

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

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## **2024 ANNUAL RESULTS** **CHAIRMAN'S STATEMENT**

In 2024, the global energy sector continued to face the twin pressures of extreme weather and increasing sustainability demands. Against this backdrop, HK Electric Investments (HKEI), and its wholly-owned subsidiary HK Electric, focused on ensuring climate preparedness by increasing the resilience of our power infrastructure.

2024 was also a pivotal time in our long-term journey towards zero carbon. We made steady progress in aligning our operations to meet Hong Kong's wider goals to halve carbon emissions by 2035 as compared to the level in 2005 and achieve net-zero electricity generation before 2050.

The successful commissioning of L12, a 380-MW gas-fired combined-cycle generating unit in March 2024, enabled us to generate around 70% of our total output from natural gas. At the same time, we retired two ageing coal-fired units L4 and L5, in accordance with our pledge to phase out coal-fired generation by 2035. As a result of this and a number of other measures, our carbon emissions in the year were about 40% lower than those in the baseline year of 2005.

As ever, I am pleased to report that HK Electric once again achieved a world-class reliability rating of over 99.9999%, which means that our customers experienced less than 0.5 minutes of unplanned power interruption on average during the year.

### **Financial results and distributions**

HKEI has maintained a solid financial performance. For the year ended 31 December 2024, HKEI's EBITDA was HK\$8,719 million (2023: HK\$8,033 million) and profits attributable to holders of Share Stapled Units (SSU) of HK\$3,111 million was comparable to that of last year (2023: HK\$3,156 million).

The Board of the Trustee-Manager has declared a final distribution by the Trust of HK16.09 cents (2023: HK16.09 cents) per SSU, payable on 23 April 2025 to SSU holders whose names appear on the Share Stapled Units Register on 10 April 2025. Together with the interim distribution of HK15.94 cents (2023: HK15.94 cents) per SSU, this amounts to a total distribution of HK32.03 cents (2023: HK32.03 cents) per SSU for the year.

## **2024 - 2028 Development Plan progress**

The 2024 - 2028 Development Plan enables us to further reduce our emissions. With the development of L13, a new 380-MW gas-fired combined-cycle generating unit, we continue to systematically reshape our generation capabilities to support Hong Kong's long-term decarbonisation objectives. Development and foundation works for L13 progressed on schedule, with commissioning of the unit set for 2029.

Preparatory work for the site installation of three new oil-fired open-cycle gas-turbine units advanced according to plan. These units, designed with fast start-up capability, form part of our contingency setup and will be launched in phases from 2027 onwards.

Since 2020, we have been systematically rolling out smart meters across our customer base to allow customers to better manage their energy usage. At the end of 2024, around 80% of customers had been fitted with smart meters, and the associated network and IT infrastructure had been put into place. The exercise will be completed in 2025.

## **Augmenting resilience and climate preparedness**

The increasing frequency of extreme weather events has made climate preparedness a critical strategic imperative. Our priority is to augment resilience in the face of flooding, particularly in low-lying areas. All infrastructure commenced after 2022 including new generating units and critical equipment at principal substations have their foundations built or floodproofed to withstand water level up to +7.0 metres above Principal Datum (PD) wherever practicable. For built equipment and areas where the new standard cannot be applied, we have been retrofitting anti-flooding systems, installing or upgrading a host of measures, including demountable floodgates and permanent floodwalls, and upgrades or relocation of protective devices to withstand the anticipated flooding levels under extreme weather.

## **Reliable green power with service excellence**

In 2024, electricity sales to our 593,000 customers slightly increased to 10,150 GWh (2023: 10,040 GWh), attributable to stabilising economic activity, warmer weather and the additional leap day in February. Around 70% of the electricity generated was gas-fired, out of which more than 30% came from the offshore liquefied natural gas terminal commissioned in July 2023. Despite the increased gas consumption, there was a tariff reduction of 16% from January 2023 (HK197 cents) to January 2024 (HK165.5 cents), primarily due to the fall in fuel prices. Our investments in preventive network maintenance, round-the-clock network monitoring, and predictive diagnostics have paid off, enabling us to achieve once again a supply reliability rating of over 99.9999%. We continued to meet or surpass all 18 of our pledged customer service standards in 2024.

## **Promoting energy efficiency and decarbonisation**

Smart Power, our comprehensive services and engagement platform, forms the heart of our efforts to catalyse decarbonisation through renewable energy, electric transportation, energy efficiency, and conservation. A total of 135 new renewable energy systems installed by our customers were connected to the grid with Feed-in Tariffs, increasing the total capacity of grid-connected customers' renewable energy systems to over 13 MW. At the same time, we have been providing technical consultancy services to those seeking to install electric vehicle (EV) charging facilities, handling about 470 requests to assess power supply capacity by those looking to take advantage of the Government's EV-charging at Home Subsidy Scheme.

## **Embodying positive corporate values**

We strive to operate a sustainable and responsible business, guided by our sustainability framework and policies. We support the United Nations' Sustainable Development Goals, particularly those closely aligned with our corporate strategy and business priorities, and have established targets to evaluate our contribution towards realising these goals. We continued to run our long-lasting community and education programmes to support those in need and help preserve our environment. The Happy Green Campaign in particular attracted the participation of more than 110,000 people in a wide spectrum of activities in 2024.

## **Outlook**

After considering factors like capital expenditures and operating expenses, Basic Tariff for 2025 is HK122.9 cents per unit of electricity, an increase of HK3.4 cents compared to that of 2024. Despite persistent and escalating geopolitical tensions, Fuel Clause Charge decreased by HK1.9 cents, mitigating the increase in Basic Tariff. Consequently, Net Tariff in January 2025 increased slightly by 0.9% over January 2024 to HK167 cents per unit of electricity.

We have set aside about HK\$75 million for continuous community support, focusing on promoting carbon neutrality and energy saving in 2025 under the Smart Power Services umbrella. This includes a one-stop solution for non-profit-making NGOs and schools to improve energy efficiency and adopt renewable energy. Each eligible building can receive up to HK\$3 million subsidy for projects such as installing energy-efficient electrical equipment and appliances, applying solar photovoltaic technologies and energy-saving rooftop paints. We continued with our practice of distributing cash coupons among the underprivileged, including customers under the Concessionary Tariff Schemes and households in financial need.

Guided by the 2024 - 2028 Development Plan, we will continue to explore all avenues to reduce emissions to help the Government achieve its net-zero carbon goals including importing zero-carbon electricity and the use of green hydrogen. We will also monitor our climate resilience on an ongoing basis and progressively adapt mitigation measures as the situation evolves.

I would like to conclude by thanking the Board, our loyal SSU holders, and every one of our employees, who are the foundation of all our achievements.

**Fok Kin Ning, Canning**  
Chairman  
Hong Kong, 18 March 2025

## FINANCIAL REVIEW

### Financial performance

The Trust Group's revenue and consolidated profit for the year ended 31 December 2024 were HK\$12,057 million (2023: HK\$11,406 million) and HK\$3,111 million (2023: HK\$3,156 million) respectively.

### Distribution

The Trustee-Manager Board has declared the payment of a final distribution by the Trust of HK16.09 cents (2023: 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 (2023: HK16.09 cents) per ordinary share in respect of the same period. This, together with the interim distribution of HK15.94 cents (2023: HK15.94 cents) per SSU, brings the total distribution to HK32.03 cents (2023: HK32.03 cents) per SSU for the year ended 31 December 2024.

	<b>2024</b>	2023
	<b>HK\$ million</b>	HK\$ million
Consolidated profit attributable to SSU holders	<b>3,111</b>	3,156
After:		
(i) eliminating the effects of the Adjustments (see note (a) below)	<b>5,807</b>	5,206
(ii) adding/(deducting)		
– movement in Fuel Clause Recovery Account	<b>162</b>	1,945
– changes in working capital	<b>(43)</b>	(803)
– adjustment for employee retirement benefit schemes	<b>(16)</b>	(18)
– taxes paid	<b>(1,406)</b>	(169)
	<b>(1,303)</b>	955
(iii) capital expenditure payment	<b>(3,787)</b>	(4,087)
(iv) deducting		
– debt repayment	<b>-</b>	(1,277)
– net finance costs	<b>(1,499)</b>	(1,527)
	<b>(1,499)</b>	(2,804)
Distributable income	<b>2,329</b>	2,426
(v) adding discretionary amount as determined by the Company Board pursuant to clause 14.1(c) of the Trust Deed	<b>501</b>	404
Distributable income after adjustment of the discretionary amount	<b>2,830</b>	2,830

	<b>2024</b>	2023
	<b>HK\$ million</b>	HK\$ million
Interim distribution	<b>1,408</b>	1,408
Final distribution	<b>1,422</b>	1,422
Distribution amount	<b>2,830</b>	2,830
Distributions per SSU (see note (c) below)		
– Interim distribution per SSU	<b>HK15.94 cents</b>	HK15.94 cents
– Final distribution per SSU	<b>HK16.09 cents</b>	HK16.09 cents
Total distributions per SSU	<b>HK32.03 cents</b>	HK32.03 cents

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 2024, 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 fulfill, 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 (2023: HK15.94 cents) was calculated based on the interim distribution amount of HK\$1,408 million (2023: HK\$1,408 million) and 8,836,200,000 SSUs in issue as at 30 June 2024 (30 June 2023: 8,836,200,000 SSUs). Final distribution per SSU of HK16.09 cents (2023: HK16.09 cents) was calculated based on the final distribution amount of HK\$1,422 million (2023: HK\$1,422 million) and 8,836,200,000 SSUs in issue as at 31 December 2024 (31 December 2023: 8,836,200,000 SSUs).

### Capital expenditure, liquidity and financial resources

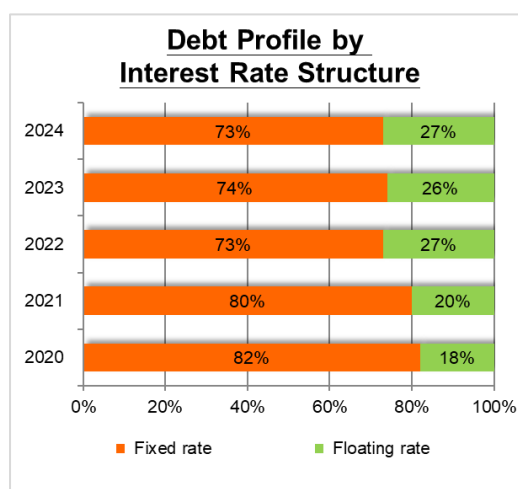
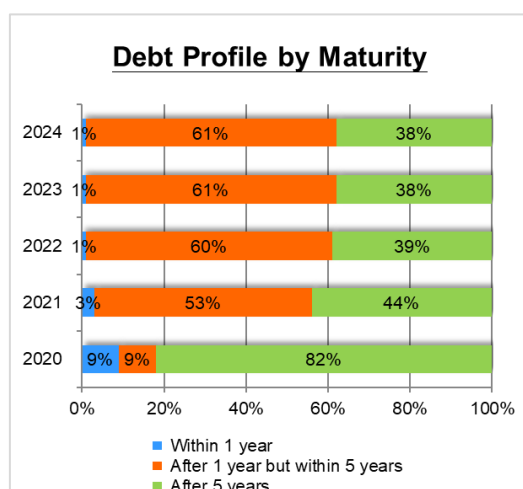
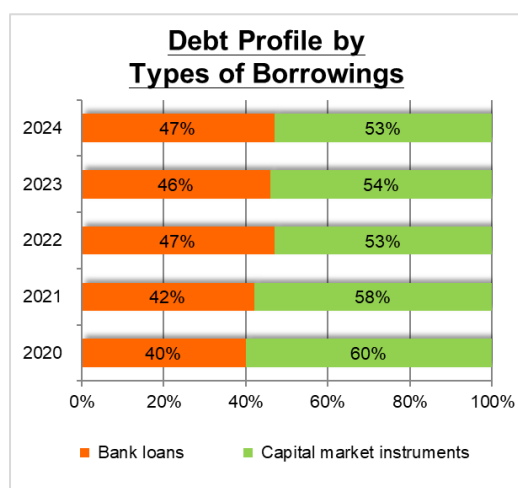
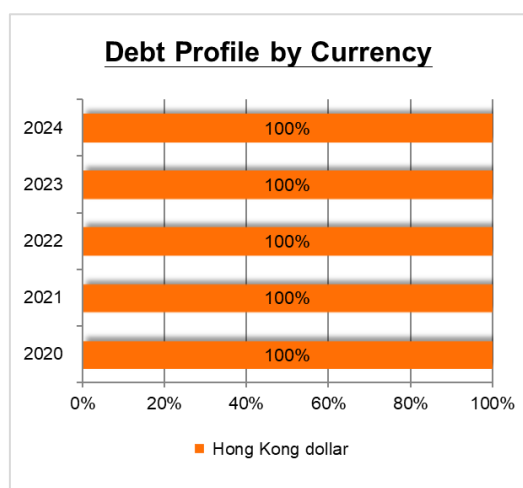
Capital expenditure (excluding right-of-use assets but including the Trust Group's capital expenditure in the offshore LNG terminal developed by a joint venture) during the year amounted to HK\$3,659 million (2023: HK\$4,447 million), which was funded by cash from operations and external borrowings. Total external borrowings outstanding at 31 December 2024 were HK\$50,855 million (2023: HK\$50,206 million), comprising unsecured bank loans and debt securities in issue. In addition, the Trust Group at 31 December 2024 had undrawn committed bank facilities of HK\$4,850 million (2023: HK\$6,535 million) and bank deposits and cash of HK\$30 million (2023: HK\$21 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 2024, the net debt of the Trust Group was HK\$50,825 million (2023: HK\$50,185 million) with a net debt-to-net total capital ratio of 51% (2023: 51%). The Trust Group’s financial profile remained strong during the year. On 17 March 2024, 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 2024, 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 2024, 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 2024 amounted to HK\$49,558 million (2023: HK\$46,116 million).

### **Charge on assets**

At 31 December 2024, no assets of the Trust Group were pledged to secure its loans and banking facilities (2023: Nil).

### **Contingent liabilities**

As at 31 December 2024, the Trust Group had no guarantee or indemnity to external parties (2023: 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 2024, excluding directors' emoluments, amounted to HK\$1,235 million (2023: HK\$1,206 million). As at 31 December 2024, the Trust Group employed 1,649 (2023: 1,657) 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 2024

(Expressed in Hong Kong dollars)

	Note	2024 \$ million	2023 \$ million
<b>Revenue</b>	5	<b>12,057</b>	11,406
Direct costs		<b>(5,598)</b>	(5,384)
		<b>6,459</b>	6,022
Other revenue and other net income	7	<b>81</b>	87
Other operating costs		<b>(1,052)</b>	(1,133)
<b>Operating profit</b>		<b>5,488</b>	4,976
Finance costs		<b>(1,408)</b>	(1,360)
<b>Profit before taxation</b>	8	<b>4,080</b>	3,616
Income tax:	9		
Current		(741)	(909)
Deferred		-	263
		<b>(741)</b>	(646)
<b>Profit after taxation</b>		<b>3,339</b>	2,970
Scheme of Control transfers	10(b)	<b>(228)</b>	186
<b>Profit for the year attributable to the holders of Share Stapled Units/ shares of the Company</b>		<b>3,111</b>	3,156
<b>Earnings per Share Stapled Unit/ share of the Company</b>			
Basic and diluted	12	<b>35.21 cents</b>	35.72 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 2024

(Expressed in Hong Kong dollars)

	2024 \$ million	2023 \$ million
<b>Profit for the year attributable to the holders of Share Stapled Units/shares of the Company</b>	<b>3,111</b>	3,156
<b>Other comprehensive income for the year, after tax and reclassification adjustments</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Defined benefit retirement schemes:		
Remeasurement of net defined benefit asset/liability	204	35
Net deferred tax charged to other comprehensive income	(33)	(6)
	171	29
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments recognised during the year	(12)	(4)
Cost of hedging – changes in fair value	12	5
	-	1
	171	30
<b>Items that may be reclassified subsequently to profit or loss</b>		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments recognised during the year	124	(103)
Reclassification adjustments for amounts transferred to profit or loss	(301)	(269)
Cost of hedging – changes in fair value	82	(395)
Cost of hedging – reclassified to profit or loss	(63)	(63)
Net deferred tax credited to other comprehensive income	17	115
	(141)	(715)
<b>Total comprehensive income for the year attributable to the holders of Share Stapled Units/shares of the Company</b>	<b>3,141</b>	2,471

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 2024

(Expressed in Hong Kong dollars)

	Note	2024 \$ million	2023 \$ million
<b>Non-current assets</b>			
Property, plant and equipment		75,113	74,791
Interests in leasehold land held for own use		4,837	5,033
	13	<u>79,950</u>	<u>79,824</u>
Goodwill		33,623	33,623
Interest in a joint venture		887	895
Derivative financial instruments		616	737
Employee retirement benefit scheme assets		1,053	968
		<u>116,129</u>	<u>116,047</u>
<b>Current assets</b>			
Inventories		982	1,003
Trade and other receivables	14	1,358	1,469
Bank deposits and cash		30	21
		<u>2,370</u>	<u>2,493</u>
<b>Current liabilities</b>			
Trade and other payables and contract liabilities	15	(2,787)	(3,417)
Fuel Clause Recovery Account	16	(215)	(53)
Current portion of bank loans and other interest-bearing borrowings	17	(727)	(715)
Bank overdrafts – unsecured		(45)	(44)
Current tax payable		(224)	(889)
		<u>(3,998)</u>	<u>(5,118)</u>
<b>Net current liabilities</b>		<u>(1,628)</u>	<u>(2,625)</u>
<b>Total assets less current liabilities</b>		<u>114,501</u>	<u>113,422</u>
<b>Non-current liabilities</b>			
Bank loans and other interest-bearing borrowings	17	(50,083)	(49,447)
Derivative financial instruments		(156)	(181)
Customers' deposits		(2,507)	(2,449)
Deferred tax liabilities		(10,140)	(10,124)
Employee retirement benefit scheme liabilities		(56)	(191)
Other non-current liabilities	18	(1,401)	(1,382)
		<u>(64,343)</u>	<u>(63,774)</u>
<b>Scheme of Control Fund and Reserve</b>	10(c)	(868)	(670)
<b>Net assets</b>		<u>49,290</u>	<u>48,978</u>
<b>Capital and reserves</b>			
Share capital		8	8
Reserves		49,282	48,970
<b>Total equity</b>		<u>49,290</u>	<u>48,978</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 2024 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 2024 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 2024 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 2024 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 HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Groups. Of these, the following amendments to HKFRSs are relevant to the Trust’s and the Company’s consolidated financial statements:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants*
- HK Interpretation 5 (Revised), *Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause*

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

	<b>2024</b> <b>\$ million</b>	2023 \$ million
Sales of electricity	<b>12,018</b>	11,321
Less: concessionary discount on sales of electricity	<b>(6)</b>	(7)
	<b>12,012</b>	11,314
Electricity-related income	<b>45</b>	92
	<b>12,057</b>	11,406

## 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

	<b>2024</b> <b>\$ million</b>	2023 \$ million
Interest income on financial assets measured at amortised cost	<b>39</b>	44
Sundry income	<b>42</b>	43
	<b>81</b>	87

## 8. Profit before taxation

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
Profit before taxation is arrived at after charging:		
Depreciation		
– owned property, plant and equipment	<b>3,073</b>	2,904
– properties leased for own use	<b>2</b>	1
Amortisation of leasehold land	<b>195</b>	196
Expenses of short-term leases	<b>8</b>	5
Costs of inventories	<b>5,648</b>	6,867
Write down of inventories	<b>13</b>	10
Staff costs	<b>758</b>	734
Net loss on disposal and written off of property, plant and equipment	<b>125</b>	256
Auditor's remuneration		
– audit and audit related services	<b>6</b>	5
– non-audit services (see note below)	<b>-</b>	1

Auditor's remuneration for non-audit services amounted to \$334,000 (2023: \$785,000).

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

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
<b>Current tax</b>		
Provision for Hong Kong Profits Tax for the year	<b>741</b>	909
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>-</b>	(263)
	<b>741</b>	646

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 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 2023.

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 from/(to) the consolidated statement of profit or loss represents:

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
Tariff Stabilisation Fund	<b>155</b>	(255)
Rate Reduction Reserve	<b>32</b>	31
Smart Power Care Fund		
– Provisional sum injected in current year	-	13
– Provisional sum to be injected in the following year	<b>41</b>	25
	<b>228</b>	(186)

A provisional sum of \$40,499,000, representing deduction of HK Electric’s 2024 financial incentive (2023: \$38,291,000), 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 2024 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	<b>Tariff Stabilisation Fund</b>	<b>Rate Reduction Reserve</b>	<b>Smart Power Care Fund</b>	<b>Total</b>
At 1 January 2023	872	13	27	912
Transfer from Rate Reduction Reserve to Tariff Stabilisation Fund (see note 1 below)	13	(13)	-	-
Transfer (to)/from the consolidated statement of profit or loss	(255)	31	-	(224)
Injection for the year	-	-	45	45
Disbursement for the year (see note 2 below)	-	-	(63)	(63)
<b>At 31 December 2023 and 1 January 2024</b>	<b>630</b>	<b>31</b>	<b>9</b>	<b>670</b>
Transfer from Rate Reduction Reserve to Tariff Stabilisation Fund (see note 1 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)
<b>At 31 December 2024</b>	<b>816</b>	<b>32</b>	<b>20</b>	<b>868</b>

Note 1 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.

Note 2 Disbursement for 2023 included special electricity subsidy of 9.5 cents per unit of electricity which was offered to residential customers consuming 300 units of electricity or less in a month. Total special electricity subsidy provided in 2023 amounted to \$38,881,000.



## 11. Distributions/dividends

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

	<b>2024</b> <b>\$ million</b>	2023 \$ million
Consolidated profit attributable to the holders of Share Stapled Units	<b>3,111</b>	3,156
After:		
(i) eliminating the effects of the Adjustments (see note 1 below)	<b>5,807</b>	5,206
(ii) adding/(deducting)		
- movement in Fuel Clause Recovery Account	<b>162</b>	1,945
- changes in working capital	<b>(43)</b>	(803)
- adjustment for employee retirement benefit schemes	<b>(16)</b>	(18)
- taxes paid	<b>(1,406)</b>	(169)
	<b>(1,303)</b>	955
(iii) capital expenditure payment	<b>(3,787)</b>	(4,087)
(iv) deducting		
- debt repayment	<b>-</b>	(1,277)
- net finance costs	<b>(1,499)</b>	(1,527)
	<b>(1,499)</b>	(2,804)
Distributable income	<b>2,329</b>	2,426
(v) adding discretionary amount as determined by the Company Board pursuant to clause 14.1(c) of the Trust Deed (see note 4 below)	<b>501</b>	404
Distributable income after adjustment of the discretionary amount	<b>2,830</b>	2,830

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 2024, 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**

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
Interim distribution/first interim dividend declared and paid of 15.94 cents (2023: 15.94 cents) per Share Stapled Unit/share	<b>1,408</b>	1,408
Final distribution/second interim dividend proposed after the end of the reporting period of 16.09 cents (2023: 16.09 cents) per Share Stapled Unit/share	<b>1,422</b>	1,422
	<b>2,830</b>	2,830

For the year ended 31 December 2024, the Company Board declared the payment of a second interim dividend of 16.09 cents per ordinary share (2023: 16.09 cents per ordinary share), amounting to \$1,422 million (2023: \$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 2024, the Trustee-Manager Board declared a final distribution of 16.09 cents per Share Stapled Unit (2023: 16.09 cents per Share Stapled Unit), amounting to \$1,422 million (2023: \$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 2024 (2023: 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**

	<b>2024</b>	<b>2023</b>
	<b>\$ million</b>	<b>\$ million</b>
Final distribution/second interim dividend in respect of the previous financial year, approved and paid during the year, of 16.09 cents (2023: 16.09 cents) per Share Stapled Unit/share	<b>1,422</b>	<b>1,422</b>

**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 \$3,111 million (2023: \$3,156 million) and the weighted average of 8,836,200,000 Share Stapled Units/ordinary shares of the Company (2023: 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
<b>Cost</b>								
At 1 January 2023	20,516	2	64,513	1,288	10,870	97,189	6,960	104,149
Additions	-	3	73	19	4,244	4,339	1	4,340
Transfer	270	-	4,021	249	(4,540)	-	-	-
Disposals	(326)	(1)	(1,959)	(43)	-	(2,329)	-	(2,329)
<b>At 31 December 2023 and 1 January 2024</b>	<b>20,460</b>	<b>4</b>	<b>66,648</b>	<b>1,513</b>	<b>10,574</b>	<b>99,199</b>	<b>6,961</b>	<b>106,160</b>
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)
<b>At 31 December 2024</b>	<b>23,389</b>	<b>4</b>	<b>71,604</b>	<b>1,579</b>	<b>5,492</b>	<b>102,068</b>	<b>6,960</b>	<b>109,028</b>
<b>Accumulated depreciation and amortisation</b>								
At 1 January 2023	4,615	1	18,093	748	-	23,457	1,732	25,189
Written back on disposals	(177)	(1)	(1,836)	(43)	-	(2,057)	-	(2,057)
Charge for the year	619	1	2,253	135	-	3,008	196	3,204
<b>At 31 December 2023 and 1 January 2024</b>	<b>5,057</b>	<b>1</b>	<b>18,510</b>	<b>840</b>	<b>-</b>	<b>24,408</b>	<b>1,928</b>	<b>26,336</b>
Written back on disposals	(49)	(1)	(553)	(39)	-	(642)	-	(642)
Charge for the year	630	2	2,409	148	-	3,189	195	3,384
<b>At 31 December 2024</b>	<b>5,638</b>	<b>2</b>	<b>20,366</b>	<b>949</b>	<b>-</b>	<b>26,955</b>	<b>2,123</b>	<b>29,078</b>
<b>Net book value</b>								
<b>At 31 December 2024</b>	<b>17,751</b>	<b>2</b>	<b>51,238</b>	<b>630</b>	<b>5,492</b>	<b>75,113</b>	<b>4,837</b>	<b>79,950</b>
At 31 December 2023	15,403	3	48,138	673	10,574	74,791	5,033	79,824

The above are mainly electricity-related property, plant and equipment in respect of which financing costs capitalised during the year amounted to \$287 million (2023: \$366 million).

Depreciation charges for the year included \$114 million (2023: \$103 million), relating to assets utilised in development activities, which have been capitalised.

#### 14. Trade and other receivables

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
Trade debtors, net of loss allowance (see notes (a) below)	<b>681</b>	724
Other receivables (see note below)	<b>584</b>	651
	<b>1,265</b>	1,375
Derivative financial instruments	<b>2</b>	1
Deposits and prepayments	<b>91</b>	93
	<b>1,358</b>	1,469

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 \$443 million (2023: \$489 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:

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
Current and within 1 month	<b>614</b>	664
1 to 3 months	<b>53</b>	48
More than 3 months but less than 12 months	<b>14</b>	12
	<b>681</b>	724

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

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
<b>Trade and other payables</b>		
Creditors measured at amortised cost (see note (a) below)	<b>2,742</b>	3,381
Lease liabilities (see note 18(b))	<b>1</b>	2
Derivative financial instruments	<b>1</b>	1
Amount due to a joint venture	<b>1</b>	-
	<b>2,745</b>	3,384
<b>Contract liabilities</b> (see note (b) below)	<b>42</b>	33
	<b>2,787</b>	3,417

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:

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
Due within 1 month or on demand	<b>1,105</b>	1,353
Due after 1 month but within 3 months	<b>753</b>	901
Due after 3 months but within 12 months	<b>884</b>	1,127
	<b>2,742</b>	3,381

### (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. In May 2023, Special Fuel Rebate of 1.1 cents per unit of electricity was offered to all our customers so as to freeze the Fuel Clause Charge payable at April 2023 level.

Movements in the Fuel Clause Recovery Account were as follows:

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
At 1 January	(53)	1,892
Transferred to profit or loss	<b>4,184</b>	5,401
Fuel Clause Charges during the year	<b>(4,346)</b>	(7,356)
Special Fuel Rebates during the year	-	10
At 31 December	<b>(215)</b>	(53)

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

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
Bank loans	<b>23,738</b>	23,017
Current portion	<b>(427)</b>	(415)
	<b>23,311</b>	22,602
Hong Kong dollar medium term notes		
Fixed rate notes (see note (a) below)	<b>8,365</b>	8,661
Zero coupon notes (see note (b) below)	<b>863</b>	834
	<b>9,228</b>	9,495
Current portion	<b>(300)</b>	(300)
	<b>8,928</b>	9,195
United States dollar medium term notes		
Fixed rate notes (see note (a) below)	<b>13,597</b>	13,581
Zero coupon notes (see note (b) below)	<b>4,247</b>	4,069
	<b>17,844</b>	17,650
Non-current portion	<b>50,083</b>	49,447

- (a) The Hong Kong dollar fixed rate notes bear interest at rates ranging from 2.4% to 4% per annum (2023: 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 (2023: 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 (2023: \$1,056 million) and accrual yield of 3.5% per annum (2023: 3.5% per annum).

The United States dollar zero coupon notes have nominal amount of US\$400 million (2023: US\$400 million) and accrual yield of 4.375% per annum (2023: 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 2024 and 2023, 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:

	<b>2024</b>	2023
	<b>\$ million</b>	\$ million
After 1 year but within 2 years	<b>22,168</b>	300
After 2 years but within 5 years	<b>8,823</b>	29,974
After 5 years	<b>19,092</b>	19,173
	<b>50,083</b>	49,447

## 18. Other non-current liabilities

	<b>2024</b> <b>\$ million</b>	2023 \$ million
Provisions (see note (a) below)	<b>1,400</b>	1,381
Lease liabilities (see note (b) below)	<b>1</b>	1
	<b>1,401</b>	1,382

### (a) Provisions

	<b>2024</b> <b>\$ million</b>
Provisions for asset decommissioning obligation	
At 1 January	<b>1,381</b>
Additional provisions made	<b>86</b>
Provisions utilised	<b>(67)</b>
At 31 December	<b>1,400</b>

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:

	<b>2024</b>		2023	
	<b>Present value of the minimum lease payments \$ million</b>	<b>Total minimum lease payments \$ million</b>	Present value of the minimum lease payments \$ million	Total minimum lease payments \$ million
Within 1 year	<b>1</b>	<b>1</b>	2	2
After 1 year but within 2 years	<b>1</b>	<b>1</b>	1	1
	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>
Less: total future interest expenses		-		-
Present value of lease liabilities		<b>2</b>		<b>3</b>



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

For the year ended 31 December 2024

(Expressed in Hong Kong dollars)

	Note	2024 \$	2023 \$
<b>Revenue</b>		-	-
Administrative expenses		-	-
<b>Profit before taxation</b>	5	-	-
Income tax	6	-	-
<b>Profit and total comprehensive income for the year</b>		-	-

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

At 31 December 2024

(Expressed in Hong Kong dollars)

	<b>2024</b>	<b>2023</b>
	<u>\$</u>	<u>\$</u>
<b>Current assets</b>		
Amount due from immediate holding company	<u>1</u>	<u>1</u>
<b>Net assets</b>	<u><u>1</u></u>	<u><u>1</u></u>
<b>Capital and reserves</b>		
Share capital	1	1
Reserves	<u>-</u>	<u>-</u>
<b>Total equity</b>	<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 2024 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 17, no distributions statement is therefore presented in these financial statements.

The financial information relating to the years ended 31 December 2024 and 2023 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 2023 have been delivered to the Registrar of Companies and the Company's financial statements for the year ended 31 December 2024 will be delivered to the Registrar of Companies in due course.

The Company's auditor has reported on the financial statements of the Company for the year ended 31 December 2023. 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 2024 have yet to be reported on by the Company's auditor.

#### **4. Changes in accounting policies**

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Company. The adoption of these amendments to HKFRSs has no material 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 \$63,000 (2023: \$62,000) and all other expenses of the Company which were incurred for the administering of the Trust of \$727,000 (2023: \$763,000) 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 and closure of Registers**

The Trustee-Manager Board has declared a final distribution by the Trust for 2024 of HK16.09 cents per Share Stapled Unit. The final distribution will be payable on Wednesday, 23 April 2025 to Holders of Share Stapled Units whose names appear in the Share Stapled Units Register at the close of business on Thursday, 10 April 2025, 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, 10 April 2025.

For the purpose of ascertaining Holders of Share Stapled Units who are entitled to attend and vote at the Annual General Meeting to be held on Wednesday, 21 May 2025 (or any adjournment thereof), the Registers will be closed from Friday, 16 May 2025 to Wednesday, 21 May 2025, 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, no later than 4:30 p.m. on Thursday, 15 May 2025.

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 2024.

### **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 2024, 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 2024.

### **Annual General Meeting**

The Annual General Meeting will be held on Wednesday, 21 May 2025. Notice of the Annual General Meeting will be published and issued to Holders of Share Stapled Units in due course.

## **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. KWAN Ying Leung 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:

<b>Term(s)</b>	<b>Definition</b>
“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”	A collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and Interpretations issued by the HKICPA



<b>Term(s)</b>	<b>Definition</b>
“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 or supplemented from time to time
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“Power Assets”	Power Assets Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6)
“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"> <li>(a) a unit in the Trust;</li> <li>(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</li> <li>(c) a specifically identified preference share of the Company stapled to the unit</li> </ul>
“Share Stapled Units Register”	The register of registered Holders of Share Stapled Units

<b>Term(s)</b>	<b>Definition</b>
“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