

港燈電力投資

HK Electric Investments

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

(As constituted pursuant to a deed of trust on 1 January 2014 under the laws of Hong Kong, the trustee of which is HK Electric Investments Manager Limited.)

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港燈電力投資有限公司

HK Electric Investments Limited

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

(股份代號 Stock Code : 2638)



港燈電力投資

HK Electric Investments

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## **2020 INTERIM RESULTS** **CHAIRMAN'S STATEMENT**

With COVID-19 raging across the world, Hong Kong and our own operations bore the brunt of the pandemic in the first half of the year. Our priority during this challenging time has been to maintain reliable and affordable power supply for our customers while ensuring the safety and wellbeing of our employees and other stakeholders.

Our most noteworthy milestone during the period was the commissioning of L10, the first of three 380-MW gas-fired generating units to be built within the 2019-2023 Development Plan, at the end of February 2020. The launch has enabled us to make a step-change in our proportion of gas-fired electricity generation – from about 30% in previous years to about 50% in 2020 and a commensurate reduction in our coal-fired electricity generation.

Agile operations underpinned by technology have enabled us to maintain normal operations during the period: despite the social distancing measures in place, we have been able to maintain supply reliability and continue to deliver quality customer service.

At the beginning of the year we rolled out a bank of relief measures designed to benefit SMEs, particularly small caterers, and families in need. These measures are supporting the community to ride out the economic impacts of social unrest and later COVID-19.

### **Half-year results**

For the six months ended 30 June 2020, HKEI's EBITDA amounted to HK\$3,204 million (2019: HK\$3,287 million) and unaudited profit attributable to holders of Share Stapled Units (SSU) was HK\$811 million (2019: HK\$709 million).

## **Interim distribution**

Distributable income for the period was HK\$1,408 million (2019: 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 (2019: HK15.94 cents) per SSU, payable on 28 August 2020 to SSU holders whose names appear on the Share Staped Units Register on 19 August 2020.

## **Creating a green energy ecosystem for Hong Kong**

Our 2019-2023 Development Plan, under which we are investing HK\$16.2 billion in new gas-fired generating units and other facilities to decarbonise our operations, saw steady progress. Following the commissioning of L10, work is continuing with the remaining two gas-fired generating units, L11 and L12, and the offshore liquefied natural gas terminal. This is despite ongoing travel and social distancing restrictions and occasional disruptions in the supply of machine parts and engineering expertise following the outbreak of the pandemic. While there is a short-term impact on project schedules, we are confident that construction works will be completed on time.

In support of the Government's vision to transform Hong Kong into a Smart City, we started the mass rollout of smart meters in April 2020. The deployment of smart meters and advanced metering infrastructure across our entire customer base is a complex task. Extensive preparations are required in project management, customer engagement, building IT infrastructure, implementing measures to ensure cybersecurity, and setting up a communication network. Work is in full swing with completion planned for 2025.

## **Maintaining performance in challenging socio-economic conditions**

Electricity sales for the first half of 2020 were 4% lower than the same period last year. April 2020 in particular saw a drop in sales by almost 20% compared with the same month in 2019. The decline was predominantly due to the anti-pandemic measures in place across the city including the suspension of public services and events, and reduced business and commercial activities, as well as continuing energy conservation efforts, though hot weather in May and June has mitigated the decrease.

As we increase gas-fired generation we are incurring significantly higher fuel costs and capital expenditure. This factor, combined with lower special rebates, led to an increase of 5.2% in net tariff for 2020, to 126.4 cents per unit of electricity. The more frequent fuel clause charge adjustment mechanism allows us to reflect changes in actual fuel costs in a timely and transparent manner.

The outbreak of COVID-19 and the need to implement extensive precautionary measures have posed challenges to our operations – not only do we have to adhere to safeguarding guidelines, but as an essential utility we also have to ensure uninterrupted supply for our customers. In addition to preparing business continuity plans to maintain normal operations, we have segregated work teams and implemented social distancing and work-from-home arrangements. Face masks and hand sanitisers were distributed and office premises were cleaned and disinfected regularly. We also carried out drills to test our preparedness in dealing with COVID-19 confirmed cases should they emerge in the company.

Despite these constraints, we were able to maintain our customary high standards in supply reliability rating of over 99.999% for the first half of 2020.

Network expansion and maintenance took place as needed, with major initiatives such as network extension for the MTR's Shatin to Central Link (Hong Kong Island Section) being completed. Our focus on innovation allows us to both enhance supply reliability and ensure employee safety during this challenging time. Dozens of projects utilising technology to innovate were launched including connected home-grown low-voltage fault indicators to improve the performance of low-voltage circuits, and a facial recognition system to improve employee safety in confined spaces such as storage tanks, chambers and pits.

We once again met or surpassed all our pledged customer service standards during the period. Over the years, we have steadily been increasing the number of services we offer online or via mobile. These e-services, such as e-payment, e-forms and e-billing have proved very useful during this period as customers migrated more of their activities online. We have deployed robotic process automation to handle high-volume and repetitive tasks in our call centre in order to improve customer service through technological innovation.

### **Supporting stakeholders during this unprecedented time**

From January 2020, we have rolled out a platform of five relief measures to support SME customers, especially small catering establishments. Tariff increases were waived for a six-month grace period for more than 70,000 non-residential customers and subsidies were provided to commercial customers including SMEs to purchase energy-efficient equipment.

Separately, 180 SME caterers benefitted from a two-month electricity payment deferral scheme to ease any short-term cash flow problems. We have also distributed 40,000 sets of dining coupons worth HK\$20 million in total to families in need, which will help generate additional business for SME caterers. In addition, we have provided a food and beverage subsidy to about 50 NGO-run community centres to organise events for the underprivileged.

In June, we joined other Cheung Kong Group companies in raising funds for The Community Chest by matching public contributions, thus doubling total donations to help the community through the pandemic.

While we had to suspend our routine community outreach activities in line with government guidelines, we continued to reach out through mobile devices. “CAREnJOY Non-stop” saw elders receive weekly messages with information on home electrical safety, tips on energy use, health tips and games while home visits by our volunteers are being replaced by weekly phone calls to care for and support the elderly. The Happy Green Campaign continued to promote environmental messages among younger audiences under the theme “Smart Power for Smart City” via online platforms and social media.

### **Climate and emissions reduction focus continues unchanged**

In 2019, we refined and strengthened our approach to achieve three of the United Nations’ Sustainable Development Goals (SDGs) most appropriate to our business, namely SDG 7: Affordable and Clean Energy, SDG 9: Industry, Innovation and Infrastructure, and SDG 13: Climate Action. We have since finalised internal targets for the three SDGs with their respective actual implementation. This will provide us with a framework with which to keep track of progress of our decarbonisation and innovation efforts.

Thanks in part to our increased proportion of gas-fired generation and a commensurate reduction in our coal-fired electricity generation, we were able to reduce our emissions of nitrogen oxides, sulphur dioxide and respirable suspended particulates as well as carbon emissions.

Our suite of Smart Power Services plays an important role in promoting energy efficiency in the Hong Kong community, completing more than 100 audits of businesses for energy efficiency during the period. The Smart Power Care Fund approved more than 380 applications for relief measures and subsidies to improve energy efficiency and electrical safety, while the Smart Power Building Fund approved 22 applications for energy efficiency-related building works worth HK\$6.3 million.

We connected another 26 renewable energy installations on customer premises to the grid under the Feed-in Tariff Scheme and sold Renewable Energy Certificates covering 1.7 GWh to help customers manage their own carbon footprints. The total renewable energy generated by all customer-side installations during the period was about 600 MWh.

We have expanded our support of electric vehicles (EVs) to enable electrification of public transportation in Hong Kong. We participated in initiatives relating to the development of charging stations for electric buses, the launch of electric ferries and a trial of electric mini-buses. We upgraded two of our free EV charging stations to Multi-standard Quick Chargers to make them accessible to more drivers. Apart from our 12 free EV charging stations, which recorded 8,300 charging operations during the past six months, we are supporting a pilot subsidy scheme by the Government to install charging facilities at car parks of residential buildings.

## **Outlook**

In spite of the continued impact of the pandemic on all sectors which is expected throughout the second half of 2020, we remain committed to our pledge to deliver reliable, green energy to the residents of Hong Kong while helping the city decarbonise over the long term.

Our priority is to move forward steadfastly with the capital projects under our Development Plan. Construction works will take place under an accelerated timeline in the coming years to ensure all projects are completed on schedule.

Our objective is to serve better by achieving sustainable operations, higher efficiencies and continued progress through innovation.

In closing, my heartfelt thanks go to the board and our dedicated employees who have gone above and beyond during this challenging period.

**Fok Kin Ning, Canning**  
Chairman  
Hong Kong, 4 August 2020

## FINANCIAL REVIEW

### Financial performance

The Trust Group's revenue and unaudited consolidated profit for the period ended 30 June 2020 were HK\$4,800 million (2019: HK\$5,003 million) and HK\$811 million (2019: HK\$709 million) respectively.

### Distribution

The Trustee-Manager Board has declared an interim distribution of HK15.94 cents (2019: HK15.94 cents) per SSU for the six months ended 30 June 2020. 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 (2019: HK15.94 cents) per ordinary share in respect of the same period.

	Six months ended 30 June	
	2020	2019
	HK\$ million	HK\$ million
Consolidated profit attributable to SSU holders for the period	811	709
After:		
(i) eliminating the effects of the Adjustments (see note (a) below)	2,521	2,750
(ii) adding/(deducting)		
– movement in Fuel Clause Recovery Account	49	(82)
– changes in working capital	(462)	(587)
– adjustment for employee retirement benefit schemes	2	5
– taxes paid	(488)	(107)
	(899)	(771)
(iii) capital expenditure payment	(2,272)	(1,429)
(iv) net finance costs	(543)	(500)
Distributable income for the period	(382)	759
(v) adding discretionary amount as determined by the Company Board pursuant to clause 14.1(c) of the Trust Deed	1,790	649
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 2020, as calculated pursuant to the Trust Deed, by the above discretionary amount, pursuant to clause 14.1(c) of the Trust Deed.

Note:

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

### **Capital expenditure, liquidity and financial resources**

Capital expenditure (excluding right-of-use assets but including the Trust Group's capital expenditure in the offshore LNG terminal developed by a joint venture) during the period amounted to HK\$1,571 million (2019: HK\$1,270 million), which was funded by cash from operations and external borrowings. Total external borrowings outstanding at 30 June 2020 were HK\$45,418 million (31 December 2019: HK\$43,045 million), comprising unsecured bank loans and debt securities in issue. In addition, the Trust Group at 30 June 2020 had undrawn committed bank facilities of HK\$8,250 million (31 December 2019: HK\$5,950 million) and bank deposits and cash of HK\$750 million (31 December 2019: HK\$299 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.

During the period, the Trust Group issued US\$500 million 10 year notes in the public bond market as well as a total of HK\$2,119 million notes with tenors ranging from 10 to 30 years in the Hong Kong dollar private placement market under its Medium Term Notes Programme. The proceeds of these issues were either utilised for its general corporate purpose or earmarked for the redemption of notes maturing in December 2020.

As at 30 June 2020, the net debt of the Trust Group was HK\$44,668 million (31 December 2019: HK\$42,746 million) with a net debt-to-net total capital ratio of 48% (31 December 2019: 47%). The Trust Group's financial profile remained strong during the period. On 26 February 2020, Standard & Poor's reaffirmed the "A-" long-term credit rating and "Stable" outlook for the Company which had remained unchanged since September 2015. On 17 June 2020, Standard & Poor's also reaffirmed 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 30 June 2020, after taking into account forward foreign exchange contracts, cross currency and interest rate swaps, was as follows:

- (1) 97% were in Hong Kong dollars and 3% were in United States dollars;
- (2) 32% were bank loans and 68% were capital market instruments;
- (3) 44% were repayable within 1 year, 2% were repayable after 1 year but within 5 years and 54% were repayable after 5 years; and
- (4) 81% were in fixed rate and 19% 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 2020, 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 2020 amounted to HK\$47,023 million (31 December 2019: HK\$43,355 million).

### **Charge on assets**

As at 30 June 2020, no assets of the Trust Group were pledged to secure its loans and banking facilities (31 December 2019: Nil).



## **Contingent liabilities**

As at 30 June 2020, the Trust Group had no guarantee or indemnity to external parties (31 December 2019: 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 2020, excluding directors' emoluments, amounted to HK\$594 million (2019: HK\$583 million). As at 30 June 2020, the Trust Group employed 1,739 (31 December 2019: 1,770) 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 2020**

(Expressed in Hong Kong dollars)

	Note	<b>2020</b> <b>\$ million</b>	2019 \$ million
<b>Revenue</b>	6	<b>4,800</b>	5,003
Direct costs		<u>(2,539)</u>	<u>(2,676)</u>
		<b>2,261</b>	2,327
Other revenue and other net income		<b>1</b>	17
Other operating costs	8	<u>(509)</u>	<u>(531)</u>
<b>Operating profit</b>		<b>1,753</b>	1,813
Finance costs		<u>(488)</u>	<u>(491)</u>
<b>Profit before taxation</b>	9	<b>1,265</b>	1,322
Income tax:	10		
Current		<u>(162)</u>	<u>(209)</u>
Deferred		<u>(76)</u>	<u>(43)</u>
		<u>(238)</u>	<u>(252)</u>
<b>Profit after taxation</b>		<b>1,027</b>	1,070
Scheme of Control transfers	11	<u>(216)</u>	<u>(361)</u>
<b>Profit for the period attributable to the holders of Share Stapled Units/ shares of the Company</b>		<u><b>811</b></u>	<u>709</u>
<b>Earnings per Share Stapled Unit/ share of the Company</b>			
Basic and diluted	12	<u><b>9.18 cents</b></u>	<u>8.02 cents</u>

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

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 2020**

(Expressed in Hong Kong dollars)

	<b>2020</b>	2019
	<b>\$ million</b>	\$ million
<b>Profit for the period attributable to the holders of Share Stapled Units/shares of the Company</b>	<b>811</b>	709
<b>Other comprehensive income for the period, after tax and reclassification adjustments</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments and cost of hedging recognised during the period	<b>(21)</b>	14
Net deferred tax credited/(charged) to other comprehensive income	<b>3</b>	(2)
	<b>(18)</b>	12
<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 and cost of hedging recognised during the period	<b>(197)</b>	140
Reclassification adjustments for amounts transferred to profit or loss	<b>(54)</b>	(45)
Net deferred tax charged to other comprehensive income	<b>(2)</b>	(20)
	<b>(253)</b>	75
<b>Total comprehensive income for the period attributable to the holders of Share Stapled Units/shares of the Company</b>	<b>540</b>	796

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 2020**

(Expressed in Hong Kong dollars)

		(Unaudited) 30 June 2020 \$ million	(Audited) 31 December 2019 \$ million
<b>Non-current assets</b>			
Property, plant and equipment		66,567	66,601
Interests in leasehold land held for own use		5,717	5,815
	13	<u>72,284</u>	<u>72,416</u>
Goodwill		33,623	33,623
Interest in a joint venture		171	42
Derivative financial instruments		936	649
Employee retirement benefit scheme assets		811	809
		<u>107,825</u>	<u>107,539</u>
<b>Current assets</b>			
Inventories		720	819
Trade and other receivables	14	1,562	1,060
Bank deposits and cash		750	299
		<u>3,032</u>	<u>2,178</u>
<b>Current liabilities</b>			
Trade and other payables and contract liabilities	15	(2,033)	(2,980)
Fuel Clause Recovery Account		(696)	(647)
Current portion of bank loans and other interest-bearing borrowings	16	(20,025)	(6,010)
Bank overdrafts – unsecured		-	(33)
Current tax payable		(251)	(577)
		<u>(23,005)</u>	<u>(10,247)</u>
<b>Net current liabilities</b>		<u>(19,973)</u>	<u>(8,069)</u>
<b>Total assets less current liabilities</b>		<u>87,852</u>	<u>99,470</u>
<b>Non-current liabilities</b>			
Bank loans and other interest-bearing borrowings	16	(25,393)	(37,002)
Derivative financial instruments		(496)	(14)
Customers' deposits		(2,236)	(2,241)
Deferred tax liabilities		(9,621)	(9,540)
Employee retirement benefit scheme liabilities		(372)	(368)
Other non-current liabilities		(1,035)	(955)
		<u>(39,153)</u>	<u>(50,120)</u>
<b>Scheme of Control Fund and Reserve</b>	17	<u>(1,079)</u>	<u>(878)</u>
<b>Net assets</b>		<u>47,620</u>	<u>48,472</u>
<b>Capital and reserves</b>			
Share capital		8	8
Reserves		47,612	48,464
<b>Total equity</b>		<u>47,620</u>	<u>48,472</u>

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

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

(Expressed in Hong Kong dollars)

### **1. Review of unaudited interim financial statements**

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

### **2. General information**

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

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

### **3. Basis of presentation**

Pursuant to the Trust Deed, the Trust and the Company are each required to prepare their own sets of interim financial statements on a consolidated basis. The unaudited consolidated interim financial statements of the Trust for the period ended 30 June 2020 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 2020 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 2020 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 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of these changes in accounting policies are set out in note 5.

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

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

#### **5. Changes in accounting policies**

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Groups. Of these, the following developments are relevant to the Trust’s and the Company’s unaudited consolidated interim financial statements:

- Amendments to HKAS 1 and HKAS 8, *Definition of material*
- Amendments to HKFRS 9, HKAS 39 and HKFRS 7, *Interest rate benchmark reform*

The adoption of these amendments to HKFRSs 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 or amendment 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	
	2020 \$ million	2019 \$ million
Sales of electricity	4,790	4,983
Less: Concessionary discount on sales of electricity	(2)	(2)
	4,788	4,981
Electricity-related income	12	22
	4,800	5,003

## 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	
	2020 \$ million	2019 \$ million
Administrative expenses, government rent and rates	182	168
Staff costs in relation to corporate and administrative supports	113	114
Provisions for asset decommissioning obligation	80	107
Portion of depreciation and amortisation of leasehold land included in other operating costs	94	86
Net loss on disposal and written off of property, plant and equipment	40	56
	509	531

## 9. Profit before taxation

	<b>Six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$ million</b>	<b>\$ million</b>
Profit before taxation is arrived at after charging/(crediting):		
Finance costs		
Interest on borrowings and other finance costs	627	617
Less: Interest expense and other finance costs capitalised to assets under construction	(131)	(117)
Interest expense transferred to fuel costs	(8)	(9)
	<b>488</b>	<b>491</b>
Depreciation		
Depreciation charges for the period	1,399	1,417
Less: Depreciation capitalised to assets under construction	(43)	(40)
	<b>1,356</b>	<b>1,377</b>
Amortisation of leasehold land	<b>98</b>	<b>98</b>

## 10. Income tax

	<b>Six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$ million</b>	<b>\$ million</b>
<b>Current tax</b>		
Provision for Hong Kong Profits Tax for the period	162	209
<b>Deferred tax</b>		
Origination and reversal of temporary differences	76	43
	<b>238</b>	<b>252</b>

The provision for Hong Kong Profits Tax for the six months ended 30 June 2020 is calculated at 16.5% (2019: 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 2019.

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:

	<b>Six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>\$ million</b>	\$ million
Tariff Stabilisation Fund	<b>211</b>	356
Rate Reduction Reserve	<b>5</b>	5
	<b>216</b>	361

## 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 \$811 million for the six months ended 30 June 2020 (2019: \$709 million) and the weighted average of 8,836,200,000 Shares Stapled Units/ordinary shares of the Company (2019: 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

<b>\$ million</b>	<b>Site formation and buildings</b>	<b>Properties leased for own use</b>	<b>Plant, machinery and equipment</b>	<b>Fixtures, fittings and motor vehicles</b>	<b>Assets under construction</b>	<b>Sub-total</b>	<b>Interests in leasehold land held for own use</b>	<b>Total</b>
Net book value at 1 January 2020	13,799	2	42,541	500	9,759	66,601	5,815	72,416
Additions	-	1	27	4	1,385	1,417	-	1,417
Transfers between categories	1,311	-	2,582	8	(3,901)	-	-	-
Disposals	-	-	(52)	-	-	(52)	-	(52)
Depreciation/ amortisation	(256)	(1)	(1,090)	(52)	-	(1,399)	(98)	(1,497)
<b>Net book value at 30 June 2020</b>	<b>14,854</b>	<b>2</b>	<b>44,008</b>	<b>460</b>	<b>7,243</b>	<b>66,567</b>	<b>5,717</b>	<b>72,284</b>
Cost	18,122	5	56,932	948	7,243	83,250	6,959	90,209
Accumulated depreciation and amortisation	(3,268)	(3)	(12,924)	(488)	-	(16,683)	(1,242)	(17,925)
<b>Net book value at 30 June 2020</b>	<b>14,854</b>	<b>2</b>	<b>44,008</b>	<b>460</b>	<b>7,243</b>	<b>66,567</b>	<b>5,717</b>	<b>72,284</b>

#### 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:

	<b>30 June 2020 \$ million</b>	31 December 2019 \$ million
Current and within 1 month	759	476
1 to 3 months	15	30
More than 3 months but less than 12 months	-	7
Trade debtors	774	513
Other receivables	690	414
	<b>1,464</b>	927
Derivative financial instruments	46	86
Deposits and prepayments	52	47
	<b>1,562</b>	1,060

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>30 June 2020 \$ million</b>	31 December 2019 \$ million
Due within 1 month or on demand	953	1,778
Due after 1 month but within 3 months	236	270
Due after 3 months but within 12 months	797	873
Creditors measured at amortised cost	1,986	2,921
Lease liabilities	1	2
Derivative financial instruments	21	39
Contract liabilities	25	18
	<b>2,033</b>	2,980

## 16. Bank loans and other interest-bearing borrowings

	<b>30 June 2020 \$ million</b>	31 December 2019 \$ million
Bank loans	<b>14,647</b>	18,333
Current portion	<b>(14,147)</b>	(113)
	<b>500</b>	18,220
Hong Kong dollar medium term notes		
Fixed rate notes	<b>8,567</b>	6,465
Zero coupon notes	<b>739</b>	727
	<b>9,306</b>	7,192
United States dollar medium term notes		
Fixed rate notes	<b>15,545</b>	11,697
Zero coupon notes	<b>5,920</b>	5,790
	<b>21,465</b>	17,487
Current portion	<b>(5,878)</b>	(5,897)
	<b>15,587</b>	11,590
Non-current portion	<b>25,393</b>	37,002

## 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:

	<b>30 June 2020 \$ million</b>	31 December 2019 \$ million
Tariff Stabilisation Fund	<b>1,073</b>	848
Rate Reduction Reserve	<b>5</b>	14
Smart Power Care Fund	<b>1</b>	16
	<b>1,079</b>	878

## 18. Interim distribution/dividend

The distributable income for the period was as follows:

	<b>Six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$ million</b>	<b>\$ million</b>
Consolidated profit attributable to the holders of Share Stapled Units for the period	<b>811</b>	709
After:		
(i) eliminating the effects of the Adjustments (see note (a) below)	<b>2,521</b>	2,750
(ii) adding/(deducting)		
- movement in Fuel Clause Recovery Account	<b>49</b>	(82)
- changes in working capital	<b>(462)</b>	(587)
- adjustment for employee retirement benefit schemes	<b>2</b>	5
- taxes paid	<b>(488)</b>	(107)
	<b>(899)</b>	(771)
(iii) capital expenditure payment	<b>(2,272)</b>	(1,429)
(iv) net finance costs	<b>(543)</b>	(500)
Distributable income for the period	<b>(382)</b>	759
(v) adding discretionary amount as determined by the Company Board pursuant to clause 14.1(c) of the Trust Deed (see note (d) below)	<b>1,790</b>	649
Distributable income for the period after adjustment of discretionary amount	<b>1,408</b>	1,408
Distribution amount for the period	<b>1,408</b>	1,408
Number of Share Stapled Units/ordinary shares of the Company	<b>8,836,200,000</b>	8,836,200,000
Interim distribution per Share Stapled Unit/first interim dividend per ordinary share of the Company (see note (e) below)	<b>15.94 cents</b>	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 2020, 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 (2019: 15.94 cents) is calculated based on the interim distribution of \$1,408 million for the six months ended 30 June 2020 (2019: \$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 2020 (2019: 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 2020**

(Expressed in Hong Kong dollars)

	Note	<u>2020</u> \$	<u>2019</u> \$
<b>Revenue</b>		-	-
Administrative expenses		-	-
<b>Profit before taxation</b>	6	-	-
Income tax	7	-	-
<b>Profit and total comprehensive income for the period</b>		<u>-</u>	<u>-</u>

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

**At 30 June 2020**

(Expressed in Hong Kong dollars)

	<b>(Unaudited)</b> <b>30 June</b> <b>2020</b> \$	<b>(Audited)</b> <b>31 December</b> <b>2019</b> \$
<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 UNAUDITED INTERIM FINANCIAL STATEMENTS  
OF HK ELECTRIC INVESTMENTS MANAGER LIMITED**  
(Expressed in Hong Kong dollars)

**1. Review of unaudited interim financial statements**

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

**2. General information**

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

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

**3. Basis of presentation**

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

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

**4. Basis of preparation**

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

The interim financial statements have been prepared in accordance with the same accounting policies adopted in and should be read in conjunction with the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of these changes in accounting policies are set out in note 5.



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

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

The financial information relating to the financial year ended 31 December 2019 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 2019 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 2019. 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 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 result and financial position for the current or prior periods. The Company has not applied any new standard or amendment 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 \$170,000 for the six months ended 30 June 2020 (2019: \$186,000) 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 2020 of HK15.94 cents per Share Stapled Unit. The distribution will be payable on Friday, 28 August 2020 to Holders of Share Stapled Units whose names appear in the Share Stapled Units Register at the close of business on Wednesday, 19 August 2020, 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, 19 August 2020.

### **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 2020.

### **Corporate governance practices**

The Boards 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 policies 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 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, the Trustee-Manager is responsible for compliance by the Trust with the Listing Rules applicable to the Trust and other relevant laws and regulations, the Company is responsible for compliance by the Company with the Listing Rules applicable to the Company and other relevant laws and regulations, and each of the Trustee-Manager and the Company will co-operate with each other to ensure that each party complies with 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 six months ended 30 June 2020, except as stated hereunder.

The Trustee-Manager does not have a remuneration committee as provided for in code provision B.1, since under the terms of their letters of appointment the Directors of the Trustee-Manager are not entitled to any remuneration.

In accordance with code provision A.5.1, the Company established a Nomination Committee. While its membership comprises all Directors of the Company, the Nomination Committee of the Company is assisted by an ad hoc sub-committee (which is chaired by the Chairman of the Company Board and its membership, comprising a majority of Independent Non-executive Directors, is compliant with the requirements under the Listing Rules for a nomination committee) when discharging its responsibilities. The Trustee-Manager does not have a nomination committee as provided for in code provision A.5, since in accordance with the Trust Deed and the Trustee-Manager's articles of association, the Trustee-Manager Board shall at all times comprise the same individuals who serve as Directors of the Company, and the requirement to establish a nomination committee is hence considered irrelevant to the Trustee-Manager.

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 Trustee-Manager Audit Committee and the Company Audit Committee 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 a policy relating to 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 required standards set out in the Model Code throughout the six months ended 30 June 2020.

### **Boards composition**

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

Executive Directors : Mr. FOK Kin Ning, Canning (Chairman) (Mrs. CHOW WOO Mo Fong, Susan as his alternate), Mr. WAN Chi Tin (Chief Executive Officer), Mr. CHAN Loi Shun, Mr. CHEN Daobiao and Mr. CHENG Cho Ying, Francis

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. DUAN Guangming, Mr. Deven Arvind KARNIK and Mr. ZHU Guangchao

Independent Non-executive Directors : Dr. FONG Chi Wai, Alex, Mr. KWAN Kai Cheong, Mr. LEE Lan Yee, Francis, Mr. George Colin MAGNUS, Mr. Donald Jeffrey ROBERTS and Mr. Ralph Raymond SHEA

## **GLOSSARY**

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

<b>Term(s)</b>	<b>Definition</b>
“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 14 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
“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

<b>Term(s)</b>	<b>Definition</b>
“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 10 of the Listing Rules
“Power Assets”	Power Assets Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6)
“Share Stapled Unit(s)” or “SSU(s)”	<p>Share Stapled Unit(s) jointly issued by the Trust and the Company, with each Share Stapled Unit being the combination of the following securities or interests in securities which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others:</p> <ul style="list-style-type: none"> <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
“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 the deed of amendment dated 13 May 2020
“Trust Group”	The Trust and the Group

<b>Term(s)</b>	<b>Definition</b>
“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