

Combined Report of the Directors

The Directors of HK Electric Investments Limited (the "Company") have pleasure in submitting the annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the period ended 31 December 2013.

The Directors of HK Electric Investments Manager Limited (the "Trustee-Manager"), as the trustee-manager of HK Electric Investments, also present the audited financial statements of the Trustee-Manager for the period ended 31 December 2013.

Principal Activities

The principal activity of the Company is investment holding. Neither the Company nor its subsidiaries has carried on any business since their dates of incorporation up to 31 December 2013. Particulars of the Company's subsidiaries are set out in note 8 to the consolidated financial statements of the Company.

HK Electric Investments was constituted as a trust on 1 January 2014 pursuant to a trust deed entered into between the Company and the Trustee-Manager. HK Electric Investments is a fixed single investment trust, with its activities being limited to investing in securities and other interests in the Company.

The principal activity of the Trustee-Manager is the administration of HK Electric Investments, in its capacity as trustee-manager. The Trustee-Manager did not carry on any business since its date of incorporation up to 31 December 2013.

Financial Statements

The results of the Group for the period from 23 September 2013 (the Company's date of incorporation) to 31 December 2013 and the state of the Company's and the Group's affairs as at 31 December 2013 are set out in the consolidated financial statements of the Company on pages 26 to 39.

The results of the Trustee-Manager for the period from 25 September 2013 (its date of incorporation) to 31 December 2013 and the state of the Trustee-Manager's affairs as at 31 December 2013 are set out in the financial statements of the Trustee-Manager on pages 41 to 48.

Dividends and Distributions

The Directors of the Company do not recommend the payment of a final dividend for the period ended 31 December 2013 to Quickview Limited, the sole shareholder of the Company as at 31 December 2013.

Holders of Share Stapled Units, in their capacity as such, will not receive distributions for any period before the listing date of the Share Stapled Units. The first distribution to be paid to holders of Share Stapled Units will be for the period from 29 January 2014, the listing date, to 30 June 2014 as an interim distribution.

The Directors of the Trustee-Manager do not recommend the payment of a final dividend for the period ended 31 December 2013 to Sure Grade Limited, the sole shareholder of the Trustee-Manager.

Share Capital and Share Stapled Units

Details of the share capital of the Company during the period from its incorporation on 23 September 2013 to 31 December 2013 are set out in note 12(b) to the consolidated financial statements of the Company.

On 1 January 2014, resolutions of the Company were passed to change the share capital structure of the Company by increasing the authorised share capital of the Company to HK\$20,000,000, with 20,000,000,000 shares of HK\$0.0005 each designated as ordinary shares and the remaining 20,000,000,000 shares of HK\$0.0005 each designated as preference shares, in each case with the rights, preferences, privileges and restrictions as set out in the Company's amended and restated memorandum and articles of association.

Upon listing on 29 January 2014, a total of 8,836,200,000 Share Stapled Units were issued, and the same number of ordinary shares and preference shares were correspondingly issued by the Company. There have been no new Share Stapled Units, and hence no ordinary shares or preference shares, issued thereafter, up to the date of this report.

Details of the share capital of the Trustee-Manager during the period from its incorporation on 25 September 2013 to 31 December 2013 are set out in note 7 to the financial statements of the Trustee-Manager.

Reserves

Movements in the reserves of the Company and the Group during the period ended 31 December 2013 are set out in note 12(a) to the consolidated financial statements of the Company and in the consolidated statement of changes in equity of the Company on page 28.

The statement of changes in equity of the Trustee-Manager during the period ended 31 December 2013 is set out on page 43.

Combined Report of the Directors

Major Customers and Suppliers

During the period ended 31 December 2013, neither the Group nor the Trustee-Manager has carried on any business.

Directors

The Directors of the Company and the Trustee-Manager in office during the period ended 31 December 2013 were, and up to the date of this report are:

Executive Directors

Mr. Fok Kin Ning, Canning (*Chairman*)
Mr. Wan Chi Tin (*Chief Executive Officer*)
Mr. Chan Loi Shun
Mr. Cheng Cho Ying, Francis
Mrs. Chow Woo Mo Fong, Susan
Mr. Yuen Sui See

Non-executive Directors

Mr. Tso Kai Sum (*Deputy Chairman and Senior Adviser to the Company Board*)
Mr. Ronald Joseph Arculli

Independent Non-executive Directors

Mr. Fong Chi Wai, Alex
Mr. Lee Lan Yee, Francis
Mr. George Colin Magnus
Mr. Donald Jeffrey Roberts

On behalf of the Board
HK Electric Investments Manager Limited
and
HK Electric Investments Limited

Fok Kin Ning, Canning

Chairman

Hong Kong, 6 March 2014