

THE HONGKONG ELECTRIC COMPANY, LIMITED

TEN-YEAR STATEMENT OF FINANCIAL POSITION

At 31 December

HK\$ million	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Non-current assets										
Property, plant and equipment and interests in leasehold land	56,437	53,791	51,753	50,494	49,971	49,482	49,198	49,137	49,345	48,848
Interest in a joint venture	278	42	–	–	–	–	–	–	–	–
Employee retirement benefit scheme assets	887	809	593	648	454	580	668	615	216	271
Derivative financial instruments	616	641	539	784	1,034	314	352	241	646	433
	58,218	55,283	52,885	51,926	51,459	50,376	50,218	49,993	50,207	49,552
Current assets										
Coal, fuel oil and natural gas	430	522	675	671	624	525	572	592	763	780
Stores and materials	296	297	314	340	361	357	361	356	351	335
Trade and other receivables	931	1,056	1,024	1,065	1,218	1,155	1,129	1,104	1,183	1,078
Fuel Clause Recovery Account	–	–	–	–	–	–	–	1	820	1,035
Bank deposits and cash	51	297	33	1,658	310	6,155	4,629	1,060	8	24
	1,708	2,172	2,046	3,734	2,513	8,192	6,691	3,113	3,125	3,252
Current liabilities										
Bank loans and other borrowings	(1,486)	(6,010)	(440)	–	(335)	(900)	(520)	(503)	(5,317)	(617)
Fuel Clause Recovery Account	(796)	(647)	(855)	(2,771)	(4,088)	(2,283)	(631)	–	–	–
Trade and other payables and contract liabilities	(7,107)	(6,940)	(6,607)	(6,626)	(6,263)	(5,519)	(4,740)	(2,081)	(2,305)	(2,565)
Bank overdrafts – unsecured	–	(33)	–	–	–	–	–	–	–	–
Current taxation	(541)	(577)	(137)	(214)	(351)	(360)	(219)	(340)	(330)	(218)
	(9,930)	(14,207)	(8,039)	(9,611)	(11,037)	(9,062)	(6,110)	(2,924)	(7,952)	(3,400)
Net current assets/(liabilities)	(8,222)	(12,035)	(5,993)	(5,877)	(8,524)	(870)	581	189	(4,827)	(148)
Total assets less current liabilities	49,996	43,248	46,892	46,049	42,935	49,506	50,799	50,182	45,380	49,404
Non-current liabilities										
Bank loans and other borrowings	(34,708)	(28,319)	(32,855)	(32,714)	(30,700)	(37,646)	(38,703)	(29,574)	(21,893)	(26,691)
Derivative financial instruments	(370)	(14)	(411)	(184)	(73)	(168)	(63)	–	–	(10)
Customers' deposits	(2,268)	(2,241)	(2,195)	(2,130)	(2,057)	(2,001)	(1,937)	(1,900)	(1,839)	(1,801)
Deferred tax liabilities	(6,628)	(6,467)	(6,168)	(5,848)	(5,595)	(5,698)	(5,927)	(5,955)	(5,912)	(5,883)
Employee retirement benefit scheme liabilities	(367)	(368)	(393)	(288)	(406)	(587)	(499)	(443)	(821)	(827)
Other non-current liabilities	(1,122)	(955)	(747)	(503)	–	–	–	–	–	–
	(45,463)	(38,364)	(42,769)	(41,667)	(38,831)	(46,100)	(47,129)	(37,872)	(30,465)	(35,212)
Tariff Stabilisation Fund (note 1)	(698)	(848)	(620)	(316)	(24)	(204)	(288)	(36)	(425)	(497)
Rate Reduction Reserve (note 2)	(8)	(14)	(6)	(1)	(1)	(1)	–	(3)	(2)	(1)
Smart Power Care Fund/ Smart Power Fund (note 3)	(20)	(16)	(22)	(18)	(14)	(10)	(5)	–	–	–
Net assets	3,807	4,006	3,475	4,047	4,065	3,191	3,377	12,271	14,488	13,694
Capital and reserves										
Share capital	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411
Reserves	1,427	1,259	1,125	1,326	1,057	921	1,002	1,000	–	4
Hedging reserves	(31)	336	(61)	310	597	(141)	(36)	15	3	(4)
Proposed dividend	–	–	–	–	–	–	–	–	3,229	2,438
	3,807	4,006	3,475	4,047	4,065	3,191	3,377	3,426	5,643	4,849
Loan capital	–	–	–	–	–	–	–	8,845	8,845	8,845
Total equity	3,807	4,006	3,475	4,047	4,065	3,191	3,377	12,271	14,488	13,694

Notes:

- The Tariff Stabilisation Fund is not part of shareholders' funds.
- Pursuant to 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 2009-2018 Scheme of Control Agreement ("SoCA"), 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. Under current SoCA, a Smart Power Care Fund has to be established no later than 1 January 2019 with initial funding provided by the net closing balance of the Smart Power Fund to promote energy efficiency and conservation.