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

2026 INTERIM RESULTS
CHAIRMAN'S STATEMENT

I am pleased to present the 2026 interim results of HKEI and its wholly-owned subsidiary, HK Electric.

In March 2026, the closure of the Strait of Hormuz severely disrupted global energy markets. Around 20% of the world's liquefied natural gas (LNG) supply passes through the Strait, a critical route for global energy transit.

With gas-fired generation accounting for nearly 70% of our total output, our foremost priority was to maintain the reliability of electricity supply by securing sufficient fuel supplies, particularly natural gas, in an increasingly volatile market environment, while complying with statutory emission limits and minimising the impact on tariffs. We adopted an agile operating approach by continuously monitoring market developments with respect to our fuel requirements, proactively and dynamically adjusting fuel mixes as needed. In parallel, we maintained transparent communication with the community regarding the potential impact of rising fuel costs.

At the same time, we continued to advance the capital programmes that will help build a supply of cleaner electricity for our customers, while maintaining high reliability. The initiatives under Development Plan 2024 - 2028, including the construction of L13, the fourth 380-MW gas-fired combined-cycle generating unit, and three new oil-fired open-cycle gas-turbine units, will enable us to achieve these two goals. Another area of focus was to progress with digital transformation and grid augmentation, optimising the network to support city development and strengthen overall system resilience.

Half-year results

For the six months ended 30 June 2026, HKEI's EBITDA amounted to HK$4,303 million (2025: HK$3,979 million) and unaudited profit attributable to holders of Share Stapled Units (SSU) was HK$1,003 million (2025: HK$1,001 million).

Interim distribution

Distributable income for the period was HK$1,408 million (2025: 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 (2025: HK15.94 cents) per SSU, payable on 8 September 2026 to SSU holders whose names appear on the Share Stapled Units Register on 26 August 2026.

Progressing on strategic capital works

The construction of L13 is progressing on schedule. Substructure works have been completed and the erection of structural-steel building frames is currently underway. These works are targeted for handover for plant installation by end 2026. Following the completion of detailed design and engineering, the manufacturing of plant equipment has progressed steadily, with most equipment scheduled for delivery in early 2027.

Installation of our first two new oil-fired open-cycle gas-turbine units (OCGT), namely GT8 and GT10, is progressing smoothly. These units will provide emergency power once they commence commercial operations in phases from early 2027. This will be followed by the demolition of the aged gas-turbine unit GT6 and the installation of a final new OCGT, GT9, which is targeted for commercial operation by late 2028.

Remaining Hong Kong's reliable energy partner

We continue to see robust demand from the commercial sector, driven primarily by warmer weather and an improving economy. Electricity sales in the first half of 2026 increased by 2%.

Our average Net Tariff in January 2026 was HK163.3 cents per unit of electricity. The Net Tariff comprises the Basic Tariff and the Fuel Clause Charge (FCC), which is adjusted monthly with a deferred effect. At the end of June 2026, the Net Tariff decreased to HK159.2 cents due to the relatively low fuel prices in the beginning of the year before the outbreak of the war in the Middle East. With international fuel prices — as previously noted — remaining at relatively high levels since March 2026, significant upward pressure on the FCC is inevitable in the second half of the year and could persist for some time.

In view of the forthcoming increase in Net Tariff, we will extend a Special Electricity Subsidy of HK8 cents per unit from August to October 2026 to residential customers with monthly electricity consumption of 450 units or below, to help alleviate the impact on them. The subsidy will be funded by the Smart Power Care Fund and benefit approximately half of our residential customers.

We maintained our high service delivery standards. During the six months, supply reliability remained at over 99.9999% and we once again met or surpassed all our pledged service delivery standards.

Enabling cleaner air for Hong Kong

Our iconic Lamma Winds turbine retired in May 2026 upon reaching the end of its 20-year service life. The turbine has played a key role in laying the groundwork for renewable energy generation in Hong Kong and helped us acquire experience in the operation and maintenance of wind turbines.

We will continue to incorporate renewable energy generation into our energy mix. In the first half of 2026, 27 new customer-owned renewable energy installations were connected to the grid under the Feed-in Tariff (FiT) Scheme. During the period, the 2.5-MW solar power systems at Lamma Power Station and on the rooftops of our facilities and premises generated around 1 GWh of electricity, while customer-owned FiT installations generated a total of 6.8 GWh of electricity.

The Government's Roadmap on the Popularisation of Electric Vehicles (EVs) provides a strong framework for the continued adoption of EVs in Hong Kong. In June 2026, we launched our Residential Electric Vehicle Time-of-Use (EV ToU) tariff, which will help us reduce peak demand. Customers can also access more flexible and convenient home charging while managing energy costs better.

Digital transformation — a key strategic priority

We embrace new technology to help us address the opportunities of the future. Digital transformation and artificial intelligence (AI) technologies are being increasingly embedded across our operations to enhance service quality, operational efficiency and network resilience.

From the customer perspective, we further expanded our online services to make it easier for customers to access support, including enhancements of our Account-On-Line service and improved tracking of electricity usage through smart meters.

From an operational standpoint, our strategy is to harness the potential of AI and machine learning to make work safer, more accurate, and faster. Our in-house AI Powerhouse serves as a core platform to accelerate the adoption of advanced technologies such as natural language processing and machine learning.

We continue to advance the digitalisation of network operations through SmartGrid@HK Electric and our Intelligent Operations and Emergency Response Centre. The Centre provides real-time visibility of operating conditions in substations through the integration of advanced sensing, imaging and AI technologies. During the first half of 2026, we rolled out SmartGrid@HK Electric across 55 substations to strengthen network monitoring and proactive risk management capabilities, thereby enhancing resilience against emergencies and extreme weather.

A good neighbour in Hong Kong

Our deep ties with the Hong Kong community are precious to us, and we focus our investments under two pillars: environmental conservation, and care for the elderly.

We have launched a range of initiatives to enhance the environment of Lamma Island, including the restoration of hiking trails and the conservation of seagrass habitats to support biodiversity and improve water quality.

We extended our U3A activities into a new area with the Silver Economy project. The project aims to harness the benefits of gerontechnology to enable the elderly to lead safer and more empowered lives.

Now in its 10th year, the "Green Energy Dreams Come True" initiative continues to inspire and empower young people to take the lead in shaping a zero-carbon future for Hong Kong. Innovative green projects conceived by school and university students received seed funding to bring their ideas to life, while the winning teams gained the opportunity to learn from leading innovators on the Chinese Mainland, broadening their horizons and strengthening their commitment to sustainable development.

Outlook

The situation in the Middle East remains uncertain and volatile and will continue to affect energy markets and fuel prices. We will closely monitor market developments, while prudently managing fuel supply, fuel inventories and generation operations to ensure the continued provision of reliable and affordable electricity.

As we enter the third year of our 2024 - 2028 Development Plan, our capital works remain on schedule, and ensuring their smooth implementation will remain a key priority. We will 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 extend my gratitude to our SSU holders, the Board, and every one of my colleagues, without whom none of our achievements would be possible.

Fok Kin Ning, Canning
Chairman
Hong Kong, 11 August 2026

FINANCIAL REVIEW

Financial performance

The Trust Group's revenue and unaudited consolidated profit for the period ended 30 June 2026 were HK$5,939 million (2025: HK$5,567 million) and HK$1,003 million (2025: HK$1,001 million) respectively.

Distribution

The Trustee-Manager Board has declared an interim distribution of HK15.94 cents (2025: HK15.94 cents) per SSU for the six months ended 30 June 2026. 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 (2025: HK15.94 cents) per ordinary share in respect of the same period.

	Six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Consolidated profit attributable to SSU holders for the period	**1,003**	1,001
After:		
(i) eliminating the effects of the Adjustments (see note (a) below)	**3,404**	3,113
(ii) (deducting)/adding		
– movement in Fuel Clause Recovery Account	**(721)**	237
– changes in working capital	**(157)**	(720)
– adjustment for employee retirement benefit schemes	**(14)**	(15)
– taxes paid	**(185)**	(173)
	(1,077)	(671)
(iii) capital expenditure payment	**(1,799)**	(1,736)
(iv) net finance costs	**(708)**	(682)
Distributable income for the period	**823**	1,025
(v) adding discretionary amount as determined by the Company Board pursuant to clause 14.1(c) of the Trust Deed	**585**	383
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 2026, 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.

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$1,667 million (2025: HK$1,482 million), which was funded by cash from operations and external borrowings. Total external borrowings outstanding at 30 June 2026 were HK$51,168 million (31 December 2025: HK$50,556 million), comprising unsecured bank loans and debt securities in issue. In addition, the Trust Group at 30 June 2026 had undrawn committed bank facilities of HK$5,520 million (31 December 2025: HK$7,100 million) and bank deposits and cash of HK$51 million (31 December 2025: HK$28 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 2026, the net debt of the Trust Group was HK$51,117 million (31 December 2025: HK$50,528 million) with a net debt-to-net total capital ratio of 51% (31 December 2025: 51%). The Trust Group's financial profile remained strong during the period. On 12 March 2026, S&P Global Ratings 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 2026, 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) 7% were repayable within 1 year, 70% were repayable after 1 year but within 5 years and 23% were repayable after 5 years; and

(4) 69% were in fixed rate and 31% 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 2026, 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 2026 amounted to HK$50,796 million (31 December 2025: HK$54,139 million).

Charge on assets

As at 30 June 2026, no assets of the Trust Group were pledged to secure its loans and banking facilities (31 December 2025: Nil).

Contingent liabilities

As at 30 June 2026, the Trust Group had no guarantee or indemnity to external parties (31 December 2025: 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 2026, excluding directors' emoluments, amounted to HK$648 million (2025: HK$632 million). As at 30 June 2026, the Trust Group employed 1,622 (31 December 2025: 1,635) 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 2026
(Expressed in Hong Kong dollars)

	Note	**2026 $ million**	2025 $ million
Revenue	6	**5,939**	5,567
Direct costs		**(2,833)**	(2,726)
		3,106	2,841
Other revenue and other net income		**42**	44
Other operating costs	8	**(524)**	(541)
Operating profit		**2,624**	2,344
Finance costs		**(612)**	(678)
Profit before taxation	9	**2,012**	1,666
Income tax:	10		
Current		**(281)**	(311)
Deferred		**(79)**	5
		(360)	(306)
Profit after taxation		**1,652**	1,360
Scheme of Control transfers	11	**(649)**	(359)
Profit for the period attributable to the holders of Share Stapled Units/ shares of the Company		**1,003**	1,001
Earnings per Share Stapled Unit/ share of the Company			
Basic and diluted	12	**11.35 cents**	11.33 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 2026

(Expressed in Hong Kong dollars)

	2026 **$ million**	2025 $ million
Profit for the period attributable to the holders of Share Stapled Units/shares of the Company	**1,003**	1,001
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	**27**	20
Net deferred tax charged to other comprehensive income	**(4)**	(3)
	23	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	**317**	(291)
Reclassification adjustments for amounts transferred to profit or loss	**(62)**	(128)
Net deferred tax (charged)/credited to other comprehensive income	**(43)**	47
	212	(372)
Total comprehensive income for the period attributable to the holders of Share Stapled Units/ shares of the Company	**1,238**	646

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 2026
(Expressed in Hong Kong dollars)

	Note	(Unaudited) 30 June 2026 $ million	(Audited) 31 December 2025 $ million
Non-current assets			
Property, plant and equipment		**75,416**	75,472
Interests in leasehold land held for own use		**4,545**	4,642
	13	**79,961**	80,114
Goodwill		**33,623**	33,623
Interest in a joint venture		**919**	929
Derivative financial instruments		**366**	276
Employee retirement benefit scheme assets		**1,213**	1,199
		116,082	116,141
Current assets			
Inventories		**1,083**	931
Trade and other receivables	14	**2,021**	1,351
Fuel Clause Recovery Account		**95**	-
Bank deposits and cash		**51**	28
		3,250	2,310
Current liabilities			
Trade and other payables and contract liabilities	15	**(2,963)**	(2,665)
Fuel Clause Recovery Account		**-**	(626)
Current portion of bank loans and other interest-bearing borrowings	16	**(3,673)**	(22,477)
Current tax payable		**(290)**	(194)
		(6,926)	(25,962)
Net current liabilities		**(3,676)**	(23,652)
Total assets less current liabilities		**112,406**	92,489
Non-current liabilities			
Bank loans and other interest-bearing borrowings	16	**(47,495)**	(28,079)
Derivative financial instruments		**(147)**	(247)
Customers' deposits		**(2,549)**	(2,546)
Deferred tax liabilities		**(10,171)**	(10,046)
Employee retirement benefit scheme liabilities		**(8)**	(8)
Other non-current liabilities		**(1,501)**	(1,471)
		(61,871)	(42,397)
Scheme of Control Fund and Reserve	17	**(1,409)**	(777)
Net assets		**49,126**	49,315
Capital and reserves			
Share capital		**8**	8
Reserves		**49,118**	49,307
Total equity		**49,126**	49,315

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 2026 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 2026 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 2026 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 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 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 HKFRS Accounting Standards.

5. **Changes in accounting policies**

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Groups. Of these, the following development is relevant to the Trust's and the Company's unaudited consolidated interim financial statements:

- Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*
- Annual Improvements to HKFRS Accounting Standards – Volume 11

The adoption of these amendments has no 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	
	2026	2025
	$ million	$ million
Sales of electricity	**5,905**	5,540
Less: Concessionary discount on sales of electricity	**(3)**	(3)
	5,902	5,537
Electricity-related income	**37**	30
	5,939	5,567

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	
	2026	2025
	$ million	$ million
Administrative expenses, government rent and rates	**201**	198
Staff costs in relation to corporate and administrative supports	**123**	117
Provisions for asset decommissioning obligation	**47**	53
Portion of depreciation and amortisation of leasehold land included in other operating costs	**107**	104
Net loss on disposal and written off of property, plant and equipment	**46**	69
	524	541

9. Profit before taxation

	Six months ended 30 June	
	2026	2025
	$ million	$ million
Profit before taxation is arrived at after charging/(crediting):		
Finance costs		
Interest on borrowings and other finance costs	**736**	780
Less: Interest expense and other finance costs capitalised to assets under construction	**(113)**	(89)
Interest expense transferred to fuel costs	**(11)**	(13)
	612	678
Depreciation		
Depreciation charges for the period	**1,668**	1,621
Less: Depreciation capitalised to assets under construction	**(66)**	(64)
	1,602	1,557
Amortisation of leasehold land	**97**	97

10. Income tax

	Six months ended 30 June	
	2026	2025
	$ million	$ million
Current tax		
Provision for Hong Kong Profits Tax for the period	**281**	311
Deferred tax		
Origination and reversal of temporary differences	**79**	(5)
	360	306

The provision for Hong Kong Profits Tax for the six months ended 30 June 2026 is calculated at 16.5% (2025: 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 2025.

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	
	2026	2025
	$ million	$ million
Tariff Stabilisation Fund	**639**	348
Rate Reduction Reserve	**10**	11
	649	359

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 $1,003 million for the six months ended 30 June 2026 (2025: $1,001 million) and the weighted average of 8,836,200,000 Shares Stapled Units/ordinary shares of the Company (2025: 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 2026	**17,167**	**3**	**50,461**	**597**	**7,244**	**75,472**	**4,642**	**80,114**
Additions	**-**	**-**	**9**	**3**	**1,653**	**1,665**	**-**	**1,665**
Transfers between categories	**6**	**-**	**580**	**6**	**(592)**	**-**	**-**	**-**
Disposals	**(1)**	**-**	**(52)**	**-**	**-**	**(53)**	**-**	**(53)**
Depreciation/ amortisation	**(324)**	**(1)**	**(1,278)**	**(65)**	**-**	**(1,668)**	**(97)**	**(1,765)**
Net book value at 30 June 2026	**16,848**	**2**	**49,720**	**541**	**8,305**	**75,416**	**4,545**	**79,961**
Cost	**23,451**	**5**	**71,157**	**1,664**	**8,305**	**104,582**	**6,960**	**111,542**
Accumulated depreciation and amortisation	**(6,603)**	**(3)**	**(21,437)**	**(1,123)**	**-**	**(29,166)**	**(2,415)**	**(31,581)**
Net book value at 30 June 2026	**16,848**	**2**	**49,720**	**541**	**8,305**	**75,416**	**4,545**	**79,961**

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 2026 $ million	31 December 2025 $ million
Current and within 1 month	**927**	631
1 to 3 months	**39**	57
More than 3 months but less than 12 months	**11**	13
Trade debtors	**977**	701
Other receivables	**814**	542
	1,791	1,243
Derivative financial instruments	**95**	11
Deposits and prepayments	**135**	97
	2,021	1,351

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 2026 $ million	31 December 2025 $ million
Due within 1 month or on demand	**1,348**	943
Due after 1 month but within 3 months	**615**	736
Due after 3 months but within 12 months	**932**	911
Creditors measured at amortised cost	**2,895**	2,590
Lease liabilities	**2**	2
Derivative financial instruments	**-**	1
Amount due to a joint venture	**5**	4
Contract liabilities	**61**	68
	2,963	2,665

16. Bank loans and other interest-bearing borrowings

	30 June 2026 $ million	31 December 2025 $ million
Bank loans	**24,024**	23,548
Current portion	**(3,673)**	(16,630)
	20,351	6,918
Hong Kong dollar medium term notes		
Fixed rate notes	**10,067**	8,070
Zero coupon notes	**909**	893
	10,976	8,963
United States dollar medium term notes		
Fixed rate notes	**11,638**	13,612
Zero coupon notes	**4,530**	4,433
	16,168	18,045
Current portion	**-**	(5,847)
	16,168	12,198
Non-current portion	**47,495**	28,079

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 2026 $ million	31 December 2025 $ million
Tariff Stabilisation Fund	**1,372**	711
Rate Reduction Reserve	**10**	22
Smart Power Care Fund	**27**	44
	1,409	777

18. Interim distribution/dividend

The distributable income for the period was as follows:

	Six months ended 30 June **2026** **$ million**	2025 $ million
Consolidated profit attributable to the holders of Share Stapled Units for the period	**1,003**	1,001
After:		
(i) eliminating the effects of the Adjustments (see note (a) below)	**3,404**	3,113
(ii) (deducting)/adding		
– movement in Fuel Clause Recovery Account	**(721)**	237
– changes in working capital	**(157)**	(720)
– adjustment for employee retirement benefit schemes	**(14)**	(15)
– taxes paid	**(185)**	(173)
	(1,077)	(671)
(iii) capital expenditure payment	**(1,799)**	(1,736)
(iv) net finance costs	**(708)**	(682)
Distributable income for the period	**823**	1,025
(v) adding discretionary amount as determined by the Company Board pursuant to clause 14.1(c) of the Trust Deed (see note (d) below)	**585**	383
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 2026, 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 (2025: 15.94 cents) is calculated based on the interim distribution of $1,408 million for the six months ended 30 June 2026 (2025: $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 2026 (2025: 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 2026
(Expressed in Hong Kong dollars)

	Note	**2026** **$**	2025 $
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 2026
(Expressed in Hong Kong dollars)

	(Unaudited) 30 June 2026 $	(Audited) 31 December 2025 $
Current assets		
Amount due from immediate holding company	**1**	1
Net assets	**1**	1
Capital and reserves		
Share capital	**1**	1
Reserves	**-**	-
Total equity	**1**	1

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 19 and 20, 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 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 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 HKFRS Accounting Standards.

The financial information relating to the financial year ended 31 December 2025 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 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 2025. 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 a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Company. The adoption of these amendments has no 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 $341,000 for the six months ended 30 June 2026 (2025: $334,000) 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 2026 of HK15.94 cents per Share Stapled Unit. The distribution will be payable on Tuesday, 8 September 2026 to Holders of Share Stapled Units whose names appear in the Share Stapled Units Register at the close of business on Wednesday, 26 August 2026, 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, 26 August 2026.

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 2026.

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 2026, 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 boards of 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 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 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"	Hong Kong Financial Reporting Standards
"HKFRS Accounting Standards"	A collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA

Term(s)	Definition
"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)
"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: (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