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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 2023

CK Infrastructure Holdings Limited (“CKI”, the “Company” or the “Group”) has continued to demonstrate the resilience of its businesses during the first six months of 2023 although the global market continued to face the challenges of high interest rates, high inflation, weak economies and geopolitical tensions.

For the six months ended 30th June 2023, the Group recorded profit attributable to shareholders of HK\$4,239 million, a year-on-year decrease of 4%. This decline in profit contribution mainly reflects the weaker performance of foreign currencies against the Hong Kong dollar and higher finance costs. In local currencies, the result would have shown a 4% increase.

DIVIDEND GROWTH

The Board of Directors of CKI (the “Board”) has declared an interim dividend for 2023 of HK\$0.71 per share (2022: HK\$0.70 per share), representing 1.4% growth over the corresponding period last year. The interim dividend will be paid on Wednesday, 13th September, 2023, to shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 4th September, 2023.

BUSINESS REVIEW

During the period under review, the Group achieved a satisfactory performance across its businesses in different sectors and markets.

Power Assets

Profit contribution from Power Assets was HK\$1,066 million, an increase of 3% as compared to the same period last year. In local currencies, the profit reported by Power Assets was a 7% increase. The operational performances of our Hong Kong and overseas businesses were solid.

United Kingdom Infrastructure Portfolio

Profit contribution from the United Kingdom was HK\$1,592 million, down 5% as compared with the same period last year. This drop was caused by the negative impact of the regulatory reset at UK Power Networks, the weak exchange rate of the pound sterling against the Hong Kong dollar, as well as higher finance charges due to high inflation. In local currency terms, profit contribution was the same as the corresponding period last year.

On 1st April 2023, a new regulatory period commenced for UK Power Networks. The new regime provides revenue predictability for the next five years. During the period under review, UK Power Networks was given Britain's Most Admired Companies 2022 – Energy Distribution and Supply Award.

The two gas distribution networks – Northern Gas Networks and Wales & West Gas Networks – reported good operational performance. The government-funded Hy4Heat programme which Northern Gas Networks has been heavily involved in was declared a success in the final report published by the Department for Energy Security and Net Zero. This hydrogen-for-heat trial showcases UK's first demonstration home with cooking and heating appliances fuelled entirely by hydrogen.

Wales & West Gas Networks received its 10th consecutive Royal Society for the Prevention of Accidents (RoSPA) Gold Award for health and safety performance; this led the company to receive the prestigious President's Award, an industry first for such an accolade.

Northumbrian Water has continued to perform strongly, and was placed first across all water and wastewater companies in the United Kingdom in the 2022/23 Customer Measure of Experience, a highly sought after target in the industry. The water company also gained the highest "Trust" score in the annual customer survey by Consumer Council for Water (CCW).

A solid performance was reported by UK Rails in the first half of 2023. UK Rails continues to develop the Revolution Very Light Rail (RVLR) and are finalising plans for a pre-series build of further vehicles.

Australian Infrastructure Portfolio

In Australia, profit contribution decreased 18% over the previous period to HK\$826 million. This decline is attributed to the impact of regulatory resets for Australian Gas Networks (“AGN”) and Multinet Gas, United Energy’s one-off disposal gain during the same period last year, and the weakness of the Australian dollar versus the Hong Kong dollar. In local currency terms, profit contribution was a drop of 13% over the same period last year.

AGN’s Hydrogen Park South Australia is successfully delivering 5% blended hydrogen to thousands of customers in Adelaide. AGN continues to make inroads in the hydrogen arena and is working on the development of Hydrogen Park Murray Valley, one of the largest renewable hydrogen projects in Australia, as well as, Hydrogen Park Gladstone, which will see the entire gas distribution network of Gladstone supplying customers with a blend of up to 10% renewable gas. Both projects are funded by grants from the respective state governments.

During the period under review, the Premier of South Australia gave recognition to SA Power Networks for the company’s efforts during the River Murray flood event which was declared a State Emergency. SA Power Networks also won the Premier’s Award for Corporate Social Responsibility at the 2023 South Australia Volunteer Awards.

Victoria Power Networks reported good financial growth, while United Energy is working on a number of battery projects with state and federal funding.

Infrastructure Portfolio in Continental Europe

In Continental Europe, profit contribution was HK\$424 million, a decrease of 1% compared to the corresponding period last year. The results were negatively impacted by the weaker Euro and higher finance costs. In local currency terms, profit contribution was the same as the corresponding period last year.

ista reported good operation growth. The company signed a contract with Deutsche Bahn, the German national railway company, to facilitate reducing energy consumption and CO₂ emission in nearly 500 railway stations across the country. Dutch Enviro Energy is working on developing a Carbon Capture Usage and Storage project in Rozenburg to supply CO₂ to nearby greenhouse horticulture entrepreneurs, as well as to store CO₂ in offshore depleted gas fields. After the success of the first plant, a second Carbon Capture Usage project is being planned in Duiven.

Canadian Infrastructure Portfolio

In Canada, profit contribution was HK\$402 million, an increase of 31% from the previous period. This result was affected by the weaker Canadian dollar. In local currency terms, profit contribution was an increase of 40%.

Growth was achieved through strong performances by Canadian Power and Park N'Fly, the former due to favourable power prices and the latter a strong post-Covid 19 recovery in air travel in Canada.

New Zealand Portfolio

In New Zealand, profit contribution of HK\$72 million was recorded, a 5% decrease as compared to the same period last year. This can be attributed to the weakness of the New Zealand dollar against the Hong Kong dollar. In local currency terms, profit contribution was an increase of 2%

During the period under review, EnviroNZ has commenced work relating to the municipal waste management contracts for Central Otago and Dunedin City.

Wellington Electricity's financial performance was very good. The company responded well when severe flood and cyclone impacted upper North Island.

Hong Kong and Mainland China Business

In Hong Kong and Mainland China, CKI's portfolio recorded profit contribution of HK\$102 million, a decline of 13%. This was due to weak traffic volume for the toll road operations and lower volumes recorded by the cement businesses in Hong Kong.

FINANCIAL PLATFORM FURTHER BOLSTERED

The Group's financial position continued to be strong, with cash on hand of HK\$12 billion and net debt to net total capital ratio of 9% as at 30th June, 2023. This solid foundation provides CKI with ample capacity to explore new growth opportunities and face any upcoming challenges.

Standard & Poor's has reaffirmed the Group's credit rating of "A/Stable".

SUSTAINABILITY AND CLIMATE CHANGE ACTION DRIVE GROWTH

All of CKI's business operations around the world are working towards making substantial contributions to the climate goals of the countries in which they serve.

The electricity distribution networks – UK Power Networks, SA Power Networks, Victoria Power Networks, United Energy and Wellington Electricity – are pioneers in their own countries in either battery development, smart grid management, solar energy export management, or electric vehicle charging initiatives; and the unregulated businesses of some of these companies and Australia's Energy Developments are leaders in renewable energy solutions, such as solar and wind.

The gas distribution networks of Northern Gas Networks, Wales & West Gas Networks and AGN are all strong proponents of hydrogen to help meet Net Zero targets.

Dutch Enviro Energy's energy-from-waste and carbon capture projects, as well as EnviroNZ's resource recycling and landfill gas-to-energy operations are successful environmental sustainable models.

UK Rails continues to explore alternative sources of energy including hydrogen and batteries; and ista's sub-meters facilitate energy saving for residential properties and energy efficiency solutions for corporations.

In Hong Kong, the offshore LNG terminal partly owned and developed by HK Electric has commenced operations. This is a milestone development for the territory's transition from coal to natural gas for power generation.

As part of the decarbonisation journey, CKI will also continue to pursue new investment opportunities in the environmental sustainability sector.

OUTLOOK

Uncertainties persist around the globe, with undiminished inflationary pressure and geopolitical tensions. CKI's businesses continue to be robust and resilient against this background.

As the revenues and the asset bases of CKI's regulated businesses are inflation-linked, these businesses are protected against the adverse effects of the current high inflation environment. In addition, these businesses are also protected against rising interest rates, given, first, that they are appropriately geared, and, second, that the allowed cost of debt is regularly adjusted to reflect actual prevailing interest rates.

Financial prudence underpins CKI's growth strategy. We have a track record of being able to carefully balance continued growth with a comfortable gearing position.

The Group with its strong financials, and together with our strategic partners – CK Asset and Power Assets – pose a formidable alliance which is capable of capitalising promptly on any good investment opportunities around the world. While the group is looking to expand our business footprint, our no “must win” mantra remains.

I would like to take this opportunity to thank the Board for their continued support, our dedicated staff for their extensive contributions and our stakeholders for their continued commitment.

VICTOR T K LI

Chairman

2nd August, 2023

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, 2023, cash and bank deposits on hand amounted to HK\$12,053 million and the total borrowings of the Group amounted to HK\$25,607 million, which included Hong Kong dollar borrowings of HK\$2,673 million and foreign currency borrowings of HK\$22,934 million. Of the total borrowings, 9 per cent were repayable in 2023 and 91 per cent were repayable between 2024 and 2027. 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 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, 2023, the Group maintained a net debt position with a net debt to net total capital ratio of 9 per cent. This was based on HK\$13,554 million of net debt and HK\$146,474 million of net total capital, which represents the total borrowings plus total equity net of cash and bank deposits. This ratio was slightly higher than that of 7 per cent at the year end of 2022.

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, 2023, the notional amounts of these derivative instruments amounted to HK\$53,613 million.

Charge on Group Assets

As at 30th June, 2023, certain assets were pledged to secure bank borrowings totalling HK\$1,505 million granted to the Group.

Contingent Liabilities

As at 30th June, 2023, the Group was subject to the following contingent liabilities:

HK\$ million

Guarantee in respect of bank loan drawn by an affiliated company	569
Other guarantees given in respect of an affiliated company	203
Performance bond indemnities	168
Sub-contractor warranties	13
Total	953

Employees

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 2,418 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$516 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, 2023, 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 of the Company and its subsidiaries. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholder value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

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 ("Listing Rules") throughout the six months ended 30th June, 2023.

The Group is committed to maintaining high corporate governance standards and conducting its businesses with ethics and integrity. In compliance with the CG Code, the Company has adopted, and regularly reviews its comprehensive set of Corporate Governance Policies such as Anti-Fraud and Anti-Bribery Policy, Anti-Money Laundering Policy, Employee Code of Conduct, Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing, and Whistleblowing Policy - Procedures for Reporting Possible Improprieties. The Group maintains a robust corporate governance framework and internal control systems to uphold its accountability with support from internal and external auditors and other professional advisors.

Audit Committee

The Audit Committee, headed by an Independent Non-executive Director, comprises four Independent Non-executive Directors. The Audit Committee is chaired by Mr. Paul Joseph Tighe with Mr. Cheong Ying Chew, Henry, Mrs. Sng Sow-mei alias Poon Sow Mei and Mr. Lan Hong Tsung, David as members.

The Group's interim results for the six months ended 30th June, 2023 have been reviewed by the Audit Committee.

Remuneration Committee

A majority of the members of the Company's Remuneration Committee are Independent Non-executive Directors. The Remuneration Committee is chaired by Mr. Cheong Ying Chew, Henry, an independent Non-executive Director, with Mrs. Sng Sow-mei alias Poon Sow Mei, also an Independent Non-executive Director and the Chairman of the Board, Mr. Victor T K Li as members.

Nomination Committee

The Nomination Committee comprises a majority of Independent Non-executive Directors and is chaired by an Independent Non-executive Directors. The Nomination Committee is chaired by Mrs. Kwok Eva Lee, an Independent Non-executive Director with another Independent Non-executive Director, Mr. Barrie Cook and the Chairman of the Board, Mr. Victor T K Li, as members.

Sustainability Committee

The Sustainability Committee comprises three Directors, a majority of whom are Independent Non-executive Directors, and the Company Secretary. The Sustainability Committee is chaired by Mr. Ip Tak Chuen, Edmond, Deputy Chairman. Other members include two Independent Non-executive Directors, Mr. Barrie Cook and Mr. Paul Joseph Tighe, and the Company Secretary, Ms. Eirene Yeung.



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長江基建集團有限公司

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NOTICE OF PAYMENT OF INTERIM DIVIDEND, 2023

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, 2023 amounted to HK\$4,239 million which represents earnings of HK\$1.68 per share. The Directors have resolved to pay an interim dividend for 2023 of HK\$0.71 per share to shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 4th September, 2023, 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, 4th September, 2023. The dividend will be paid on Wednesday, 13th September, 2023.

By Order of the Board

CK INFRASTRUCTURE HOLDINGS LIMITED

Eirene Yeung

Company Secretary

2nd August, 2023

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. Frank John SIXT, Mr. Andrew John HUNTER (Deputy Managing Director), Mr. CHAN Loi Shun (Chief Financial Officer) and Ms. CHEN Tsien Hua; 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. 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 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	2023	Unaudited 2022
Turnover	2	19,534	20,079
Sales and interest income			
from infrastructure investments	2	3,180	3,381
Other income	3	387	73
Operating costs	4	(2,107)	(2,116)
Finance costs		(370)	(237)
Exchange gain		133	281
Share of results of associates		1,239	1,234
Share of results of joint ventures		2,047	2,069
Profit before taxation		4,509	4,685
Taxation	5	(50)	(53)
Profit for the period	6	4,459	4,632
Attributable to:			
Shareholders of the Company		4,239	4,409
Owners of perpetual capital securities		219	219
Non-controlling interests		1	4
		4,459	4,632
Earnings per share	7	HK\$1.68	HK\$1.75

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK\$ million	Notes	Unaudited 30/6/2023	Audited 31/12/2022
Property, plant and equipment		2,995	3,017
Investment properties		408	408
Interests in associates		39,185	38,527
Interests in joint ventures		104,796	99,302
Other financial assets		1,613	1,590
Derivative financial instruments		1,274	1,249
Goodwill and intangible assets		2,271	2,246
Deferred tax assets		1	3
Total non-current assets		152,543	146,342
Inventories		222	309
Derivative financial instruments		101	53
Debtors and prepayments	9	949	1,118
Bank balances and deposits		12,053	18,045
Total current assets		13,325	19,525
Bank and other loans		2,893	5,148
Derivative financial instruments		464	891
Creditors, accruals and others	10	5,585	6,173
Taxation		49	56
Total current liabilities		8,991	12,268
Net current assets		4,334	7,257
Total assets less current liabilities		156,877	153,599
Bank and other loans		22,714	23,063
Derivative financial instruments		395	314
Deferred tax liabilities		515	493
Other non-current liabilities		333	347
Total non-current liabilities		23,957	24,217
Net assets		132,920	129,382
Representing:			
Share capital		2,520	2,520
Reserves		120,413	116,873
Equity attributable to shareholders of the Company		122,933	119,393
Perpetual capital securities		9,885	9,885
Non-controlling interests		102	104
Total equity		132,920	129,382

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, 2022, except for adoption of the new and amendments to 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 1st January, 2023. The adoption of those new and amendments to 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. 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. Sales of infrastructure materials and waste management services were substantially recognised at a point in 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	
	2023	2022
Sales of infrastructure materials	981	1,118
Interest income from loans granted to associates	136	149
Interest income from loans granted to joint ventures	1,076	1,177
Sales of waste management services	987	937
Sales and interest income from infrastructure investments	3,180	3,381
Share of turnover of joint ventures	16,354	16,698
Turnover	19,534	20,079

3. OTHER INCOME

Other income includes the following:

HK\$ million	Six months ended 30th June	
	2023	2022
Bank interest income	350	39

4. OPERATING COSTS

Operating costs include the following:

HK\$ million	Six months ended 30th June	
	2023	2022
Cost of inventories sold	907	1,005
Cost of services provided	599	558
Depreciation of property, plant and equipment	149	160
Amortisation of intangible assets	16	21

5. TAXATION

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

HK\$ million	Six months ended 30th June	
	2023	2022
Current taxation - Hong Kong	1	1
Current taxation - outside Hong Kong	25	22
Deferred taxation	24	30
Total	50	53

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		Continental Europe		Hong Kong and Mainland China		Canada		New Zealand		Total before unallocated items		Unallocated items		Consolidated	
	Holdings Limited	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Turnover	-	-	9,185	9,835	3,308	3,258	2,514	2,565	1,696	1,779	1,580	1,423	1,251	1,219	19,534	20,079	-	-	19,534	20,079
Sales and interest income from infrastructure investments	-	-	579	604	410	299	107	296	981	1,118	116	127	987	937	3,180	3,381	-	-	3,180	3,381
Bank interest income	-	-	-	-	-	-	-	-	27	20	-	-	1	1	28	21	322	18	350	39
Other income	-	-	-	-	-	-	-	-	35	30	-	-	2	3	37	33	-	1	37	34
Change in fair value of other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	-	(5)	-
Depreciation and amortisation	-	-	-	-	-	-	-	-	(53)	(56)	-	-	(112)	(125)	(165)	(181)	-	-	(165)	(181)
Other operating expenses	-	-	-	-	-	-	-	-	(980)	(1,075)	-	-	(796)	(744)	(1,776)	(1,819)	(161)	(116)	(1,937)	(1,935)
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	(50)	(28)	(50)	(28)	(320)	(209)	(370)	(237)
Exchange (loss)/ gain	-	-	-	-	-	-	-	-	(9)	(10)	-	-	-	-	(9)	(10)	142	291	133	281
Share of results of associates and joint ventures	1,066	1,032	1,013	1,075	416	705	317	133	105	105	322	211	47	42	3,286	3,303	-	-	3,286	3,303
Profit/ (Loss) before taxation	1,066	1,032	1,592	1,679	826	1,004	424	429	106	132	438	338	79	86	4,531	4,700	(22)	(15)	4,509	4,685
Taxation	-	-	-	-	-	-	-	-	(3)	(11)	(36)	(32)	(7)	(10)	(46)	(53)	(4)	-	(50)	(53)
Profit/ (Loss) for the period	1,066	1,032	1,592	1,679	826	1,004	424	429	103	121	402	306	72	76	4,485	4,647	(26)	(15)	4,459	4,632
Attributable to:																				
Shareholders of the Company	1,066	1,032	1,592	1,679	826	1,004	424	429	102	117	402	306	72	76	4,484	4,643	(245)	(234)	4,239	4,409
Owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	219	219	219	219
Non-controlling interests	-	-	-	-	-	-	-	-	1	4	-	-	-	-	1	4	-	-	1	4
	1,066	1,032	1,592	1,679	826	1,004	424	429	103	121	402	306	72	76	4,485	4,647	(26)	(15)	4,459	4,632

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\$4,239 million (2022: HK\$4,409 million) and on 2,519,610,945 shares (2022: 2,519,610,945 shares) in issue during the interim period.

8. INTERIM DIVIDEND

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

HK\$ million	Six months ended 30th June	
	2023	2022
Interim dividend of HK\$0.71 per share (2022: HK\$0.70 per share)	1,789	1,764

9. DEBTORS AND PREPAYMENTS

Included in debtors and prepayments are trade debtors of HK\$316 million (HK\$349 million at 31st December, 2022) and their aging analysis is as follows:

HK\$ million	30/6/2023	31/12/2022
Less than 1 month	174	215
1 to 3 months	84	112
More than 3 months but less than 12 months	63	27
More than 12 months	5	4
Gross total	326	358
Loss allowance	(10)	(9)
Total after allowance	316	349

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, ACCRUALS AND OTHERS

Included in creditors, accruals and others are trade creditors of HK\$267 million (HK\$313 million at 31st December, 2022) and their aging analysis is as follows:

HK\$ million	30/6/2023	31/12/2022
Current	176	241
1 month	36	30
2 to 3 months	29	11
Over 3 months	26	31
Total	267	313

11. REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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