

# THE HONGKONG ELECTRIC COMPANY, LIMITED

## TEN-YEAR STATEMENT OF FINANCIAL POSITION

At 31 December

HK\$ million	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Non-current assets</b>										
Property, plant and equipment and interests in leasehold land	51,753	50,494	49,971	49,482	49,198	49,137	49,345	48,848	47,976	47,523
Employee retirement benefit scheme assets	593	648	454	580	668	615	216	271	796	456
Derivative financial instruments	539	784	1,034	314	352	241	646	433	21	31
	<b>52,885</b>	51,926	51,459	50,376	50,218	49,993	50,207	49,552	48,793	48,010
<b>Current assets</b>										
Coal, fuel oil and natural gas	675	671	624	525	572	592	763	780	433	629
Stores and materials	314	340	361	357	361	356	351	335	314	301
Trade and other receivables	1,024	1,065	1,218	1,155	1,129	1,104	1,183	1,078	1,118	1,035
Fuel Clause Recovery Account	-	-	-	-	-	1	820	1,035	569	551
Bank deposits and cash	33	1,658	310	6,155	4,629	1,060	8	24	9	92
	<b>2,046</b>	3,734	2,513	8,192	6,691	3,113	3,125	3,252	2,443	2,608
<b>Current liabilities</b>										
Bank loans and other borrowings	(440)	-	(335)	(900)	(520)	(503)	(5,317)	(617)	(52)	-
Fuel Clause Recovery Account	(855)	(2,771)	(4,088)	(2,283)	(631)	-	-	-	-	-
Trade and other payables and contract liabilities	(6,607)	(6,626)	(6,263)	(5,519)	(4,740)	(2,081)	(2,305)	(2,565)	(1,577)	(1,487)
Current taxation	(137)	(214)	(351)	(360)	(219)	(340)	(330)	(218)	(157)	(236)
	<b>(8,039)</b>	(9,611)	(11,037)	(9,062)	(6,110)	(2,924)	(7,952)	(3,400)	(1,786)	(1,723)
<b>Net current assets/(liabilities)</b>	<b>(5,993)</b>	(5,877)	(8,524)	(870)	581	189	(4,827)	(148)	657	885
<b>Total assets less current liabilities</b>	<b>46,892</b>	46,049	42,935	49,506	50,799	50,182	45,380	49,404	49,450	48,895
<b>Non-current liabilities</b>										
Bank loans and other borrowings	(32,855)	(32,714)	(30,700)	(37,646)	(38,703)	(29,574)	(21,893)	(26,691)	(25,727)	(24,909)
Derivative financial instruments	(411)	(184)	(73)	(168)	(63)	-	-	(10)	(132)	(15)
Customers' deposits	(2,195)	(2,130)	(2,057)	(2,001)	(1,937)	(1,900)	(1,839)	(1,801)	(1,747)	(1,676)
Deferred tax liabilities	(6,168)	(5,848)	(5,595)	(5,698)	(5,927)	(5,955)	(5,912)	(5,883)	(5,763)	(5,622)
Employee retirement benefit scheme liabilities	(393)	(288)	(406)	(587)	(499)	(443)	(821)	(827)	(587)	(722)
Provisions	(747)	(503)	-	-	-	-	-	-	-	-
	<b>(42,769)</b>	(41,667)	(38,831)	(46,100)	(47,129)	(37,872)	(30,465)	(35,212)	(33,956)	(32,944)
<b>Tariff Stabilisation Fund</b> (note 1)	<b>(620)</b>	(316)	(24)	(204)	(288)	(36)	(425)	(497)	(543)	(485)
<b>Rate Reduction Reserve</b> (note 2)	<b>(6)</b>	(1)	(1)	(1)	-	(3)	(2)	(1)	(4)	(14)
<b>Smart Power Fund</b> (note 3)	<b>(22)</b>	(18)	(14)	(10)	(5)	-	-	-	-	-
<b>Net assets</b>	<b>3,475</b>	4,047	4,065	3,191	3,377	12,271	14,488	13,694	14,947	15,452
<b>Capital and reserves</b>										
Share capital	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411
Reserves	1,125	1,326	1,057	921	1,002	1,000	-	4	-	6
Hedging reserves	(61)	310	597	(141)	(36)	15	3	(4)	8	(6)
Proposed dividend	-	-	-	-	-	-	3,229	2,438	3,683	4,196
	<b>3,475</b>	4,047	4,065	3,191	3,377	3,426	5,643	4,849	6,102	6,607
Loan capital	-	-	-	-	-	8,845	8,845	8,845	8,845	8,845
<b>Total equity</b>	<b>3,475</b>	4,047	4,065	3,191	3,377	12,271	14,488	13,694	14,947	15,452

## Notes:

- The Tariff Stabilisation Fund is not part of shareholders' funds.
- The purpose of this reserve is to reduce, by means of rebates, electricity tariffs to customers. Pursuant to 2013 mid-term review of Scheme of Control, the year-end balance of the reserve of a year has to be transferred to the Tariff Stabilisation Fund in the following year starting from end 2013.
- Pursuant to 2013 mid-term review of Scheme of Control, a Smart Power Fund was established in June 2014 to support the carrying out of improvement works to upgrade the energy efficiency performance of building services installations for communal use of non-commercial buildings.