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Cheung Kong 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 2016

For the interim period ended 30th June, 2016, Cheung Kong Infrastructure Holdings Limited (“CKI”, the “Company” or the “Group”) recorded unaudited profit attributable to shareholders of HK\$5,511 million. Compared to the corresponding period in 2015, this represents a 4.9% increase. Two major factors attributed to this result: (i) a one-off gain generated by the sale of the Group’s interest in Spark Infrastructure; and (ii) the translation impact caused by the weakness of the British pounds, Australian dollars and New Zealand dollars when results were converted into Hong Kong dollars.

The underlying performance of the Group’s businesses for the period was good. Apart from Mainland China Infrastructure and Infrastructure Materials, the Group’s asset portfolios in the United Kingdom, Australia, Canada, New Zealand and Continental Europe all recorded growth in their respective local currencies. Profit contribution from Power Assets also reported an increase.

Continued Dividend Growth

The Board of Directors of CKI (the “Board”) has declared an interim dividend for 2016 of HK\$0.63 per share (2015: HK\$0.6 per share), a 5% increase over the corresponding period in 2015. This extends CKI’s sequence of continuous growth in dividends in the two decades since listing. The interim dividend will be paid on Friday, 9th September, 2016 to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 31st August, 2016.

Strong Global Business Portfolio

Power Assets

Profit contribution from Power Assets was HK\$1,351 million for the six months ended 30th June, 2016, an increase of 7.4% compared to the corresponding period in 2015.

Three major factors led to this result: (i) an increased contribution from Portugal Renewable Energy which was acquired at the end of 2015; (ii) an accounting loss incurred from the sale of HK Electric Investments (“HKEI”) shares in June 2015; and (iii) a lower contribution from HKEI following the share sale.

UK Portfolio

Profit contribution from the United Kingdom portfolio rose 6.6% for the period in local currency (in Hong Kong dollars: the increase was 0.2% with profit contribution being HK\$3,187 million).

CKI’s four regulated businesses in the United Kingdom - UK Power Networks, Northumbrian Water, Northern Gas Networks and Wales & West Gas Networks - have all completed their regulatory resets recently; this provides a high degree of predictability of revenue in the medium term. During the period under review, all of the businesses reported satisfactory results.

UK Rails, which was acquired in 2015, performed in line with expectations. Since the acquisition, the business has entered into contracts to acquire rolling stock worth a total of GBP971 million, underpinned by long term leases.

The value of the British pounds fell significantly during the period under review, and this affected the Group’s profit contribution figures when the results were converted into Hong Kong dollars. Nonetheless, the underlying performance of the Group’s various businesses in the country performed well. Incidentally, the recent deterioration of the British pounds may lead to higher inflation in the future which may in time translate to higher revenues for regulated businesses that have inflation-linked tariffs.

Australian Businesses

Profit contribution from the Australian businesses increased 178.5% in local currency when compared with the same period in 2015 (in Hong Kong dollars: the increase was 162% with profit contribution being HK\$1,436 million). The increase was largely attributable to the sale of a minority interest in Spark Infrastructure in June, which generated a one-off profit of A\$136 million (HK\$781 million). Excluding this one-off contribution, a year-on-year growth of 27% in local currency (in Hong Kong dollars: 19%) was achieved.

SA Power Networks and Victoria Power Networks commenced new regulatory resets on 1st July, 2015 and 1st January, 2016 respectively. These new regulatory regimes are expected to provide a stable and predictable framework for the duration of the regulatory periods.

Regulatory resets for Australian Gas Networks’ operations in South Australia and Queensland were completed during the first half. This provides a high degree of predictability of revenue for the future.

Other Infrastructure Businesses

CKI's other infrastructure businesses include projects in Mainland China, Canada, New Zealand, the Netherlands and Portugal.

Profit contribution from Mainland China's toll road projects dropped 4% in local currency. Due to a one-off gain recorded in 2015 in regards to the sale of Jiangmen Jiangsha Highway and a weaker renminbi exchange rate, the entire Mainland China portfolio declined 22.3% as compared to the same period last year when reported in Hong Kong dollars.

In Canada, profit contribution increased 30.9% in local currency as compared to the corresponding period in 2015 (in Hong Kong dollars: the increase was 21.2%). The growth is attributable to good performance at Canadian Power and Park'N Fly.

In New Zealand, Wellington Electricity and EnviroNZ both performed in line with expectations. Profit contribution during the period under review was slightly higher in local currency compared to the same period last year (in Hong Kong dollars: the result is a decline of 8.2%).

In Continental Europe, Portugal Renewable Energy generated its first full six months' contribution in 2016. Profit contribution from the Group's portfolio rose by 168% in local currency as compared to the corresponding period in 2015 (in Hong Kong dollars: the increase was 166%).

Infrastructure Materials

The contribution from the Group's materials businesses decreased 26.2% (in Hong Kong dollars) in the first half due to a reduction in selling price in Mainland China as a result of increased competition.

New Acquisition in 2016

CKI, alongside Power Assets, acquired 65% of the Husky midstream business. This business comprises 1,900 km of oil pipelines, two storage facilities and ancillary assets in Canada. The acquisition is CKI's first investment in oil pipelines and storage, and further enriches our Canadian portfolio.

Given the 20-year offtake contract and various protections stipulated in the joint venture agreement, this investment is expected to generate secure and predictable returns for CKI.

Completion has taken place in the middle of July.

Healthy Financial Position

CKI will continue to monitor and maintain its strong financial position as it seeks to expand its infrastructure portfolio through the acquisition of new assets. CKI is committed to being financially prudent and conservative in managing risks.

Given the breadth of its international portfolio, CKI recognises the importance of foreign currency management, and has historically adopted a prudent and consistent strategy. Operating companies borrow in their local currency, or otherwise hedge any foreign currency borrowings back into their respective local currency. As for equity investments, CKI generally hedges them against currency movements at the time of acquisition, thus providing protection for the Group against currency volatility. The benefit of this protection, though not reflected in the Consolidated Income Statement, has its value embedded in the reserve and would be fully revealed only when the equity investments are monetised. In addition, the underlying operating fundamentals of our businesses are not materially affected by currency movements. Our portfolio comprises regulated and contracted assets that have provided stable and predictable returns in the past, and are expected to continue to do so in the future.

In March 2016, as part of our treasury strategy, the Group guaranteed the issuance of US\$1.2 billion of 5.875% fixed rate perpetual capital securities. During the period, the Group also repaid the US\$1.0 billion of 6.625% fixed rate perpetual capital securities issued in 2010.

As at 30th June, 2016, the Group had cash on hand of HK\$11 billion and a net debt to net total capital ratio of 5%. CKI is well-positioned to make more acquisitions when opportunities arise.

Outlook

It is expected that uncertainty and volatility in the global markets will persist in 2016. For CKI, the weak economic environment may present further growth opportunities as more attractive opportunities may arise. CKI is ideally positioned to take advantage of such opportunities given its robust cash position, its strong financial capabilities, and its capable and experienced management team.

We will continue to seek expansion and growth opportunities both in existing geographical markets and industries, as well as in new countries and in new business sectors. As practised in the past, we will not approach these opportunities with a “must-win” mentality. Each and every new acquisition must meet CKI’s stringent investment criteria.

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

LI TZAR KUOI, VICTOR

Chairman

Hong Kong, 28th July, 2016

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, 2016, cash and bank deposits on hand amounted to HK\$11,258 million and the total borrowings of the Group amounted to HK\$17,605 million, which included Hong Kong dollar notes of HK\$260 million and foreign currency borrowings of HK\$17,345 million. Of the total borrowings, 92 per cent were repayable between 2017 and 2020 and 8 per cent were repayable beyond 2020. 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 pounds, Canadian dollars, Euro or Renminbi. 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, 2016, the Group maintained a net debt position with a net debt to net total capital ratio of 5 per cent, which was based on its net debt of HK\$6,347 million and net total capital, which represents the total borrowings plus total equity net of cash and bank deposits, of HK\$115,448 million. This ratio was lower than the net debt to net total capital ratio of 8 per cent at the year end of 2015. This change was mainly due to the funds raised in an issue of perpetual capital securities and the sales proceeds from disposal of investment in securities, which were partially utilised for redemption of perpetual capital securities issued in 2010.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with the appropriate level of borrowings denominated in the local currencies of those countries. The Group also entered into certain interest rate and currency swaps to mitigate interest rate and other currency exposure risks. As at 30th June, 2016, the notional amounts of these derivative instruments amounted to HK\$43,618 million.

Charge on Group Assets

As at 30th June, 2016:

- the Group's obligations under finance leases totalling HK\$29 million were secured by charges over the leased assets with carrying value of HK\$27 million; and
- the shares of a subsidiary with net asset value of HK\$1,098 million were pledged to secure bank borrowings totalling HK\$1,171 million granted to the Group.

Contingent Liabilities

As at 30th June, 2016, the Group was subject to the following contingent liabilities:

HK\$ million

Guarantee in respect of bank loan drawn by affiliated companies	1,259
Other guarantee given in respect of an affiliated company	745
Performance bond indemnities	99
Sub-contractor warranties	6
Total	2,109

Employees

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 2,068 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$348 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, 2016, 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, 2016. 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.

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 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 an audit committee (“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, 2016 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, 2016

The Board of Directors of Cheung Kong Infrastructure Holdings Limited announces that the Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2016 amounted to HK\$5,511 million which represents earnings of HK\$2.19 per share. The Directors have resolved to pay an interim dividend for 2016 of HK\$0.63 per share to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 31st August, 2016, 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 Wednesday, 31st August, 2016. The dividend will be paid on Friday, 9th September, 2016.

By Order of the Board

CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED

Eirene Yeung

Company Secretary

Hong Kong, 28th July, 2016

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), Mrs. CHOW WOO Mo Fong, Susan (also Alternate Director to Mr. FOK Kin Ning, Canning and Mr. Frank John SIXT) 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), Mrs. LEE Pui Ling, Angelina and Mr. George Colin MAGNUS; and the Alternate Directors are 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

HK\$ million	Notes	2016	Unaudited 2015
Turnover	2	14,056	14,114
Sales and interest income			
from infrastructure investments	2	2,588	2,879
Other income	3	374	361
Operating costs	4	(1,762)	(1,500)
Finance costs		(278)	(405)
Exchange loss		(498)	(106)
Gain on disposal of investment in securities		781	-
Share of results of associates		1,601	1,374
Share of results of joint ventures		3,004	2,914
Profit before taxation		5,810	5,517
Taxation	5	(7)	(11)
Profit for the period	6	5,803	5,506
Attributable to:			
Shareholders of the Company		5,511	5,253
Owners of perpetual capital securities		308	258
Non-controlling interests		(16)	(5)
		5,803	5,506
Earnings per share	7	HK\$2.19	HK\$2.10

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK\$ million	Notes	Unaudited 30/6/2016	Audited 31/12/2015
Property, plant and equipment		2,435	2,379
Investment properties		334	334
Interests in associates		52,787	54,004
Interests in joint ventures		58,163	60,988
Investments in securities		711	1,985
Derivative financial instruments		1,765	571
Goodwill and intangible assets		2,594	2,525
Deferred tax assets		30	21
Other non-current assets		38	17
Total non-current assets		118,857	122,824
Inventories		160	165
Derivative financial instruments		536	423
Debtors and prepayments	9	665	793
Bank balances and deposits		11,258	7,897
Total current assets		12,619	9,278
Bank and other loans		6,060	15
Derivative financial instruments		105	121
Creditors and accruals	10	3,270	3,432
Taxation		118	113
Total current liabilities		9,553	3,681
Net current assets		3,066	5,597
Total assets less current liabilities		121,923	128,421
Bank and other loans		11,545	17,162
Derivative financial instruments		737	175
Deferred tax liabilities		506	488
Other non-current liabilities		34	37
Total non-current liabilities		12,822	17,862
Net assets		109,101	110,559
Representing:			
Share capital		2,651	2,520
Reserves		96,870	100,051
Equity attributable to shareholders of the Company		99,521	102,571
Perpetual capital securities		9,543	7,933
Non-controlling interests		37	55
Total equity		109,101	110,559

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, 2015, 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, 2016. The adoption of the new 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, sales of water supply 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:

HK\$ million	Six months ended 30th June	
	2016	2015
Sales of infrastructure materials	920	1,156
Interest income from loans granted to associates	183	195
Interest income from loans granted to joint ventures	834	865
Sales of waste management services	627	616
Interest income from investments in securities	24	24
Sales of water supply	-	23
Sales and interest income		
from infrastructure investments	2,588	2,879
Share of turnover of joint ventures	11,468	11,235
Turnover	14,056	14,114

3. OTHER INCOME

Other income includes the following:

HK\$ million	Six months ended 30th June	
	2016	2015
Bank and other interest income	58	51
Gain on disposal of a joint venture	-	34

4. OPERATING COSTS

Operating costs include the following:

HK\$ million	Six months ended 30th June	
	2016	2015
Cost of inventories sold	831	1,000
Cost of services provided	344	346
Depreciation of property, plant and equipment	97	110
Amortisation of intangible assets	15	14

5. TAXATION

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.

HK\$ million	Six months ended 30th June	
	2016	2015
Current taxation – Hong Kong	-	2
Current taxation – outside Hong Kong	16	8
Deferred taxation	(9)	1
Total	7	11

6. PROFIT FOR THE PERIOD AND SEGMENT INFORMATION

for the six months ended 30th June

HK\$ million	Infrastructure Investments																			
	Investment in Power Assets*		United Kingdom		Australia		Mainland China		New Zealand		Canada and Continental Europe		Sub-total		Infrastructure related business		Unallocated items		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Turnover	-	-	9,311	9,451	924	987	213	268	911	924	1,180	707	12,539	12,337	1,517	1,777	-	-	14,056	14,114
Sales and interest income from infrastructure investments	-	-	703	796	207	219	-	-	653	644	105	64	1,668	1,723	920	1,156	-	-	2,588	2,879
Bank and other interest income	-	-	-	-	-	-	-	1	-	-	-	-	-	1	15	18	43	32	58	51
Gain on disposal of a joint venture	-	-	-	-	-	-	-	34	-	-	-	-	-	34	-	-	-	-	-	34
Other income	-	-	28	-	-	-	58	59	1	-	-	-	87	59	32	12	197	59	316	130
Change in fair value of derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(197)	146	(197)	146
Depreciation and amortisation	-	-	-	(2)	-	-	-	-	(70)	(72)	-	-	(70)	(74)	(41)	(49)	(1)	(1)	(112)	(124)
Other operating expenses	-	-	-	(20)	-	-	-	(1)	(464)	(445)	-	-	(464)	(466)	(884)	(1,040)	(105)	130	(1,453)	(1,376)
Finance costs	-	-	-	(1)	-	-	-	-	(31)	(39)	-	-	(31)	(40)	-	-	(247)	(365)	(278)	(405)
Exchange loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(498)	(106)	(498)	(106)
Gain on disposal of investment in securities	-	-	-	-	781	-	-	-	-	-	-	-	781	-	-	-	-	-	781	-
Share of results of associates and joint ventures	1,351	1,258	2,445	2,408	448	330	104	114	(3)	(2)	170	76	3,164	2,926	90	104	-	-	4,605	4,288
Profit / (Loss) before taxation	1,351	1,258	3,176	3,181	1,436	549	162	207	86	86	275	140	5,135	4,163	132	201	(808)	(105)	5,810	5,517
Taxation	-	-	11	-	-	-	(5)	(5)	(8)	(1)	(1)	(1)	(3)	(7)	1	(4)	(5)	-	(7)	(11)
Profit / (Loss) for the period	1,351	1,258	3,187	3,181	1,436	549	157	202	78	85	274	139	5,132	4,156	133	197	(813)	(105)	5,803	5,506
Attributable to:																				
Shareholders of the Company	1,351	1,258	3,187	3,181	1,436	549	157	202	78	85	274	139	5,132	4,156	149	202	(1,121)	(363)	5,511	5,253
Owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	308	258	308	258
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16)	(5)	-	-	(16)	(5)
	1,351	1,258	3,187	3,181	1,436	549	157	202	78	85	274	139	5,132	4,156	133	197	(813)	(105)	5,803	5,506

* During the period, the Group has a 38.87 per cent (2015: 38.87 per cent) equity interest in Power Assets Holdings Limited (“Power Assets”), which is listed on The Stock Exchange of Hong Kong Limited.

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\$5,511 million (2015: HK\$5,253 million) and on the weighted average of 2,519,610,945 shares (2015: 2,506,351,276 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:

HK\$ million	Six months ended 30th June	
	2016	2015
Interim dividend of HK\$0.63 per share (2015: HK\$0.6 per share)	1,587	1,512

During the six months ended 30th June, 2016, interim dividend declared by the Board of Directors amounted to HK\$1,587 million (2015: HK\$1,512 million), which is after elimination of HK\$83 million (2015: nil) paid 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\$287 million (HK\$312 million at 31st December, 2015) and their aging analysis is as follows:

HK\$ million	30/6/2016	31/12/2015
Current	257	203
Less than 1 month past due	16	81
1 to 3 months past due	19	30
More than 3 months but less than 12 months past due	4	15
More than 12 months past due	23	16
Amount past due	62	142
Allowance for doubtful debts	(32)	(33)
Total after allowance	287	312

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\$271 million (HK\$190 million at 31st December, 2015) and their aging analysis is as follows:

HK\$ million	30/6/2016	31/12/2015
Current	169	110
1 month	35	21
2 to 3 months	29	11
Over 3 months	38	48
Total	271	190

11. REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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