Cheung Kong Infrastructure Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1038)

THE CHAIRMAN'S LETTER FOR 2012

OPERATIONS ON BUDGET   5% GEARING   RECORD PROFIT PERFORMANCE

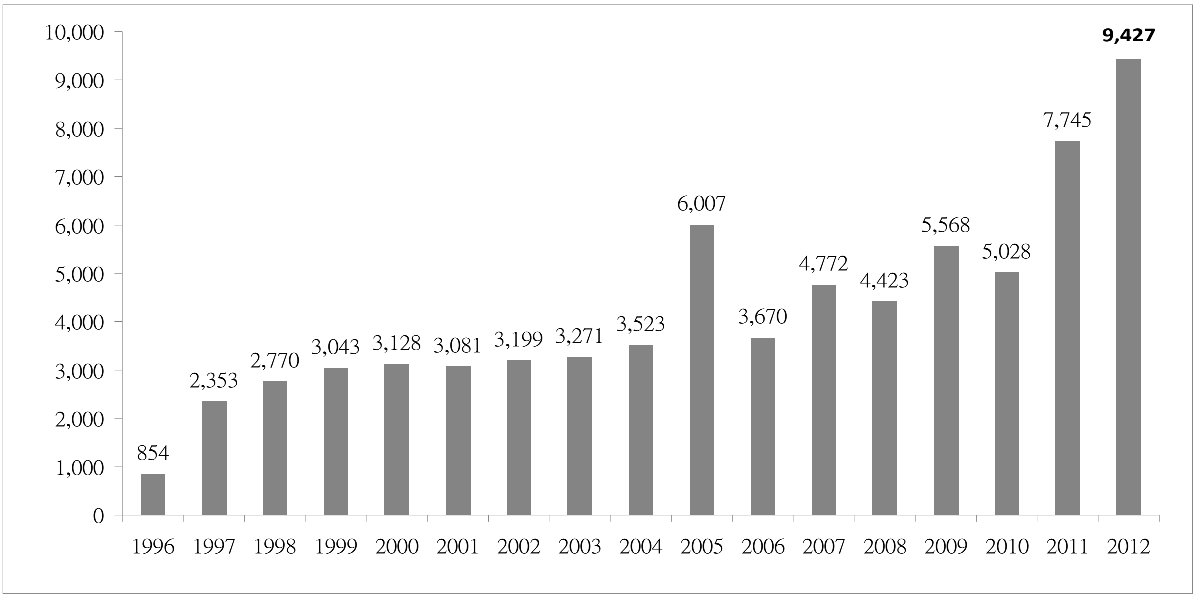
	Year ended 31st December, 2012 **HK$ million**	Year ended 31st December, 2011 HK$ million	Variance
Profit attributable to shareholders	**9,427**	7,745	+22%
Dividends per share	**HK$1.66**	HK$1.53	+8.5%

I am pleased to announce that for the year ended 31st December, 2012, Cheung Kong Infrastructure Holdings Limited ("CKI" or the "Group") reported profit attributable to shareholders of HK$9,427 million, an increase of 22% over last year. This marks a record high profit performance for CKI since its listing in 1996.

SIGNIFICANT GROWTH IN LAST DECADE

CKI achieved significant growth in the past decade, with profit attributable to shareholders nearly tripling over the last ten years, and almost doubling over the last 5 years, a reflection of the excellent performance of the Group's established businesses.

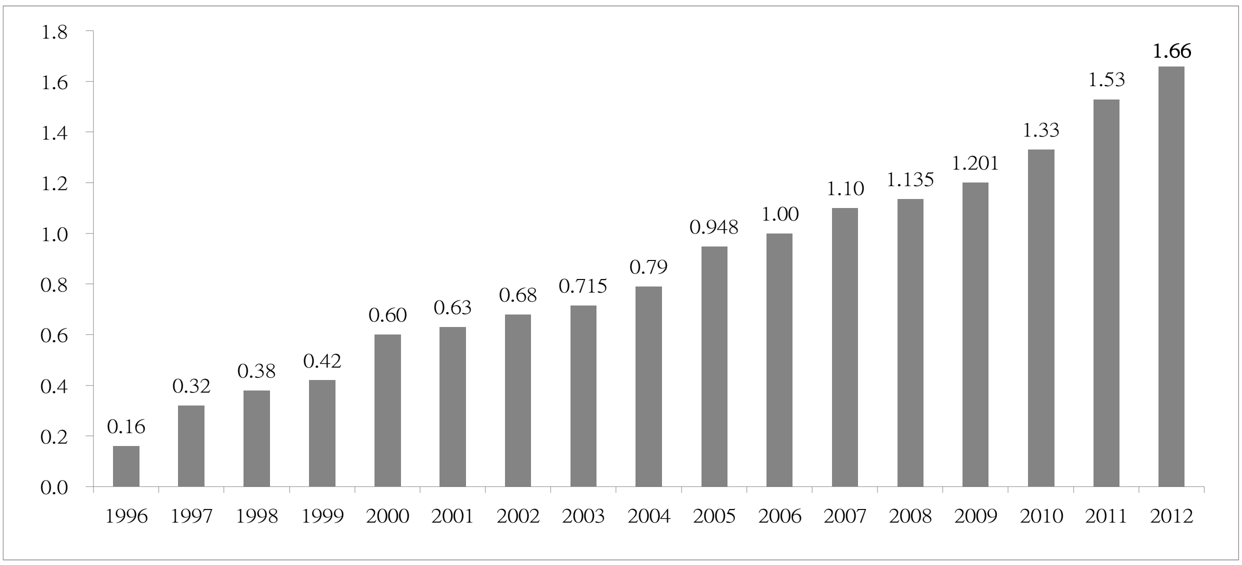
Profit Attributable to Shareholders since Listing
(HK$ million)



16TH CONSECUTIVE YEAR OF DIVIDEND GROWTH

The Board of Directors of CKI (the "Board") has recommended a final dividend of HK$1.26 per share. Together with the interim dividend of HK$0.40 per share, this will bring the total dividend for the year to HK$1.66 per share, a 8.5% increase over the previous year. This represents the 16th consecutive year of dividend growth since the listing of CKI. The proposed dividend will be paid on 5th June, 2013 following approval at the 2013 Annual General Meeting to those shareholders whose names appear on the Register of Members of the Company at close of business on 24th May, 2013.

Dividends Per Share since Listing
(HK$)



SOLID GLOBAL INFRASTRUCTURE PORTFOLIO

CKI's portfolio of infrastructure businesses has generated solid returns for the Group in 2012.

The two main drivers of the Group's profit contribution growth during the year were UK Power Networks and Northumbrian Water – these two sizeable businesses were acquired in 2010 and 2011 respectively.

The performance from Power Assets, as well as the Group's businesses in Australia, Mainland China, Canada, New Zealand and the infrastructure materials division were all in line with or ahead of their budgets, despite some businesses reporting profit increases and some declines as compared with 2011 results.

Notable Performance from UK Portfolio

The profit contribution from businesses in the United Kingdom was HK$5,485 million, representing a growth of 47% as compared to last year.

UK Power Networks, which is CKI's largest investment overseas, continued to deliver good returns. The profit contribution from this business was HK$3,534 million, an increase of 24% over last year.

2012 marked the first full year of profit contribution from Northumbrian Water. Its contribution of HK$1,153 million for the year fully met our forecast.

Northern Gas Networks reported good results, generating profit contribution of HK$794 million, an increase of 26% over last year.

Seabank Power also saw growth in profit contribution, reaching HK$131 million from HK$81 million in 2011.

In October 2012, the CKI-led consortium completed the acquisition of Wales & West Utilities. The two months of performance reported by this business since the completion was satisfactory and in line with CKI's acquisition model. However, due to a non-cash mark-to-market impact on derivative instruments arising from the inherited financing structure, CKI reported an accounting loss of HK$117 million for Wales & West Utilities.

Power Assets Achieved Good Results

Profit contribution from CKI's 38.87% stake in the listed Power Assets was HK$3,757 million, an increase of 7% over 2011's HK$3,503 million.

2012 marks the highest profit that Power Assets has achieved in its history. During the year, the company recorded a profit of HK$9,729 million, of which approximately 53% were generated from overseas investments, and 47% from Hong Kong.

Profit from operations outside of Hong Kong had increased from HK$4,563 million in 2011 to HK$5,108 million in 2012, an increase of 12%.

Meanwhile, profit from Hong Kong was HK$4,621 million, a 2% increase from last year.

Steady Contribution from Australian Investments

The profit contribution from the Group's Australian portfolio was HK$1,146 million as compared to last year's HK$1,306 million. This represents a 12% reduction which was primarily due to a one-off gain generated from the Group's disposal of its interest in the Manager of Spark Infrastructure in 2011.

Performance of the two regulated businesses – SA Power Networks (formerly ETSA Utilities) and Victoria Power Networks (formerly CHEDHA) – was in line with budget. Profit contribution from these two Australian investments was HK$965 million, a slight increase compared to the previous year.

Cash distribution received from the investments in the two listed securities – Spark Infrastructure and Envestra – was HK$215 million (2011: HK$217 million). Out of the cash received, HK$32 million was reported as repayment of loan principal portion of the stapled securities of Spark Infrastructure (2011: HK$11 million); and HK$183 million was recorded as profit contribution from these two investments (2011: HK$206 million).

Stable Returns from Other Businesses

CKI's other businesses – including those in Mainland China, Canada, New Zealand and its materials business – have provided stable returns during the year under review.

The profit contribution from the Mainland China portfolio was HK$395 million, a 4% increase over last year. The Group's toll road portfolio reported satisfactory operating performance and provided stable cash returns to CKI.

The contribution from Canada was HK$113 million, a 28% decline over last year. This was due to one-off tax and depreciation adjustments. On a like-for-like basis, 6% growth would have been recorded.

In New Zealand, Wellington Electricity reported HK$59 million profit contribution, with operational performance in line with budget. The profit contribution's 19% decline from last year's results is mainly attributed to higher finance costs and lower interest deductibility in 2012.

The Group's materials business delivered profit contribution of HK$324 million, an increase of 15% over last year. Sales volume and pricing growth of infrastructure materials took place in Hong Kong as construction activities continued.

NEW ACQUISITIONS STRENGTHEN EARNINGS BASE

During the year, two new projects were added to CKI's portfolio.

The acquisition of Wales & West Utilities was completed in the last quarter of 2012. CKI holds a 30% interest in the business, with Power Assets and Cheung Kong (Holdings) Limited each holding a 30% stake, and Li Ka Shing Foundation Limited holding the remaining 10% stake. Together with Northern Gas Networks, which was acquired in 2005, the two gas distribution networks' service areas cover about 22% of the population of the United Kingdom.

In September 2012, CKI has committed to investing in a renewable energy power transmission link in Australia jointly with Power Assets on a 50/50 basis. Construction is scheduled to be completed by the end of 2013.

STRONG FINANCIAL PLATFORM

In tandem with the Group's ongoing acquisition strategy, CKI prudently manages its financial position. In 2012, three funding exercises were completed to strengthen the capital base of the Group.

In February 2012, US$300 million (approximately HK$2.3 billion) of funds were raised through the issuance of fixed rate callable perpetual securities via a fiduciary. In March 2012, a share placement exercise was completed, raising over HK$2.3 billion; and in August, another share placement exercise was completed with approximately HK$2.3 billion raised.

As at 31st December 2012, CKI had cash on hand of HK$6,980 million, and gearing remained low at a net debt to net total capital ratio of 5%. The Group is well-positioned to capture more acquisition opportunities.

CKI's credit rating of "A-" from Standard & Poor's has been maintained for 16 consecutive years since 1997.

SUBSEQUENT EVENT – ACQUISITION TRAIL CONTINUES IN 2013

In January 2013, CKI signed an agreement to acquire 100% of EnviroWaste for a cash consideration of NZ$490 million (approximately HK$3.18 billion).

EnviroWaste is a diversified, vertically integrated waste management business with national coverage across New Zealand. Completion is expected to take place in the second quarter of 2013. This acquisition marks CKI's expansion into the business of dedicated waste management infrastructure.

OUTLOOK

Since the Group's inception, we have adopted an effective set of strategies for continued growth:

(1) Growing existing businesses organically;
(2) Acquiring new businesses with good and stable returns; and
(3) Maintaining a solid balance sheet.

CKI has achieved another strong performance in 2012. Over the past few years, we have stepped up the pace of our acquisition strategy and benefitted from the opportunities presented in the uncertain global economic environment. Our earnings base has been expanded and profitability enhanced. Good organic growth has also been achieved. At the same time, prudent corporate finance initiatives have been undertaken to strengthen our balance sheet.

Looking ahead, we will continue to adhere to our three-pronged strategy to deliver growth to our shareholders. Though the economic climate going into 2013 remains uncertain, CKI is well-positioned to weather such conditions and to capitalise on any opportunities which may arise.

To conclude, I would like to thank the Board, management and staff for their continued efforts, as well as our shareholders for their support and trust.

Li Tzar Kuoi, Victor
Chairman

Hong Kong, 7th March, 2013

FINANCIAL REVIEW

Financial Resources, Treasury Activities and Gearing Ratio

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

As at 31st December, 2012, cash and bank deposits on hand amounted to HK$6,980 million and the total borrowings of the Group amounted to HK$11,113 million, which included Hong Kong dollar notes of HK$260 million and foreign currency borrowings of HK$10,853 million. Of the total borrowings, 82 per cent were repayable between 2014 and 2017 and 18 per cent were repayable beyond 2017. 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, Pounds Sterling 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 31st December, 2012, the Group maintained a net debt position with a net debt to net total capital ratio of 5 per cent, which was based on its net debt of HK$4,133 million and net total capital, which represents the total borrowings plus total equity net of cash and bank deposits, of HK$77,514 million. This ratio was lower than the net debt to net total capital ratio of 12 per cent at the year end of 2011. This change was mainly due to the funds raised in the issue of perpetual securities via a fiduciary and the share placements conducted during the year.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with the appropriate level of borrowings denominated in the local currencies of those countries. The Group also entered into certain interest rate and currency swaps to mitigate interest rate and other currency exposure risks. As at 31st December, 2012, the notional amounts of these derivative instruments amounted to HK$41,103 million.

Charge on Group Assets

As at 31st December, 2012:

- the Group's obligations under finance leases totalling HK$59 million were secured by charges over the leased assets with carrying value of HK$58 million; and

- certain plant and machinery of the Group with carrying value of HK$83 million were pledged to secure bank borrowings totalling HK$28 million granted to the Group.

Contingent Liabilities

As at 31st December, 2012, the Group was subject to the following contingent liabilities:

HK$ million	
Other guarantee given in respect of an affiliated company	979
Sub-contractor warranties	9
Total	988

Employees

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 1,236 employees. Employees' cost (excluding directors' emoluments) amounted to HK$294 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 year ended 31st December, 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance Code

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders. Save as disclosed below, the Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices during the period from 1st January, 2012 to 31st March, 2012 and the Corporate Governance Code ("CG Code") during the period from 1st April, 2012 to 31st December, 2012 as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). In respect of code provisions A.5.1 to A.5.4 of the CG Code, the Company does not have a nomination committee. At present, the 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 to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman of the Board and the Group Managing Director. In respect of code provision A.6.7 of the CG Code, a Non-executive Director did not attend the annual general meeting of the Company held on 23rd May, 2012 due to an overseas commitment.

Audit Committee

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company established an audit committee ("Audit Committee") in December 1998 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the CG Code.

The Audit Committee comprises five Independent Non-executive Directors, namely, Mr. Colin Stevens Russel (Chairman of the Audit Committee), Mr. Cheong Ying Chew, Henry, Mrs. Kwok Eva Lee, Mrs. Sng Sow-mei alias Poon Sow Mei and Mr. Lan Hong Tsung, David. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, 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 annual results for the year ended 31st December, 2012 have been reviewed by the Audit Committee.

Remuneration Committee

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

Annual General Meeting

The 2013 Annual General Meeting of the shareholders of the Company will be held at the Ballroom, 1st Floor, Harbour Grand Kowloon, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Monday, 20th May, 2013 at 2:45 p.m. and the Notice of Annual General Meeting will be published and despatched to the shareholders in the manner as required by the Listing Rules in due course.

Closure of Register of Members

The Register of Members of the Company will be closed from Tuesday, 14th May, 2013 to Monday, 20th May, 2013, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the 2013 Annual General Meeting, 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, 13th May, 2013.

The final dividend is payable to shareholders whose names appear on the Register of Members of the Company at close of business on Friday, 24th May, 2013, being the record date for determination of entitlement to the final dividend. In order to qualify for the proposed final 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 Friday, 24th May, 2013.

As at the date of this document, the Executive Directors of the Company are Mr. LI Tzar Kuoi, Victor (Chairman), Mr. KAM Hing Lam (Group Managing Director), Mr. IP Tak Chuen, Edmond (Deputy Chairman), Mr. FOK Kin Ning, Canning (Deputy Chairman), Mr. Andrew John HUNTER (Deputy Managing Director), Mr. CHAN Loi Shun (Chief Financial Officer), Mrs. CHOW WOO Mo Fong, Susan (also Alternate Director to Mr. FOK Kin Ning, Canning and Mr. Frank John SIXT) and Mr. Frank John SIXT; the Non-executive Directors are Mr. CHEONG Ying Chew, Henry (Independent Non-executive Director), Mrs. KWOK Eva Lee (Independent Non-executive Director), Mrs. SNG Sow-mei alias POON Sow Mei (Independent Non-executive Director), Mr. Colin Stevens RUSSEL (Independent Non-executive Director), Mr. LAN Hong Tsung, David (Independent Non-executive Director), Mr. Barrie COOK (Independent Non-executive Director), Mrs. LEE Pui Ling, Angelina, Mr. George Colin MAGNUS and Mr. TSO Kai Sum; 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 year ended 31st December

HK$ million	Notes	**2012**	2011
Group turnover	2	**4,105**	3,493
Share of turnover of jointly controlled entities	2	**1,644**	1,532
		5,749	5,025
Group turnover	2	**4,105**	3,493
Other income	3	**439**	701
Operating costs	4	**(3,082)**	(2,640)
Finance costs		**(732)**	(575)
Exchange gain / (loss)		**289**	(110)
Share of results of associates		**8,626**	6,974
Share of results of jointly controlled entities		**411**	423
Profit before taxation		**10,056**	8,266
Taxation	5(a)	**19**	6
Profit for the year	6	**10,075**	8,272
Attributable to:			
Shareholders of the Company		**9,427**	7,745
Owners of perpetual capital securities		**655**	517
Non-controlling interests		**(7)**	10
		10,075	8,272
Earnings per share	7	**HK$3.93**	HK$3.38

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31st December

HK$ million	Notes	**2012**	2011
Property, plant and equipment		**1,477**	845
Investment properties		**238**	206
Interests in associates		**71,337**	62,504
Interests in jointly controlled entities		**1,078**	942
Investments in securities		**6,199**	5,197
Derivative financial instruments		**-**	158
Deferred tax assets		**22**	15
Total non-current assets		**80,351**	69,867
Inventories		**150**	223
Derivative financial instruments		**47**	262
Debtors and prepayments	9	**1,014**	524
Bank balances and deposits		**6,980**	5,947
Total current assets		**8,191**	6,956
Bank and other loans		**24**	11,342
Derivative financial instruments		**198**	12
Creditors and accruals	10	**2,972**	2,086
Taxation		**97**	87
Total current liabilities		**3,291**	13,527
Net current assets / (liabilities)		**4,900**	(6,571)
Total assets less current liabilities		**85,251**	63,296
Bank and other loans		**11,089**	3,126
Derivative financial instruments		**486**	201
Deferred tax liabilities		**282**	187
Other non-current liabilities		**13**	10
Total non-current liabilities		**11,870**	3,524
Net assets		**73,381**	59,772
Representing:			
Share capital		**2,496**	2,339
Reserves		**60,467**	49,405
Equity attributable to shareholders of the Company		**62,963**	51,744
Perpetual capital securities		**10,329**	7,933
Non-controlling interests		**89**	95
Total equity		**73,381**	59,772

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has adopted a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are effective to the Group for accounting periods beginning on or after 1st January, 2012. The adoption of those HKFRSs has no material impact on the Group's results and financial position for the current or prior years and does not result in any significant change in accounting policies of the Group.

2. GROUP TURNOVER AND SHARE OF TURNOVER OF JOINTLY CONTROLLED ENTITIES

Group turnover represents net sales of infrastructure materials, interest income from loans granted to associates, distribution from investments in securities classified as infrastructure investments, and income from the supply of water.

In addition, the Group presents its proportionate share of turnover of jointly controlled entities. Turnover of associates is not included.

The Group turnover and share of turnover of jointly controlled entities for the current year is analysed as follows:

HK$ million	**2012**	2011
Sales of infrastructure materials	**2,082**	1,743
Interest income from loans granted to associates	**1,804**	1,360
Distribution from investments in securities	**183**	206
Income from the supply of water	**36**	184
Group turnover	**4,105**	3,493
Share of turnover of jointly controlled entities	**1,644**	1,532
	5,749	5,025

3. OTHER INCOME

Other income includes the following:

HK$ million	**2012**	2011
Bank and other interest income	**237**	234
Gain on disposal of a jointly controlled entity	**2**	-
Gain on disposal of an associate	**-**	145
Gain on disposal of a subsidiary	**-**	96
Change in fair values of investment properties	**32**	20

4. OPERATING COSTS

Operating costs include the following:

HK$ million	**2012**	2011
Depreciation of property, plant and equipment	**54**	69
Cost of inventories sold	**1,945**	1,721
Change in fair values of investments in securities	**-**	6
Change in fair values of derivative financial instruments	**-**	19

5. TAXATION

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

HK$ million	**2012**	2011
Current taxation – outside Hong Kong	**12**	13
Deferred taxation	**(31)**	(19)
Total	**(19)**	(6)

(b) A subsidiary of the Company paid AUD58 million to the Australian Tax Office ("ATO") being an amount equivalent to 50 per cent (which percentage is based on ATO Administrative Guidelines) of the tax in dispute, including interest and penalties, claimed by the ATO, pending the resolution of a dispute with the ATO regarding the deductibility of certain fees paid by that subsidiary for income tax purposes. The subsidiary is of the view that the fees are deductible and that no amount should be payable to the ATO and that the above amount paid is expected to be recovered from the ATO. The subsidiary has obtained legal advice and is poised to vigorously defend its position.

6. PROFIT FOR THE YEAR AND SEGMENT INFORMATION

for the year ended 31st December

			Infrastructure Investments										Infrastructure related business					
	Investment in Power Assets*		United Kingdom		Australia		Mainland China		Canada and New Zealand		Sub-total				Unallocated items		Consolidated	
HK$ million	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Group turnover	-	-	1,094	776	705	729	-	-	224	245	2,023	1,750	2,082	1,743	-	-	4,105	3,493
Share of turnover of jointly controlled entities	-	-	-	-	-	-	662	625	-	-	662	625	982	907	-	-	1,644	1,532
	-	-	1,094	776	705	729	662	625	224	245	2,685	2,375	3,064	2,650	-	-	5,749	5,025
Group turnover	-	-	1,094	776	705	729	-	-	224	245	2,023	1,750	2,082	1,743	-	-	4,105	3,493
Bank and other interest income	-	-	-	10	-	-	-	-	-	-	-	10	82	84	155	140	237	234
Gain on disposal of a jointly controlled entity	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	2	-
Gain on disposal of an associate	-	-	-	-	-	145	-	-	-	-	-	145	-	-	-	-	-	145
Gain on disposal of a subsidiary	-	-	-	96	-	-	-	-	-	-	-	96	-	-	-	-	-	96
Other income	-	-	-	28	-	-	139	106	-	-	139	134	56	88	5	4	200	226
Change in fair values of investments in securities and derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25)	-	(25)
Depreciation	-	-	(5)	(22)	-	-	-	-	-	-	(5)	(22)	(49)	(47)	-	-	(54)	(69)
Other operating expenses	-	-	(39)	(211)	-	-	(2)	(2)	-	-	(41)	(213)	(2,070)	(1,716)	(917)	(617)	(3,028)	(2,546)
Finance costs	-	-	(2)	(18)	-	-	-	-	-	-	(2)	(18)	(3)	(3)	(727)	(554)	(732)	(575)
Exchange gain / (loss)	-	-	-	-	-	-	-	-	-	-	-	-	2	9	287	(119)	289	(110)
Share of results of associates and jointly controlled entities	3,757	3,503	4,391	3,060	441	432	286	283	(52)	(16)	5,066	3,759	214	135	-	-	9,037	7,397
Profit / (Loss) before taxation	3,757	3,503	5,439	3,719	1,146	1,306	423	387	172	229	7,180	5,641	316	293	(1,197)	(1,171)	10,056	8,266
Taxation	-	-	46	16	-	-	(28)	(9)	-	-	18	7	1	(1)	-	-	19	6
Profit / (Loss) for the year	3,757	3,503	5,485	3,735	1,146	1,306	395	378	172	229	7,198	5,648	317	292	(1,197)	(1,171)	10,075	8,272
Attributable to:																		
Shareholders of the Company	3,757	3,503	5,485	3,735	1,146	1,306	395	378	172	229	7,198	5,648	324	282	(1,852)	(1,688)	9,427	7,745
Owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	655	517	655	517
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(7)	10	-	-	(7)	10
	3,757	3,503	5,485	3,735	1,146	1,306	395	378	172	229	7,198	5,648	317	292	(1,197)	(1,171)	10,075	8,272

* During the year, the Group has a 38.87 per cent (2011: 38.87 per cent) equity interest in Power Assets Holdings Limited ("Power Assets"), which is listed on The Stock Exchange of Hong Kong Limited.

6. PROFIT FOR THE YEAR 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$9,427 million (2011: HK$7,745 million) and on the weighted average of 2,398,559,625 shares (2011: 2,290,788,027 shares) in issue during the year.

The shares issued in connection with the issue of perpetual capital securities in February 2012 were excluded from the calculation of earnings per share since these shares are disregarded for the purpose of determining the number of shares held by the public.

8. DIVIDENDS

(a)

HK$ million	**2012**	2011
Interim dividend paid of HK$0.40 (2011: HK$0.365) per share	**976**	854
Proposed final dividend of HK$1.26 (2011: HK$1.165) per share	**3,074**	2,724
Total	**4,050**	3,578

During the year, dividends of HK$4,050 million (2011: HK$3,578 million) are stated after elimination of HK$93 million (2011: nil) paid / proposed for the shares issued in connection with the issue of perpetual capital securities in February 2012.

(b)

HK$ million	**2012**	2011
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$1.165 (2011: HK$1.00) per share	**2,784**	2,254

Final dividend in respect of the previous financial year, approved and paid during the year, is stated after elimination of HK$66 million (2011: nil) for the shares issued in connection with the issue of perpetual capital securities in February 2012.

9. DEBTORS AND PREPAYMENTS

Included in debtors and prepayments are trade debtors of HK$352 million (2011: HK$310 million) and their aging analysis is as follows:

HK$ million	**2012**	2011
Current	**196**	174
Less than 1 month past due	**122**	90
1 to 3 months past due	**35**	51
More than 3 months but less than 12 months past due	**18**	11
More than 12 months past due	**16**	20
Amount past due	**191**	172
Allowance for doubtful debts	**(35)**	(36)
Total after allowance	**352**	310

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

10. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK$193 million (2011: HK$148 million) and their aging analysis is as follows:

HK$ million	**2012**	2011
Current	**157**	106
1 month	**24**	24
2 to 3 months	**2**	11
Over 3 months	**10**	7
Total	**193**	148

11. EVENT AFTER THE REPORTING PERIOD

In January 2013, the Group entered into a share sale agreement which agreed to acquire the entire issued share capital of Barra Topco II Limited ("Barra Topco") for a consideration of NZ$490 million (approximately HK$3.18 billion). Barra Topco is the holding company of Enviro Waste Services Limited, which is a diversified, vertically integrated waste management business that has national coverage across New Zealand. The acquisition is subject to approval from the New Zealand Overseas Investment Office. Completion is expected to take place in the second quarter of 2013.

12. REVIEW OF ANNUAL RESULTS

The annual results have been reviewed by the Audit Committee.

13. SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position at 31st December, 2012, consolidated income statement and the related notes thereto for the year then ended 31st December, 2012 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.