

# THE HONGKONG ELECTRIC COMPANY, LIMITED

## TEN-YEAR STATEMENT OF FINANCIAL POSITION

At 31 December

HK\$ million	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Non-current assets</b>										
Fixed assets	49,198	49,137	49,345	48,848	47,976	47,523	46,550	46,123	46,565	46,331
Employee retirement benefit scheme assets	668	615	216	271	796	456	–	1,033	539	159
Derivative financial instruments	352	241	646	433	21	31	29	8	1	29
	<b>50,218</b>	<b>49,993</b>	<b>50,207</b>	<b>49,552</b>	<b>48,793</b>	<b>48,010</b>	<b>46,579</b>	<b>47,164</b>	<b>47,105</b>	<b>46,519</b>
<b>Current assets</b>										
Coal, fuel oil and natural gas	572	592	763	780	433	629	375	255	204	164
Stores and materials	361	356	351	335	314	301	283	281	278	281
Trade and other receivables	1,129	1,104	1,183	1,078	1,118	1,035	1,104	1,071	1,056	1,013
Fuel Clause Recovery Account	–	1	820	1,035	569	551	998	336	566	1,079
Cash and bank balances	4,629	1,060	8	24	9	92	11	4	21	2
	<b>6,691</b>	<b>3,113</b>	<b>3,125</b>	<b>3,252</b>	<b>2,443</b>	<b>2,608</b>	<b>2,771</b>	<b>1,947</b>	<b>2,125</b>	<b>2,539</b>
<b>Current liabilities</b>										
Bank loans and other borrowings	(520)	(503)	(5,317)	(617)	(52)	–	(1,687)	(1,405)	(3,735)	(4,398)
Fuel Clause Recovery Account	(631)	–	–	–	–	–	–	–	–	–
Trade and other payables	(4,740)	(2,081)	(2,305)	(2,565)	(1,577)	(1,487)	(1,009)	(860)	(898)	(842)
Current taxation	(219)	(340)	(330)	(218)	(157)	(236)	(187)	(410)	(540)	(220)
	<b>(6,110)</b>	<b>(2,924)</b>	<b>(7,952)</b>	<b>(3,400)</b>	<b>(1,786)</b>	<b>(1,723)</b>	<b>(2,883)</b>	<b>(2,675)</b>	<b>(5,173)</b>	<b>(5,460)</b>
<b>Net current assets/(liabilities)</b>	<b>581</b>	<b>189</b>	<b>(4,827)</b>	<b>(148)</b>	<b>657</b>	<b>885</b>	<b>(112)</b>	<b>(728)</b>	<b>(3,048)</b>	<b>(2,921)</b>
<b>Total assets less current liabilities</b>	<b>50,799</b>	<b>50,182</b>	<b>45,380</b>	<b>49,404</b>	<b>49,450</b>	<b>48,895</b>	<b>46,467</b>	<b>46,436</b>	<b>44,057</b>	<b>43,598</b>
<b>Non-current liabilities</b>										
Bank loans and other borrowings	(38,703)	(29,574)	(21,893)	(26,691)	(25,727)	(24,909)	(10,037)	(9,796)	(9,845)	(6,936)
Deferred creditors	–	–	–	–	–	–	–	–	–	(52)
Derivative financial instruments	(63)	–	–	(10)	(132)	(15)	(14)	(7)	(1)	(5)
Customers' deposits	(1,937)	(1,900)	(1,839)	(1,801)	(1,747)	(1,676)	(1,634)	(1,585)	(1,537)	(1,508)
Deferred tax liabilities	(5,927)	(5,955)	(5,912)	(5,883)	(5,763)	(5,622)	(5,479)	(5,426)	(5,432)	(5,382)
Employee retirement benefit scheme liabilities	(499)	(443)	(821)	(827)	(587)	(722)	(1,267)	(423)	(307)	(268)
	<b>(47,129)</b>	<b>(37,872)</b>	<b>(30,465)</b>	<b>(35,212)</b>	<b>(33,956)</b>	<b>(32,944)</b>	<b>(18,431)</b>	<b>(17,237)</b>	<b>(17,122)</b>	<b>(14,151)</b>
<b>Tariff Stabilisation Fund (note 1)</b>	<b>(288)</b>	<b>(36)</b>	<b>(425)</b>	<b>(497)</b>	<b>(543)</b>	<b>(485)</b>	<b>(311)</b>	<b>(14)</b>	<b>–</b>	<b>–</b>
<b>Rate Reduction Reserve (note 2)</b>	<b>–</b>	<b>(3)</b>	<b>(2)</b>	<b>(1)</b>	<b>(4)</b>	<b>(14)</b>	<b>(14)</b>	<b>(1)</b>	<b>–</b>	<b>–</b>
<b>Smart Power Fund (note 3)</b>	<b>(5)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net assets</b>	<b>3,377</b>	<b>12,271</b>	<b>14,488</b>	<b>13,694</b>	<b>14,947</b>	<b>15,452</b>	<b>27,711</b>	<b>29,184</b>	<b>26,935</b>	<b>29,447</b>
<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	1,002	1,000	–	4	–	6	22	6	4	–
Hedging reserves	(36)	15	3	(4)	8	(6)	(22)	(6)	(4)	3
Proposed dividend	–	–	3,229	2,438	3,683	4,196	3,455	4,928	4,878	3,882
	<b>3,377</b>	<b>3,426</b>	<b>5,643</b>	<b>4,849</b>	<b>6,102</b>	<b>6,607</b>	<b>5,866</b>	<b>7,339</b>	<b>7,289</b>	<b>6,296</b>
Loan capital	–	8,845	8,845	8,845	8,845	8,845	21,845	21,845	19,646	23,151
<b>Total equity</b>	<b>3,377</b>	<b>12,271</b>	<b>14,488</b>	<b>13,694</b>	<b>14,947</b>	<b>15,452</b>	<b>27,711</b>	<b>29,184</b>	<b>26,935</b>	<b>29,447</b>

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 has to be established no later than June 2014 to support the carrying out of improvements works to upgrade the energy efficiency performance of building services installations for communal use of non-commercial buildings.