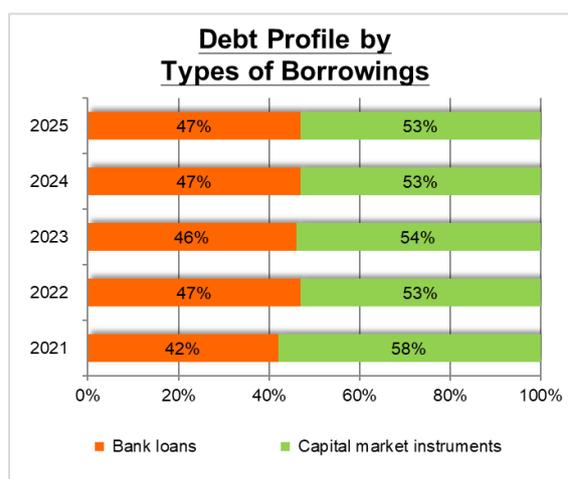
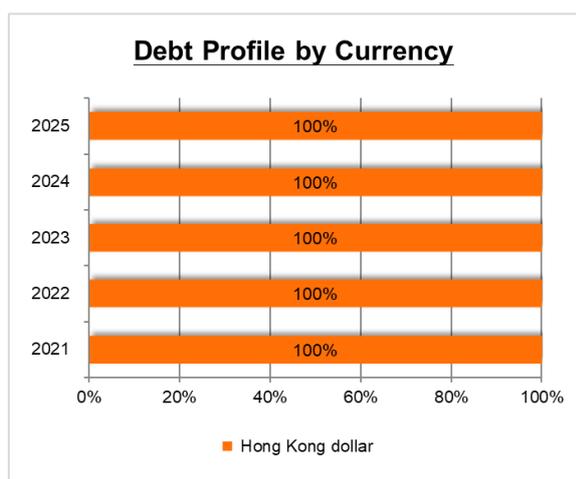
Capital expenditure (excluding right-of-use assets but including the Trust Group's capital expenditure in the offshore LNG terminal developed by a joint venture) during the year amounted to HK\$4,193 million (2024: HK\$3,659 million), which was funded by cash from operations and external borrowings. Total external borrowings outstanding at 31 December 2025 were HK\$50,556 million (2024: HK\$50,855 million), comprising unsecured bank loans and debt securities in issue. In addition, the Trust Group at 31 December 2025 had undrawn committed bank facilities of HK\$7,100 million (2024: HK\$4,850 million) and bank deposits and cash of HK\$28 million (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 31 December 2025, the net debt of the Trust Group was HK\$50,528 million (2024: HK\$50,825 million) with a net debt-to-net total capital ratio of 51% (2024: 51%). The Trust Group’s financial profile remained strong during the year. On 30 March 2025, Standard & Poor’s reaffirmed the “A-” long-term credit rating and “Stable” outlook for the Company which had remained unchanged since September 2015, as well as the “A-” long-term credit rating of HK Electric with a stable outlook, unchanged since January 2014.

The profile of the Trust Group’s external borrowings as at 31 December 2025, after taking into account forward foreign exchange contracts, cross currency and interest rate swaps, was as follows:



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 employing 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 31 December 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 31 December 2025 amounted to HK\$54,139 million (2024: HK\$49,558 million).

Charge on assets

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

Contingent liabilities

As at 31 December 2025, the Trust Group had no guarantee or indemnity to external parties (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 year ended 31 December 2025, excluding directors' emoluments, amounted to HK\$1,258 million (2024: HK\$1,235 million). As at 31 December 2025, the Trust Group employed 1,635 (2024: 1,649) permanent employees. No share option scheme is in operation.

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

For the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	Note	2025 \$ million	2024 \$ million
Revenue	5	12,125	12,057
Direct costs		(6,041)	(5,598)
		6,084	6,459
Other revenue and other net income	7	77	81
Other operating costs		(1,113)	(1,052)
Operating profit		5,048	5,488
Finance costs		(1,284)	(1,408)
Profit before taxation	8	3,764	4,080
Income tax:	9		
Current		(750)	(741)
Deferred		64	-
		(686)	(741)
Profit after taxation		3,078	3,339
Scheme of Control transfers	10(b)	71	(228)
Profit for the year attributable to the holders of Share Stapled Units/ shares of the Company		3,149	3,111
Earnings per Share Stapled Unit/ share of the Company			
Basic and diluted	12	35.64 cents	35.21 cents

As explained in note 3, the consolidated financial statements of the Trust and the consolidated 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 year are set out in note 11.

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

For the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	2025 \$ million	2024 \$ million
Profit for the year attributable to the holders of Share Stapled Units/shares of the Company	3,149	3,111
Other comprehensive income for the year, after tax and reclassification adjustments		
Items that will not be reclassified to profit or loss		
Defined benefit retirement schemes:		
Remeasurement of net defined benefit asset/liability	163	204
Net deferred tax charged to other comprehensive income	(27)	(33)
	136	171
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments recognised during the year	3	(12)
Cost of hedging – changes in fair value	2	12
Net deferred tax charged to other comprehensive income	(1)	-
	4	-
	140	171
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments recognised during the year	1	124
Reclassification adjustments for amounts transferred to profit or loss	(141)	(301)
Cost of hedging – changes in fair value	(287)	82
Cost of hedging – reclassified to profit or loss	(65)	(63)
Net deferred tax credited to other comprehensive income	58	17
	(434)	(141)
Total comprehensive income for the year attributable to the holders of Share Stapled Units/shares of the Company	2,855	3,141

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

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

At 31 December 2025

(Expressed in Hong Kong dollars)

	Note	2025 \$ million	2024 \$ million
Non-current assets			
Property, plant and equipment		75,472	75,113
Interests in leasehold land held for own use		4,642	4,837
	13	<u>80,114</u>	79,950
Goodwill		33,623	33,623
Interest in a joint venture		929	887
Derivative financial instruments		276	616
Employee retirement benefit scheme assets		1,199	1,053
		<u>116,141</u>	<u>116,129</u>
Current assets			
Inventories		931	982
Trade and other receivables	14	1,351	1,358
Bank deposits and cash		28	30
		<u>2,310</u>	<u>2,370</u>
Current liabilities			
Trade and other payables and contract liabilities	15	(2,665)	(2,787)
Fuel Clause Recovery Account	16	(626)	(215)
Current portion of bank loans and other interest-bearing borrowings	17	(22,477)	(727)
Bank overdrafts – unsecured		-	(45)
Current tax payable		(194)	(224)
		<u>(25,962)</u>	<u>(3,998)</u>
Net current liabilities		<u>(23,652)</u>	<u>(1,628)</u>
Total assets less current liabilities		<u>92,489</u>	<u>114,501</u>
Non-current liabilities			
Bank loans and other interest-bearing borrowings	17	(28,079)	(50,083)
Derivative financial instruments		(247)	(156)
Customers' deposits		(2,546)	(2,507)
Deferred tax liabilities		(10,046)	(10,140)
Employee retirement benefit scheme liabilities		(8)	(56)
Other non-current liabilities	18	(1,471)	(1,401)
		<u>(42,397)</u>	<u>(64,343)</u>
Scheme of Control Fund and Reserve	10(c)	<u>(777)</u>	<u>(868)</u>
Net assets		<u>49,315</u>	<u>49,290</u>
Capital and reserves			
Share capital		8	8
Reserves		49,307	49,282
Total equity		<u>49,315</u>	<u>49,290</u>

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

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

(Expressed in Hong Kong dollars)

1. Review of annual results

The annual results have been reviewed by the Audit Committees.

The figures in respect of the Trust Group's and the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Trust Group's and the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Trust Group's and the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

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. The Company has established a principal place of business in Hong Kong at Hongkong Electric Centre, 44 Kennedy Road, Hong Kong. The principal activity of the Company is investment holding.

On 1 January 2014, HK Electric Investments (the "Trust") was constituted as a trust 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.

The Share Stapled Units structure comprises (1) a unit in the Trust; (2) a beneficial interest in a specifically identified ordinary share in the Company which is linked to the unit and held by Trustee-Manager as legal owner in its capacity as trustee-manager of the Trust; and (3) a specifically identified preference share in the Company which is "stapled" to the unit. The Share Stapled Units are jointly issued by the Trust and the Company and listed on the Main Board of the Stock Exchange.

3. Basis of presentation

Pursuant to the Trust Deed, the Trust and the Company are each required to prepare their own sets of financial statements on a consolidated basis. The consolidated financial statements of the Trust for the year ended 31 December 2025 comprise the consolidated 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 consolidated financial statements of the Company for the year ended 31 December 2025 comprise the consolidated 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 year ended 31 December 2025 was investing in the Company. Therefore, the consolidated results and financial position that would be presented in the consolidated financial statements of the Trust are identical to the consolidated 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 consolidated financial statements of the Trust and of the Company together. The consolidated financial statements of the Trust and the consolidated financial statements of the Company are presented together to the extent they are identical and are hereinafter referred as the “consolidated financial statements of the Trust and of the Company”.

The consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, material accounting policies and the related explanatory information are common to the Trust and the Company. Information specific to the Company are disclosed separately in the relevant explanatory information in notes to the consolidated financial statements.

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

4. Changes in accounting policies

The Groups have applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period.

The adoption of the amendments has no 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 yet effective for the current accounting period.

5. 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:

	2025 \$ million	2024 \$ million
Sales of electricity	12,089	12,018
Less: concessionary discount on sales of electricity	(6)	(6)
	12,083	12,012
Electricity-related income	42	45
	12,125	12,057

6. 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.

7. Other revenue and other net income

	2025 \$ million	2024 \$ million
Interest income on financial assets measured at amortised cost	39	39
Sundry income	38	42
	77	81

8. Profit before taxation

	2025	2024
	\$ million	\$ million
Profit before taxation is arrived at after charging:		
Depreciation		
– owned property, plant and equipment	3,542	3,073
– properties leased for own use	3	2
Amortisation of leasehold land	195	195
Expenses of short-term leases	8	8
Costs of inventories	4,688	5,648
Write down of inventories	13	13
Staff costs	771	758
Net loss on disposal and written off of property, plant and equipment	113	125
Auditor's remuneration		
– audit and audit related services	6	6
– non-audit services (see note below)	-	-

Auditor's remuneration for non-audit services amounted to \$348,000 (2024: \$334,000).

9. Income tax in the consolidated statement of profit or loss

	2025	2024
	\$ million	\$ million
Current tax		
Provision for Hong Kong Profits Tax for the year	750	741
Deferred tax		
Origination and reversal of temporary differences	(64)	-
	686	741

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, 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.

10. Scheme of Control transfers

- (a) The financial operations of HK Electric are governed by the Scheme of Control Agreement (“SoCA”) agreed with the Government which provides for HK Electric to earn a Permitted Return. Any excess or deficiency of the gross tariff revenue over the sum of total operating costs, Scheme of Control Net Return and Scheme of Control taxation charges is transferred to/(from) a Tariff Stabilisation Fund from/(to) the statement of profit or loss of HK Electric. When transfer from the Tariff Stabilisation Fund to the statement of profit or loss is required, the amount transferred shall not exceed the balance of the Tariff Stabilisation Fund. In addition, a charge calculated by applying the average one-month Hong Kong Interbank Offered Rate on the average balance of the Tariff Stabilisation Fund is transferred from the statement of profit or loss of HK Electric to a Rate Reduction Reserve.

Under current SoCA, a Smart Power Care Fund was established on 1 January 2019 with initial funding provided by the net closing balance as at 31 December 2018 of the Smart Power Fund, which was established pursuant to 2013 mid-term review of 2009 - 2018 SoCA, to promote energy efficiency and conservation, such as accelerating end-use energy efficiency through programmes designed to help residential, industrial and commercial customers, and also disadvantaged customers/groups to replace or upgrade end-use appliances to more energy-efficient electrical models. HK Electric consented to deduct an amount equal to 65% of the Energy Efficiency Incentive Amount of each year during the period from 1 January 2019 to 31 December 2033 for funding the contribution to the Smart Power Care Fund provided that there is an Energy Efficiency Incentive Amount in respect of that year.

- (b) Scheme of Control transfers (to)/from the consolidated statement of profit or loss represents:

	2025 \$ million	2024 \$ million
Tariff Stabilisation Fund	(137)	155
Rate Reduction Reserve	22	32
Smart Power Care Fund		
– Provisional sum to be injected in the following year	44	41
	(71)	228

A provisional sum of \$43,768,000, representing deduction of HK Electric’s 2025 financial incentive (2024: \$40,499,000), was transferred from the consolidated statement of profit or loss and included in the trade and other payables and contract liabilities as at 31 December 2025 for injection into the Smart Power Care Fund in the following year.

(c) Movements in the Tariff Stabilisation Fund, Rate Reduction Reserve and Smart Power Care Fund are as follows:

\$ million	Tariff Stabilisation Fund	Rate Reduction Reserve	Smart Power Care Fund	Total
At 1 January 2024	630	31	9	670
Transfer from Rate Reduction Reserve to Tariff Stabilisation Fund (see note below)	31	(31)	-	-
Transfer from the consolidated statement of profit or loss	155	32	-	187
Injection for the year	-	-	25	25
Disbursement for the year	-	-	(14)	(14)
At 31 December 2024 and 1 January 2025	816	32	20	868
Transfer from Rate Reduction Reserve to Tariff Stabilisation Fund (see note below)	32	(32)	-	-
Transfer (to)/from the consolidated statement of profit or loss	(137)	22	-	(115)
Injection for the year	-	-	41	41
Disbursement for the year	-	-	(17)	(17)
At 31 December 2025	711	22	44	777

Pursuant to SoCA, the year-end balance of the Rate Reduction Reserve of a year has to be transferred to the Tariff Stabilisation Fund in the following year.

11. Distributions/dividends

(a) The distributable income for the year was as follows:

	<u>2025</u> <u>\$ million</u>	<u>2024</u> <u>\$ million</u>
Consolidated profit attributable to the holders of Share Stapled Units	3,149	3,111
After:		
(i) eliminating the effects of the Adjustments (see note 1 below)	5,819	5,807
(ii) adding/(deducting)		
– movement in Fuel Clause Recovery Account	411	162
– changes in working capital	(184)	(43)
– adjustment for employee retirement benefit schemes	(31)	(16)
– taxes paid	(780)	(1,406)
	(584)	(1,303)
(iii) capital expenditure payment	(3,812)	(3,787)
(iv) deducting		
– debt repayment	(513)	-
– net finance costs	(1,281)	(1,499)
	(1,794)	(1,499)
Distributable income	2,778	2,329
(v) adding discretionary amount as determined by the Company Board pursuant to clause 14.1(c) of the Trust Deed (see note 4 below)	52	501
Distributable income after adjustment of the discretionary amount	<u>2,830</u>	<u>2,830</u>

Note 1 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.

Note 2 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.

Note 3 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.

Note 4 In determining the distribution amount, the Company Board has taken into account the Group's financial performance achieved during the year and its stable cashflow from operations, and consider it appropriate to adjust the distributable income for the year ended 31 December 2025, as calculated pursuant to the Trust Deed, by the above discretionary amount, pursuant to clause 14.1(c) of the Trust Deed.

(b) Distributions/dividends payable to holders of Share Stapled Units/shares of the Company attributable to the year

	2025	2024
	\$ million	\$ million
Interim distribution/first interim dividend declared and paid of 15.94 cents (2024: 15.94 cents) per Share Stapled Unit/share	1,408	1,408
Final distribution/second interim dividend proposed after the end of the reporting period of 16.09 cents (2024: 16.09 cents) per Share Stapled Unit/share	1,422	1,422
	<u>2,830</u>	<u>2,830</u>

For the year ended 31 December 2025, the Company Board declared the payment of a second interim dividend of 16.09 cents per ordinary share (2024: 16.09 cents per ordinary share), amounting to \$1,422 million (2024: \$1,422 million), in lieu of a final dividend after the end of the reporting period and therefore no final dividend was proposed by the Company Board.

For the year ended 31 December 2025, the Trustee-Manager Board declared a final distribution of 16.09 cents per Share Stapled Unit (2024: 16.09 cents per Share Stapled Unit), amounting to \$1,422 million (2024: \$1,422 million), after the end of the reporting period.

The final distribution/second interim dividend declared after the end of the reporting period is based on the number of Shares Stapled Units/ordinary shares of the Company of 8,836,200,000 as at 31 December 2025 (2024: 8,836,200,000). The final distribution/second interim dividend declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(c) Distributions/dividends payable to holders of Share Stapled Units/shares of the Company attributable to the previous financial year, approved and paid during the year

	2025	2024
	\$ million	\$ million
Final distribution/second interim dividend in respect of the previous financial year, approved and paid during the year, of 16.09 cents (2024: 16.09 cents) per Share Stapled Unit/share	1,422	1,422

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/ordinary shares of the Company of \$3,149 million (2024: \$3,111 million) and the weighted average of 8,836,200,000 Share Stapled Units/ordinary shares of the Company (2024: 8,836,200,000 Share Stapled Units/ordinary shares of the Company) in issue during the year.

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
Cost								
At 1 January 2024	20,460	4	66,648	1,513	10,574	99,199	6,961	106,160
Additions	-	1	52	26	3,572	3,651	-	3,651
Transfer	2,981	-	5,594	79	(8,654)	-	-	-
Disposals	(52)	(1)	(690)	(39)	-	(782)	(1)	(783)
At 31 December 2024 and 1 January 2025	23,389	4	71,604	1,579	5,492	102,068	6,960	109,028
Additions	-	4	58	21	4,070	4,153	-	4,153
Transfer	64	-	2,167	87	(2,318)	-	-	-
Disposals	(6)	(3)	(457)	(23)	-	(489)	-	(489)
At 31 December 2025	23,447	5	73,372	1,664	7,244	105,732	6,960	112,692
Accumulated depreciation and amortisation								
At 1 January 2024	5,057	1	18,510	840	-	24,408	1,928	26,336
Written back on disposals	(49)	(1)	(553)	(39)	-	(642)	-	(642)
Charge for the year	630	2	2,409	148	-	3,189	195	3,384
At 31 December 2024 and 1 January 2025	5,638	2	20,366	949	-	26,955	2,123	29,078
Written back on disposals	(4)	(3)	(336)	(22)	-	(365)	-	(365)
Charge for the year	646	3	2,881	140	-	3,670	195	3,865
At 31 December 2025	6,280	2	22,911	1,067	-	30,260	2,318	32,578
Net book value								
At 31 December 2025	17,167	3	50,461	597	7,244	75,472	4,642	80,114
At 31 December 2024	17,751	2	51,238	630	5,492	75,113	4,837	79,950

The above are mainly electricity-related property, plant and equipment in respect of which financing costs capitalised during the year amounted to \$190 million (2024: \$287 million).

Depreciation charges for the year included \$125 million (2024: \$114 million), relating to assets utilised in development activities, which have been capitalised.

14. Trade and other receivables

	2025	2024
	\$ million	\$ million
Trade debtors, net of loss allowance (see notes (a) below)	701	681
Other receivables (see note below)	542	584
	1,243	1,265
Derivative financial instruments	11	2
Deposits and prepayments	97	91
	1,351	1,358

All of the trade and other receivables are expected to be recovered within one year.

Other receivables of the Groups include unbilled electricity charges of \$422 million (2024: \$443 million) to be received from electricity customers.

(a) Ageing analysis of trade debtors

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

	2025	2024
	\$ million	\$ million
Current and within 1 month	631	614
1 to 3 months	57	53
More than 3 months but less than 12 months	13	14
	701	681

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

	2025	2024
	\$ million	\$ million
Trade and other payables		
Creditors measured at amortised cost (see note (a) below)	2,590	2,742
Lease liabilities (see note 18(b))	2	1
Derivative financial instruments	1	1
Amount due to a joint venture	4	1
	2,597	2,745
Contract liabilities (see note (b) below)	68	42
	2,665	2,787

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

(a) Creditors' ageing is analysed as follows:

	2025	2024
	\$ million	\$ million
Due within 1 month or on demand	943	1,105
Due after 1 month but within 3 months	736	753
Due after 3 months but within 12 months	911	884
	2,590	2,742

(b) Contract liabilities

The contract liabilities relate to the advance consideration received from customers for electricity-related services, which consists mainly of (1) permanent supply service, primarily associated with the supply of electricity to customer substations for large new developments and to small new developments without customer substation provisions, and (2) site service primarily associated with the temporary supply of electricity to construction sites or special functions, for which revenue is recognised upon completion of the electricity-related services.

16. Fuel Clause Recovery Account

HK Electric adjusts Fuel Clause Charge per unit for electricity sales on a monthly basis to reflect actual cost of fuels in a timely manner.

Movements in the Fuel Clause Recovery Account are as follows:

	2025	2024
	\$ million	\$ million
At 1 January	215	53
Transferred to profit or loss	(3,281)	(4,184)
Fuel Clause Charges during the year	3,692	4,346
At 31 December	626	215

This account, inclusive of interest, has been and will continue to be used to stabilise electricity tariffs.

17. Bank loans and other interest-bearing borrowings

	2025	2024
	\$ million	\$ million
Bank loans	23,548	23,738
Current portion	(16,630)	(427)
	6,918	23,311
Hong Kong dollar medium term notes		
Fixed rate notes (see note (a) below)	8,070	8,365
Zero coupon notes (see note (b) below)	893	863
	8,963	9,228
Current portion	-	(300)
	8,963	8,928
United States dollar medium term notes		
Fixed rate notes (see note (a) below)	13,612	13,597
Zero coupon notes (see note (b) below)	4,433	4,247
	18,045	17,844
Current portion	(5,847)	-
	12,198	17,844
Non-current portion	28,079	50,083

- (a) The Hong Kong dollar fixed rate notes bear interest at rates ranging from 2.4% to 4% per annum (2024: 2.4% to 4% per annum).

The United States dollar fixed rate notes bear interest at rates ranging from 1.875% to 2.875% per annum (2024: 1.875% to 2.875% per annum).

- (b) The Hong Kong dollar zero coupon notes which were issued at discount have nominal amount of \$1,056 million (2024: \$1,056 million) and accrual yield of 3.5% per annum (2024: 3.5% per annum).

The United States dollar zero coupon notes have nominal amount of US\$400 million (2024: US\$400 million) and accrual yield of 4.375% per annum (2024: 4.375% per annum). These notes embed with issuer call options allowing issuer to early redeem the notes and are callable on 12 October 2022 and annually thereafter until the penultimate year to maturity.

- (c) Banking facilities of the Groups are subject to the fulfilment of covenants relating to certain of the Groups' statement of profit or loss and statement of financial position ratios, which are assessed at the end of each interim and/or annual period, as are commonly found in lending arrangements with financial institutions. If the Groups were to breach the covenants, the drawn down facilities would become payable on demand and any undrawn amount will be cancelled. The Groups regularly monitors its compliance with these covenants and do not identify any difficulties in complying with these covenants. As at 31 December 2025 and 2024, none of the covenants relating to drawn down facilities had been breached.

- (d) None of the non-current interest-bearing borrowings is expected to be settled within one year. All the above borrowings are unsecured.

The non-current interest-bearing borrowings are repayable as follows:

	2025	2024
	\$ million	\$ million
After 1 year but within 2 years	6,420	22,168
After 2 years but within 5 years	12,256	8,823
After 5 years	9,403	19,092
	28,079	50,083

18. Other non-current liabilities

	2025	2024
	\$ million	\$ million
Provisions (see note (a) below)	1,470	1,400
Lease liabilities (see note (b) below)	1	1
	1,471	1,401

(a) Provisions

	2025
	\$ million
Provisions for asset decommissioning obligation	
At 1 January	1,400
Additional provisions made	125
Provisions utilised	(55)
At 31 December	1,470

Under SoCA, provision which represents the best estimation of expenditure required to settle asset decommissioning obligation has to be made to the extent that HK Electric incurs an obligation for the costs of dismantling and removing property, plant and equipment and restoring the sites on which they are located either when the assets are acquired or as a consequence of having used them during a particular period for electricity-related activities.

(b) Lease liabilities

The following table shows the remaining contractual maturities of the Groups' lease liabilities at the end of the current and previous reporting periods:

	2025		2024	
	Present value of the minimum lease payments \$ million	Total minimum lease payments \$ million	Present value of the minimum lease payments \$ million	Total minimum lease payments \$ million
Within 1 year	2	2	1	1
After 1 year but within 2 years	1	1	1	1
	3	3	2	2
Less: total future interest expenses		-		-
Present value of lease liabilities		3		2

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

For the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	Note	2025 \$	2024 \$
Revenue		-	-
Administrative expenses		-	-
Profit before taxation	5	-	-
Income tax	6	-	-
Profit and total comprehensive income for the year		-	-

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

At 31 December 2025

(Expressed in Hong Kong dollars)

	2025	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 FINANCIAL STATEMENTS
OF HK ELECTRIC INVESTMENTS MANAGER LIMITED**
(Expressed in Hong Kong dollars)

1. Review of annual results

The annual results have been reviewed by the Audit Committee.

The figures in respect of the HK Electric Investments Manager Limited's (the "Company") statement of financial position, statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Company's draft financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

2. General information

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, which is incorporated in Hong Kong with its shares listed on the Stock Exchange and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States. The address of the registered office and the principal place of business of the Company is Hongkong Electric Centre, 44 Kennedy Road, Hong Kong.

The principal activity of the Company is administering HK Electric Investments (the "Trust"), in its capacity as trustee-manager of the Trust. The Trust was constituted as a trust on 1 January 2014 by a Hong Kong law governed Trust Deed entered into between the Company, as the trustee-manager of the Trust, and HK Electric Investments Limited.

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

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 11 to the consolidated financial statements of the Trust and of HK Electric Investments Limited on page 18, no distributions statement is therefore presented in these financial statements.

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results does not constitute the Company's statutory annual financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the 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 have been delivered to the Registrar of Companies and the Company's financial statements for the year ended 31 December 2025 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 reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance. The financial statements for the year ended 31 December 2025 have yet to be reported on by the Company's auditor.

4. Changes in accounting policies

The HKICPA has issued an amendment to HKFRS Accounting Standards that is first effective for the current accounting period of the Company. The adoption of this amendment has no impact on the Company's financial statements.

The Company has not applied any new standard, amendment or interpretation that is not effective for the current accounting period.

5. Profit before taxation

Auditor's remuneration of \$40,000 (2024: \$63,000) and all other expenses of the Company which were incurred for the administering of the Trust of \$640,000 (2024: \$727,000) for the year 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 years.

6. Income tax

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

OTHER INFORMATION

Final distribution

The Trustee-Manager Board has declared a final distribution by the Trust for 2025 of HK16.09 cents per Share Stapled Unit. The final distribution will be payable on Wednesday, 22 April 2026 to Holders of Share Stapled Units whose names appear in the Share Stapled Units Register at the close of business on Thursday, 9 April 2026, being the record date for determination of entitlement to the final distribution. To qualify for the final 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, no later than 4:30 p.m. on Thursday, 9 April 2026.

The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

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 year ended 31 December 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 to 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 year ended 31 December 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 year ended 31 December 2025.

Annual General Meeting and closure of Registers

The Annual General Meeting will be held on Wednesday, 20 May 2026. Notice of the Annual General Meeting will be published and issued to Holders of Share Stapled Units in due course.

The record date for ascertaining Holders of Share Stapled Units who are entitled to attend and vote at the Annual General Meeting is Wednesday, 20 May 2026. The Registers will be closed from Friday, 15 May 2026 to Wednesday, 20 May 2026, both days inclusive, during which no transfer of Share Stapled Units will be registered. In order to qualify for the right to attend and vote at the meeting (or any adjournment thereof), 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, at the address above-mentioned no later than 4:30 p.m. on Thursday, 14 May 2026.

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 annual results announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

Term(s)	Definition
“Annual General Meeting”	The annual general meeting of unitholders of the Trust and shareholders of the Company, as convened by the Trustee-Manager and the Company held on a combined basis as a single meeting characterised as the annual general meeting of Holders of Share Stapled Units
“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
“HKFRSs”	Hong Kong Financial Reporting Standards

Term(s)	Definition
“HKFRS Accounting Standards”	A collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“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 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)
“Registers”	The Share Stapled Units Register, the Units Register, the Principal and Hong Kong Branch Registers of Members and the Register of Beneficial Interests
“Share Stapled Unit(s)” or “SSU(s)”	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: <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

Term(s)	Definition
“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
“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