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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 2019

For the interim period ended 30th June, 2019, CK Infrastructure Holdings Limited (“CKI”, the “Company” or the “Group”) recorded unaudited profit attributable to shareholders of HK\$5,943 million (2018 Interim: HK\$5,942 million). The result was negatively affected by foreign exchange translation; without this impact, profit attributable to shareholders would have recorded an increase of 6%.

The Board of Directors of CKI (the “Board”) has declared an interim dividend of HK\$0.68 per share (2018: HK\$0.68 per share). The interim dividend will be paid on Wednesday, 11th September, 2019 to shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 2nd September, 2019.

BUSINESS REVIEW

Power Assets

The profit contribution from Power Assets was HK\$1,363 million, a decline of 13% compared to the corresponding period last year. The financial performance was adversely affected by the weakness of foreign currencies against the Hong Kong dollar, and a lower contribution from the United Kingdom investment portfolio. In addition, the Hong Kong business faced reduced allowed returns under the new Scheme of Control, which commenced on 1st January, 2019. Despite lower returns than that of the last regime, the new framework will apply for 15 years, providing predictable returns on investment as well as growth opportunities during the new regulatory period.

United Kingdom Infrastructure Portfolio

The profit contribution from the United Kingdom portfolio was HK\$2,490 million, a decrease of 15% from that of the same period last year. The contribution was affected negatively by a weaker pound sterling, and lower reported earnings from UK Power Networks, which ceased to recognise certain non-cash revenue commencing January this year. This has no impact on the cash earnings and distributions from UK Power Networks.

Northumbrian Water generated steady income for the Group. It was named the “World’s Most Ethical Water Company” by the Ethisphere Institute for the eighth time, and it continues to be the only water company on the list.

Both gas distribution networks – Northern Gas Networks and Wales & West Gas Networks – achieved satisfactory operational performance. In the Gas Industry Awards, the “H21” hydrogen research project, whose initiators count Northern Gas Networks and Wales & West Gas Networks and contributors to the fund include the regulator, Ofgem, won the Project of the Year Award.

At UK Rails, earnings were higher than the same period last year, and a fleet of new trains has been delivered for service commencement in July.

Australian Infrastructure Portfolio

Profit contribution from the Australian portfolio dropped by 4% year-on-year to HK\$1,103 million. The decrease in profit contribution was caused by the weak exchange rate. In Australian dollar terms, the portfolio reported a 3% increase. The performance of the Australian businesses was satisfactory.

During the period under review, SA Power Networks, Victoria Power Networks, and United Energy in Victoria have been preparing proposals for the new regulatory period which will start in 2020 in South Australia and 2021 in Victoria. Plans are in place to maximise the flow of stable, regulated income, leveraging on efficiencies and synergies, while improving service levels.

Multinet Gas recorded an earnings increase, while Dampier Bunbury Pipeline reported satisfactory performance and had its credit ratings upgraded by Moody’s Investors Service from “Baa3/Positive” to “Baa2/Stable”.

Earnings at Energy Developments recorded year-on-year growth. The company achieved a significant milestone by entering into an agreement to build and own a power station to provide electricity to the Agnew Gold Mine in Western Australia under a 10-year power purchase agreement. The initiative is partly funded by the Australian Renewable Energy Agency and is one of Australia's first power stations in a mining operation to be predominantly powered by renewable and low-carbon energy.

New Zealand Infrastructure Portfolio

The New Zealand business performed very well in the first half of 2019 – profit contribution increased 15% to HK\$76 million.

During the period under review, EnviroNZ saw volume growth from commercial refuse collection, while Wellington Electricity performed steadily.

Canadian Infrastructure Portfolio

Profit contribution from the Canadian portfolio was HK\$183 million, an increase of 2% from the same period last year. In Canadian dollar terms, the portfolio reported an increase of 7%.

Both Reliance Home Comfort and Canadian Midstream Assets achieved healthy performance with double-digit growth in the first half of 2019. Canadian Power Holdings, on the other hand, reported a less stellar result due to the expiry of the Mississauga plant power purchase agreement.

Continental Europe Infrastructure Portfolio

In Continental Europe, profit contribution was HK\$508 million, a decrease of 14% compared to the same period last year. CKI's Continental Europe Infrastructure Portfolio consists of three companies – ista, Dutch Enviro Energy, and Portugal Renewable Energy. The portfolio recorded mixed performance during the period under review. Operating performance of both ista and Dutch Enviro Energy were better than last year, while Portugal Renewable Energy's financial result was impacted by lower wind resources.

Hong Kong and Mainland China Businesses

In Hong Kong and Mainland China, CKI's portfolio recorded profit contribution of HK\$266 million, a decrease of 13% from the corresponding period last year. This was caused by lower traffic revenue from the toll roads in the Mainland as well as a drop in earnings from the material businesses due to weakening demand in the Hong Kong market.

ACQUISITION OF ECONOMIC BENEFITS OF SIX INFRASTRUCTURE BUSINESSES

Last year, CKI acquired economic benefits of six businesses – Northumbrian Water, UK Rails, Wales & West Gas Networks, Australian Gas Networks, Park'N Fly and Dutch Enviro Energy. Profit contribution generated from the acquisition amounted to HK\$189 million during the period under review.

HEALTHY FINANCIAL POSITION

CKI has always been steadfastly committed to prudent financial management. The Group's risk management approach is conservative and the underlying financial position of the Company is closely monitored.

CKI's financial strength continues to be robust. Following the credit rating upgrade by Standard & Poor's from "A-/Positive" to "A/Stable" in September last year, the "A/Stable" rating was reaffirmed in June.

With more than HK\$8 billion cash on hand and a net debt to total capital ratio of 15% as at 30th June, 2019, CKI is in an excellent position to weather the current market volatility and explore expansion opportunities.

OUTLOOK

The challenges which characterised the global economic environment in the first half of the year are showing no signs of abatement. Market uncertainties, challenging regulatory resets, and volatile exchange rates are expected to continue.

Despite such circumstances, investment opportunities still arise in the infrastructure industry. With CKI's solid financials as well as that of our strategic partners within the CK Group – CK Asset and Power Assets – we are in a good position to selectively take on sizeable opportunities around the world. A pipeline of acquisition opportunities are being studied seriously. Nonetheless, in line with our traditionally prudent practice, we will not approach them with a “must-win” mentality.

Through the years, CKI has demonstrated a solid track record as a strong operator of infrastructure businesses. We will keep up this reputation and continue to grow our existing businesses effectively and efficiently.

We remain cautiously optimistic about the prospects for CKI given the broad geographical spread of its sound infrastructure businesses in mature economies.

I would like to take this opportunity to thank the Board for their continued support, our valued staff for their enduring efforts and our stakeholders for ongoing confidence.

VICTOR T K LI

Chairman

31st July, 2019

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, loans, notes, bonds, share placement and other project loans.

As at 30th June, 2019, cash and bank deposits on hand amounted to HK\$8,517 million and the total borrowings of the Group amounted to HK\$30,294 million, which included Hong Kong dollar borrowings of HK\$3,063 million and foreign currency borrowings of HK\$27,231 million. Of the total borrowings, 1 per cent were repayable in 2019, 77 per cent were repayable between 2020 and 2023 and 22 per cent were repayable beyond 2023. 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, 2019, the Group maintained a net debt position with a net debt to net total capital ratio of 15.1 per cent. This was based on HK\$21,777 million of net debt and HK\$143,981 million of net total capital, which represents the total borrowings plus total equity net of cash and bank deposits. With the cash inflows from the investment portfolios together with the sale proceeds from the partial disposal of interest in an associate, this ratio was slightly improved when compared with the ratio of 16.5 per cent at the year end of 2018.

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, 2019, the notional amounts of these derivative instruments amounted to HK\$59,701 million.

Charge on Group Assets

As at 30th June, 2019:

- leased assets with carrying value of HK\$12 million were pledged to secure certain lease liabilities; and
- the shares of a subsidiary were pledged to secure bank borrowings totalling HK\$1,171 million granted to the Group.

Contingent Liabilities

As at 30th June, 2019, the Group was subject to the following contingent liabilities:

HK\$ million

Guarantee in respect of bank loan drawn by an affiliated company	1,155
Other guarantee given in respect of an affiliated company	514
Performance bond indemnities	88
Total	1,757

Employees

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 2,095 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$387 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, 2019, 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.

The Company had applied the principles and complied with all code provisions (except as stated below) 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 ("Listing Rules") throughout the six months ended 30th June, 2019. In respect of code provision A.5.1 of the CG Code, the Company established its nomination committee ("Nomination Committee") on 1st January, 2019 which comprises all Directors of the Company, and the Chairman of the Board is the Chairman of the Nomination Committee. When the need to select, nominate or re-elect Directors arises, a sub-committee will be established comprising members from the Nomination Committee in compliance with the requirements under the Listing Rules in relation to the composition of nomination committee.

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 on 11th 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. Sng Sow-mei alias Poon Sow Mei, Mr. Lan Hong Tsung, David and Mr. Paul Joseph Tighe. 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, 2019 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, Mr. Victor T K Li, and two Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Remuneration Committee) and Mr. Colin Stevens Russel.

Nomination Committee

The Company established its Nomination Committee on 1st January, 2019 which comprises all the Directors of the Company, and the Chairman of the Board is the Chairman of the Nomination Committee. When the need to select, nominate or re-elect Directors arises, a sub-committee will be established comprising members from the Nomination Committee in compliance with the requirements under the Listing Rules in relation to the composition of nomination committee.



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NOTICE OF PAYMENT OF INTERIM DIVIDEND, 2019

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, 2019 amounted to HK\$5,943 million which represents earnings of HK\$2.36 per share. The Directors have resolved to pay an interim dividend for 2019 of HK\$0.68 per share to shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 2nd September, 2019, 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 Monday, 2nd September, 2019. The dividend will be paid on Wednesday, 11th September, 2019.

By Order of the Board

CK INFRASTRUCTURE HOLDINGS LIMITED

Eirene Yeung

Company Secretary

31st July, 2019

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 Tsiên 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

HK\$ million	Notes	2019	Unaudited 2018
Turnover	4	18,071	19,450
Sales and interest income			
from infrastructure investments	4	3,245	3,548
Other income	5	837	187
Operating costs	6	(1,585)	(1,969)
Finance costs		(182)	(278)
Exchange loss		(64)	(20)
Share of results of associates		1,601	1,878
Share of results of joint ventures		2,555	3,044
Profit before taxation		6,407	6,390
Taxation	7	(45)	(39)
Profit for the period	8	6,362	6,351
Attributable to:			
Shareholders of the Company		5,943	5,942
Owners of perpetual capital securities		398	398
Non-controlling interests		21	11
		6,362	6,351
Earnings per share	9	HK\$2.36	HK\$2.36

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK\$ million	Notes	Unaudited 30/6/2019	Audited 31/12/2018
Property, plant and equipment		2,693	2,508
Investment properties		382	382
Interests in associates		35,756	38,191
Interests in joint ventures		96,954	95,892
Other financial assets		7,823	7,821
Derivative financial instruments		2,269	2,448
Goodwill and intangible assets		2,481	2,556
Deferred tax assets		5	12
Total non-current assets		148,363	149,810
Inventories		187	170
Derivative financial instruments		825	567
Debtors and prepayments	11	950	1,133
Bank balances and deposits		8,517	6,090
Total current assets		10,479	7,960
Bank and other loans		1,624	1,442
Derivative financial instruments		50	14
Creditors, accruals and others	12	4,916	4,703
Taxation		93	128
Total current liabilities		6,683	6,287
Net current assets		3,796	1,673
Total assets less current liabilities		152,159	151,483
Bank and other loans		28,670	28,697
Derivative financial instruments		604	396
Deferred tax liabilities		457	463
Other non-current liabilities		224	23
Total non-current liabilities		29,955	29,579
Net assets		122,204	121,904
Representing:			
Share capital		2,651	2,651
Reserves		104,802	104,522
Equity attributable to shareholders of the Company		107,453	107,173
Perpetual capital securities		14,701	14,701
Non-controlling interests		50	30
Total equity		122,204	121,904

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, 2018, except for adoption of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are effective to the Group for accounting periods beginning on or after 1st January, 2019. Apart from the changes in accounting policies as set out in Note 2 below, the adoption of those new and revised HKFRSs has no material impact on the Group's results and financial position for the current or prior periods and does not result in any significant change in accounting policies of the Group.

2. CHANGES IN ACCOUNTING POLICIES

HKFRS 16 "Leases"

In the current period, the Group has adopted HKFRS 16 "Leases". HKFRS 16 is effective for the accounting periods beginning on or after 1st January, 2019. The Group has applied HKFRS 16 using the modified retrospective approach without restating comparative information retrospectively. HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees.

Prior to 1st January, 2019, lease contracts were classified as operating leases or finance leases. From 1st January, 2019 onwards, HKFRS 16 distinguishes lease contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets. For short-term leases and leases of low-value assets, the Group recognises lease expense on a straight-line basis as permitted by HKFRS 16. This expense is presented within operating costs in the consolidated income statement.

Right-of-use assets are initially measured at cost and subsequently carried at cost less accumulated depreciation and impairment losses. Lease liabilities are initially measured at the present value of the remaining lease payments discounted using the incremental borrowing rate of the lessee. Subsequently, lease liabilities are adjusted by interest accretion and lease payments. Lease payments are separated into principal portion and interest portion and presented within financing activities in the consolidated statement of cash flows.

3. SUMMARY OF EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

At the date of initial application of HKFRS 16, the reconciliation from the operating lease commitments to the lease liabilities recognised is as follows:

HK\$ million	
Operating lease commitments at 31st December, 2018 as disclosed in the consolidated financial statements	296
Operating lease commitments at 31st December, 2018, discounted using the incremental borrowing rate at 1st January, 2019	221
Finance lease liabilities as at 31st December, 2018	14
Recognition exemption for short-term leases and leases of low-value assets	(91)
Extension options reasonably certain to be exercised	92
Lease liabilities as at 1st January, 2019	236

4. TURNOVER

Turnover represents net sales of infrastructure materials, interest income from loans granted to associates and joint ventures, sales of waste management services and share of turnover of joint ventures. The turnover were substantially recognised at a point of time.

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	
	2019	2018
Sales of infrastructure materials	945	1,177
Interest income from loans granted to associates	146	173
Interest income from loans granted to joint ventures	1,413	1,452
Sales of waste management services	741	746
Sales and interest income from infrastructure investments	3,245	3,548
Share of turnover of joint ventures	14,826	15,902
Turnover	18,071	19,450

5. OTHER INCOME

Other income includes the following:

HK\$ million	Six months ended 30th June	
	2019	2018
Gain on disposal of an associate	427	-
Gain on disposal of joint ventures	88	-
Bank interest income	79	81

6. OPERATING COSTS

Operating costs include the following:

HK\$ million	Six months ended 30th June	
	2019	2018
Cost of inventories sold	724	949
Cost of services provided	437	444
Depreciation of property, plant and equipment	112	104
Amortisation of intangible assets	14	16

7. 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	
	2019	2018
Current taxation – outside Hong Kong	26	36
Deferred taxation	19	3
Total	45	39

8. PROFIT FOR THE PERIOD AND SEGMENT INFORMATION

for the six months ended 30th June

HK\$ million	Infrastructure Investments																			
	Investment in Power Assets Holdings Limited		United Kingdom		Australia		Continental Europe		Hong Kong and Mainland China		Canada		New Zealand		Total before unallocated items		Unallocated items		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Turnover	-	-	8,755	9,341	3,191	3,389	2,673	2,874	1,405	1,728	1,025	1,053	1,022	1,065	18,071	19,450	-	-	18,071	19,450
Sales and interest income from infrastructure investments	-	-	741	696	360	403	340	376	945	1,177	118	122	741	774	3,245	3,548	-	-	3,245	3,548
Bank interest income	-	-	-	-	-	-	-	-	23	18	-	-	-	-	23	18	56	63	79	81
Other income	-	-	-	-	21	-	-	-	22	96	-	-	2	-	45	96	198	10	243	106
Depreciation and amortisation	-	-	-	-	-	-	-	-	(46)	(44)	-	-	(80)	(76)	(126)	(120)	-	-	(126)	(120)
Other operating expenses	-	-	-	-	-	-	-	-	(771)	(997)	-	-	(570)	(594)	(1,341)	(1,591)	(118)	(258)	(1,459)	(1,849)
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	(34)	(36)	(34)	(36)	(148)	(242)	(182)	(278)
Exchange loss	-	-	-	-	-	-	-	-	(1)	(1)	-	-	-	-	(1)	(1)	(63)	(19)	(64)	(20)
Gain on disposal of an associate	427	-	-	-	-	-	-	-	-	-	-	-	-	-	427	-	-	-	427	-
Gain on disposal of joint ventures	-	-	-	-	-	-	-	-	88	-	-	-	-	-	88	-	-	-	88	-
Share of results of associates and joint ventures	1,363	1,566	1,749	2,234	722	748	168	212	51	97	72	63	31	2	4,156	4,922	-	-	4,156	4,922
Profit/ (Loss) before taxation	1,790	1,566	2,490	2,930	1,103	1,151	508	588	311	346	190	185	90	70	6,482	6,836	(75)	(446)	6,407	6,390
Taxation	-	-	-	-	-	-	-	-	(24)	(29)	(7)	(6)	(14)	(4)	(45)	(39)	-	-	(45)	(39)
Profit/ (Loss) for the period	1,790	1,566	2,490	2,930	1,103	1,151	508	588	287	317	183	179	76	66	6,437	6,797	(75)	(446)	6,362	6,351
Attributable to:																				
Shareholders of the Company	1,790	1,566	2,490	2,930	1,103	1,151	508	588	266	306	183	179	76	66	6,416	6,786	(473)	(844)	5,943	5,942
Owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	398	398	398	398
Non-controlling interests	-	-	-	-	-	-	-	-	21	11	-	-	-	-	21	11	-	-	21	11
	1,790	1,566	2,490	2,930	1,103	1,151	508	588	287	317	183	179	76	66	6,437	6,797	(75)	(446)	6,362	6,351

8. 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.

9. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of the Company of HK\$5,943 million (2018: HK\$5,942 million) and on 2,519,610,945 shares (2018: 2,519,610,945 shares) in issue during the interim period.

The 131,065,097 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.

10. INTERIM DIVIDEND

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

HK\$ million	Six months ended 30th June	
	2019	2018
Interim dividend of HK\$0.68 per share (2018: HK\$0.68 per share)	1,713	1,713

During the six months ended 30th June, 2019, interim dividend declared by the Board of Directors amounted to HK\$1,713 million (2018: HK\$1,713 million) are stated after elimination of HK\$89 million (2018: HK\$89 million) for the shares issued in connection with the issue of perpetual capital securities in March 2016.

11. DEBTORS AND PREPAYMENTS

Included in debtors and prepayments are trade debtors of HK\$243 million (HK\$274 million at 31st December, 2018) and their aging analysis is as follows:

HK\$ million	30/6/2019	31/12/2018
Current	182	173
Less than 1 month past due	36	81
1 to 3 months past due	21	15
More than 3 months but less than 12 months past due	8	10
More than 12 months past due	9	8
Amount past due	74	114
Loss allowance	(13)	(13)
Total after allowance	243	274

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.

12. CREDITORS, ACCRUALS AND OTHERS

Included in creditors, accruals and others are trade creditors of HK\$206 million (HK\$228 million at 31st December, 2018) and their aging analysis is as follows:

HK\$ million	30/6/2019	31/12/2018
Current	146	171
1 month	19	32
2 to 3 months	9	7
Over 3 months	32	18
Total	206	228

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation.

14. REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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