



Power Assets Holdings Ltd.
電能實業有限公司

於香港註冊成立的有限公司
Incorporated in Hong Kong with limited liability
股份代號 Stock Code: 6

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2017 ANNUAL RESULTS

CHAIRMAN'S STATEMENT

Full year results

It is my pleasure to report the Power Assets Group's full-year results for 2017.

The Group's 2017 profits attributable to shareholders amounted to HK\$8,319 million (2016: HK\$6,417 million), an increase of 30% as compared to 2016. This was mainly due to a one-off gain on disposal of properties recorded in 2017, the first full-year contribution from Husky Midstream partnership, contribution from newly acquired investment in the DUET Group (DUET) and more favourable exchange rates on translation of foreign currency deposits to Hong Kong dollar. The profit increase was partially offset by a one-off deferred tax credit recognised in 2016 for a reduction of corporate tax rate in the United Kingdom. Earnings per share was HK\$3.9 (2016: HK\$3.01).

Dividends

The Directors declared a one-off special interim dividend of HK\$6 per share for 2017, payable on 16 April 2018 to shareholders whose name appear in the Company's Register of Members on 4 April 2018.

The Directors will recommend a final dividend of HK\$2.03 per share, payable on 29 May 2018 to those persons registered as shareholders on 15 May 2018. Together with the special interim dividend of HK\$7.5 per share paid in August 2017, the above special interim dividend of HK\$6 per share and the interim dividend of HK\$0.77 per share, the total dividend for the year will be HK\$16.3 per share (2016: HK\$7.72 per share which included a one-off special interim dividend of HK\$5 per share).

DUET offers access to new expertise

Our long-term strategy has been to invest in carefully selected high-quality energy companies operating in mature and well-regulated markets. We took a major step forward in building our market presence in emerging and renewable energy technologies with the acquisition of the 20% interest in DUET in May 2017. DUET owns and operates companies in electricity and gas distribution, gas transmission, as well as electricity generation from waste gases as well as renewables. The distribution businesses are contiguous to the group's existing businesses in Australia and are well established and complementary to the Group's existing operations offering substantial synergies with prospects for assured, long-term revenues. DUET's generation business includes solar energy, wind energy, remote power generation as well as power from coal mine and landfill gases. We are very positive about the potential for knowledge transfer from these acquisitions across Group companies.

Investment in smart technologies

Globally, the energy sector is evolving steadily to meet the needs of the future. Governments are establishing policies and regulatory environment that will facilitate decarbonisation in line with the Paris UN Climate Change Conference (COP21) targets.

As a Group we believe that technological innovation is key to meeting these changing needs: through smart technologies to cater for distributed generation and commercial scale battery energy storage system.

Leadership in customer satisfaction

Regardless of market or sector of operation, our companies delivered very strong performance in customer satisfaction and operating efficiencies, in many cases outperforming regulatory targets.

In the UK, 2017 marked another strong year of performance for our distribution networks with improved customer interruption and satisfaction scores paving the road for our operations to be regarded as the best performing distribution networks. UK Power Networks, Northern Gas Networks (NGN), and Wales & West Utilities (WWU) all received incentive awards from the regulator Ofgem for efficiency and reliability, and also achieved their highest customer satisfaction performance in recent years. All three companies continued their programmes of investment in network maintenance and upgrades. WWU and NGN conducted groundbreaking research on improving the emissions performance of gas networks by blending bio-gas and potentially hydrogen with natural gas. Initial results are very encouraging and could help reduce carbon emissions in the country. The Seabank power plant achieved high availability and delivered a stable income stream for the Group.

Australia has seen a significant uptake of renewable generation and all our companies in the market implemented bespoke projects to enable them to accommodate the huge addition of commercial and domestic solar power generation. Australian Gas Networks, SA Power Networks, and Victoria Power Networks all outperformed their regulatory targets in customer service as well as reliability. Australian Energy Operations delivered stable performance and has undertaken preliminary work for the potential expansion of its operations by connecting additional wind farms to its terminal station. The DUET acquisition in Australia enriches our existing electricity and gas infrastructure portfolio and consolidates our position in the market.

A new era in electricity provision

We are gratified by the signing of the new Scheme of Control Agreement (SCA) that will regulate HK Electric's business for the 15 years from 2019 to 2033. The longer duration of the new SCA offers HK Electric the stability to make major investments in gas-generating facilities to significantly reduce carbon emissions. Thanks to its long-term strategies for capital investment and higher operating efficiencies, we are confident that HK Electric will deliver sustainable long term growth in shareholder value despite the lower permitted rate of return of 8%.

In order to increase its generation of cleaner electricity, the company is constructing two new gas-fired generating units, L10 and L11, at Lamma Power Station and the progress is on schedule. The two units will take the proportion of gas-fired electricity generation to 50% by 2020 and 55% by 2022. To improve security of gas supply the company is partnering with CLP Power to build an offshore terminal for liquefied natural gas in Hong Kong waters using a floating storage and regasification unit (FSRU).

The Canadian energy market is being transformed with more stringent carbon emissions targets and the increased availability of distributed generation at both individual and commercial scale. Our businesses are making the appropriate investments to operate successfully through these transitions, accommodating energy from renewables where possible without any impact on reliability. Canadian Power Holdings delivered high availability and Husky Midstream progressed with the implementation of major pipeline projects that are scheduled for completion in 2018.

In the Netherlands, AVR expanded its portfolio to include waste separation to better service customer needs. AVR's carbon capture trial, where carbon dioxide emissions are harnessed for greenhouse cultivation, is one of the world's most advanced projects illustrating carbon capture in usage.

Our operations in Thailand, mainland China, Portugal and New Zealand also delivered strong operational performance and high levels of customer satisfaction.

Transforming to deliver future value

Looking ahead, we believe that the metamorphosis of the energy sector will be far-reaching, leaving no business untouched. Our diversified operations and geographic footprint in markets at different stages of evolution give us key advantages in terms of synergies, knowledge transfer and cross-training. Our companies look to each other for ideas and best practice to help them learn. We will work proactively, embracing all that technology can offer, to continue to deliver reliability and customer satisfaction while achieving the lowest emissions for the benefit of generations to come.

Our financial position remains strong after payment of special interim dividend which enables the Group to continue to seek out opportunities for growth through the acquisition of sound businesses that align with our core values.

I would like to express the gratitude of the Board to our shareholders for their loyal support over years as well as to our dedicated and skilled colleagues across all our operating businesses. Their efforts are central to our continued success.

Fok Kin Ning, Canning

Chairman

Hong Kong, 16 March 2018

FINANCIAL REVIEW

Financial Performance

Profit attributable to shareholders for 2017 amounted to HK\$8,319 million (2016: HK\$6,417 million), an increase of 30% over last year. The increase of profit was primarily due to a one-off gain on disposal of properties recorded in 2017, the first full-year contribution from Husky Midstream partnership, contribution from newly acquired investment DUET Group and more favourable exchange rates on translation of foreign currency deposits to Hong Kong dollar. The profit increase was partially offset by a one-off deferred tax credit recognised in 2016 for a reduction of corporate tax rate in the United Kingdom.

Our investments in the United Kingdom contributed earnings of HK\$3,790 million (2016: HK\$4,443 million). The reduction of earnings was primarily due to a one-off deferred tax credit recognised in 2016 for 1% reduction in corporate tax rate in the United Kingdom and the average exchange rate of pound sterling on translation of results was lower than last year.

Our investments in Australia continue to generate reliable profit of HK\$1,388 million (2016: HK\$973 million) which was higher than last year mainly due to contribution from DUET Group, which was acquired in May 2017.

Our investments in mainland China recorded a profit of HK\$271 million (2016: HK\$308 million).

Our investments in Canada recorded higher earnings than last year mainly due to the first full year contribution from Husky Midstream partnership, which was acquired in July 2016.

Our investments in Portugal, the Netherlands, New Zealand and Thailand continued to contribute stable earnings to the Group.

Our investment in HK Electric Investments recorded earnings of HK\$1,115 million (2016: HK\$1,201 million).

Secure earnings and a strong financial position allowed us to continue with a stable dividend policy. 2017 full year dividends of HK\$16.3 per share included a total of special interim dividends of HK\$13.5 per share (2016: HK\$7.72 per share included a special interim dividend of HK\$5 per share).

Financial Positions, Liquidity and Financial Resources

The Group's financial position remained strong. Capital expenditure and investments were primarily funded by cash from operations, dividends and other repatriation from investments. Interest in joint ventures and associates increased by 21% to HK\$81,004 million (2016: HK\$66,941 million). In 2017, the Group acquired DUET, an international owner and operator of energy utility assets. Total unsecured bank loans outstanding at the year end were HK\$7,223 million (2016: HK\$8,514 million). In addition, the Group had bank deposits and cash of HK\$25,407 million (2016: HK\$61,710 million). Due to its strong cash position, the Group did not maintain any undrawn committed bank facility at the year end (2016: HK\$Nil).

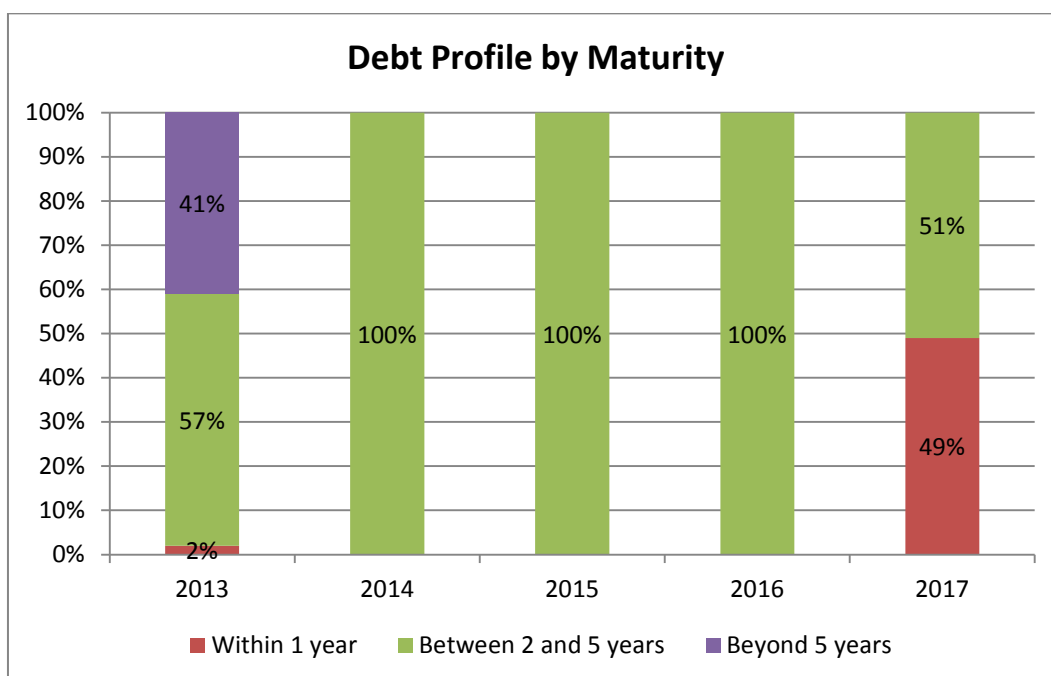
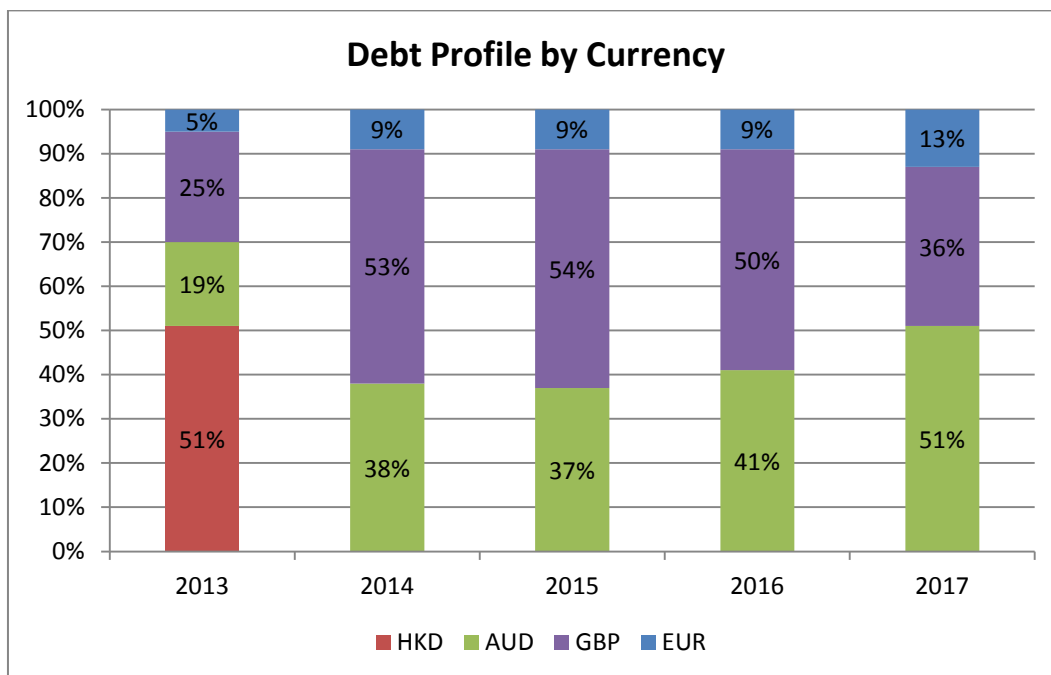
Treasury Policy, Financing Activities and Debt Structure

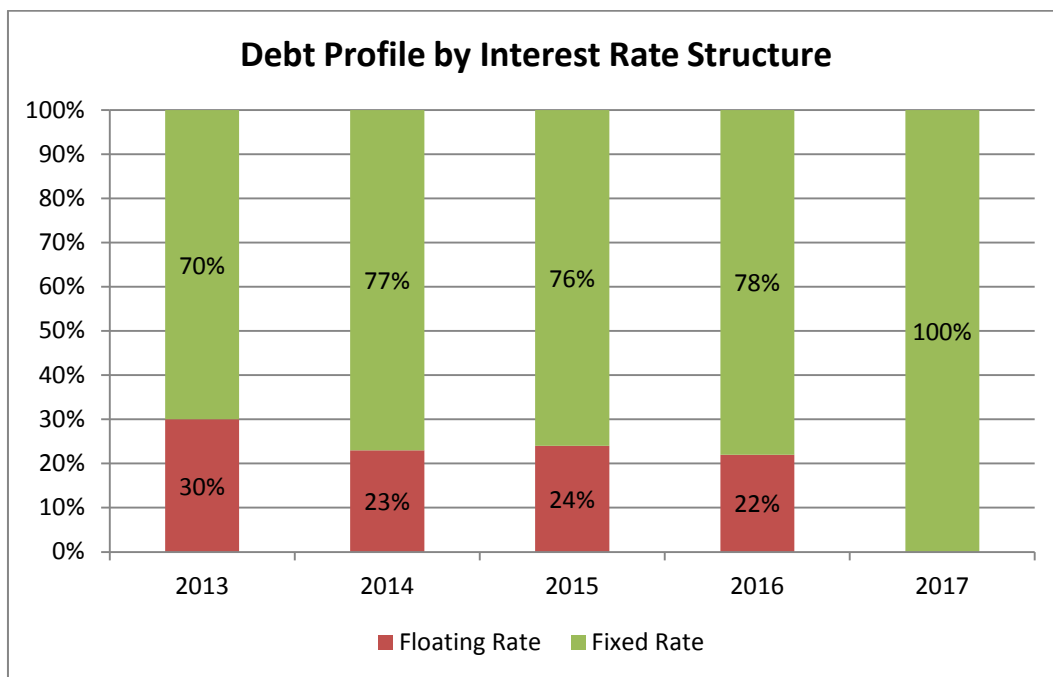
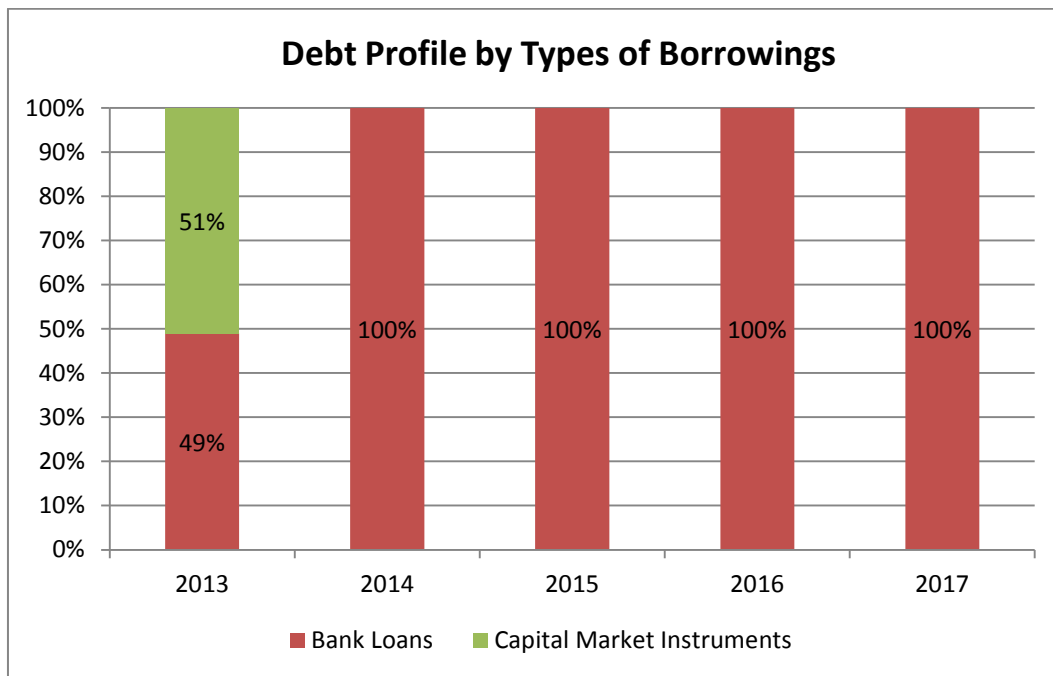
The Group manages its financial risks in accordance with guidelines laid down in its treasury policy, which is approved by the Board. The treasury policy is designed to manage the Group's currency, interest rate and counterparty risks. Surplus funds, which arise mainly from dividends and other repatriation from investments, are generally placed on short term deposits denominated primarily in Hong Kong dollars and United States dollars. The Group aims to ensure that adequate financial resources are available for refinancing and business growth whilst maintaining a prudent capital structure.

The Group's financial profile remained strong during the year. Standard & Poor's on 10 February 2017 affirmed the "A-" long term credit rating of the Company which has remained unchanged since January 2014 and on 27 July 2017 revised up the outlook of the Company from "stable" to "positive".

As at 31 December 2017, the net cash position of the Group was HK\$18,184 million (2016: HK\$53,196 million).

The profile of the Group's external borrowings as at 31 December 2017, after taking into account interest rate swaps, is set out in the tables below:





The Group's policy is to maintain a portion of its debt at fixed interest rates. Interest rate risk is managed by either securing fixed rate borrowings or by using interest rate derivatives.

Currency and interest rate risks are actively managed in accordance with the Group's treasury policy. Derivative financial instruments are used primarily for managing interest rate and foreign currency risks and not for speculative purposes. Treasury transactions are only executed with counterparties with acceptable credit ratings to control counterparty risk exposure.

The Group's principal foreign currency exposures arise from its investments outside Hong Kong. Foreign currency transaction exposure also arises from settlement to vendors which is not material and is managed mainly through purchases in the spot market or utilisation of foreign currency receipts of the Group. Currency exposure arising from investments outside Hong Kong is, where considered appropriate, mitigated by financing those investments in local currency borrowings, or by entering into forward foreign exchange contracts or cross currency swaps. The fair value of such borrowings at 31 December 2017 was HK\$7,248 million (2016: HK\$8,553 million). The fair value of forward foreign exchange contracts and cross currency swaps at 31 December 2017 was a liability of HK\$356 million (2016: asset of HK\$870 million). Foreign currency fluctuations will affect the translated value of the net assets of investments outside Hong Kong and the resultant translation difference is included in the Group's reserve account. Income received from the Group's investments outside Hong Kong which is not denominated in Hong Kong dollars is, unless otherwise placed as foreign currency deposits, converted into United States dollars on receipt.

The contractual notional amounts of derivative financial instruments outstanding at 31 December 2017 amounted to HK\$35,953 million (2016: HK\$24,358 million).

Charges on Assets

At 31 December 2017, the Group's interest in an associate of HK\$274 million (2016: HK\$321 million) had been pledged as part of the security to secure financing facilities granted to the associate.

Contingent Liabilities

As at 31 December 2017, the Group had given guarantees and indemnities totalling HK\$883 million (2016: HK\$821 million).

Employees

The Group continues its policy of pay-for-performance and the pay levels are monitored to ensure competitiveness is maintained. The Group's total remuneration costs for the year ended 31 December 2017, excluding directors' emoluments, amounted to HK\$22 million (2016: HK\$24 million). As at 31 December 2017, the Group employed 11 (2016: 12) permanent employees. No share option scheme is in operation.

POWER ASSETS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in Hong Kong dollars)

	Note	2017 \$ million	2016 \$ million
Revenue	4	1,420	1,288
Direct costs		(1)	(6)
		1,419	1,282
Other net income/(loss)	5	1,663	(221)
Other operating costs		(525)	(809)
Operating profit		2,557	252
Finance costs		(295)	(248)
Share of profits less losses of joint ventures		4,421	4,705
Share of profits less losses of associates		1,733	1,696
Profit before taxation	6	8,416	6,405
Income tax:	7		
Current		(93)	(7)
Deferred		(4)	19
		(97)	12
Profit for the year attributable to equity shareholders of the Company		8,319	6,417
Earnings per share			
Basic and diluted	8	\$3.90	\$3.01

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 13.

POWER ASSETS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

(Expressed in Hong Kong dollars)

	2017	2016
	\$ million	\$ million
Profit for the year attributable to equity shareholders of the Company	8,319	6,417
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss		
Remeasurement of net defined benefit asset/liability	29	(3)
Share of other comprehensive income of joint ventures and associates	32	(1,418)
Income tax relating to items that will not be reclassified to profit or loss	(9)	242
	52	(1,179)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating operations outside Hong Kong, including joint ventures and associates	4,111	(5,738)
Net investment hedges	(2,427)	1,607
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments recognised during the year	(34)	(33)
Share of other comprehensive income of joint ventures and associates	(303)	(546)
Income tax relating to items that may be reclassified subsequently to profit or loss	83	91
	1,430	(4,619)
	1,482	(5,798)
Total comprehensive income for the year attributable to equity shareholders of the Company	9,801	619

POWER ASSETS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2017
(Expressed in Hong Kong dollars)

	Note	2017 \$ million	2016 \$ million
Non-current assets			
Property, plant and equipment and leasehold land		14	29
Interest in joint ventures	9	56,415	42,739
Interest in associates	10	24,589	24,202
Other non-current financial assets		67	67
Derivative financial instruments		316	846
Deferred tax assets		21	19
Employee retirement benefit assets		5	4
		<u>81,427</u>	<u>67,906</u>
Current assets			
Trade and other receivables	11	167	161
Bank deposits and cash		25,407	61,710
		<u>25,574</u>	<u>61,871</u>
Current liabilities			
Trade and other payables	12	(3,197)	(2,595)
Current portion of bank loans and other interest-bearing borrowings		(3,544)	-
Current tax payable		(91)	(46)
		<u>(6,832)</u>	<u>(2,641)</u>
Net current assets		<u>18,742</u>	<u>59,230</u>
Total assets less current liabilities		<u>100,169</u>	<u>127,136</u>
Non-current liabilities			
Bank loans and other interest-bearing borrowings		(3,679)	(8,514)
Derivative financial instruments		(789)	(52)
Deferred tax liabilities		-	(14)
Employee retirement benefit liabilities		(121)	(145)
		<u>(4,589)</u>	<u>(8,725)</u>
Net assets		<u>95,580</u>	<u>118,411</u>
Capital and reserves			
Share capital		6,610	6,610
Reserves		88,970	111,801
Total equity attributable to equity shareholders of the Company		<u>95,580</u>	<u>118,411</u>

POWER ASSETS HOLDINGS LIMITED
NOTES TO ANNUAL RESULTS
(Expressed in Hong Kong dollars)

1. Review of annual results

The annual results have been reviewed by the Audit Committee.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2017 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

2. Basis of preparation

The Group's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included in the Group's financial statements to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, *Statement of cash flows: Disclosure initiative*, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied any new standard or amendment that is not effective for the current accounting period.

The financial information relating to the years ended 31 December 2017 and 2016 included in this preliminary announcement of annual results does not constitute the Company's statutory annual financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company's financial statements for the year ended 31 December 2016 has been delivered to the Registrar of Companies and the Company's financial statements for the year ended 31 December 2017 will be delivered to the Registrar of Companies in due course.

The Company's auditor has reported on the financial statements of the Company for the year ended 31 December 2016. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance. The financial statements for the year ended 31 December 2017 have yet to be reported on by the Company's auditor.

3. Segment reporting

The analyses of the principal activities of the operations of the Group during the year are as follows:

\$ million	2017							All other activities	Total
	Investment in HKEI	Investments				Sub-total			
		United Kingdom	Australia	Mainland China	Others				
For the year ended 31 December									
Revenue									
Revenue	-	534	607	39	239	1,419	1	1,420	
Other net income	-	-	-	-	5	5	1,143	1,148	
Reportable segment revenue	-	534	607	39	244	1,424	1,144	2,568	
Result									
Segment earnings	-	534	607	13	243	1,397	647	2,044	
Depreciation and amortisation	-	-	-	-	-	-	(2)	(2)	
Bank deposit interest income	-	-	-	2	-	2	513	515	
Operating profit	-	534	607	15	243	1,399	1,158	2,557	
Finance costs	-	(87)	(189)	-	(19)	(295)	-	(295)	
Share of profits less losses of joint ventures and associates	1,115	3,332	1,013	260	430	5,035	4	6,154	
Profit before taxation	1,115	3,779	1,431	275	654	6,139	1,162	8,416	
Income tax	-	11	(43)	(4)	(61)	(97)	-	(97)	
Reportable segment profit	1,115	3,790	1,388	271	593	6,042	1,162	8,319	
At 31 December									
Assets									
Property, plant and equipment and leasehold land	-	-	-	-	-	-	14	14	
Other assets	-	324	129	69	16	538	38	576	
Interest in joint ventures and associates	16,820	30,613	20,479	2,298	10,787	64,177	7	81,004	
Bank deposits and cash	-	-	-	-	-	-	25,407	25,407	
Reportable segment assets	16,820	30,937	20,608	2,367	10,803	64,715	25,466	107,001	
Liabilities									
Segment liabilities	-	(92)	(774)	(4)	(248)	(1,118)	(2,989)	(4,107)	
Current and deferred taxation	-	-	(27)	-	(64)	(91)	-	(91)	
Interest-bearing borrowings	-	(2,619)	(3,679)	-	(925)	(7,223)	-	(7,223)	
Reportable segment liabilities	-	(2,711)	(4,480)	(4)	(1,237)	(8,432)	(2,989)	(11,421)	

3. Segment reporting (continued)

\$ million	2016								
	Investment in HKEI	Investments					Sub-total	All other activities	Total
		United Kingdom	Australia	Mainland China	Others				
For the year ended 31 December									
Revenue									
Revenue	-	556	453	44	227	1,280	8	1,288	
Other net income/(loss)	-	-	-	-	6	6	(777)	(771)	
Reportable segment revenue	-	556	453	44	233	1,286	(769)	517	
Result									
Segment earnings	-	556	453	20	233	1,262	(1,559)	(297)	
Depreciation and amortisation	-	-	-	-	-	-	(1)	(1)	
Bank deposit interest income	-	-	-	-	-	-	550	550	
Operating profit	-	556	453	20	233	1,262	(1,010)	252	
Finance costs	-	(95)	(135)	-	(18)	(248)	-	(248)	
Share of profits less losses of joint ventures and associates	1,201	3,932	696	292	276	5,196	4	6,401	
Profit before taxation	1,201	4,393	1,014	312	491	6,210	(1,006)	6,405	
Income tax	-	50	(41)	(4)	7	12	-	12	
Reportable segment profit	1,201	4,443	973	308	498	6,222	(1,006)	6,417	
At 31 December									
Assets									
Property, plant and equipment and leasehold land	-	-	-	-	-	-	29	29	
Other assets	-	771	125	67	49	1,012	85	1,097	
Interest in joint ventures and associates	16,881	25,756	10,498	3,888	9,911	50,053	7	66,941	
Bank deposits and cash	-	-	-	-	-	-	61,710	61,710	
Reportable segment assets	16,881	26,527	10,623	3,955	9,960	51,065	61,831	129,777	
Liabilities									
Segment liabilities	-	(97)	(8)	(3)	(67)	(175)	(2,617)	(2,792)	
Current and deferred taxation	-	-	(91)	-	(12)	(103)	43	(60)	
Interest-bearing borrowings	-	(4,264)	(3,445)	-	(805)	(8,514)	-	(8,514)	
Reportable segment liabilities	-	(4,361)	(3,544)	(3)	(884)	(8,792)	(2,574)	(11,366)	

4. Revenue

The principal activity of the Group is investment in energy and utility-related businesses. Group revenue represents interest income from loans granted to joint ventures and associates, dividends from other financial assets and engineering and consulting services fees.

	2017 \$ million	2016 \$ million
Interest income	1,380	1,236
Dividend income	39	44
Others	1	8
	1,420	1,288
Share of revenue of joint ventures	17,784	16,359

5. Other net income/(loss)

	2017 \$ million	2016 \$ million
Interest income from financial assets not at fair value through profit or loss	515	550
Gain on disposal of property, plant and equipment and leasehold land	922	-
Net exchange gain/(loss)	209	(787)
Sundry income	17	16
	1,663	(221)

6. Profit before taxation

	2017 \$ million	2016 \$ million
Profit before taxation is arrived at after charging:		
Amortisation of leasehold land	1	1
Depreciation	1	-
Staff costs	27	29
Auditors' remuneration		
– audit and audit related work		
– KPMG	3	3
– other auditors	1	1
– non-audit work		
– KPMG	-	1
– other auditors	5	2

7. Income tax

Taxation in the consolidated statement of profit or loss represents:

	2017 \$ million	2016 \$ million
Current tax – operations outside Hong Kong		
Provision for the year	104	57
Tax credit for the year	(11)	(50)
	<u>93</u>	<u>7</u>
Deferred tax		
Origination and reversal of temporary differences	4	(19)
	<u>97</u>	<u>(12)</u>

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group did not have any assessable profits during the current and preceding years.

Taxation for operations outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant countries.

8. Earnings per share

The calculation of earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$8,319 million (2016: \$6,417 million) and 2,134,261,654 ordinary shares (2016: 2,134,261,654 ordinary shares) in issue throughout the year.

There were no dilutive potential ordinary shares in existence during the years ended 31 December 2017 and 2016.

9. Interest in joint ventures

	2017 \$ million	2016 \$ million
Share of net assets of unlisted joint ventures	42,664	34,532
Loans to unlisted joint ventures	13,613	8,084
Amounts due from unlisted joint ventures	138	123
	<u>56,415</u>	<u>42,739</u>
Share of total assets of unlisted joint ventures	<u>130,921</u>	<u>101,345</u>

10. Interest in associates

	2017 \$ million	2016 \$ million
Share of net assets		
– Listed associate	16,820	16,881
– Unlisted associates	3,671	3,358
	<u>20,491</u>	<u>20,239</u>
Loans to unlisted associates	3,994	3,889
Amounts due from associates	104	74
	<u><u>24,589</u></u>	<u><u>24,202</u></u>

11. Trade and other receivables

	2017 \$ million	2016 \$ million
Interest and other receivables	60	79
Derivative financial instruments	106	80
Deposits and prepayments	1	2
	<u><u>167</u></u>	<u><u>161</u></u>

Trade with customers is carried out on credit and invoices are normally due within 1 month after issued. All of the trade and other receivables are expected to be recovered within one year.

12. Trade and other payables

	2017 \$ million	2016 \$ million
Creditors measured at amortised cost	3,183	2,595
Derivative financial instruments	14	-
	3,197	2,595

All of the trade and other payables are expected to be settled within one year.

Creditors' ageing is analysed as follows:

	2017 \$ million	2016 \$ million
Due within 1 month or on demand	72	64
Due after 1 month but within 3 months	-	1
Due after 3 months but within 12 months	3,111	2,530
	3,183	2,595

13. Dividends

	2017 \$ million	2016 \$ million
Interim dividend declared and paid of \$0.77 per ordinary share (2016: \$0.70 per ordinary share)	1,643	1,494
Special interim dividend declared and paid of \$7.50 per ordinary share (2016: \$5.00 per ordinary share declared and paid after the end of the reporting period)	16,007	10,671
Special interim dividend declared after the end of the reporting period of \$6.00 per ordinary share	12,806	-
Final dividend proposed after the end of the reporting period of \$2.03 per ordinary share (2016: \$2.02 per ordinary share)	4,333	4,311
	34,789	16,476

The final dividend and special interim dividend declared and paid, declared or proposed after the end of the reporting period are based on 2,134,261,654 ordinary shares (2016: 2,134,261,654 ordinary shares), being the total number of issued shares at the year end. The final dividend and special interim dividend declared and paid, declared or proposed after the end of the reporting period have not been recognised as liabilities at the end of the reporting period.

POWER ASSETS HOLDINGS LIMITED OTHER INFORMATION

Record Date for Special Interim Dividend

The Board of Directors declared a one-off special interim dividend of HK\$6 per share for the year ended 31 December 2017. The special interim dividend will be payable on Monday, 16 April 2018 to shareholders whose name appear on the register of members of the Company at the close of business on Wednesday, 4 April 2018, being the record date for determination of entitlement to the special interim dividend. In order to qualify for the special interim dividend, all transfers accompanied by the relevant share certificates should be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Wednesday, 4 April 2018.

The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Closure of Register of Members and Record Date for Proposed Final Dividend

For the purpose of ascertaining shareholders who are entitled to attend and vote at the annual general meeting to be held on Wednesday, 9 May 2018 (or any adjournment thereof), the register of members of the Company will be closed from Friday, 4 May 2018 to Wednesday, 9 May 2018, both days inclusive. In order to qualify for the right to attend and vote at the meeting (or any adjournment thereof), all transfers accompanied by the relevant share certificates should be lodged with Computershare Hong Kong Investor Services Limited, at the address mentioned above, no later than 4:30 p.m. on Thursday, 3 May 2018.

The final dividend is payable to shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 15 May 2018, being the record date for determination of entitlement to the final dividend. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates should be lodged with Computershare Hong Kong Investor Services Limited, at the address mentioned above, no later than 4:30 p.m. on Tuesday, 15 May 2018.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's issued shares during the year.

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance. The Company recognises that sound and effective corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholder value. The Group's corporate governance policy is designed to achieve these objectives and is maintained through a framework of processes, policies and guidelines.

The Company has complied with the applicable code provisions in the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) throughout the year ended 31 December 2017, except for the deviation from code provision A.5 in relation to establishment of a nomination committee as reported in the Company’s 2017 interim report.

The Group is committed to achieving and maintaining standards of openness, probity and accountability. In line with this commitment and in compliance with the Corporate Governance Code, the Audit Committee has reviewed the procedures for reporting possible improprieties in financial reporting, internal control or other matters. In addition, the Company has established the policy on handling of inside information and securities dealing for compliance by the Company’s employees.

Model Code for Securities Transactions by Directors

The Board of Directors of the Company has adopted the Model Code for Securities Transactions by Directors (“Model Code”) set out in Appendix 10 of the Listing Rules as the Group’s code of conduct regulating directors’ securities transactions. All Directors have confirmed following specific enquiry that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2017.

Audit Committee

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company established the Audit Committee on 1 January 1999 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the Corporate Governance Code.

The Audit Committee is chaired by Mr. Wong Chung Hin and the other members are Mr. Ip Yuk-keung, Albert and Mr. Ralph Raymond Shea. All the three Committee members are Independent Non-executive Directors. The Audit Committee reports directly to the Board of Directors and its principal responsibilities include the review of the Group’s financial reporting, risk management and internal control systems, the interim and annual financial statements, and corporate and compliance issues.

Remuneration Committee

In compliance with the Corporate Governance Code, the Company established its remuneration committee on 1 January 2005 with a majority of the members thereof being Independent Non-executive Directors. The Remuneration Committee is chaired by Mr. Wong Chung Hin (an Independent Non-executive Director), and the other members are Mr. Fok Kin Ning, Canning (the Chairman) and Mr. Ralph Raymond Shea (an Independent Non-executive Director).

Annual General Meeting

The annual general meeting of the Company will be held at the Grand Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Wednesday, 9 May 2018 at 2:15 p.m. The notice of the annual general meeting will be published and despatched to shareholders in the manner as required by the Listing Rules in due course.

Board Composition

As at the date of this announcement, the Directors of the Company are:

- Executive Directors : Mr. FOK Kin Ning, Canning (Chairman), Mr. TSAI Chao Chung, Charles (Chief Executive Officer), Mr. CHAN Loi Shun, Mr. Andrew John HUNTER, Mr. Neil Douglas MCGEE and Mr. WAN Chi Tin
- Non-executive Director : Mr. LI Tzar Kuoi, Victor
- Independent Non-executive Directors : Mr. IP Yuk-keung, Albert, Mr. Ralph Raymond SHEA, Mr. WONG Chung Hin and Mr. WU Ting Yuk, Anthony