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Cheung Kong Infrastructure Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1038)

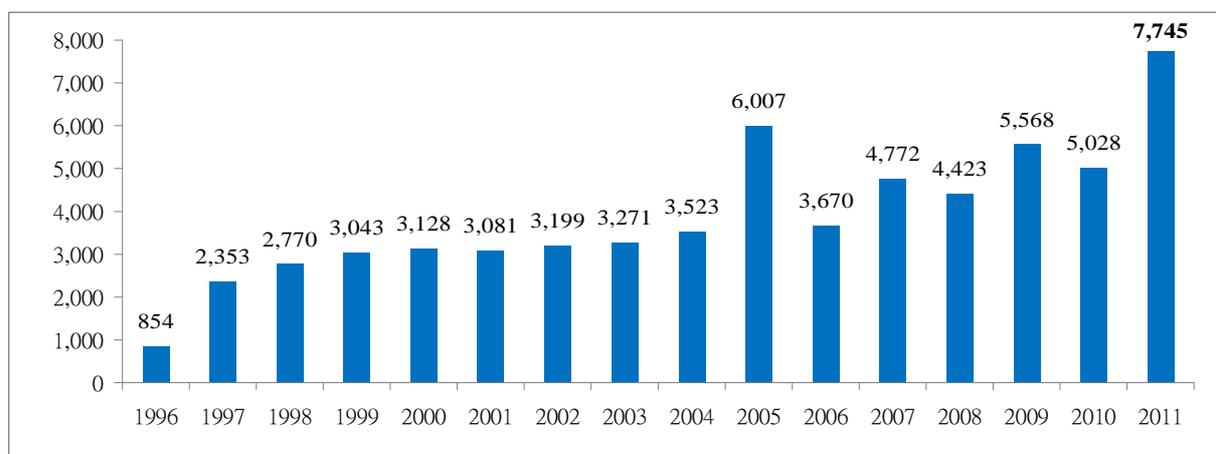
THE CHAIRMAN'S LETTER FOR 2011

54% GROWTH IN PROFIT

	Year ended 31st December, 2011	Year ended 31st December, 2010	Variance
	HK\$ million	HK\$ million	
Profit attributable to shareholders	7,745	5,028	+54%
Dividends per share	HK\$1.53	HK\$1.33	+15%

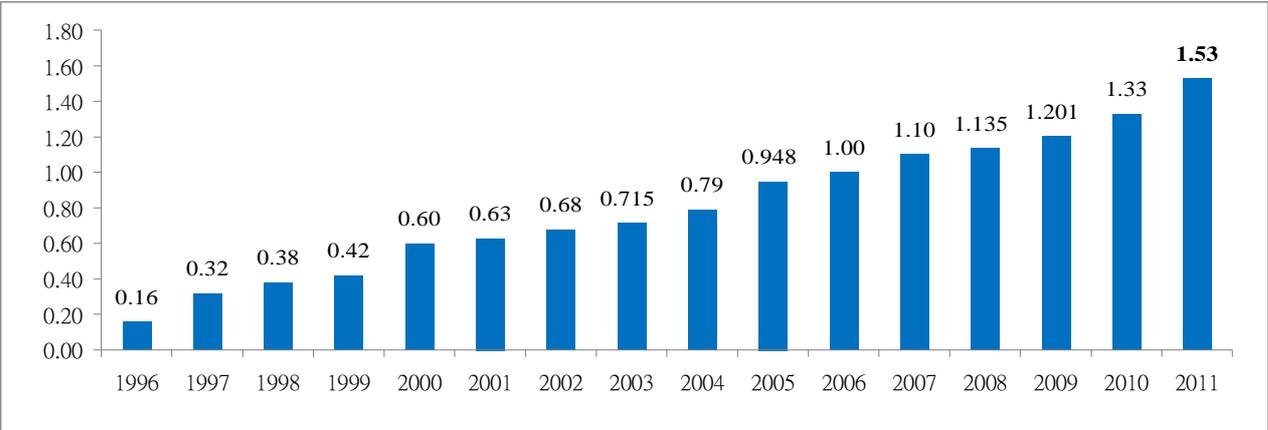
I am pleased to announce that for the year ended 31st December, 2011, Cheung Kong Infrastructure Holdings Limited (“CKI” or the “Group”) reported profit attributable to shareholders of HK\$7,745 million, a 54 per cent increase over last year. This marks the highest profit achieved in the Group’s history.

Profit Attributable to Shareholders since Listing (HK\$ million)



The Board of Directors of CKI (the “Board”) has recommended a final dividend of HK\$1.165 per share. Together with the interim dividend of HK\$0.365 per share, this will bring the total dividend for the year to HK\$1.53, a 15 per cent increase over the previous year. This represents the Group’s 15th consecutive year of dividend growth since listing in 1996. The proposed dividend will be paid on 8th June, 2012 following approval at the 2012 Annual General Meeting to those shareholders whose names appear on the Register of Members of the Company at close of business on 29th May, 2012.

Dividends Per Share since Listing
(HK\$)



NEW ACQUISITIONS PROVIDE GROWTH CATALYST

During the year, CKI has made two acquisitions:

- (i) In April, CKI increased its stake in the Meridian Cogeneration Plant, a natural gas-fired cogeneration plant in Canada with an installed capacity of 220MW. This increase in stake has enhanced CKI’s power portfolio and further strengthened its business footprint in Canada.
- (ii) In October, the Group led a consortium to acquire the Northumbrian Water Group Limited. CKI now holds a 40 per cent stake in this premium asset. Northumbrian Water provides water and sewerage services to 2.7 million people in the North East of England, and water services to 1.8 million people in the South East of England. With an enterprise value of about GBP 4.8 billion (approximately HK\$59 billion), this newly acquired business has provided 2.5 months of immediate profit contribution to CKI in 2011.

These acquisitions, in particular Northumbrian Water, are expected to act as a growth catalyst, similar to UK Power Networks which was acquired in 2010. These businesses are poised to propel the Group's earnings to new heights.

STRONG RESULTS FROM GLOBAL PORTFOLIO

	Year ended 31st December, 2011	Year ended 31st December, 2010	Variance
	HK\$ million	HK\$ million	
Profit contribution from:			
- Power Assets	3,503	2,770	+26%
- United Kingdom portfolio	3,735	1,183	+216%
- Australia portfolio	1,306	1,026	+27%
- Mainland China portfolio	378	374	+1%
- Canada portfolio	156	113	+38%
- New Zealand portfolio	73	96	-24%
- Materials business	282	256	+10%

In 2011, our businesses in Hong Kong, Mainland China, the United Kingdom, Australia, New Zealand and Canada have generated strong results and have recorded good organic growth.

International Operations Propelled Growth of Power Assets

Profit contribution from Power Assets Holdings Limited was HK\$3,503 million, a 26 per cent increase over last year.

The results benefited from the first full year of contribution from UK Power Networks, of which Power Assets holds a 40 per cent stake.

Profit from Power Assets' businesses outside of Hong Kong grew by 80 per cent; and the international portion of profit contribution increased from 35 per cent of total in 2010 to over 50 per cent this year, reflecting the increasingly global focus of Power Assets' businesses.

Profit from Hong Kong operations was almost at a par as compared to last year.

Tremendous UK Performance Driven by Acquisitions

CKI's profit contribution from the United Kingdom was HK\$3,735 million, a substantial increase of 216 per cent over last year.

This significant growth can be attributed to the first full year contribution from UK Power Networks and Seabank Power, both of which were acquired in 2010. Particularly, UK Power Networks, which supplies electricity to London, South East England and the East of England, has been the main driver for the profit increase and has generated excellent returns to the Group.

Existing UK operations also performed well in the year. Northern Gas Networks, CKI's gas distribution business in the United Kingdom, continued to deliver good results and achieved a 18 per cent increase in profitability.

This year's results also included 2.5 months of profit contribution, about HK\$130 million, from Northumbrian Water.

Good Returns from Australia

Profit contribution from CKI's Australian businesses, which comprise investments in ETSA Utilities, CitiPower, Powercor, Envestra and Spark Infrastructure, was HK\$1,306 million, up 27 per cent from the previous year.

The good returns were mainly attributed to ETSA Utilities' strong contribution which grew 23 per cent in 2011, as well as the one-off gain of HK\$145 million generated by the disposal of the Group's interest in the Manager of Spark Infrastructure.

Stable Operational Performance in New Zealand

The Group's business in New Zealand, namely Wellington Electricity, delivered a stable operational performance.

However, profit contribution to CKI decreased by 24 per cent to HK\$73 million due to taxation and refinancing matters. The 2010 results benefited from a deferred tax credit which did not recur in 2011; in addition, the project loan guaranteed by the shareholders which was obtained at a lower interest rate at the time of acquisition was refinanced during the year by a non-recourse facility at a higher interest rate, adversely affecting the contribution to the Group.

Increased Power Plant Stake Adds to Canadian Contribution

CKI's businesses in Canada performed well, with profit contribution of HK\$156 million recorded. This represented a 38 per cent increase over the previous year.

Good operational performance was achieved by Stanley Power's electricity plants in Ontario, Alberta and Saskatchewan.

The acquisition of an increased stake in the Meridian Cogeneration Plant in Saskatchewan has provided an additional profit contribution stream since April 2011.

Steady Performance in Mainland China

The Group's portfolio in Mainland China achieved a stable performance generating a profit contribution of HK\$378 million, a 1 per cent increase over last year.

CKI's toll road and bridge investments in Mainland China all achieved satisfactory performances, providing steady cash returns to the Group.

Continued Growth of Materials Business

In 2011, the Group's materials business achieved a profit contribution of HK\$282 million, a 10 per cent increase over the previous year.

Performance benefited from both volume and pricing growth, resulting from increased infrastructure activities in Hong Kong.

STRONG FINANCIAL PLATFORM

Despite the recent substantial acquisitions made by CKI, the Group's balance sheet continues to be strong. As at 31st December, 2011, CKI had cash on hand of HK\$5.9 billion. Gearing remained low with a net debt to equity ratio of 14 per cent.

Our credit rating of "A-" from Standard & Poor's has been maintained since 1997.

In 2011, our balance sheet was further strengthened following the share placement exercise in July that raised over HK\$3.4 billion.

In February 2012, about US\$300 million (approximately HK\$2.3 billion) of additional funds were raised through an issue of fixed rate callable perpetual securities via a fiduciary.

From this strong financial platform, we are in a good position to continue to make value enhancing acquisitions and drive profitability to new heights.

OUTLOOK

Since listing in 1996, CKI has grown from a regional infrastructure company with investments primarily in Hong Kong and Mainland China to one of the most important players in the global infrastructure arena today.

Throughout the years, the Group has been following a three-pronged strategy:

- (i) to grow existing operations organically;
- (ii) to acquire businesses with strong and recurrent returns to expand the Group's portfolio;
and
- (iii) to maintain a strong balance sheet with steady cashflow and low gearing.

This strategy has borne fruit, especially evident in the strong results reported for 2011.

We are confident of the outlook for CKI's portfolio of infrastructure investments over the coming year. In addition to healthy organic growth, revenue will also increase with the inclusion of the first full year profit contribution from Northumbrian Water.

Following the share placement exercise in 2011 and the issue of perpetual securities via a fiduciary earlier in 2012, CKI has ample cash on hand and a strong balance sheet. We continue to be in an excellent position to pursue infrastructure projects around the world.

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

Li Tzar Kuoi, Victor

Chairman

Hong Kong, 8th March, 2012

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 issued and other project loans.

As at 31st December, 2011, cash and bank deposit on hand amounted to HK\$5,947 million and the total borrowings of the Group amounted to HK\$14,468 million, which were all denominated in foreign currencies. Of the total borrowings, 78 per cent were repayable in 2012, 1 per cent were repayable between 2013 and 2016 and 21 per cent were repayable beyond 2016. To refinance the borrowings repayable in 2012, the Group is in discussion with certain banks with good progress. Funds of about US\$300 million (approximately HK\$2.3 billion) have been raised in the issue of perpetual securities via a fiduciary in February 2012. 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, 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, 2011, the Group maintained a net debt position with a net debt to equity ratio of 14 per cent, which was based on its net debt of HK\$8,521 million and total equity of HK\$59,772 million. This ratio was higher than the net debt to equity ratio of 6 per cent at the year end of 2010. This change was mainly due to the funds utilised for investments in the water project in the United Kingdom during the current 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, 2011, the notional amounts of these derivative instruments amounted to HK\$26,709 million.

Charge on Group Assets

As at 31st December, 2011:

- the Group's obligations under finance leases totalling HK\$79 million were secured by charges over the leased assets with carrying value of HK\$73 million; and
- certain plant and machinery of the Group with carrying value of HK\$66 million were pledged to secure bank borrowings totalling HK\$29 million granted to the Group.

Contingent Liabilities

As at 31st December, 2011, the Group was subject to the following contingent liabilities:

HK\$ million

Other guarantees given in respect of affiliated companies	1,144
Sub-contractor warranties	11
Total	1,155

Employees

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 991 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$286 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, 2011, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Code on Corporate Governance Practices

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 emphasise 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 Code on Corporate Governance Practices ("Code on CG Practices") 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 year ended 31st December, 2011.

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 may from time to time be modified, in accordance with the provisions set out in the Code on CG Practices.

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, 2011 have been reviewed by the Audit Committee.

Remuneration Committee

According to the Code on CG Practices, 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 2012 Annual General Meeting of the shareholders of the Company will be held at the Grand Ballroom, 1st Floor, Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on Wednesday, 23rd May, 2012 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 Friday, 18th May, 2012 to Wednesday, 23rd May, 2012, 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 2012 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 Thursday, 17th May, 2012.

The final dividend is payable to shareholders whose names appear on the Register of Members of the Company at close of business on Tuesday, 29th May, 2012, 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 Tuesday, 29th May, 2012.

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), Mr. Frank John SIXT and Mr. TSO Kai Sum; 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; 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	2011	2010
Group turnover	2	3,493	2,814
Share of turnover of jointly controlled entities	2	1,532	1,337
		5,025	4,151
Group turnover	2	3,493	2,814
Other income	3	701	531
Operating costs	4	(2,640)	(2,223)
Finance costs		(575)	(450)
Exchange (loss) / gain		(110)	136
Share of results of associates		6,974	4,034
Share of results of jointly controlled entities		423	333
Profit before taxation		8,266	5,175
Taxation	5	6	(8)
Profit for the year	6	8,272	5,167
Attributable to:			
Shareholders of the Company		7,745	5,028
Owners of perpetual capital securities		517	133
Non-controlling interests		10	6
		8,272	5,167
Earnings per share	7	HK\$3.38	HK\$2.23

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31st December

HK\$ million	Notes	2011	2010
Property, plant and equipment		845	1,276
Investment properties		206	186
Interests in associates		62,504	50,573
Interests in jointly controlled entities		942	707
Investments in securities		5,197	4,824
Derivative financial instruments		158	209
Goodwill		-	151
Deferred tax assets		15	9
Other non-current assets		-	29
Total non-current assets		69,867	57,964
Inventories		223	143
Derivative financial instruments		262	186
Debtors and prepayments	9	524	529
Bank balances and deposits		5,947	5,438
Total current assets		6,956	6,296
Bank and other loans		11,342	1,228
Derivative financial instruments		12	53
Creditors and accruals	10	2,086	1,670
Taxation		87	107
Total current liabilities		13,527	3,058
Net current (liabilities) / assets		(6,571)	3,238
Total assets less current liabilities		63,296	61,202
Bank and other loans		3,126	7,259
Derivative financial instruments		201	2
Deferred tax liabilities		187	254
Other non-current liabilities		10	-
Total non-current liabilities		3,524	7,515
Net assets		59,772	53,687
Representing:			
Share capital		2,339	2,254
Reserves		49,405	43,419
Equity attributable to shareholders of the Company		51,744	45,673
Perpetual capital securities		7,933	7,933
Non-controlling interests		95	81
Total equity		59,772	53,687

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, 2011, and has early adopted HKAS 12 (Amendments) “Deferred Tax: Recovery of Underlying Assets”. The adoption of those HKFRSs and early adoption of HKAS 12 (Amendments) 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, income from the supply of water, interest income from loans granted to associates, and distribution from investments in securities classified as infrastructure investments.

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	2011	2010
Sales of infrastructure materials	1,743	1,508
Income from the supply of water	184	260
Interest income from loans granted to associates	1,360	842
Distribution from investments in securities	206	204
Group turnover	3,493	2,814
Share of turnover of jointly controlled entities	1,532	1,337
	5,025	4,151

3. OTHER INCOME

Other income includes the following:

HK\$ million	2011	2010
Bank and other interest income	234	271
Gain on disposal of an associate	145	-
Gain on disposal of a subsidiary	96	-
Change in fair values of investment properties	20	12

4. OPERATING COSTS

Operating costs include the following:

HK\$ million	2011	2010
Depreciation of property, plant and equipment	69	79
Cost of inventories sold	1,721	1,419
Change in fair values of investments in securities	6	5
Change in fair values of derivative financial instruments	19	(13)

5. TAXATION

Overseas tax 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	2011	2010
Current taxation – overseas tax	13	5
Deferred taxation	(19)	3
Total	(6)	8

6. PROFIT FOR THE YEAR AND SEGMENT INFORMATION

for the year ended 31st December

HK\$ million	Infrastructure Investments																Infrastructure related business		Unallocated items		Consolidated	
	Investment in Power Assets*		United Kingdom		Australia		Mainland China		Canada and New Zealand		Sub-total											
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010				
Group turnover	-	-	776	412	729	645	-	-	245	249	1,750	1,306	1,743	1,508	-	-	3,493	2,814				
Share of turnover of jointly controlled entities	-	-	-	-	-	-	625	543	-	-	625	543	907	794	-	-	1,532	1,337				
	-	-	776	412	729	645	625	543	245	249	2,375	1,849	2,650	2,302	-	-	5,025	4,151				
Group turnover	-	-	776	412	729	645	-	-	245	249	1,750	1,306	1,743	1,508	-	-	3,493	2,814				
Bank and other interest income	-	-	10	11	-	-	-	-	-	-	10	11	84	70	140	190	234	271				
Gain on disposal of an associate	-	-	-	-	145	-	-	-	-	-	145	-	-	-	-	-	145	-				
Gain on disposal of a subsidiary	-	-	96	-	-	-	-	-	-	-	96	-	-	-	-	-	96	-				
Other income	-	-	28	62	-	-	106	136	-	-	134	198	88	57	4	5	226	260				
Change in fair values of investments in securities and derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	1	(25)	7	(25)	8				
Depreciation	-	-	(22)	(34)	-	-	-	-	-	-	(22)	(34)	(47)	(45)	-	-	(69)	(79)				
Other operating expenses	-	-	(211)	(157)	-	-	(2)	(3)	-	-	(213)	(160)	(1,716)	(1,409)	(617)	(583)	(2,546)	(2,152)				
Finance costs	-	-	(18)	(37)	-	-	-	-	-	-	(18)	(37)	(3)	(4)	(554)	(409)	(575)	(450)				
Exchange gain / (loss)	-	-	-	-	-	-	-	-	-	-	-	-	9	3	(119)	133	(110)	136				
Share of results of associates and jointly controlled entities	3,503	2,770	3,060	927	432	381	283	249	(16)	(40)	3,759	1,517	135	80	-	-	7,397	4,367				
Profit / (Loss) before taxation	3,503	2,770	3,719	1,184	1,306	1,026	387	382	229	209	5,641	2,801	293	261	(1,171)	(657)	8,266	5,175				
Taxation	-	-	16	(1)	-	-	(9)	(8)	-	-	7	(9)	(1)	1	-	-	6	(8)				
Profit / (Loss) for the year	3,503	2,770	3,735	1,183	1,306	1,026	378	374	229	209	5,648	2,792	292	262	(1,171)	(657)	8,272	5,167				
Attributable to:																						
Shareholders of the Company	3,503	2,770	3,735	1,183	1,306	1,026	378	374	229	209	5,648	2,792	282	256	(1,688)	(790)	7,745	5,028				
Owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	517	133	517	133				
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	10	6	-	-	10	6				
	3,503	2,770	3,735	1,183	1,306	1,026	378	374	229	209	5,648	2,792	292	262	(1,171)	(657)	8,272	5,167				

* During the year, the Group has a 38.87 per cent (2010: 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\$7,745 million (2010: HK\$5,028 million) and on the weighted average of 2,290,788,027 shares (2010: 2,254,209,945 shares) in issue during the year.

8. DIVIDENDS

HK\$ million	2011	2010
Interim dividend paid of HK\$0.365 per share (2010: HK\$0.33 per share)	854	744
Proposed final dividend of HK\$1.165 per share (2010: HK\$1 per share)	2,724	2,254
Total	3,578	2,998

9. DEBTORS AND PREPAYMENTS

Included in debtors and prepayments are trade debtors of HK\$310 million (2010: HK\$267 million) and their aging analysis is as follows:

HK\$ million	2011	2010
Current	174	129
Less than 1 month past due	90	73
1 to 3 months past due	51	48
More than 3 months but less than 12 months past due	11	21
More than 12 months past due	20	51
Amount past due	172	193
Allowance for doubtful debts	(36)	(55)
Total after allowance	310	267

Trade with customers for infrastructure materials is carried out largely on credit, except for new customers and customers with unsatisfactory payment records, where payment in advance is normally required. Trade with metered customers for water supply is carried out largely on credit and with unmetered customers largely by payment in advance. 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\$148 million (2010: HK\$154 million) and their aging analysis is as follows:

HK\$ million	2011	2010
Current	106	105
1 month	24	24
2 to 3 months	11	2
Over 3 months	7	23
Total	148	154

11. EVENT AFTER THE REPORTING PERIOD

On 17th February, 2012, the Company and The Bank of New York Mellon (Luxembourg) S.A. (the “Fiduciary”) have entered into share subscription agreement under which the Fiduciary has agreed to subscribe as principal for, and the Company has agreed to issue 56,234,455 new ordinary shares for a consideration of approximately US\$295.4 million (equivalent to approximately HK\$2,291 million) at the subscription price of the U.S. dollar equivalent of approximately HK\$40.7381 per share.

On 17th February, 2012, the Company, the Fiduciary and Goldman Sachs (Asia) L.L.C. and J.P. Morgan Securities Ltd. (the “Joint Lead Managers”) have entered into the securities subscription agreement under which the Fiduciary agreed to issue the securities and each Joint Lead Manager has severally, and not jointly, agreed to subscribe and pay for, or to procure subscriptions and payment for, the principal amount of securities. The aggregate principal amount of the securities to be issued is US\$300 million.

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, 2011, consolidated income statement and the related notes thereto for the year then ended 31st December, 2011 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.