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

2023 ANNUAL RESULTS

CHAIRMAN'S STATEMENT

Full year results

Power Assets Holdings Limited (the Group) achieved a robust performance in 2023. Our diverse portfolio of electricity and gas businesses, largely operating under regulatory regimes or long-term offtake agreements, continues to generate steady returns for the Group.

The profit attributable to shareholders amounted to HK$6,003 million during the period under review (2022: HK$5,649 million), a year-on-year increase of 6%.

In terms of the macro-economic market conditions, geopolitical tensions have continued to dominate the global landscape. An inflationary environment with high interest rates has persevered and the general sentiment is one of uncertainty. Against this backdrop, the Group has demonstrated the resilience of our business model that is underpinned by quality regulated assets which are immune from inflationary risks. This allows us to continue to provide affordable and reliable energy while facilitating the energy transition of our businesses globally.

Dividends

The Board of Directors has recommended a final dividend of HK$2.04 (2022: HK$2.04) per share, payable on 11 June 2024 to shareholders whose names appear in the Company's Register of Members on 28 May 2024. This, together with the interim dividend of HK$0.78 per share, takes the total dividend for the year to HK$2.82 (2022: HK$2.82) per share.

International Energy Portfolio

In 2023, our operating companies delivered satisfactory results across the board. The electricity businesses – spanning the United Kingdom, Australia, Hong Kong, Mainland China, Canada, New Zealand and Thailand – performed well during the year and made progress in decarbonisation initiatives. The gas transmission and distribution businesses in the United Kingdom and Australia also achieved their regulatory targets and performance parameters.

United Kingdom Portfolio

The United Kingdom represents the Group's largest market of operation and achieved profit contribution of HK$2,808 million (2022: HK$2,517 million). Although the market suffered from inflationary pressures, the regulatory frameworks under which our businesses operate ensured stable contributions during the period under review.

During the year, UK Power Networks (UKPN) commenced a new regulatory price control RIIO-ED2 (the second set of price controls for electricity distribution networks, implemented under the 'Revenue = Incentives + Innovation + Outputs' model) which will remain through to 31 March 2028. Under this framework, UKPN will focus on enabling the UK's green transition. Over the previous period, UKPN led the sector in safety, network reliability, customer service, stakeholder engagement, innovation, and efficiency.

The Group's gas distribution businesses, namely Northern Gas Networks (NGN) and Wales & West Utilities (WWU), both performed well in 2023. The companies continued to work in partnership with other industry players to promote the acceptance of hydrogen as an energy source for heating. Thanks to projects like H21, East Coast Hydrogen and Hyline Cymru, the public and industry are now more receptive to the use of hydrogen as a source of green energy and the UK government also views hydrogen as part of the green evolution to put the country on the path to net-zero emissions by 2050. In terms of operations, performance improvements and cost savings were achieved by NGN and WWU.

Seabank Power delivered stable revenues during the year under review, while exceeding targets on availability, efficiency and starting performance.

The UK government has made a strong commitment to net-zero emissions by 2050, outlining expected parameters and targets for the energy sector. The Group's businesses in the UK are focusing on efforts into meeting, and where possible exceeding, these targets. The incentives offered by the government under its net-zero emission objectives, as well as the growing sectors of sustainable and renewable energy, provide exciting opportunities for growth.

Australian Portfolio

Profit contribution from the Group's Australian portfolio was HK$1,265 million for the year under review (2022: HK$1,342 million). Albeit the Australian dollar remained relatively weak against the Hong Kong dollar, operating results of the businesses were satisfactory, generating steady returns for the Group.

There has been growing demand for renewable energy in the Australian market and the Group's electricity distribution companies have been actively facilitating consumer-side renewable generation projects.

In 2023, Victoria Power Networks (VPN) completed the rollout of Rapid Earth Fault Current Limiters, a new bushfire mitigation technology, across more than 17,000 kilometres of power lines in Victoria. United Energy (UE) upgraded its ability to meet peak demand through the installation of new pole-top batteries. SA Power Networks (SAPN) has conducted extensive planning and stakeholder engagement on how to most efficiently enable the energy transition.

Australian Gas Infrastructure Group (AGIG) progressed to design and construct the Hydrogen Park Murray Valley project which will produce renewable hydrogen for gas blending for homes and businesses within AGIG's Albury network. Dampier Bunbury Pipeline exceeded targets for reliability of its compressor stations and asset utilisation.

Energy Developments Pty Ltd (EDL) completed the Limestone and Lorrain renewable natural gas projects, contributing to emissions abatement by utilising landfill gas.

It is clear that the demand for greener energy solutions in the Australian market offers extensive opportunities for the organic growth of our businesses.

Other Portfolios

During the year, the Canadian portfolio continued to provide stable contributions to the Group, alongside its decarbonisation journey.

Husky Midstream generated a good return through establishing long-term contractual agreement with customers and focused on achieving safe and reliable operations. Canadian Power's Meridian cogeneration power station also completed a major gas turbine rotor replacement for one of its units, with a second replacement scheduled for 2024.

In the Netherlands, AVR-Afvalverwerking B.V. (AVR) reported a fire at the Rozenburg plant in September 2023. No casualties were reported during the fire incident and the costs of rebuilding the plant and the resulting income loss are expected to be substantially covered by insurance. Part of the operations has restarted at the end of 2023.

Wellington Electricity, the Group's investment in New Zealand, generated a solid return and has submitted an asset management plan to meet the overall emissions reduction strategy required by the regulator and the New Zealand government.

In Thailand, Ratchaburi Power Plant functioned above expectations in plant performance and operation.

In Mainland China, the Jinwan co-generation power plant returned to profitability in 2023 alongside a lower coal cost during the year. The two wind farms in Dali and Laoting jointly avoided 145,200 tonnes of carbon emissions.

Investment in Hong Kong

HK Electric Investments and its wholly-owned subsidiary HK Electric continued to provide reliable and affordable power to residential and business customers in Hong Kong.

2023 marked the successful conclusion of the 2019 - 2023 Development Plan of HK Electric. Under the HK$26.6 billion blueprint, three new gas-fired generating units and a joint-venture offshore liquefied natural gas (LNG) terminal were built, enabling HK Electric to increase the proportion of electricity generated from natural gas to around 70% from 2024 onwards and contributing to the city's carbon reduction efforts. It is also making progress on deployment of smart meters across the territory and around 60% of its customers are now fitted with smart meters.

In 2023, the government concluded an interim review of the current Scheme of Control Agreement for 2019 - 2033, which provides a stable and predictable return for the power sector. The Agreement also provides a structured framework for investments in decarbonisation. HK Electric has committed to investing another HK$22 billion under its 2024 - 2028 Development Plan to further enhance its decarbonisation strategy and support its sustainability pathway.

Embedding Sustainability in Our Business

With the challenges presented by climate change, the entire energy industry is undergoing a fundamental shift to expedite decarbonisation and to seek more sustainable solutions to meet energy demands. All of our operating companies in OECD member countries are committed to achieving net-zero emissions by 2050.

We are also in full support of the Sustainable Development Goals (SDGs) laid down by the United Nations and have identified six SDGs most relevant to the Group's sustainability strategy.

Initiatives have been taken to improve staff training and education on sustainability. Many of our operating companies organise mandatory sustainability training for all their employees to attend. At HK Electric, a system is in place to encourage and incentivise staff to submit innovative and sustainable ideas to optimise operations.

Across our markets, we are investing in smart grid technologies to ensure maximum efficiency and energy optimisation. Our networks in Hong Kong, the UK and Australia all deploy sensors, meters and communications to gather data, monitor electricity flows and other parameters to ensure grid stability and improve energy efficiency.

The Group is also working to supplement natural gas with greener alternatives such as hydrogen and bio-fuel. The wider deployment of green hydrogen technology has been piloted by our companies in the UK and Australia receiving government endorsement.

We are also innovating to address issues – such as intermittency and storage that are experienced by renewable energy solutions with schemes like the 'Flexible Export' at SAPN.

With a firm commitment to embedding sustainability objectives into the tapestry of our businesses, we are proactively collaborating with government, industry, businesses and customers to identify green energy alternatives and develop innovative solutions to reduce emissions and promote sustainable practices.

The industry shift towards increasing sustainability presents significant growth opportunities. Our existing businesses are being incentivised under their respective regulatory regimes to invest in new technology and infrastructure to meet the net-zero targets.

Maintaining Strong Financial Foundation

We continue to maintain a strong financial foundation, enabling the Group to respond in an agile and nimble manner to new growth opportunities.

Alongside a net cash position, our "A" credit rating from Standard & Poor's has been reaffirmed. Funds from operations remain robust and healthy, ensuring we are well-positioned to acquire new projects as they arise.

Outlook

Inflationary pressures and geopolitical tensions will continue to create uncertainties in the global economic landscape. However, this may offer opportunities for major infrastructure players like the Power Assets Group as our businesses are protected from inflation by the regulatory regimes under which they operate. There may also be more opportunities to acquire new quality projects which often occur in times of volatility or crisis.

In terms of acquisition growth, our investment criteria remain unchanged: we look for projects with secure revenue flows under sophisticated regulatory regimes or long-term offtake contracts; operations in mature and well-established energy markets; and track records with environmental, social and governance credentials.

With our strong cash and financial position, we are able to build upon our investment strategy to grow a well-balanced and globally diversified portfolio that will maximise long-term return without incurring undue risk. At the same time, we are committed to ensuring our investment strategy aligns with our sustainability objectives.

We have established a strong track record in successfully partnering with fellow companies under the CK Group and will continue to pursue opportunities for co-investment in the future.

I extend my deepest gratitude to our board, management, shareholders and employees worldwide for their support and dedication throughout this year.

Fok Kin Ning, Canning
Chairman
Hong Kong, 20 March 2024

FINANCIAL REVIEW

Financial Position, 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 at the year end were HK$88,697 million (2022: HK$84,636 million). Total unsecured bank loans outstanding at the year end were HK$3,097 million (2022: HK$3,236 million). In addition, the Group had bank deposits and cash of HK$4,201 million (2022: HK$5,894 million). As at 31 December 2023, the net cash position of the Group was HK$1,104 million (2022: HK$2,658 million). The Group did not maintain any undrawn committed bank facility at the year end (2022: HK$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 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. On 13 February 2023, Standard & Poor's reaffirmed the "A" long-term issuer credit rating and the "Stable" outlook of the Company, unchanged since September 2018.

The profile of the Group's external borrowings as at 31 December 2023, 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 between 2 and 5 years; and

(4) 90% were in fixed rate and 10% were in floating 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 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 2023 was HK$3,097 million (2022: HK$3,236 million). The fair value of forward foreign exchange contracts and cross currency swaps at 31 December 2023 was an asset of HK$1,185 million (2022: asset of HK$2,608 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 2023 amounted to HK$32,223 million (2022: HK$33,262 million).

Contingent Liabilities

As at 31 December 2023, the Group had given guarantees and indemnities totalling HK$142 million (2022: HK$253 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 2023, excluding director's emoluments, amounted to HK$27 million (2022: HK$27 million). As at 31 December 2023, the Group employed 13 (2022: 14) employees. No share option scheme is in operation.

POWER ASSETS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in Hong Kong dollars)

	Note	**2023** **$ million**	2022 $ million
Revenue	5	**1,292**	1,265
Other operating costs		**(161)**	(101)
Operating profit		**1,131**	1,164
Finance costs		**(143)**	(104)
Share of results of joint ventures		**3,582**	2,994
Share of results of associates		**1,682**	1,784
Profit before taxation	6	**6,252**	5,838
Income tax	7	**(249)**	(189)
Profit for the year attributable to equity shareholders of the Company		**6,003**	5,649
Earnings per share			
Basic and diluted	8	**$2.82**	$2.65

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 2023
(Expressed in Hong Kong dollars)

	2023 **$ million**	2022 $ million
Profit for the year attributable to equity shareholders of the Company	**6,003**	5,649
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan obligations	**(6)**	54
Share of other comprehensive income of joint ventures and associates	**244**	441
Income tax relating to items that will not be reclassified to profit or loss	**(63)**	(114)
	175	381
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translating operations outside Hong Kong, including joint ventures and associates	**2,446**	(4,919)
Net investment hedges	**(660)**	2,019
Cost of hedging	**(8)**	(7)
Cash flow hedges:		
Net movement in hedging reserve	**(45)**	237
Share of other comprehensive income of joint ventures and associates	**(23)**	4,191
Income tax relating to items that may be reclassified subsequently to profit or loss	**16**	(1,321)
	1,726	200
	1,901	581
Total comprehensive income for the year attributable to equity shareholders of the Company	**7,904**	6,230

POWER ASSETS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023
(Expressed in Hong Kong dollars)

	Note	**2023** **$ million**	2022 $ million
Non-current assets			
Property, plant and equipment and leasehold land		**19**	18
Interest in joint ventures	9	**61,669**	57,331
Interest in associates	10	**27,028**	27,305
Other non-current financial assets		**1,100**	1,100
Derivative financial instruments		**1,521**	1,887
Employee retirement benefit assets		**6**	6
		91,343	87,647
Current assets			
Other receivables	11	**158**	986
Bank deposits and cash		**4,201**	5,894
		4,359	6,880
Current liabilities			
Other payables	12	**(3,018)**	(3,934)
Current tax payable		**(231)**	(104)
		(3,249)	(4,038)
Net current assets		**1,110**	2,842
Total assets less current liabilities		**92,453**	90,489
Non-current liabilities			
Bank loans and other interest-bearing borrowings		**(3,097)**	(3,236)
Lease liabilities		**(1)**	(1)
Derivative financial instruments		**(199)**	(27)
Deferred tax liabilities		**(301)**	(275)
Employee retirement benefit liabilities		**(103)**	(93)
		(3,701)	(3,632)
Net assets		**88,752**	86,857
Capital and reserves			
Share capital		**6,610**	6,610
Reserves		**82,142**	80,247
Total equity attributable to equity shareholders of the Company		**88,752**	86,857

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 Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary 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 certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

The financial information relating to the years ended 31 December 2023 and 2022 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 2022 have been delivered to the Registrar of Companies and the Company's financial statements for the year ended 31 December 2023 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 2022. 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 Companies Ordinance. The financial statements for the year ended 31 December 2023 have yet to be reported on by the Company's auditor.

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 and new guidance on the abolition of the Mandatory Provident Fund (MPF)-Long Service Payment (LSP) offsetting mechanism.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this financial report. 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 year are as follows:

	2023						
		Investments					
$ million	Investment in HKEI	United Kingdom	Australia	Others	Sub-total	All other activities	Total
For the year ended 31 December							
Reportable segment revenue	-	495	638	159	1,292	-	1,292
Result							
Segment earnings	-	495	638	151	1,284	(367)	917
Depreciation and amortisation	-	-	-	-	-	(4)	(4)
Bank deposit interest income	-	-	-	-	-	218	218
Operating profit	-	495	638	151	1,284	(153)	1,131
Finance costs	-	14	(168)	11	(143)	-	(143)
Share of results of joint ventures and associates	1,053	2,299	845	1,064	4,208	3	5,264
Profit before taxation	1,053	2,808	1,315	1,226	5,349	(150)	6,252
Income tax	-	-	(50)	(195)	(245)	(4)	(249)
Reportable segment profit	1,053	2,808	1,265	1,031	5,104	(154)	6,003
At 31 December							
Assets							
Property, plant and equipment and leasehold land	-	-	-	-	-	19	19
Other assets	-	1,081	514	366	1,961	824	2,785
Interest in joint ventures and associates	16,572	40,963	21,457	9,697	72,117	8	88,697
Bank deposits and cash	-	-	-	-	-	4,201	4,201
Reportable segment assets	16,572	42,044	21,971	10,063	74,078	5,052	95,702
Liabilities							
Segment liabilities	-	(311)	(680)	(129)	(1,120)	(2,201)	(3,321)
Current and deferred taxation	-	-	(14)	(518)	(532)	-	(532)
Interest-bearing borrowings	-	-	(3,097)	-	(3,097)	-	(3,097)
Reportable segment liabilities	-	(311)	(3,791)	(647)	(4,749)	(2,201)	(6,950)

4. Segment reporting (continued)

$ million	2022 Investment in HKEI	Investments United Kingdom	Australia	Others	Sub-total	All other activities	Total
For the year ended 31 December							
Reportable segment revenue	-	550	557	158	1,265	-	1,265
Result							
Segment earnings	-	550	557	151	1,258	(159)	1,099
Depreciation and amortisation	-	-	-	-	-	(3)	(3)
Bank deposit interest income	-	-	-	-	-	68	68
Operating profit	-	550	557	151	1,258	(94)	1,164
Finance costs	-	76	(206)	26	(104)	-	(104)
Share of results of joint ventures and associates	986	1,891	1,009	889	3,789	3	4,778
Profit before taxation	986	2,517	1,360	1,066	4,943	(91)	5,838
Income tax	-	-	(18)	(171)	(189)	-	(189)
Reportable segment profit	986	2,517	1,342	895	4,754	(91)	5,649
At 31 December							
Assets							
Property, plant and equipment and leasehold land	-	-	-	-	-	18	18
Other assets	-	1,972	551	587	3,110	869	3,979
Interest in joint ventures and associates	16,690	37,152	21,080	9,706	67,938	8	84,636
Bank deposits and cash	-	-	-	-	-	5,894	5,894
Reportable segment assets	16,690	39,124	21,631	10,293	71,048	6,789	94,527
Liabilities							
Segment liabilities	-	(922)	(763)	(94)	(1,779)	(2,276)	(4,055)
Current and deferred taxation	-	-	(25)	(354)	(379)	-	(379)
Interest-bearing borrowings	-	-	(3,236)	-	(3,236)	-	(3,236)
Reportable segment liabilities	-	(922)	(4,024)	(448)	(5,394)	(2,276)	(7,670)

5. 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 and dividends from other financial assets.

	2023 $ million	2022 $ million
Interest income	**1,223**	1,207
Dividend income	**69**	58
	1,292	1,265
Share of revenue of joint ventures	**18,943**	18,345

6. Profit before taxation

	2023 $ million	2022 $ million
Profit before taxation is arrived at after charging/(crediting):		
Interest income on financial assets measured at amortised cost	**(218)**	(68)
Net exchange (gain) / loss	**(35)**	30
Staff costs	**32**	32
Depreciation	**4**	3
Auditors' remuneration		
– audit and audit related work		
– KPMG	**3**	3
– other auditors	**1**	1
– non-audit work		
– KPMG	**1**	1
– other auditors	**2**	1

7. Income tax in the consolidated statement of profit or loss

	2023 **$ million**	2022 $ million
Current tax – operations outside Hong Kong		
Provision for the year	**219**	59
Deferred tax		
Origination and reversal of temporary differences	**30**	130
	249	189

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 in Hong Kong.

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 $6,003 million (2022: $5,649 million) and 2,131,105,154 ordinary shares (2022: weighted average of 2,133,515,443 ordinary shares) in issue during the year.

There were no dilutive potential ordinary shares in existence during the years ended 31 December 2023 and 2022.

9. Interest in joint ventures

	2023 **$ million**	2022 $ million
Share of net assets of unlisted joint ventures	**52,079**	45,759
Loans to unlisted joint ventures	**9,451**	11,221
Amounts due from unlisted joint ventures	**139**	351
	61,669	57,331
Share of total assets of unlisted joint ventures	**146,620**	132,482

10. Interest in associates

	2023 **$ million**	2022 $ million
Share of net assets		
– Listed associate	**16,572**	16,690
– Unlisted associates	**7,300**	7,274
	23,872	23,964
Loans to unlisted associates	**3,108**	3,252
Amounts due from associates	**48**	89
	27,028	27,305

11. Other receivables

	2023 **$ million**	2022 $ million
Interest and other receivables	**129**	132
Derivative financial instruments	**24**	852
Deposits and prepayments	**5**	2
	158	986

Receivables are carried out on credit and invoices are normally due within one month after issued.

12. Other payables

	2023 **$ million**	2022 $ million
Creditors measured at amortised cost	**2,896**	3,915
Lease liabilities	**3**	2
Derivative financial instruments	**119**	17
	3,018	3,934

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

13. Dividends

	2023 **$ million**	2022 $ million
Interim dividend declared and paid of $0.78 per ordinary share (2022: $0.78 per ordinary share)	**1,662**	1,665
Final dividend proposed after the end of the reporting period of $2.04 per ordinary share (2022: $2.04 per ordinary share)	**4,348**	4,347
	6,010	6,012

The final dividend proposed after the end of the reporting period is based on 2,131,105,154 ordinary shares (2022: 2,131,105,154 ordinary shares), being the total number of issued shares at the year end. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

POWER ASSETS HOLDINGS LIMITED
OTHER INFORMATION

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, 22 May 2024 (or any adjournment thereof), the register of members of the Company will be closed from Friday, 17 May 2024 to Wednesday, 22 May 2024, 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, no later than 4:30 p.m. on Thursday, 16 May 2024.

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, 28 May 2024, 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, no later than 4:30 p.m. on Tuesday, 28 May 2024.

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.

Purchase, Sale or Redemption of Shares

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

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 the Company and its ability to attract investment, protect the rights of shareholders and other stakeholders, and enhance shareholder value. The Group's corporate governance practices are designed to achieve these objectives and are 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 C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2023.

The Audit Committee, Nomination Committee and Remuneration Committee, all chaired by an Independent Non-executive Director, support the Board of Directors (the "Board") in providing independent oversight in their respective areas of responsibilities. The Sustainability Committee oversees management of, and advises the Board on, the development and implementation of the sustainability initiatives of the Group.

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 has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix C3 of the Listing Rules as the code of conduct regulating directors' securities transactions. All Directors have confirmed, following specific enquiry, that they have complied with the Model Code throughout the year ended 31 December 2023.

Annual General Meeting

The annual general meeting of the Company will be held on Wednesday, 22 May 2024. Notice of the annual general meeting will be published and issued to shareholders 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. CHENG Cho Ying, Francis, Mr. Andrew John HUNTER and Mr. Neil Douglas MCGEE
Non-executive Directors	:	Mr. LEUNG Hong Shun, Alexander and Mr. LI Tzar Kuoi, Victor
Independent Non-executive Directors	:	Mr. Stephen Edward BRADLEY, Mr. IP Yuk-keung, Albert, Ms. KOH Poh Wah, Mr. KWAN Chi Kin, Anthony and Mr. WU Ting Yuk, Anthony