

## 22. FUEL CLAUSE ACCOUNT

Costs of fuel consumed by CLP Power are passed on to the customers. The variations between the actual cost of fuel and the fuel cost billed are captured in the Fuel Clause Account. The balance on the account (inclusive of interest) represents amounts under-recovered and is an amount due from customers of CLP Power.

## 23. TRADE AND OTHER RECEIVABLES

	31 December 2000 HK\$M	31 December 1999 HK\$M
<b>Company</b>		
Debtors, deposits and prepayments	6	2
Dividends receivable	2,410	1,513
	<b>2,416</b>	<b>1,515</b>
<b>Group</b>		
Trade receivables (ageing analysis is shown below)	1,029	1,370
Deposits and prepayments	671	349
Current accounts with jointly controlled entities	16	5
	<b>1,716</b>	<b>1,724</b>

CLP Power's credit policy in respect of receivables arising from its principal electricity business is to allow customers to settle their electricity bills within 13 to 15 working days after issue. Customers' receivable balances are secured by cash deposits or bank guarantees.

The ageing analysis of the trade receivables at 31 December is as follows:

	31 December 2000 HK\$M	31 December 1999 HK\$M
Below 30 days	932	1,322
31-60 days	44	43
61-90 days	24	2
Over 90 days	29	3
	<b>1,029</b>	<b>1,370</b>

The bad debts written off during the year were HK\$7 million (12 months ended 31 December 1999: HK\$13 million and 15 months ended 31 December 1999: HK\$14 million)

## 24. TRADE AND OTHER PAYABLES

	31 December 2000 HK\$M	31 December 1999 HK\$M
<b>Company</b>		
Creditors	32	28
Current accounts with subsidiaries	8	7
	<b>40</b>	<b>35</b>
<b>Group</b>		
Trade payables (ageing analysis is shown below)	1,382	498
Other payables	232	355
Current accounts with jointly controlled entities	855	828
	<b>2,469</b>	<b>1,681</b>

The ageing analysis of the trade payables at 31 December is as follows:

	31 December 2000 HK\$M	31 December 1999 HK\$M
Below 30 days	1,360	471
31-60 days	6	6
61-90 days	2	2
Over 90 days	14	19
	<b>1,382</b>	<b>498</b>

## 25. SHARE CAPITAL

	Number of Shares of HK\$5 Each	Amount HK\$M
Authorised:		
At 31 December 1999 and 2000	3,000,000,000	<b>15,000</b>
Issued and fully-paid:		
At 31 December 1999 and 2000	2,081,227,000	<b>10,406</b>

## 26. RESERVES

	Capital Redemption Reserve HK\$M	Other Reserves HK\$M	Retained Profit HK\$M	Total HK\$M
<b>Company</b>				
Balance at 1 October 1998	199	–	12,960	13,159
Loss for the period	–	–	(24)	(24)
Dividends	–	–	(930)	(930)
Balance at 31 December 1998	199	–	12,006	12,205
Repurchase of ordinary shares	1,837	–	(12,816)	(10,979)
Profit for the year	–	–	7,376	7,376
Dividends	–	–	(4,213)	(4,213)
Balance at 31 December 1999	2,036	–	2,353	4,389
Profit for the year	–	–	6,511	6,511
Dividends	–	–	(4,661)	(4,661)
<b>Balance at 31 December 2000</b>	<b>2,036</b>	<b>–</b>	<b>4,203</b>	<b>6,239</b>
<b>Group</b>				
Balance at 1 October 1998	199	53	14,610	14,862
Earnings for the period, retained	–	–	738	738
Exchange differences arising on translation of:				
jointly controlled entities	–	1	–	1
associated company	–	70	–	70
Balance at 31 December 1998	199	124	15,348	15,671
Repurchase of ordinary shares	1,837	–	(12,816)	(10,979)
Earnings for the year, retained	–	–	2,448	2,448
Share of capital reserves of				
jointly controlled entities	–	1	–	1
Exchange differences arising on translation of:				
jointly controlled entities	–	26	–	26
associated company	–	(25)	–	(25)
Balance at 31 December 1999	2,036	126	4,980	7,142
Earnings for the year, retained	–	–	1,107	1,107
Exchange differences arising on translation of:				
jointly controlled entities	–	(23)	–	(23)
associated company	–	(176)	–	(176)
<b>Balance at 31 December 2000</b>	<b>2,036</b>	<b>(73)</b>	<b>6,087</b>	<b>8,050</b>
Including retained reserves of:				
jointly controlled entities	–	1	3,760	3,761
associated company	–	–	129	129

At 31 December 2000, distributable reserves of the Company amounted to HK\$4,203 million (1999: HK\$2,353 million).

## 27. BANK OVERDRAFTS, BANK LOANS AND OTHER BORROWINGS

	Group	
	31 December 2000 HK\$M	31 December 1999 HK\$M
Total facilities available		
Bank overdrafts	507	508
Bank loans	3,657	2,670
US Dollar Notes due 2006 (US\$300 million)	2,340	2,332
US Commercial Paper (US\$500 million)	3,900	3,887
	<b>10,404</b>	<b>9,397</b>
Utilised at 31 December		
Bank overdrafts	–	13
Bank loans	238	433
US Dollar Notes due 2006	2,340	2,332
	<b>2,578</b>	<b>2,778</b>
Amounts repayable		
within one year and included in current liabilities		
Bank overdrafts	–	13
Bank loans & other borrowings	77	390
	<b>77</b>	<b>403</b>
after one year and shown as long-term loans and other borrowings		
2nd year	155	33
3rd to 5th years inclusive	6	10
more than 5 years	2,340	2,332
	<b>2,501</b>	<b>2,375</b>
	<b>2,578</b>	<b>2,778</b>

The total borrowings of HK\$2,578 million at 31 December 2000 (1999: HK\$2,778 million) comprised

- (i) fixed rate bank loans of HK\$52 million (1999: HK\$153 million) with interest rates or effective interest rates after swaps ranging from 5.42% to 7.77% (1999: 5.40% to 7.77%);
- (ii) US Dollar Notes of HK\$2,340 million (1999: HK\$2,332 million) with a coupon rate of 7.5% (1999: 7.5%). During the year, the Notes were swapped into Hong Kong Dollars, half at fixed rate of 8% and half at variable rate; and
- (iii) variable rate bank loans of HK\$186 million (1999: HK\$280 million) and bank overdrafts of HK\$nil (1999: HK\$13 million).

A bank loan of HK\$145 million for the financing of equity injection in the Huaiji joint venture is secured by the Group's interest in a subsidiary which has an interest in the joint venture.

## 28. DEFERRED TAXATION

	12 months ended 31 December 2000 HK\$M	Group 12 months ended 31 December 1999 HK\$M	15 months ended 31 December 1999 HK\$M
Balance at beginning of year	2,920	2,779	2,759
Charge for the year	190	141	161
Balance at end of year	<b>3,110</b>	2,920	2,920

Deferred taxation arose from timing differences attributable to accelerated depreciation allowances, which is unlikely to reverse in the foreseeable future.

## 29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(A) Reconciliation of operating profit to net cash inflow from operating activities

	12 months ended 31 December 2000 HK\$M	12 months ended 31 December 1999 HK\$M	15 months ended 31 December 1999 HK\$M
Operating profit	6,191	5,859	7,622
Impairment loss on investment securities	130	–	–
Reversal of provision for development costs	–	(2)	(51)
Provision for development costs	18	17	22
Depreciation	1,474	1,374	1,704
Loss on disposal of fixed assets	100	84	87
Capital gain arising from disposal of properties	(7)	(35)	(35)
Other financing costs	(20)	(53)	(56)
Rebates to customers under Scheme of Control	(162)	(154)	(191)
Special rebate	(593)	(571)	(705)
Centenary rebate to customers	(387)	–	–
Increase in customers' deposits	133	103	149
Decrease in fuel clause account	310	242	348
(Increase) / decrease in debtors and prepayments	(7)	(84)	370
Increase / (decrease) in creditors	220	79	(349)
Increase in current accounts due to jointly controlled entities	15	85	54
Net cash inflow from operating activities	<b>7,415</b>	6,944	8,969

## 29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

(B) Analysis of changes in financing during the year

	Share Capital HK\$M	Bank Loans HK\$M	Other Borrowings HK\$M	Total HK\$M
Balance at 1 October 1998	12,243	419	2,325	14,987
Net cash outflow from financing	–	(83)	–	(83)
Provision for unrealised exchange loss	–	1	–	1
Balance at 31 December 1998	12,243	337	2,325	14,905
Net cash (outflow) / inflow from financing	(12,816)	96	–	(12,720)
Premium on share repurchase paid out of retained profits	10,979	–	–	10,979
Provision for unrealised exchange loss	–	–	7	7
Balance at 31 December 1999	10,406	433	2,332	13,171
Net cash (outflow) / inflow from financing	–	(195)	8	(187)
<b>Balance at 31 December 2000</b>	<b>10,406</b>	<b>238</b>	<b>2,340</b>	<b>12,984</b>

## 30. COMMITMENTS

(A) Capital expenditure authorised but not brought into the accounts are as follows:

	Group		Company	
	31 December 2000 HK\$M	31 December 1999 HK\$M	31 December 2000 HK\$M	31 December 1999 HK\$M
Contracted but not provided for	1,653	618	–	–
Authorised but not contracted for	9,179	9,492	2	3
	<b>10,832</b>	10,110	<b>2</b>	<b>3</b>

(B) During the year, the Group increased its interest in Ho-Ping Power Company from 30% to 40% by acquiring an additional 10% interest. Under the Shareholders' Agreement and subsequent Board resolution relating to Ho-Ping Power Company, the Group is required to contribute share capital of NT\$4 billion (approximately HK\$960 million) (1999:NT\$3 billion). The amount already paid at the end of December 2000 was NT\$2,843 million (approximately HK\$687 million) (1999: NT\$1,375 million). The remainder of the share capital will be paid by instalments before commercial operation.