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## **Cheung Kong Infrastructure Holdings Limited** **長江基建集團有限公司**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1038)**

### **INTERIM RESULTS FOR 2015**

For the first six months of 2015, Cheung Kong Infrastructure Holdings Limited (“CKI” or the “Group”) delivered continued underlying growth across its portfolio of infrastructure investments.

Unaudited profit attributable to shareholders was HK\$5,253 million, a decrease of 78% as compared to the same reporting period last year. This drop occurred due to (i) the one-off gain of approximately HK\$19 billion recorded from the spin-off of the Hong Kong operations of Power Assets Holdings Limited (“Power Assets”) into HK Electric Investments (“HKEI”) during the same period last year, and (ii) the accounting losses incurred from CKI and Power Assets’ sale of HKEI shares in June this year. Excluding these two one-off items, CKI’s profitability in the first half of 2015 has increased about 22%.

During the first half of 2015, the Group’s trend of dividend growth has been maintained. The Board of Directors of CKI (the “Board”) has declared an interim dividend for 2015 of HK\$0.6 per share (2014: HK\$0.525 per share), a 14.3% increase over the same period last year. The interim dividend will be paid on Friday, 4th September, 2015 to shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 25th August, 2015.

#### **Acquisition Strengthens Portfolio**

CKI continued to make progress in acquisition during the period under review.

UK Rails, a 50/50 joint venture between CKI and CK Hutchison Holdings Limited acquired Eversholt Rail Group, one of the three major rolling stock operating companies in the United Kingdom. The enterprise value of the transaction was approximately GBP2.5 billion (approximately HK\$29.3 billion).

The acquisition strengthens the Group's transportation portfolio and enhances CKI's presence in the United Kingdom. Since completion in April 2015, the asset has delivered immediate returns to the Group.

### **Power Assets Sustains Stable Operational Performance**

In the first half of 2015, Power Assets achieved a stable operational performance in respect of both its Hong Kong and overseas businesses.

Profit contribution from Power Assets was HK\$1,258 million, a decrease of 94% as compared to the same period last year. This happened as a result of the one-off gain booked from the spin-off of the Hong Kong electricity business in January 2014; and the further sale of Power Assets' 16.53% stake in HKEI in June 2015, which incurred an accounting loss caused by the difference between the net proceeds of the transaction and the carrying value of the investment.

### **UK Businesses Continue to Expand**

Profit contribution from the Group's businesses in the United Kingdom amounted to HK\$3,181 million, representing an increase of 6%. This result has been affected by a lower sterling exchange rate. Should the result be reported in local currency, the portfolio would have shown a growth of 16%.

UK Power Networks, CKI's largest overseas investment, continued to perform well in 2015. The new RIIO-ED1 regulatory reset commenced on 1st April, 2015, providing a high level of predictability of income through to 2023.

Northumbrian Water continues to generate steady income for the Group. The new PR14 regulatory reset commenced on 1st April, 2015 and provides a stable outlook for this business until 2020.

Both of the Group's gas distribution networks, Northern Gas Networks and Wales & West Utilities, performed well during the period under review.

Seabank Power also delivered a satisfactory performance in the first half.

The completion of UK Rails' acquisition in April marked the Group's entry into the rail transportation infrastructure market in the United Kingdom. The asset provided 2.5 months of contribution to CKI during the period under review.

## **Australian Infrastructure Achieves Steady Growth**

The total contribution from the Group's Australian portfolio increased by 1% to HK\$549 million. This result has been impacted by the weakening of the Australian dollar. The portfolio would have recorded a growth of 19% if the result is reported in local currency.

During the period under review, the first full six months of profit contribution for Australian Gas Networks was recorded, and satisfactory performances from SA Power Networks and Victoria Power Networks were achieved.

The negotiations for regulatory resets for SA Power Networks and Victoria Power Networks are in progress. The preliminary regulatory reset for SA Power Networks commenced on 1st July, 2015 and that for Victoria Power Networks will commence on 1st January, 2016, both initially based on draft determinations. The final determinations will be released in October 2015 and April 2016 respectively.

## **Other Infrastructure Businesses Report Satisfactory Performance**

CKI's businesses in Mainland China, Canada, New Zealand and the Netherlands all performed satisfactorily during the first half, providing stable returns.

Profit contribution from the Group's toll road businesses in Mainland China was marginally higher than that of the corresponding period last year.

In Canada, Park'N Fly recorded good performance and new expansion opportunities are being pursued. Meanwhile, Canadian Power conducted a refinancing in June, resulting in a reduction of finance costs.

In New Zealand, Wellington Electricity's performance during the period under review has exceeded budget, and it has completed a new regulatory reset which came into force in April 2015. At the same time, EnviroNZ continued to provide stable returns.

In the Netherlands, Dutch Enviro Energy generated returns in line with expectations.

## **Materials Business Achieves Good Growth**

The Group's materials business achieved good growth in the first half of 2015 with contribution advancing 14% over the same period last year.

In Hong Kong, as construction activities intensified, pricing and demand for concrete have increased.

### **Active Management Ensures Strong Financial Position**

CKI continues to be financially prudent and conservative in managing risks. While seeking opportunities to expand the business, the Group prioritises the need to maintain a strong financial position.

In January 2015, CKI issued 80 million shares at HK\$58 per share to raise new capital of HK\$4.6 billion. The Group's minority interest in HKEI was also monetised in June 2015, with the sale of a direct 3.37% stake to Qatar Holding LLC.

As at 30th June, 2015, CKI has cash on hand of approximately HK\$7.8 billion and a net debt to net total capital ratio of 9%. The Group is well-placed to capitalise on acquisition opportunities as they arise.

### **Outlook**

Over the past few years, CKI has expanded into a number of new areas within the infrastructure arena. Investment in these new businesses has reaped rewards and contributed to the Group's growth. Going forward, we are confident of the outlook for our portfolio of infrastructure investments.

Backed by our solid financial platform, we will continue to seek new investment opportunities that enhance our asset base and income stream. A number of potential projects in both new and existing industries and countries have been identified. As always, we will approach these opportunities in accordance with our stringent investment criteria, and will not hold a "must win at any price" mentality when considering the merits of potential acquisitions.

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

**Li Tzar Kuoi, Victor**

Chairman

Hong Kong, 23rd July, 2015

# 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, share placement and other project loans.

As at 30th June, 2015, cash and bank deposits on hand amounted to HK\$7,753 million and the total borrowings of the Group amounted to HK\$17,866 million, which included Hong Kong dollar notes of HK\$260 million and foreign currency borrowings of HK\$17,606 million. Of the total borrowings, 84 per cent were repayable between 2016 and 2019 and 16 per cent were repayable beyond 2019. 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, Canadian dollars, Euro or Renminbi. The Group's liquidity and financing requirements are reviewed regularly. The Group will continue to maintain a strong capital structure when considering financing for new investments or maturity of bank loans.

As at 30th June, 2015, the Group maintained a net debt position with a net debt to net total capital ratio of 9 per cent, which was based on its net debt of HK\$10,113 million and net total capital, which represents the total borrowings plus total equity net of cash and bank deposits, of HK\$117,527 million. This ratio was lower than the net debt to net total capital ratio of 10 per cent at the year end of 2014. This change was mainly due to the funds raised in the share placement and the sales proceeds from disposal of investment in securities, which were partially utilised for investment in a transportation project in the United Kingdom during the period.

To minimise currency risk exposure in respect of its investments in other countries, the Group generally hedges those investments with the appropriate level of borrowings denominated in the local currencies of those countries. The Group also entered into certain interest rate and currency swaps to mitigate interest rate and other currency exposure risks. As at 30th June, 2015, the notional amounts of these derivative instruments amounted to HK\$45,995 million.

## Charge on Group Assets

As at 30th June, 2015:

- the Group's obligations under finance leases totalling HK\$38 million were secured by charges over the leased assets with carrying value of HK\$36 million;
- certain plant and machinery of the Group with carrying value of HK\$72 million were pledged to secure bank borrowings totalling HK\$23 million granted to the Group; and
- the shares of a subsidiary with net asset value of HK\$1,112 million were pledged to secure bank borrowings totalling HK\$1,008 million granted to the Group.

## Contingent Liabilities

As at 30th June, 2015, the Group was subject to the following contingent liabilities:

HK\$ million

Guarantee in respect of bank loan drawn by an affiliated company	1,222
Other guarantee given in respect of an affiliated company	781
Performance bond indemnities	95
Sub-contractor warranties	6
Total	2,104

## Employees

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 2,058 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$338 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, 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **Corporate Governance Code**

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

Save as disclosed below, the Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th June, 2015. 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, two Non-executive Directors did not attend the annual general meeting of the Company held on 14th May, 2015 due to an overseas commitment and health reason respectively.

The Group is committed to achieving and maintaining standards of openness, probity and accountability. In line with this commitment and in compliance with the CG Code, the Audit Committee of the Company has established the Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters. In addition, the Company has established the Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing for compliance by the Company's employees.

## **Audit Committee**

The Company established an audit committee (“Audit Committee”) in December 1998 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the CG Code. The Audit Committee comprises five Independent Non-executive Directors, namely, Mr. Colin Stevens Russel (Chairman of the Audit Committee), Mr. Cheong Ying Chew, Henry, Mrs. Kwok Eva Lee, Mrs. Sng Sow-mei alias Poon Sow Mei and Mr. Lan Hong Tsung, David. The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting system 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 interim results for the six months ended 30th June, 2015 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.





# Cheung Kong Infrastructure Holdings Limited

## 長江基建集團有限公司

(Incorporated in Bermuda with limited liability)  
(Stock Code: 1038)

### NOTICE OF PAYMENT OF INTERIM DIVIDEND, 2015

The Board of Directors of Cheung Kong Infrastructure Holdings Limited announces that the Group's unaudited profit attributable to shareholders for the six months ended 30th June, 2015 amounted to HK\$5,253 million which represents earnings of HK\$2.10 per share. The Directors have resolved to pay an interim dividend for 2015 of HK\$0.6 per share to shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 25th August, 2015, 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 Tuesday, 25th August, 2015. The dividend will be paid on Friday, 4th September, 2015.

By Order of the Board

**CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED**

**Eirene Yeung**

Company Secretary

Hong Kong, 23rd July, 2015

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

## CONSOLIDATED INCOME STATEMENT

for the six months ended 30th June

HK\$ million	Notes	2015	Unaudited 2014
Group turnover	2	2,879	2,968
Share of turnover of joint ventures	2	11,235	10,811
		<b>14,114</b>	<b>13,779</b>
<b>Group turnover</b>	2	<b>2,879</b>	2,968
Other income	3	361	123
Operating costs	4	(1,500)	(2,100)
Finance costs		(405)	(410)
Exchange (loss)/gain		(106)	52
Share of results of associates		1,374	21,170
Share of results of joint ventures		2,914	2,619
<b>Profit before taxation</b>		<b>5,517</b>	24,422
Taxation	5(a)	(11)	(21)
<b>Profit for the period</b>	6	<b>5,506</b>	24,401
<b>Attributable to:</b>			
Shareholders of the Company		5,253	24,119
Owners of perpetual capital securities		258	284
Non-controlling interests		(5)	(2)
		<b>5,506</b>	24,401
<b>Earnings per share</b>	7	<b>HK\$2.10</b>	HK\$9.89

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK\$ million	Notes	Unaudited 30/6/2015	Audited 31/12/2014
Property, plant and equipment		2,385	2,452
Investment properties		305	305
Interests in associates		53,361	54,135
Interests in joint ventures		60,662	52,999
Investments in securities		2,136	3,889
Derivative financial instruments		177	86
Goodwill and intangible assets		2,553	2,877
Deferred tax assets		15	15
Other non-current assets		6	-
<b>Total non-current assets</b>		<b>121,600</b>	<b>116,758</b>
Inventories		216	175
Derivative financial instruments		120	825
Debtors and prepayments	9	874	1,204
Bank balances and deposits		7,753	7,108
<b>Total current assets</b>		<b>8,963</b>	<b>9,312</b>
Bank and other loans		38	1,690
Derivative financial instruments		518	24
Creditors and accruals	10	3,840	4,749
Taxation		91	108
<b>Total current liabilities</b>		<b>4,487</b>	<b>6,571</b>
<b>Net current assets</b>		<b>4,476</b>	<b>2,741</b>
<b>Total assets less current liabilities</b>		<b>126,076</b>	<b>119,499</b>
Bank and other loans		17,828	16,947
Derivative financial instruments		303	214
Deferred tax liabilities		498	552
Other non-current liabilities		33	40
<b>Total non-current liabilities</b>		<b>18,662</b>	<b>17,753</b>
<b>Net assets</b>		<b>107,414</b>	<b>101,746</b>
Representing:			
Share capital		2,520	2,440
Reserves		96,889	91,296
<b>Equity attributable to shareholders of the Company</b>		<b>99,409</b>	<b>93,736</b>
Perpetual capital securities		7,933	7,933
Non-controlling interests		72	77
<b>Total equity</b>		<b>107,414</b>	<b>101,746</b>

## 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, 2014, except for adoption of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants which are effective to the Group for accounting periods beginning on or after 1st January, 2015. The adoption of the new HKFRSs has no material impact on the Group's results and financial position for the current or prior periods.

### 2. GROUP TURNOVER AND SHARE OF TURNOVER OF JOINT VENTURES

Group turnover represents net sales of infrastructure materials, interest income from loans granted to associates and joint ventures, sales of waste management services, 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 joint ventures. Turnover of associates is not included.

The Group turnover and share of turnover of joint ventures for the current period is analysed as follows:

HK\$ million	Six months ended 30th June	
	2015	2014
Sales of infrastructure materials	1,156	1,240
Interest income from loans granted to associates	195	227
Interest income from loans granted to joint ventures	865	742
Sales of waste management services	616	645
Distribution from investments in securities	24	89
Income from the supply of water	23	25
<b>Group turnover</b>	<b>2,879</b>	<b>2,968</b>
<b>Share of turnover of joint ventures</b>	<b>11,235</b>	<b>10,811</b>
	<b>14,114</b>	<b>13,779</b>

### 3. OTHER INCOME

Other income includes the following:

HK\$ million	Six months ended 30th June	
	2015	2014
Bank and other interest income	51	38
Gain on disposal of an associate	-	12
Gain on disposal of a joint venture	34	-

### 4. OPERATING COSTS

Operating costs include the following:

HK\$ million	Six months ended 30th June	
	2015	2014
Cost of inventories sold	1,000	1,078
Cost of services provided	346	356
Depreciation of property, plant and equipment	110	113
Amortisation of intangible assets	14	15

### 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	Six months ended 30th June	
	2015	2014
Current taxation – Hong Kong	2	4
Current taxation – outside Hong Kong	8	13
Deferred taxation	1	4
<b>Total</b>	<b>11</b>	<b>21</b>

## 5. TAXATION (CONT'D)

- (b) As at 31st December, 2014, a subsidiary of the Company paid AUD64 million in aggregate, 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.

In June 2015, the Company and other relevant parties entered into an agreement with the ATO to resolve the above tax disputes. Under the settlement, the ATO will cease to pursue the legal proceedings against the Company in respect of unpaid tax, penalties and interests, and no penalties will be levied against the Company or its subsidiaries. A sum of approximately AUD24 million will be refunded from the ATO and approximately AUD60 million was charged to the consolidated income statement during the period under review.

## 6. PROFIT FOR THE PERIOD AND SEGMENT INFORMATION

for the six months ended 30th June

HK\$ million	Infrastructure Investments																			
	Investment in Power Assets*		United Kingdom		Australia		Mainland China		New Zealand		Canada and Netherlands		Sub-total		Infrastructure related business		Unallocated items		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Group turnover	-	-	796	665	219	316	-	-	644	678	64	69	1,723	1,728	1,156	1,240	-	-	2,879	2,968
Share of turnover of joint ventures	-	-	8,655	8,877	768	8	268	335	280	320	643	742	10,614	10,282	621	529	-	-	11,235	10,811
	-	-	9,451	9,542	987	324	268	335	924	998	707	811	12,337	12,010	1,777	1,769	-	-	14,114	13,779
Group turnover	-	-	796	665	219	316	-	-	644	678	64	69	1,723	1,728	1,156	1,240	-	-	2,879	2,968
Bank and other interest income	-	-	-	-	-	-	1	-	-	-	-	-	1	-	18	25	32	13	51	38
Gain on disposal of an associate	-	-	-	-	-	12	-	-	-	-	-	-	12	-	-	-	-	-	-	12
Gain on disposal of a joint venture	-	-	-	-	-	-	34	-	-	-	-	-	34	-	-	-	-	-	34	-
Other income	-	-	-	-	-	-	59	61	-	-	-	-	59	61	12	10	59	2	130	73
Change in fair value of derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	146	-	146	-
Depreciation and amortisation	-	-	(2)	(3)	-	-	-	-	(72)	(78)	-	-	(74)	(81)	(49)	(47)	(1)	-	(124)	(128)
Other operating expenses	-	-	(20)	(22)	-	-	(1)	(1)	(445)	(467)	-	-	(466)	(490)	(1,040)	(1,115)	130	(367)	(1,376)	(1,972)
Finance costs	-	-	(1)	(1)	-	-	-	-	(39)	(41)	-	-	(40)	(42)	-	(1)	(365)	(367)	(405)	(410)
Exchange (loss) / gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(106)	52	(106)	52
Share of results of associates and joint ventures	1,258	20,960	2,408	2,365	330	214	114	154	(2)	(6)	76	36	2,926	2,763	104	66	-	-	4,288	23,789
<b>Profit / (Loss) before taxation</b>	<b>1,258</b>	<b>20,960</b>	<b>3,181</b>	<b>3,004</b>	<b>549</b>	<b>542</b>	<b>207</b>	<b>214</b>	<b>86</b>	<b>86</b>	<b>140</b>	<b>105</b>	<b>4,163</b>	<b>3,951</b>	<b>201</b>	<b>178</b>	<b>(105)</b>	<b>(667)</b>	<b>5,517</b>	<b>24,422</b>
Taxation	-	-	-	1	-	-	(5)	(14)	(1)	(5)	(1)	-	(7)	(18)	(4)	(3)	-	-	(11)	(21)
<b>Profit / (Loss) for the period</b>	<b>1,258</b>	<b>20,960</b>	<b>3,181</b>	<b>3,005</b>	<b>549</b>	<b>542</b>	<b>202</b>	<b>200</b>	<b>85</b>	<b>81</b>	<b>139</b>	<b>105</b>	<b>4,156</b>	<b>3,933</b>	<b>197</b>	<b>175</b>	<b>(105)</b>	<b>(667)</b>	<b>5,506</b>	<b>24,401</b>
<b>Attributable to:</b>																				
Shareholders of the Company	1,258	20,960	3,181	3,005	549	542	202	200	85	81	139	105	4,156	3,933	202	177	(363)	(951)	5,253	24,119
Owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	258	284	258	284
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	(2)	-	-	(5)	(2)
	<b>1,258</b>	<b>20,960</b>	<b>3,181</b>	<b>3,005</b>	<b>549</b>	<b>542</b>	<b>202</b>	<b>200</b>	<b>85</b>	<b>81</b>	<b>139</b>	<b>105</b>	<b>4,156</b>	<b>3,933</b>	<b>197</b>	<b>175</b>	<b>(105)</b>	<b>(667)</b>	<b>5,506</b>	<b>24,401</b>

\* During the period, the Group has a 38.87 per cent (2014: 38.87 per cent) equity interest in Power Assets Holdings Limited ("Power Assets"), which is listed on The Stock Exchange of Hong Kong Limited. The share of the results of Power Assets during the six months ended 30th June, 2014 included the share of gain on disposal from spin-off and separate listing of the Hong Kong electricity business which is operated by The Hongkong Electric Company, Limited amounting to approximately HK\$19 billion.

## 6. PROFIT FOR THE PERIOD AND SEGMENT INFORMATION (CONT'D)

Segment profit attributable to shareholders of the Company represents the profit earned by each segment after the profit attributable to owners of perpetual capital securities and non-controlling interests without allocation of gains or losses from treasury activities, corporate overheads and other expenses of the Group's head office.

## 7. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of the Company of HK\$5,253 million (2014: HK\$24,119 million) and on the weighted average of 2,506,351,276 shares (2014: 2,439,610,945 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	
	2015	2014
Interim dividend of HK\$0.6 per share (2014: HK\$0.525 per share)	<b>1,512</b>	1,281



## 9. DEBTORS AND PREPAYMENTS

Included in debtors and prepayments are trade debtors of HK\$363 million (HK\$438 million at 31st December, 2014) and their aging analysis is as follows:

HK\$ million	30/6/2015	31/12/2014
Current	284	289
Less than 1 month past due	59	123
1 to 3 months past due	22	40
More than 3 months but less than 12 months past due	23	11
More than 12 months past due	12	16
Amount past due	116	190
Allowance for doubtful debts	(37)	(41)
<b>Total after allowance</b>	<b>363</b>	<b>438</b>

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

## 10. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK\$240 million (HK\$282 million at 31st December, 2014) and their aging analysis is as follows:

HK\$ million	30/6/2015	31/12/2014
Current	155	171
1 month	30	31
2 to 3 months	13	14
Over 3 months	42	66
<b>Total</b>	<b>240</b>	<b>282</b>

## **11. REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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