



**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  
股票代號 Stock Code: 6

香港皇后大道中 2 號長江集團中心 20 樓 2005 室  
Unit 2005, 20/F Cheung Kong Center,  
2 Queen's Road Central, Hong Kong  
電話 / Tel (852) 2122 9122 傳真 / Fax (852) 2180 9708  
電郵 / Email mail@powerassets.com  
[www.powerassets.com](http://www.powerassets.com)

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## **2021 INTERIM RESULTS**

### **CHAIRMAN'S STATEMENT**

#### **Solid Half Year Performance**

The Power Assets Group's businesses delivered consistently solid performance despite the prolonged impact caused by the COVID-19 pandemic globally. The Group's unaudited profits attributable to the shareholders for the six months ended 30 June 2021 amounted to HK\$2,509 million (2020: HK\$2,262 million), an increase of 11%.

The Group's financial position remained strong with funds received from operations for the first six months of 2021 totalling HK\$2,570 million (2020: HK\$2,525 million).

#### **Interim Dividend**

The board of directors has declared an interim dividend of HK\$0.78 (2020: HK\$0.77) per share, payable on 14 September 2021 to shareholders whose names appear in the Company's Register of Members on 3 September 2021.

#### **International Energy Investment Portfolio**

##### ***United Kingdom Portfolio***

The Group's operating companies in the UK, our largest market, once again met all key targets, continuing to achieve market-leading reliability and customer services despite challenging lockdown conditions. The portfolio recorded a total contribution of HK\$1,122 million (2020: HK\$842 million).

During the period, the Group recorded a tax credit in respect of deferred tax liabilities on intangible assets of a joint venture and a higher deferred tax charges as a result of the 6% increment in UK corporate tax rate.

A new five-year regulatory period for the UK electricity market will come into effect from April 2023. UK Power Networks (UKPN) conducted stakeholder engagement and developed a business plan which has been submitted to the regulator. As for Seabank Power Station, it maintained customary operating standards, with availability, efficiency and starting performance all exceeding expectations.

The regulatory resets for Northern Gas Networks (NGN) and Wales & West Utilities (WWU) would result in reduced contributions from these businesses. Both companies have submitted appeals to the Competition and Markets Authority to challenge the final determinations and the proceedings are in progress.

To support the government's policy objectives, NGN and its partners continued their research into the potential blending of hydrogen with existing gas assets. This included preparations for Phase Two of the Hydeploy project, which will provide a small community in the UK with a blend of up to 20% hydrogen in their gas supply.

### ***Australian Portfolio***

Our Australian businesses achieved satisfactory underlying results during the period. Regulatory resets for the electricity distribution networks caused a decrease in the contribution. The portfolio delivered a profit contribution of HK\$630 million (2020: HK\$663 million) to the Group.

SA Power Networks, our electricity distribution network in South Australia, continued to roll out connections to distributed energy resources, such as solar photovoltaics and batteries, across its market at a record pace. As for our Victorian distributors, the Australian Energy Regulator made its final determinations on their revised regulatory proposals in April, marking the end of the 2021-2026 regulatory reset process. The result will support major investments in our networks – Powercor, CitiPower and United Energy – to sustain reliable, safe and affordable electricity supplies while also building the digital automation needed to enable customer choices like rooftop solar, electric vehicles and batteries.

Our gas networks in Australia once again exceeded reliability targets, with Dampier Bunbury Pipeline compressor stations achieving over 99% reliability rating. Australian Gas Networks (AGN), collaboratively with Multinet Gas, progressed its major Hydrogen Park projects in South Australia (SA) and Gladstone as scheduled. The Hydrogen Park SA Project was commissioned in May 2021, marking the first time Australian renewable hydrogen is used for home supply. The project enables hydrogen to be blended with natural gas and delivered to 700 homes in Adelaide. In regards to the Gladstone project, pre-construction work is underway and is scheduled for completion by the end of 2021.

Energy Developments Ltd secured a contract to build, own and operate the Jabiru Hybrid Renewable Power Station in the Northern Territory. The project will integrate 3.9 MW of solar generation and 3-MW/5-MWh of battery energy storage, with 4.5 MW of diesel generation to balance sustainability with reliability. Our electricity transmission network, Australian Energy Operations, now operates two separate terminal stations and transmission lines in Victoria connecting four wind farms; this business provided a steady income stream to the Group.

### ***Other Portfolios***

In Canada, Canadian Power Holdings (CPH) reported higher earnings due to increase in market prices in Alberta. The coal-to-gas conversion of the remaining 400-MW unit at Sheerness power plant was completed in early 2021. As for Husky Midstream, targets were achieved throughout the first half of 2021, following the completion of almost all approved major expansion projects in 2020.

The two waste-to-energy incineration plants in the Netherlands, operated by AVR-Afvalverwerking B.V. (AVR), delivered strong results during the period. AVR not only eliminates the adverse environmental impact caused by dumping, it also captures the carbon in its Duiven facility and utilises it for gainful commercial application.

Wellington Electricity Lines in New Zealand continued to deliver high levels of safety, reliability and service to its customers, while maintaining an efficient performance from network assets. The company is also implementing cost reflective pricing strategies to ensure customers are better informed on the cost of delivering electricity at peak times.

Ratchaburi Power in Thailand maintained satisfactory operations. The plant is currently installing 1 MW of rooftop solar photovoltaics at the plant to cut emissions.

In Mainland China, electricity sold by our power plant in Jinwan (Guangdong province) increased by 58% in the first half of the year compared to the same period last year due to strong industrial demand. Our two wind farms in Dali (Yunnan province) and Laoting (Hebei province) performed well. These projects have enabled carbon emission to be reduced by 121,000 tonnes so far in 2021.

### **Investment in HK Electric Investments**

In Hong Kong, HK Electric Investments delivered a profit contribution of HK\$294 million (2020: HK\$271 million) to the Group. With a slowly recovering economy and record high temperatures in April and May, the operating company – HK Electric – recorded a 1.9% increase in electricity unit sales for the first six months of the year compared to 2020.

Work on a range of capital projects under the 2019-2023 Development Plan to transition to a low-carbon generation regime progressed well. These included the construction of two new 380-MW combined cycle gas-fired generating units and an offshore natural gas storage terminal based on floating storage and regasification technology. These projects will successively come onstream over the course of the next two years. Alongside these extensive capital works, HK Electric maintained its excellent supply reliability rating of over 99.999% and either met or surpassed all its customer service standards.

## **A Unified Framework for Sustainability**

The Group remained steadfast in our sustainability commitments by innovating to achieve carbon-neutrality goals with a focus on renewables and hydrogen-related projects across our operating regions.

Integrating sustainability principles and supporting local governments' carbon-neutrality initiatives remained a key focus during the period under review. A governance framework that aligns with the Group's environmental, social and governance (ESG) guidelines and policies was disseminated to all operating companies to ensure consistent performance regardless of market.

NGN and WWU in the UK, and AGN in Australia pioneered carbon reduction initiatives in their markets by moving forward with their projects to blend bio-gas or hydrogen into their distribution networks. Combined with the production of green hydrogen from renewable energy sources, this can lead to zero-carbon household heating where water vapour becomes the only emission.

In Canada, the completion of the coal-to-gas conversion of Sheerness power plant of CPH is expected to drive down emissions. During the period, CPH successfully acquired a 100% equity interest in the Okanagan Wind power project, which consists of two wind farms in British Columbia with a total capacity of 30 MW.

## **Outlook**

While the pandemic and geopolitical tensions will continue to impact the global macro-economic landscape, the completion of regulatory resets for the Group's key operating companies has provided us with a stable framework for smooth operations. A key priority for the remainder of 2021 will be to prepare for the 2023 regulatory reset for UKPN.

We maintain our focus on and investment efforts in suitable high-quality opportunities that meet our strict criteria, and are looking at a diversified range of stable and well-regulated energy markets around the world that yield predictable revenues over the long term.

We are committed to innovating and working within our communities to make contributions to every region in which we operate to meet their carbon neutrality commitments under the Paris Agreement, as well as to support greater sustainability within our industries and provide a brighter and greener future for generations to come.

I would like to thank all my colleagues in the Power Assets Group for their diligence and commitment through these unprecedented times and extend my gratitude to our board of directors, shareholders and other stakeholders for their long-term support.

**Fok Kin Ning, Canning**  
*Chairman*

Hong Kong, 4 August 2021

## **FINANCIAL REVIEW**

### **Capital Expenditure, Liquidity and Financial Resources**

The Group's capital expenditure and investments were primarily funded by cash from operations, dividends and other repatriation from investments. Total unsecured bank loans outstanding at 30 June 2021 were HK\$3,602 million (31 December 2020: HK\$3,640 million). In addition, the Group had bank deposits and cash of HK\$3,328 million (31 December 2020: HK\$5,427 million) and no undrawn committed bank facility at 30 June 2021 (31 December 2020: 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 in short-term deposits denominated primarily in Australian dollars, Hong Kong dollars, pounds sterling 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 period. On 28 December 2020, Standard & Poor's reaffirmed the "A" long-term issuer credit rating and the "Stable" outlook of the Company, unchanged since September 2018. As at 30 June 2021, the net debt position of the Group was HK\$274 million (31 December 2020: net cash position of HK\$1,787 million) with a net debt to net total capital ratio of 0.3%.

The profile of the Group's external borrowings as at 30 June 2021, after taking into account interest rate swaps, was as follows:

- (1) 100% were in Australian dollars;
- (2) 100% were bank loans;
- (3) 100% were repayable after 1 year but within 5 years; and
- (4) 100% were in fixed rate.

The Group's policy is to maintain at least a significant 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 exposures arising from investments outside Hong Kong are, 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 30 June 2021 was HK\$3,602 million (31 December 2020: HK\$3,640 million). The fair value of forward foreign exchange contracts and cross currency swaps at 30 June 2021 was a liability of HK\$47 million (31 December 2020: liability of HK\$78 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 determined, converted into United States dollars on receipt.

The contractual notional amounts of derivative financial instruments outstanding at 30 June 2021 amounted to HK\$34,195 million (31 December 2020: HK\$35,010 million).

### **Contingent Liabilities**

As at 30 June 2021, the Group had given guarantees and indemnities totalling HK\$416 million (31 December 2020: HK\$438 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 six months ended 30 June 2021, excluding directors' emoluments, amounted to HK\$11 million (2020: HK\$12 million). As at 30 June 2021, the Group employed 13 (31 December 2020: 13) employees. No share option scheme is in operation.

**POWER ASSETS HOLDINGS LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the six months ended 30 June 2021**  
(Expressed in Hong Kong dollars)

	Note	2021 \$ million	2020 \$ million
<b>Revenue</b>	5	<b>615</b>	601
Other net income		21	176
Other operating costs		<u>(67)</u>	<u>(76)</u>
<b>Operating profit</b>		<b>569</b>	701
Finance costs		(63)	(32)
Share of profits less losses of joint ventures		<b>1,607</b>	1,068
Share of profits less losses of associates		<u>466</u>	<u>584</u>
<b>Profit before taxation</b>	6	<b>2,579</b>	2,321
Income tax	7	<u>(70)</u>	<u>(59)</u>
<b>Profit for the period attributable to equity shareholders of the Company</b>		<u><b>2,509</b></u>	<u>2,262</u>
<b>Earnings per share</b>			
Basic and diluted	8	<u><b>\$1.18</b></u>	<u>\$1.06</u>



**POWER ASSETS HOLDINGS LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the six months ended 30 June 2021**  
(Expressed in Hong Kong dollars)

	2021 \$ million	2020 \$ million
<b>Profit for the period attributable to equity shareholders of the Company</b>	<u>2,509</u>	<u>2,262</u>
<b>Other comprehensive income for the period</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Share of other comprehensive income of joint ventures and associates	1,235	87
Income tax relating to items that will not be reclassified to profit or loss	<u>(316)</u>	<u>(14)</u>
	<u>919</u>	<u>73</u>
<b>Items that are or may be reclassified subsequently to profit or loss</b>		
Exchange differences on translating operations outside Hong Kong, including joint ventures and associates	1,491	(1,916)
Net investment hedges	144	1,919
Cost of hedging	19	120
Cash flow hedges:		
Net movement of hedging reserve related to hedging instruments recognised during the current period	101	(96)
Share of other comprehensive income of joint ventures and associates	1,002	(991)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(310)</u>	<u>260</u>
	<u>2,447</u>	<u>(704)</u>
	<u>3,366</u>	<u>(631)</u>
<b>Total comprehensive income for the period attributable to equity shareholders of the Company</b>	<u>5,875</u>	<u>1,631</u>

**POWER ASSETS HOLDINGS LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 30 June 2021**

(Expressed in Hong Kong dollars)

	Note	(Unaudited) 30 June 2021 \$ million	(Audited) 31 December 2020 \$ million
<b>Non-current assets</b>			
Property, plant and equipment and leasehold land		16	17
Interest in joint ventures	9	62,374	59,147
Interest in associates	10	26,516	26,405
Other non-current financial assets		1,100	1,100
Derivative financial instruments		597	704
Deferred tax assets		80	111
Employee retirement benefit assets		6	6
		<u>90,689</u>	<u>87,490</u>
<b>Current assets</b>			
Trade and other receivables	11	552	635
Bank deposits and cash		3,328	5,427
		<u>3,880</u>	<u>6,062</u>
<b>Current liabilities</b>			
Trade and other payables	12	(3,606)	(3,603)
Current portion of bank loans and other interest-bearing borrowings		-	(3,642)
Current tax payable		(129)	(161)
		<u>(3,735)</u>	<u>(7,406)</u>
<b>Net current assets/ (liabilities)</b>		<u>145</u>	<u>(1,344)</u>
<b>Total assets less current liabilities</b>		<u>90,834</u>	<u>86,146</u>
<b>Non-current liabilities</b>			
Bank loans and other interest-bearing borrowings		(3,602)	-
Derivative financial instruments		(698)	(1,181)
Deferred tax liabilities		(104)	(57)
Employee retirement benefit liabilities		(143)	(142)
		<u>(4,547)</u>	<u>(1,380)</u>
<b>Net assets</b>		<u>86,287</u>	<u>84,766</u>
<b>Capital and reserves</b>			
Share capital		6,610	6,610
Reserves		79,677	78,156
<b>Total equity attributable to equity shareholders of the Company</b>		<u>86,287</u>	<u>84,766</u>

**POWER ASSETS HOLDINGS LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the six months ended 30 June 2021**  
(Expressed in Hong Kong dollars)

\$ million	Attributable to equity shareholders of the Company					Total
	Share capital	Exchange reserve	Hedging reserve	Revenue reserve	Proposed/ declared dividend	
Balance at 1 January 2020	6,610	(6,118)	(2,114)	82,781	4,333	85,492
Changes in equity for the six months ended 30 June 2020:						
Profit for the period	-	-	-	2,262	-	2,262
Other comprehensive income	-	123	(827)	73	-	(631)
Total comprehensive income	-	123	(827)	2,335	-	1,631
Final dividend in respect of the previous year approved and paid	-	-	-	-	(4,333)	(4,333)
Interim dividend ( <i>see note 13</i> )	-	-	-	(1,643)	1,643	-
Balance at 30 June 2020	6,610	(5,995)	(2,941)	83,473	1,643	82,790
<b>Balance at 1 January 2021</b>	<b>6,610</b>	<b>(4,154)</b>	<b>(3,459)</b>	<b>81,415</b>	<b>4,354</b>	<b>84,766</b>
Changes in equity for the six months ended 30 June 2021:						
Profit for the period	-	-	-	2,509	-	2,509
Other comprehensive income	-	1,654	793	919	-	3,366
Total comprehensive income	-	1,654	793	3,428	-	5,875
Final dividend in respect of the previous year approved and paid	-	-	-	-	(4,354)	(4,354)
Interim dividend ( <i>see note 13</i> )	-	-	-	(1,665)	1,665	-
<b>Balance at 30 June 2021</b>	<b>6,610</b>	<b>(2,500)</b>	<b>(2,666)</b>	<b>83,178</b>	<b>1,665</b>	<b>86,287</b>

**POWER ASSETS HOLDINGS LIMITED**  
**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
(Expressed in Hong Kong dollars)

**1. Review of unaudited interim financial statements**

These unaudited consolidated interim financial statements have been reviewed by the Audit Committee.

**2. Basis of preparation**

These unaudited consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial statements and selected explanatory notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the financial year ended 31 December 2020 that is included in the interim financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on the financial statements of the Company for the year ended 31 December 2020. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

### 3. Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform - phase 2*
- Amendments to HKFRS 16, *COVID-19-related rent concessions beyond 30 June 2021*

The adoption of the amendments above has no material impact on the Group's results and financial position for the current or prior periods.

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

### 4. Segment reporting

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

\$ million	2021						All other activities	Total
	Investment in HKEI	Investments			Sub-total			
		United Kingdom	Australia	Others				
<b>For the six months ended 30 June</b>								
<b>Revenue</b>								
Revenue	-	292	275	48	615	-	615	
Other net income	-	-	-	3	3	12	15	
<b>Reportable segment revenue</b>	<b>-</b>	<b>292</b>	<b>275</b>	<b>51</b>	<b>618</b>	<b>12</b>	<b>630</b>	
<b>Results</b>								
Segment earnings	-	292	275	45	612	(48)	564	
Depreciation and amortisation	-	-	-	-	-	(1)	(1)	
Bank deposit interest income	-	-	-	-	-	6	6	
Operating profit	-	292	275	45	612	(43)	569	
Finance costs	-	35	(111)	13	(63)	-	(63)	
Share of profits less losses of joint ventures and associates ( <i>Note</i> )	294	794	480	503	1,777	2	2,073	
Profit before taxation	294	1,121	644	561	2,326	(41)	2,579	
Income tax	-	1	(14)	(57)	(70)	-	(70)	
<b>Reportable segment profit</b>	<b>294</b>	<b>1,122</b>	<b>630</b>	<b>504</b>	<b>2,256</b>	<b>(41)</b>	<b>2,509</b>	

\$ million	2020							
	Investment in HKEI	Investments				Sub-total	All other activities	Total
		United Kingdom	Australia	Others				
<b>For the six months ended 30 June</b>								
<b>Revenue</b>								
Revenue	-	268	247	86	601	-	601	
Other net income	-	-	-	3	3	126	129	
<b>Reportable segment revenue</b>	-	268	247	89	604	126	730	
<b>Results</b>								
Segment earnings	-	268	247	81	596	60	656	
Depreciation and amortisation	-	-	-	-	-	(2)	(2)	
Bank deposit interest income	-	-	-	-	-	47	47	
Operating profit	-	268	247	81	596	105	701	
Finance costs	-	38	(83)	13	(32)	-	(32)	
Share of profits less losses of joint ventures and associates ( <i>Note</i> )	271	537	510	332	1,379	2	1,652	
Profit before taxation	271	843	674	426	1,943	107	2,321	
Income tax	-	(1)	(11)	(47)	(59)	-	(59)	
<b>Reportable segment profit</b>	271	842	663	379	1,884	107	2,262	

*Note:* Included net amount of share of deferred tax charges on change in corporate tax rate of the United Kingdom and share of tax credit in respect of deferred tax liabilities on intangible assets amounting to \$551 million (2020: \$780 million).

## 5. Revenue

Group revenue represents interest income from loans granted to joint ventures and associates, dividends from other financial assets and engineering and consulting services fees.

	Six months ended 30 June	
	2021 \$ million	2020 \$ million
Interest income	<u>615</u>	<u>601</u>
Share of revenue of joint ventures	<u>9,003</u>	<u>7,956</u>

## 6. Profit before taxation

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$ million</b>	<b>\$ million</b>
Profit before taxation is arrived at after charging:		
Finance costs - interest on borrowings and other finance costs	<b>63</b>	32
Depreciation	<b>1</b>	2
	<hr/>	<hr/>

## 7. Income tax

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$ million</b>	<b>\$ million</b>
Current tax	<b>26</b>	34
Deferred tax	<b>44</b>	25
	<hr/>	<hr/>
	<b>70</b>	59
	<hr/>	<hr/>

Taxation is provided for at the applicable tax rate on the estimated assessable profits less available tax losses. Deferred taxation is provided on temporary differences under the liability method using tax rates applicable to the Group's operations in different 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 \$2,509 million for the six months ended 30 June 2021 (2020: \$2,262 million) and 2,134,261,654 ordinary shares (2020: 2,134,261,654 ordinary shares) in issue throughout the period.

There were no dilutive potential ordinary shares in existence during the six months ended 30 June 2021 and 2020.

## 9. Interest in joint ventures

	<b>30 June 2021 \$ million</b>	31 December 2020 \$ million
Share of net assets of unlisted joint ventures	49,355	46,531
Loans to unlisted joint ventures	12,742	12,329
Amounts due from unlisted joint ventures	277	287
	<u>62,374</u>	<u>59,147</u>
Share of total assets of unlisted joint ventures	<u>145,912</u>	<u>141,570</u>

## 10. Interest in associates

	<b>30 June 2021 \$ million</b>	31 December 2020 \$ million
Share of net assets		
– Listed associate	15,995	16,160
– Unlisted associates	6,809	6,508
	<u>22,804</u>	<u>22,668</u>
Loans to unlisted associates	3,628	3,642
Amounts due from associates	84	95
	<u>26,516</u>	<u>26,405</u>

## 11. Trade and other receivables

	<b>30 June 2021 \$ million</b>	31 December 2020 \$ million
Trade debtors	-	-
Interest and other receivables	497	406
	<u>497</u>	<u>406</u>
Derivative financial instruments	53	226
Deposits and prepayments	2	3
	<u>552</u>	<u>635</u>

Trade with customers is carried out on credit and invoices are normally due within one month after issued. The ageing of trade debtors is based on invoice date and net of loss allowance.



## 12. Trade and other payables

	<b>30 June 2021 \$ million</b>	31 December 2020 \$ million
Due within 1 month or on demand	74	64
Due after 1 month but within 3 months	8	5
Due after 3 months but within 12 months	<u>3,262</u>	<u>3,328</u>
Creditors measured at amortised cost	3,344	3,397
Derivative financial instruments	<u>262</u>	<u>206</u>
	<u><b>3,606</b></u>	<u><b>3,603</b></u>

## 13. Interim dividend

The interim dividend declared by the Board of Directors is as follows:

	<b>Six months ended 30 June 2021 \$ million</b>	2020 \$ million
Interim dividend of \$0.78 per ordinary share (2020: \$0.77 per ordinary share)	<u>1,665</u>	<u>1,643</u>

## **OTHER INFORMATION**

### **Interim Dividend**

The Board of Directors has declared an interim dividend for 2021 of HK\$0.78 per share. The dividend will be payable on Tuesday, 14 September 2021 to shareholders whose names appear in the register of members of the Company at the close of business on Friday, 3 September 2021, being the record date for determination of entitlement to the interim dividend. To qualify for the 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, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 3 September 2021.

### **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 six months ended 30 June 2021.

### **Corporate Governance**

The Company is committed to maintaining high standards of corporate governance and 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 all 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 (the "Listing Rules") throughout the six months ended 30 June 2021.

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 Inside Information and Securities Dealing for compliance by all employees of the Group.

## **Model Code for Securities Transactions by Directors**

The Board of Directors of the Company has adopted the Model Code for Securities Transactions by Directors (the “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 six months ended 30 June 2021.

## **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 Directors : Mr. LEUNG Hong Shun, Alexander and Mr. LI Tzar Kuoi, Victor
- Independent Non-executive Directors : Mr. IP Yuk-keung, Albert, Ms. KOH Poh Wah, Mr. LUI Wai Yu, Albert, Mr. Ralph Raymond SHEA and Mr. WU Ting Yuk, Anthony