Power Assets Holdings Ltd.
電能實業有限公司
於香港註冊成立的有限公司
Incorporated in Hong Kong with limited liability
股份代號 Stock Code: 6

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2017 INTERIM RESULTS

CHAIRMAN'S STATEMENT

Half year results

I am pleased to report the Power Assets Group's unaudited profits for the six months ended 30 June 2017 amounted to HK$4,024 million (2016: HK$3,476 million), an increase of 16% compared to the same period of last year.

Interim dividend

The board of directors has declared an interim dividend of HK$0.77 (2016: HK$0.70) per share, payable on 29 August 2017 to shareholders whose names appear in the Company's Register of Members on 21 August 2017.

Special interim dividend

In addition, the board of directors has declared a one-off special interim dividend of HK$7.50 per share in order to address shareholder expectations while keeping in view the Group's financial capacity for future acquisitions. The special interim dividend will be payable on 29 August 2017 to shareholders whose names appear in the Company's Register of Members on 21 August 2017.

Global diversification with steady growth

At Power Assets, we have a well-defined strategy to maintain and extend our industry leadership, based on two key tenets: selective expansion and risk management. We invest in carefully chosen companies that will yield steady income, especially those with regulated revenue schemes or long-term contracts. This approach continues to serve us well in delivering long-term and sustainable returns to our shareholders.

During the first half of 2017, we further extended our operations in Australia with the acquisition of an energy owner and operator whose businesses hold strong growth potential and provide us with a steady assured income on a long-term basis. In Hong Kong, the early conclusion of our discussion with the Government on the future regulatory regime provides certainty and stability for the Hong Kong market.

The Group's portfolio of operating companies, spanning nine markets in Europe, Asia, Australia, New Zealand and North America, performed in line with expectations in tandem with improving economic sentiments around the world.

Acquisition of the DUET Group in Australia

The Group consolidated its presence in Australia with the acquisition in May of a 20% stake in the DUET Group ("DUET"), an international owner and operator of energy utility assets. The transaction was completed in partnership with CK Infrastructure Holdings Limited and Cheung Kong Property Holdings Limited that acquired the remaining 80% of DUET.

DUET is well aligned with the Group's strategy, with a diversified global portfolio of businesses in energy generation, transmission as well as distribution. In the generation business, it owns and operates Energy Developments, an international provider of low-emissions and remote energy generation solutions. DUET's gas transmission business is delivered through the Dampier Bunbury Pipeline in Western Australia while the distribution of gas and electricity is through two networks in Victoria, Australia - Multinet Gas and United Energy respectively. DUET has also set up DBP Development Group to build, own and operate new unregulated gas pipelines.

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

New Regulatory Agreement in Hong Kong offers stability

In Hong Kong, our flagship operating company, HK Electric, has entered into a new Scheme of Control Agreement (SCA) with the Government after months of discussion. Effective for 15 years from 1 January 2019, the new SCA provides a long-term regulatory framework which enables consumers to continue to enjoy service enhancements and price affordability while assuring investors of a stable return.

Under the new SCA, HK Electric will forge ahead with its investment pipeline to help achieve the Government's energy and environmental policy objectives as well as its aggressive target to cut carbon intensity by 65-70% by 2030 compared to the 2005 level. Two new gas-fired generation units are now under construction and more will be required to replace the other coal-fired units that are coming to the end of their useful lives over the next decade or so.

Operations

The Group achieved stable results in line with expectations during the first half of 2017, against the backdrop of healthy economic growth in the Eurozone and Asia, and stability in the UK.

In the UK, the Group's largest market, all four operating companies achieved operating targets. UK Power Networks improved upon its strong performance in 2016 to once again significantly exceed regulatory targets across the board. Northern Gas Networks is now officially the most efficient of the eight UK gas distribution networks, achieving every single regulatory target in the 2016/17 regulatory year. Wales & West Utilities successfully secured a project for smart meter installation, completing over 1,200 installations to date. Seabank achieved excellent performance, exceeding targets for overall station availability, forced outage, efficiency and starting performance.

HK Electric, our Hong Kong-based company, maintained its strong reliability performance of over 99.999%, and unplanned power interruption per customer of under one minute on average. Construction of two new gas-fired combined cycle generating units progressed at Lamma Power Station, our key generating facility, for scheduled commissioning by 2020 and 2022. HK Electric and CLP Power are also jointly conducting an Environmental Impact Assessment for a floating natural gas storage & regasification unit in Hong Kong waters to improve its capabilities to procure and store natural gas, which will become its primary fuel.

In Australia, SA Power Networks delivered satisfactory results, securing regulatory approval for its 2017-20 tariff structure. Victoria Power Networks secured a number of large-scale power infrastructure development projects under the auspices of Beon Energy Solutions, a new team established in late 2015. Australian Gas Networks performed ahead of all operational targets and made progress with its ongoing large-scale pipeline modernisation programme. Australian Energy Operations submitted a bid to perform early works for an upcoming wind farm in the State of Victoria. DUET has begun to contribute profits to the Group immediately following its acquisition in May.

In mainland China, the Zhuhai plant achieved emissions, availability and performance targets in the first six months. The Jinwan plant increased sales of steam, thanks to the embedded sales with new customers. The Siping plant's operations and maintenance contract and off-take contract were both executed smoothly. The renewable energy generated by the two wind farms at Dali and Laoting up to the end of June 2017 has reduced carbon emissions by 117,000 tonnes.

In mainland Europe, Dutch Enviro Energy Holdings B.V., the Netherlands-based energy-from-waste company, delivered steady results in line with expectations. Iberwind, the Portugese wind farm operator, achieved 98% availability and successfully completed the repowering of Vila Lobos, its oldest wind farm.

In Canada, Canadian Power increased earnings following an agreement on indexation for long-term contracts at Windsor and Ottawa as well as costs savings at the Mississauga plant. Husky Midstream achieved steady performance that met expectations in its second year as a Group operating company.

In New Zealand, Wellington Electricity Lines maintained its emphasis in delivering safe and reliable electricity distribution with excellent customer service, while maintaining a high level of performance from the network assets.

In Thailand, Ratchaburi Power outperformed its production plan achieving availability of over 92%.

Outlook

The energy sector is undergoing rapid change across the world, with cleaner fuels, renewables and the fight against climate change emerging as important trends in the coming months. The recent modest strengthening of the global economy and positive prognosis for growth is encouraging, and provides us with the opportunity to pursue our growth strategy with more confidence.

Our presence in Australia is expanding and our focus there will be on smooth integration and consolidation. In Hong Kong, under the new regulatory regime HK Electric will focus on putting in place the infrastructure to increase the use of natural gas for power generation to meet the Government's target to reduce carbon intensity as set out in the Climate Action Plan 2030+.

Sizable 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.

The Group will continue to maintain a strong cash position to stay poised to capture the right opportunities as and when they arise. We will press ahead with our strategy of actively identifying suitable high quality investments in a diversified range of stable, well-regulated energy markets.

In closing, I extend my heartfelt gratitude to the stakeholders whose commitment and support are at the heart of our ongoing success: the board of directors, all our employees, and our shareholders and other partners.

Fok Kin Ning, Canning
Chairman

Hong Kong, 20 July 2017

FINANCIAL REVIEW

Financial Performance

The Group's unaudited profit for the six months ended 30 June 2017 amounted to HK$4,024 million (2016: HK$3,476 million), an increase of 16% compared to the same period of last year.

Investments in the United Kingdom achieved satisfactory results, contributed earnings of HK$2,078 million (2016: HK$2,234 million). The drop in earnings was mainly due to a lower exchange rate of pound sterling when compared to the same period of last year.

Our Australian investments contributed profits of HK$621 million (2016: HK$561 million) which was higher than last year mainly due to DUET commenced profit contribution to the Group following its acquisition in May 2017.

Investments in mainland China yield profit of HK$163 million (2016: HK$139 million).

Investments in Canada recorded higher earnings than last year mainly due to contribution from Husky Midstream which was acquired in July 2016. Our investments in the Netherlands, Portugal, Thailand and New Zealand continued to contribute stable earnings to the Group.

Our investment in HK Electric Investments recorded earnings of HK$335 million (2016: HK$367 million).

Secure earnings and a strong financial position allowed us to continue with a stable dividend policy. 2017 interim dividend of HK$0.77 per share (2016: HK$0.70 per share) representing a 10% growth plus a one-off special interim dividend of HK$7.50 per share.

Capital Expenditure, Liquidity and Financial Resources

The Group's capital expenditure and investments were primarily funded by cash from operations, dividends and other repatriation from investments. Total unsecured bank loans outstanding at 30 June 2017 were HK$8,859 million (31 December 2016: HK$8,514 million). In addition, the Group had bank deposits and cash of HK$41,923 million (31 December 2016: HK$61,710 million) and no undrawn committed bank facility at 30 June 2017 (31 December 2016: HK$Nil).

Treasury Policy, Financing Activities and Debt Structure

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

The Group's financial profile remained strong during the period. On 23 January 2017, Standard & Poor's reaffirmed the "A-" long term credit rating of the Company with a stable outlook which has remained unchanged since January 2014. As at 30 June 2017, the net cash position of the Group amounted to HK$33,064 million (31 December 2016: HK$53,196 million).

The profile of the Group's external borrowings as at 30 June 2017, after taking into account interest rate swaps, was as follows:

(1) 10% were in Euro, 41% were in Australian dollars and 49% were in pounds sterling;

(2) 100% were bank loans;

(3) 49% were repayable within 1 year and 51% were repayable after 1 year but within 5 years;

(4) 78% were in fixed rate and 22% were in floating rate.

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

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

The Group's principal foreign currency exposures arise from its investments outside Hong Kong. Foreign currency transaction exposure also arises from settlement to vendors which is not material and is managed mainly through purchases in the spot market or utilisation of foreign currency receipts of the Group. Currency exposures arising from investments outside Hong Kong are, where considered appropriate, mitigated by financing those investments in local currency borrowings or by entering into forward foreign exchange contracts and cross currency swaps. The fair value of such borrowings at 30 June 2017 was HK$8,892 million (31 December 2016: HK$8,553 million). The fair value of forward foreign exchange contracts and cross currency swaps at 30 June 2017 was an asset of HK$451 million (31 December 2016: asset HK$870 million). Foreign currency fluctuations will affect the translated value of the net assets of investments outside Hong Kong and the resultant translation difference is included in the Group's reserve account. Income received from the Group's investments outside Hong Kong which is not denominated in Hong Kong dollars is, unless otherwise determined, converted into United States dollars on receipt.

The contractual notional amounts of derivative financial instruments outstanding at 30 June 2017 amounted to HK$33,424 million (31 December 2016: HK$24,358 million).

Charges on Assets

At 30 June 2017, the Group's interest in an associate of HK$313 million (31 December 2016: HK$321 million) had been pledged as part of the security to secure financing facilities granted to the associate.

Contingent Liabilities

As at 30 June 2017, the Group had given guarantees and indemnities totalling HK$833 million (31 December 2016: HK$821 million).

Employees

The Group continues its policy of pay-for-performance and the pay levels are monitored to ensure competitiveness is maintained. The Group's total remuneration costs for the six months ended 30 June 2017, excluding directors' emoluments, amounted to HK$10 million (2016: HK$12 million). As at 30 June 2017, the Group employed 11 (31 December 2016: 12) permanent employees. No share option scheme is in operation.

POWER ASSETS HOLDINGS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2017
(Expressed in Hong Kong dollars)

	Note	**2017** **$ million**	2016 $ million
Revenue	5	**631**	629
Direct costs		**(1)**	(5)
		630	624
Other net income/(loss)		**534**	(11)
Other operating costs		**(74)**	(75)
Operating profit		**1,090**	538
Finance costs		**(129)**	(126)
Share of profits less losses of joint ventures		**2,442**	2,355
Share of profits less losses of associates		**651**	703
Profit before taxation	6	**4,054**	3,470
Income tax	7	**(30)**	6
Profit for the period attributable to equity shareholders of the Company		**4,024**	3,476
Earnings per share			
Basic and diluted	8	**$1.89**	$1.63

POWER ASSETS HOLDINGS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017
(Expressed in Hong Kong dollars)

	2017 **$ million**	2016 $ million
Profit for the period attributable to equity shareholders of the Company	**4,024**	3,476
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss		
Share of other comprehensive income of joint ventures and associates	**197**	(310)
Income tax relating to items that will not be reclassified to profit or loss	**(37)**	72
	160	(238)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating operations outside Hong Kong, including joint ventures and associates	**1,445**	(2,249)
Net investment hedges	**(621)**	548
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments recognised during the period	**(29)**	(272)
Share of other comprehensive income of joint ventures and associates	**(180)**	(664)
Income tax relating to items that may be reclassified subsequently to profit or loss	**55**	212
	670	(2,425)
	830	(2,663)
Total comprehensive income for the period attributable to equity shareholders of the Company	**4,854**	813

POWER ASSETS HOLDINGS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2017
(Expressed in Hong Kong dollars)

	Note	**(Unaudited) 30 June 2017 $ million**	(Audited) 31 December 2016 $ million
Non-current assets			
Property, plant and equipment and leasehold land			
– Property, plant and equipment		**11**	12
– Interests in leasehold land held for own use under finance leases		**17**	17
		28	29
Interest in joint ventures	9	**53,324**	42,739
Interest in associates	10	**24,244**	24,202
Other non-current financial assets		**67**	67
Derivative financial instruments		**634**	846
Deferred tax assets		**29**	19
Employee retirement benefit assets		**4**	4
		78,330	67,906
Current assets			
Trade and other receivables	11	**111**	161
Bank deposits and cash		**41,923**	61,710
		42,034	61,871
Current liabilities			
Trade and other payables	12	**(2,861)**	(2,595)
Current tax payable		**(55)**	(46)
		(2,916)	(2,641)
Net current assets		**39,118**	59,230
Total assets less current liabilities		**117,448**	127,136
Non-current liabilities			
Bank loans and other interest-bearing borrowings		**(8,859)**	(8,514)
Derivative financial instruments		**(158)**	(52)
Deferred tax liabilities		**(2)**	(14)
Employee retirement benefit liabilities		**(146)**	(145)
		(9,165)	(8,725)
Net assets		**108,283**	118,411
Capital and reserves			
Share capital		**6,610**	6,610
Reserves		**101,673**	111,801
Total equity attributable to equity shareholders of the Company		**108,283**	118,411

POWER ASSETS HOLDINGS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017
(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company					
$ million	**Share capital**	**Exchange reserve**	**Hedging reserve**	**Revenue reserve**	**Proposed/ declared dividend**	**Total**
Balance at 1 January 2016	6,610	(2,586)	(965)	116,227	4,311	123,597
Changes in equity for the six months ended 30 June 2016:						
Profit for the period	-	-	-	3,476	-	3,476
Other comprehensive income	-	(1,701)	(724)	(238)	-	(2,663)
Total comprehensive income	-	(1,701)	(724)	3,238	-	813
Final dividend in respect of the previous year approved and paid	-	-	-	-	(4,311)	(4,311)
Interim dividend *(see note 13)*	-	-	-	(1,494)	1,494	-
Balance at 30 June 2016	6,610	(4,287)	(1,689)	117,971	1,494	120,099
Balance at 1 January 2017	**6,610**	**(6,717)**	**(1,453)**	**104,989**	**14,982**	**118,411**
Changes in equity for the six months ended 30 June 2017:						
Profit for the period	**-**	**-**	**-**	**4,024**	**-**	**4,024**
Other comprehensive income	**-**	**824**	**(154)**	**160**	**-**	**830**
Total comprehensive income	**-**	**824**	**(154)**	**4,184**	**-**	**4,854**
Final dividend in respect of the previous year approved and paid	**-**	**-**	**-**	**-**	**(4,311)**	**(4,311)**
Special interim dividend declared and paid	**-**	**-**	**-**	**-**	**(10,671)**	**(10,671)**
Interim dividend *(see note 13)*	**-**	**-**	**-**	**(1,643)**	**1,643**	**-**
Special interim dividend *(see note 13)*	**-**	**-**	**-**	**(16,007)**	**16,007**	**-**
Balance at 30 June 2017	**6,610**	**(5,893)**	**(1,607)**	**91,523**	**17,650**	**108,283**

1. Review of unaudited interim financial statements

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

2. Basis of preparation

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

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 annual financial statements. Details of these changes in accounting policies are set out in note 3.

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

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

The financial information relating to the financial year ended 31 December 2016 that is included in the interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company had delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

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

3. Changes in accounting policies

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

- Amendments to HKAS 7, *Statement of cash flows: Disclosure initiative*
- Amendments to HKAS 12, *Income taxes: Recognition of deferred tax assets for unrealized losses*

The adoption of these amendments to HKFRSs has no material impact on the Group's result and financial position for the current or prior periods. The Group has not applied any new standard or amendment that is not effective for the current accounting period.

4. Segment reporting

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

	2017							
		Investments						
$ million	**Investment in HKEI***	**United Kingdom**	**Australia**	**Mainland China**	**Others**	**Sub-total**	**All other activities**	**Total**
For the six months ended 30 June								
Revenue								
Revenue	-	258	259	-	113	630	1	631
Other net income	-	-	-	-	3	3	213	216
Reportable segment revenue	-	258	259	-	116	633	214	847
Result								
Segment earnings	-	258	259	(12)	116	621	152	773
Depreciation and amortisation	-	-	-	-	-	-	(1)	(1)
Bank deposit interest income	-	-	-	-	-	-	318	318
Operating profit	-	258	259	(12)	116	621	469	1,090
Finance costs	-	(42)	(78)	-	(9)	(129)	-	(129)
Share of profits less losses of joint ventures and associates	335	1,855	461	175	265	2,756	2	3,093
Profit before taxation	335	2,071	642	163	372	3,248	471	4,054
Income tax	-	7	(21)	-	(16)	(30)	-	(30)
Reportable segment profit	335	2,078	621	163	356	3,218	471	4,024

4. Segment reporting (continued)

$ million	Investment in HKEI*	United Kingdom	Australia	Mainland China	Others	Sub-total	All other activities	Total
	2016							
		Investments						
For the six months ended 30 June								
Revenue								
Revenue	-	293	222	-	108	623	6	629
Other net loss	-	-	-	-	3	3	(262)	(259)
Reportable segment revenue	-	293	222	-	111	626	(256)	370
Result								
Segment earnings	-	293	222	(11)	111	615	(324)	291
Depreciation and amortisation	-	-	-	-	-	-	(1)	(1)
Bank deposit interest income	-	-	-	-	-	-	248	248
Operating profit	-	293	222	(11)	111	615	(77)	538
Finance costs	-	(51)	(66)	-	(9)	(126)	-	(126)
Share of profits less losses of joint ventures and associates	367	1,966	425	150	148	2,689	2	3,058
Profit before taxation	367	2,208	581	139	250	3,178	(75)	3,470
Income tax	-	26	(20)	-	-	6	-	6
Reportable segment profit	367	2,234	561	139	250	3,184	(75)	3,476

Note:

* During the period, the Group has a 33.37% (2016: 33.37%) equity interest in HK Electric Investments and HK Electric Investments Limited (collectively as "HKEI"), which is listed on The Stock Exchange of Hong Kong Limited.

5. Revenue

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

	Six months ended 30 June	
	2017	2016
	$ million	$ million
Interest income	**630**	623
Others	**1**	6
	631	629
Share of revenue of unlisted joint ventures	**8,580**	8,374

6. Profit before taxation

	Six months ended 30 June	
	2017	2016
	$ million	$ million
Profit before taxation is arrived at after charging:		
Finance costs - interest on borrowings	**129**	126
Amortisation of leasehold land	**-**	1
Depreciation	**1**	-

7. Income tax

	Six months ended 30 June	
	2017	2016
	$ million	$ million
Current tax	**38**	(6)
Deferred tax	**(8)**	-
	30	(6)

Taxation is provided for at the applicable tax rate on the estimated assessable profits less available tax losses. Deferred taxation is provided on temporary differences under the liability method using tax rates applicable to the Group's operations in different countries.

8. Earnings per share

The calculation of earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $4,024 million for the six months ended 30 June 2017 (2016: $3,476 million) and 2,134,261,654 ordinary shares (2016: 2,134,261,654 ordinary shares) in issue throughout the period.

There were no dilutive potential ordinary shares in existence during the six months ended 30 June 2017 and 2016.

9. Interest in joint ventures

	30 June 2017 $ million	31 December 2016 $ million
Share of net assets of unlisted joint ventures	**39,991**	34,532
Loans to unlisted joint ventures	**13,108**	8,084
Amounts due from unlisted joint ventures	**225**	123
	53,324	42,739
Share of total assets of unlisted joint ventures	**121,429**	101,345

10. Interest in associates

	30 June 2017 $ million	31 December 2016 $ million
Share of net assets		
– Listed associate	**16,369**	16,881
– Unlisted associates	**3,702**	3,358
	20,071	20,239
Loans to unlisted associates	**4,068**	3,889
Amounts due from associates	**105**	74
	24,244	24,202

11. Trade and other receivables

	30 June 2017 $ million	31 December 2016 $ million
Interest and other receivables	**110**	79
Derivative financial instruments	**-**	80
Deposits and prepayments	**1**	2
	111	161

Trade with customers is carried out on credit and invoices are normally due within 1 month after issued.

12. Trade and other payables

	30 June 2017 $ million	31 December 2016 $ million
Due within 1 month or on demand	**29**	64
Due after 1 month but within 3 months	**-**	1
Due after 3 months but within 12 months	**2,781**	2,530
Creditors measured at amortised cost	**2,810**	2,595
Derivative financial instruments	**51**	-
	2,861	2,595

13. Interim dividend

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

	Six months ended 30 June	
	2017 $ million	2016 $ million
Interim dividend of $0.77 per ordinary share (2016: $0.70 per ordinary share)	**1,643**	1,494
Special interim dividend of $7.50 per ordinary share (2016: $Nil)	**16,007**	-
	17,650	1,494

POWER ASSETS HOLDINGS LIMITED
OTHER INFORMATION

Interim Dividend and Special Interim Dividend

The Board of Directors has declared an interim dividend for 2017 of HK$0.77 per share and a one-off special interim dividend of HK$7.50. The dividends will be payable on 29 August 2017 to shareholders whose names appear in the Company's Register of Members at the close of business on Monday, 21 August 2017, being the record date for determination of entitlement to the interim dividend. To qualify for the interim dividend and the special interim dividend, all transfers accompanied by the relevant share certificates should be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 21 August 2017.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's issued shares during the six months ended 30 June 2017.

Corporate Governance

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

The Company has complied with the applicable code provisions in the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30 June 2017, except as noted hereunder.

The Company does not have a nomination committee as provided for in code provision A.5. At present, the Company does not consider it necessary to have a nomination committee as 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 having regard to the Group's Board Diversity Policy. The Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman and the Chief Executive Officer.

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

Board Composition

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

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