CK Infrastructure Holdings Limited
長江基建集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1038)

INTERIM RESULTS FOR 2017

Steady Business Performance • Promising Growth Opportunities

For the interim period ended 30th June 2017, CK Infrastructure Holdings Limited ("CKI", the "Company" or the "Group") recorded unaudited profit attributable to shareholders of HK$5,657 million, a 3% increase over the same period in 2016.

The result was achieved notwithstanding the British pound having dropped more than 10% when compared with the corresponding period last year.

In addition, a one-off gain generated from the disposal of CKI's stake in Spark Infrastructure in June 2016 was recorded in last year's corresponding result. This year's interim result would have shown an increase of 20%, if this one-off gain was adjusted for.

Overall performance of the Group's businesses around the world continued to be sound with steady returns generated.

Continuous Dividend Growth

The Board of Directors of CKI (the "Board") has declared an interim dividend for 2017 of HK$0.67 per share (2016: HK$0.63 per share), a 6.3% increase over the same period in 2016. This extends CKI's sequence of continuous growth in dividends since listing over 20 years ago. The interim dividend will be paid on Thursday, 31st August, 2017 to shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 22nd August, 2017.

Acquisition

During the period under review, CKI made a milestone investment with the acquisition of DUET. DUET is an owner and operator of energy utility assets which are mostly located in Australia. Its businesses comprise regulated network businesses, contracted gas pipelines, and power generation projects. The company has a long track record of stable performance, bolstered by regulated and contracted revenue streams.

The enterprise value of the business is approximately A$13 billion. CKI now owns a 40% stake in the business, with associate companies of the CK Group – Cheung Kong Property Holdings Limited ("CKPH") and Power Assets Holdings Limited ("Power Assets") – holding 40% and 20% respectively. This acquisition is the largest acquisition ever made by CKI.

The DUET transaction successfully addressed concerns of the Australian Government, paving the way for further investment opportunities in Australia for the Group.

Power Assets

Profit contribution from Power Assets was HK$1,564 million, an increase of 16% as compared to the same period last year.

Both Hong Kong and international portfolios reported financial growth during the period under review.

UK Portfolio

Profit contribution from the United Kingdom portfolio was £295 million, an increase of 3% over the corresponding period last year. This result when translated into Hong Kong dollars, amounted to HK$2,929 million, representing a 8% decrease. The British pound continued to be affected by the Brexit decision. Nonetheless, the underlying operations of the Group's businesses in the United Kingdom continued to perform well.

UK Power Networks ("UKPN") delivered a sound operational performance. During the interim period, UKPN completed a two-year trial of Britain's largest grid-scale battery project. The 6MW/10MWh "big battery" trial demonstrated that energy storage has the potential to be both technically and commercially viable; this could possibly transform the energy grid, playing a major role in the transition towards a low-carbon economy.

Northumbrian Water continued to provide a steady source of income. For the fourth year running, the company was named the most trusted water company in the country according to a survey carried out by Consumer Council for Water.

Both of the Group's gas distribution businesses in the United Kingdom – Northern Gas Networks and Wales & West Gas Networks – generated results which were in line with expectations.

The Group's regulated businesses across the United Kingdom have all completed their regulatory resets, laying down the foundation for stable returns for the coming years.

UK Rails recorded steady operational performance in the first half. A five-car test train for the £140 million Great Western Railway new order arrived United Kingdom in June and will commence testing in the summer. 63 of these trains are scheduled to be in service next year.

Seabank Power also achieved good results in the interim period.

Australian Portfolio

Profit contribution from CKI's Australian businesses was A$139 million (approximately HK$834 million), a decrease of 45% (in HK$: 42%) over the same period last year. This is mainly due to the one-off gain of HK$781 million recorded in the corresponding period last year for the disposal of Spark Infrastructure. Excluding this, total contribution from Australia increased 27%.

During the period under review, performance of both SA Power Networks and Victoria Power Networks was in line with forecast.

Australian Gas Networks also delivered a steady performance. The business is currently finalising the terms of the regulatory reset for its networks in Victoria and New South Wales. Once confirmed, a secure framework for future earnings is expected to be in place.

The newly acquired DUET provided 1.5 months of income to the Group. Since completion, DUET's various operations have been performing on track.

Other Infrastructure Businesses

Profit contribution from the Mainland China portfolio was HK$157 million, similar to that of the same period last year.

In Canada, profit contribution was C$21 million (approximately HK$120 million), an increase of 49% (HK$: 50%) over the corresponding period last year. The result was buoyed by earnings generated from Canadian Midstream Assets which was acquired from Husky Energy in July last year.

Profit contribution of NZ$15.7 million (approximately HK$87 million) was generated from the New Zealand portfolio. This represents an increase of 6% (HK$: 12%) when compared to the same period last year. Cold weather brought in a higher than expected revenue for Wellington Electricity during the period.

In Continental Europe, Dutch Enviro Energy performed satisfactorily, generating a profit contribution of €9.5 million (approximately HK$80 million), an amount similar to that of last year. Meanwhile, Portugal Renewable Energy recorded €12.4 million (approximately HK$104 million), a drop of 7% (HK$: 9%) over the corresponding period last year. The decrease is due to lower wind resource in the first half of the year.

Results of the Group’s materials business was HK$149 million, similar to that of the same period last year.

Strong Financial Position

As at 30th June, 2017, the Group had cash on hand of HK$4.7 billion and a net debt to net total capital ratio of 15.3%. Notwithstanding the DUET acquisition, CKI maintains a strong financial position.

Subsequent Event

On 14th July, 2017, it was announced that CKI has agreed to buy 25% of the shareholding of Reliance LP (“Reliance”) from CKPH at a consideration of approximately C$715 million (approximately HK$4,386 million). Reliance is principally engaged in the building equipment services sector providing water heaters, HVAC (heating, ventilation and air conditioning) equipment, comfort protection plans and other services to homeowners in Ontario, Canada. It also has operations in Manitoba, Saskatchewan and Alberta in Canada, as well as Georgia in the United States. The sale of the 25% shareholding to CKI is subject to the approval of CKPH’s independent shareholders. Assuming this proceeds, this acquisition will enhance CKI’s portfolio in Canada and further widen CKI’s business scope.

Outlook

The addition of DUET has enhanced the portfolio mix of CKI, expanding and diversifying its electricity business and widening its gas coverage in the country. With this newly acquired business, the revenue and profit base of CKI has been further strengthened.

Building on this successful acquisition momentum, CKI will continue to pursue further growth opportunities. Sizeable capital intensive deals are of particular interest to us. Our unique competitive edge lies in the readiness of our associate companies in the CK Group to form joint ventures in our investments. This is most beneficial to us in the diversification and management of risks and reward, mitigating our exposure in any particular investment. Nonetheless, as always, CKI will continue to adopt very strict financial discipline when analysing prospective investments and will not approach them with a “must win” mentality.

With a solid business foundation, steady revenue streams, ample cash on hand, and strong management capabilities, the Group is well-positioned to advance on the growth path. CKI is optimistic about prospects for the Group.

I would like to take this opportunity to thank the Board, management and staff for their commitment and efforts, as well as our shareholders for their support.

LI TZAR KUOI, VICTOR
Chairman

20th July, 2017

FINANCIAL REVIEW

Financial Resources, Treasury Activities and Gearing Ratio

The Group's capital expenditure and investments were funded from cash on hand, internal cash generation, syndicated loans, notes, share placement and other project loans.

As at 30th June, 2017, cash and bank deposits on hand amounted to HK$4,746 million and the total borrowings of the Group amounted to HK$24,336 million, which included Hong Kong dollar notes of HK$260 million and foreign currency borrowings of HK$24,076 million. Of the total borrowings, 12 per cent were repayable in 2017, 44 per cent were repayable between 2018 and 2021 and 44 per cent were repayable beyond 2021. The refinancing of the borrowing repayable in 2017 has been committed with certain banks. The Group's financing activities continue to be well received and fully supported by its bankers.

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise the cost of funds, the Group's treasury activities are centralised. Cash is generally placed in short-term deposits mostly denominated in U.S. dollars, Hong Kong dollars, Australian dollars, New Zealand dollars, British pound, Canadian dollars or Euro. The Group's liquidity and financing requirements are reviewed regularly. The Group will continue to maintain a strong capital structure when considering financing for new investments or maturity of bank loans.

As at 30th June, 2017, the Group maintained a net debt position with a net debt to net total capital ratio of 15.3 per cent, which was based on its net debt of HK$19,590 million and net total capital, which represents the total borrowings plus total equity net of cash and bank deposits, of HK$128,213 million. This ratio was higher than the net debt to net total capital ratio of 4.5 per cent at the year end of 2016. This change was mainly due to the funds utilised for the investment in a business that owns and operates energy utility assets in Australia, the United States, the United Kingdom and Europe during the period.

The fluctuations in currencies and in particular, the devaluation of the British pound arising from the United Kingdom referendum vote to leave the European Union had an impact on all businesses in the market that have exposure in the United Kingdom and/or to British pound. While the Group is not immune from such impact, there is no material change beyond market expectation.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with (i) currency swaps and (ii) the appropriate level of borrowings denominated in the local currencies. The Group also entered into certain interest rate swaps to mitigate interest rate risks. As at 30th June, 2017, the notional amounts of these derivative instruments amounted to HK$49,157 million.

Charge on Group Assets

As at 30th June, 2017:

- the Group's obligations under finance leases totalling HK$29 million were secured by charges over the leased assets with carrying value of HK$29 million; and

- the shares of a subsidiary were pledged to secure bank borrowings totalling HK$1,308 million granted to the Group.

Contingent Liabilities

As at 30th June, 2017, the Group was subject to the following contingent liabilities:

HK$ million	
Guarantee in respect of bank loan drawn by affiliated companies	1,241
Other guarantee given in respect of an affiliated company	731
Performance bond indemnities	112
Total	2,084

Employees

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 2,014 employees. Employees' cost (excluding directors' emoluments) amounted to HK$365 million. The Group ensures that the pay levels of its employees are competitive and that its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Preferential subscription of 2,978,000 new shares of the Company was given to those employees who had subscribed for shares of HK$1.00 each in the Company at HK$12.65 per share on the flotation of the Company in 1996. The Group does not have any share option scheme for employees.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30th June, 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance Code

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

Save as disclosed below, the Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th June, 2017. In respect of code provisions A.5.1 to A.5.4 of the CG Code, the Company does not have a nomination committee. At present, the full Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new Directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman of the Board and the Group Managing Director. In respect of code provision A.6.7 of the CG Code, an Independent Non-executive Director did not attend the special general meeting of the Company held on 14th March, 2017 (the "SGM") due to an overseas commitment and an Independent Non-executive Director attended the SGM via telephone conference.

The Group is committed to achieving and maintaining standards of openness, probity and accountability. In line with this commitment and in compliance with the CG Code, the audit committee of the Company ("Audit Committee") has established the Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters. In addition, the Company has established the Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing for compliance by the Company's employees.

Audit Committee

The Company established the Audit Committee in December 1998 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the CG Code. The Audit Committee comprises five Independent Non-executive Directors, namely, Mr. Colin Stevens Russel (Chairman of the Audit Committee), Mr. Cheong Ying Chew, Henry, Mrs. Kwok Eva Lee, Mrs. Sng Sow-mei alias Poon Sow Mei and Mr. Lan Hong Tsung, David. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system, risk management and internal control systems, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board.

The Group's interim results for the six months ended 30th June, 2017 have been reviewed by the Audit Committee.

Remuneration Committee

In compliance with the CG Code, the Company established its remuneration committee ("Remuneration Committee") on 1st January, 2005 with a majority of the members thereof being Independent Non-executive Directors. The Remuneration Committee comprises the Chairman of the Board, Mr. Li Tzar Kuoi, Victor, and two Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Remuneration Committee) and Mr. Colin Stevens Russel.

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NOTICE OF PAYMENT OF INTERIM DIVIDEND, 2017

The Board of Directors of CK Infrastructure Holdings Limited announces that the Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2017 amounted to HK$5,657 million which represents earnings of HK$2.25 per share. The Directors have resolved to pay an interim dividend for 2017 of HK$0.67 per share to shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 22nd August, 2017 being the record date for determination of entitlement to the interim dividend. In order to qualify for the interim dividend, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 22nd August, 2017. The dividend will be paid on Thursday, 31st August, 2017.

By Order of the Board
CK INFRASTRUCTURE HOLDINGS LIMITED
Eirene Yeung
Company Secretary

20th July, 2017

As at the date hereof, the Executive Directors of the Company are Mr. LI Tzar Kuoi, Victor (Chairman), Mr. KAM Hing Lam (Group Managing Director), Mr. IP Tak Chuen, Edmond (Deputy Chairman), Mr. FOK Kin Ning, Canning (Deputy Chairman), Mr. Andrew John HUNTER (Deputy Managing Director), Mr. CHAN Loi Shun (Chief Financial Officer), Ms. CHEN Tsien Hua and Mr. Frank John SIXT; the Non-executive Directors are Mr. CHEONG Ying Chew, Henry (Independent Non-executive Director), Mrs. KWOK Eva Lee (Independent Non-executive Director), Mrs. SNG Sow-mei alias POON Sow Mei (Independent Non-executive Director), Mr. Colin Stevens RUSSEL (Independent Non-executive Director), Mr. LAN Hong Tsung, David (Independent Non-executive Director), Mr. Barrie COOK (Independent Non-executive Director), Mr. Paul Joseph TIGHE (Independent Non-executive Director), Mrs. LEE Pui Ling, Angelina and Mr. George Colin MAGNUS; and the Alternate Directors are Mrs. CHOW WOO Mo Fong, Susan (Alternate Director to Mr. FOK Kin Ning, Canning), Mr. MAN Ka Keung, Simon (Alternate Director to Mr. IP Tak Chuen, Edmond) and Ms. Eirene Yeung (Alternate Director to Mr. KAM Hing Lam).

CONSOLIDATED INCOME STATEMENT

for the six months ended 30th June

		Unaudited	
HK$ million	Notes	**2017**	2016
Turnover	2	**13,977**	14,056
Sales and interest income from infrastructure investments	2	**2,776**	2,588
Other income	3	**228**	374
Operating costs	4	**(1,618)**	(1,762)
Finance costs		**(305)**	(278)
Exchange gain / (loss)		**213**	(498)
Gain on disposal of investment in securities		**-**	781
Share of results of associates		**1,804**	1,601
Share of results of joint ventures		**2,847**	3,004
Profit before taxation		**5,945**	5,810
Taxation	5	**(15)**	(7)
Profit for the period	6	**5,930**	5,803
Attributable to:			
Shareholders of the Company		**5,657**	5,511
Owners of perpetual capital securities		**275**	308
Non-controlling interests		**(2)**	(16)
		5,930	5,803
Earnings per share	7	**HK$2.25**	HK$2.19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK$ million	Notes	**Unaudited 30/6/2017**	Audited 31/12/2016
Property, plant and equipment		**2,480**	2,404
Investment properties		**344**	344
Interests in associates		**48,655**	52,177
Interests in joint ventures		**75,694**	53,973
Investments in securities		**664**	648
Derivative financial instruments		**1,736**	2,178
Goodwill and intangible assets		**2,677**	2,554
Deferred tax assets		**41**	29
Other non-current assets		**85**	64
Total non-current assets		**132,376**	114,371
Inventories		**191**	139
Derivative financial instruments		**269**	982
Debtors and prepayments	9	**681**	628
Bank balances and deposits		**4,746**	11,790
Total current assets		**5,887**	13,539
Bank and other loans		**7,393**	9,901
Derivative financial instruments		**356**	3
Creditors and accruals	10	**3,613**	3,837
Taxation		**92**	96
Total current liabilities		**11,454**	13,837
Net current liabilities		**(5,567)**	(298)
Total assets less current liabilities		**126,809**	114,073
Bank and other loans		**16,943**	6,944
Derivative financial instruments		**701**	422
Deferred tax liabilities		**505**	481
Other non-current liabilities		**37**	39
Total non-current liabilities		**18,186**	7,886
Net assets		**108,623**	106,187
Representing:			
Share capital		**2,651**	2,651
Reserves		**96,391**	93,954
Equity attributable to shareholders of the Company		**99,042**	96,605
Perpetual capital securities		**9,544**	9,544
Non-controlling interests		**37**	38
Total equity		**108,623**	106,187

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The accounting policies adopted for the preparation of the consolidated interim financial statements are consistent with those set out in the Group's consolidated annual financial statements for the year ended 31st December, 2016, except for adoption of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants which are effective to the Group for accounting periods beginning on or after 1st January, 2017. The adoption of the new and revised HKFRSs has no material impact on the Group's results and financial position for the current or prior periods.

2. TURNOVER

Turnover represents net sales of infrastructure materials, interest income from loans granted to associates and joint ventures, sales of waste management services, interest income from investments in securities classified as infrastructure investments and share of turnover of joint ventures.

Turnover comprises both sales and interest income from infrastructure investments and share of turnover of joint ventures as follows:

	Six months ended 30th June	
HK$ million	**2017**	2016
Sales of infrastructure materials	**954**	920
Interest income from loans granted to associates	**184**	183
Interest income from loans granted to joint ventures	**907**	834
Sales of waste management services	**731**	627
Interest income from investments in securities	**-**	24
Sales and interest income from infrastructure investments	**2,776**	2,588
Share of turnover of joint ventures	**11,201**	11,468
Turnover	**13,977**	14,056

3. OTHER INCOME

Other income includes the following:

HK$ million	Six months ended 30th June **2017**	2016
Bank and other interest income	**65**	58

4. OPERATING COSTS

Operating costs include the following:

HK$ million	Six months ended 30th June **2017**	2016
Cost of inventories sold	**803**	831
Cost of services provided	**417**	344
Depreciation of property, plant and equipment	**98**	97
Amortisation of intangible assets	**15**	15

5. TAXATION

Taxation is provided for at the applicable tax rates 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.

HK$ million	Six months ended 30th June **2017**	2016
Current taxation – outside Hong Kong	**26**	16
Deferred taxation	**(11)**	(9)
Total	**15**	7

6. PROFIT FOR THE PERIOD AND SEGMENT INFORMATION

for the six months ended 30th June

	Investment in Power Assets		Infrastructure Investments: United Kingdom		Infrastructure Investments: Australia		Infrastructure Investments: Mainland China		Infrastructure Investments: New Zealand		Infrastructure Investments: Continental Europe, Canada and United States		Infrastructure related business		Total before unallocated items		Unallocated items		Consolidated	
HK$ million	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Turnover	-	-	8,483	9,311	1,514	924	181	213	1,050	911	1,316	1,180	1,433	1,517	13,977	14,056	-	-	13,977	14,056
Sales and interest income from infrastructure investments	-	-	715	703	244	207	-	-	758	653	105	105	954	920	2,776	2,588	-	-	2,776	2,588
Bank and other interest income	-	-	-	-	-	-	-	-	-	-	-	-	20	15	20	15	45	43	65	58
Other income	-	-	25	28	62	-	49	58	1	1	-	-	12	32	149	119	14	197	163	316
Change in fair value of derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(197)	-	(197)
Depreciation and amortisation	-	-	-	-	-	-	-	-	(72)	(70)	-	-	(41)	(41)	(113)	(111)	-	(1)	(113)	(112)
Other operating expenses	-	-	-	-	-	-	(1)	-	(557)	(464)	-	-	(855)	(884)	(1,413)	(1,348)	(92)	(105)	(1,505)	(1,453)
Finance costs	-	-	-	-	-	-	-	-	(35)	(31)	-	-	-	-	(35)	(31)	(270)	(247)	(305)	(278)
Exchange (loss) / gain	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	(1)	-	214	(498)	213	(498)
Gain on disposal of investment in securities	-	-	-	-	-	781	-	-	-	-	-	-	-	-	-	781	-	-	-	781
Share of results of associates and joint ventures	1,564	1,351	2,178	2,445	528	448	114	104	4	(3)	203	170	60	90	4,651	4,605	-	-	4,651	4,605
Profit / (Loss) before taxation	1,564	1,351	2,918	3,176	834	1,436	162	162	99	86	308	275	149	132	6,034	6,618	(89)	(808)	5,945	5,810
Taxation	-	-	11	11	-	-	(5)	(5)	(12)	(8)	(7)	(1)	(2)	1	(15)	(2)	-	(5)	(15)	(7)
Profit / (Loss) for the period	1,564	1,351	2,929	3,187	834	1,436	157	157	87	78	301	274	147	133	6,019	6,616	(89)	(813)	5,930	5,803
Attributable to:																				
Shareholders of the Company	1,564	1,351	2,929	3,187	834	1,436	157	157	87	78	301	274	149	149	6,021	6,632	(364)	(1,121)	5,657	5,511
Owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	275	308	275	308
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(2)	(16)	(2)	(16)	-	-	(2)	(16)
	1,564	1,351	2,929	3,187	834	1,436	157	157	87	78	301	274	147	133	6,019	6,616	(89)	(813)	5,930	5,803

6. PROFIT FOR THE PERIOD AND SEGMENT INFORMATION (CONT'D)

Segment profit attributable to shareholders of the Company represents the profit earned by each segment after the profit attributable to owners of perpetual capital securities and non-controlling interests without allocation of gains or losses from treasury activities, corporate overheads and other expenses of the Group's head office.

7. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of the Company of HK$5,657 million (2016: HK$5,511 million) and on the weighted average of 2,519,610,945 shares (2016: 2,519,610,945 shares) in issue during the interim period.

The shares issued in connection with the issue of perpetual capital securities in March 2016 were excluded from the calculation of earnings per share since these shares are disregarded for the purpose of determining the number of shares held by the public.

8. INTERIM DIVIDEND

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

	Six months ended 30th June	
HK$ million	**2017**	2016
Interim dividend of HK$0.67 per share (2016: HK$0.63 per share)	**1,688**	1,587

During the six months ended 30th June, 2017, interim dividend declared by the Board of Directors amounted to HK$1,688 million (2016: HK$1,587 million), which is after elimination of HK$88 million (2016: HK$83 million) for the shares issued in connection with the issue of perpetual capital securities in March 2016.

9. DEBTORS AND PREPAYMENTS

Included in debtors and prepayments are trade debtors of HK$268 million (HK$308 million at 31st December, 2016) and their aging analysis is as follows:

HK$ million	**30/6/2017**	31/12/2016
Current	**139**	191
Less than 1 month past due	**103**	96
1 to 3 months past due	**23**	20
More than 3 months but less than 12 months past due	**6**	4
More than 12 months past due	**22**	22
Amount past due	**154**	142
Allowance for doubtful debts	**(25)**	(25)
Total after allowance	**268**	308

Trade with customers is carried out largely on credit, except for new customers, residential customers of waste management services and customers with unsatisfactory payment records, where payment in advance is normally required. Invoices are normally due within 1 month of issuance, except for certain well-established customers, where the terms are extended to 2 months, and certain customers with disputed items, where the terms are negotiated individually. Each customer has a maximum credit limit, which was granted and approved by senior management in accordance with the laid-down credit review policy and procedures.

10. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK$229 million (HK$253 million at 31st December, 2016) and their aging analysis is as follows:

HK$ million	**30/6/2017**	31/12/2016
Current	**144**	192
1 month	**37**	20
2 to 3 months	**13**	7
Over 3 months	**35**	34
Total	**229**	253

11. EVENT AFTER THE REPORTING PERIOD

On 14th July 2017, the Group entered into a sale and purchase agreement to acquire 25% interest in Reliance LP ("Reliance") at a consideration of approximately C$715 million (approximately HK$4,386 million) from Cheung Kong Property Holdings Limited ("CKPH"). Completion of the acquisition is subject to the approval of CKPH's independent shareholders.

Reliance is principally engaged in the building equipment services sector providing water heaters, HVAC (heating, ventilation and air conditioning) equipment, comfort protection plans and other services to homeowners in Ontario, Canada. It also has operations in Manitoba, Saskatchewan and Alberta in Canada, as well as Georgia in the United States.

12. REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee.